

GLOUCESTER COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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"), a component unit of Gloucester County, New Jersey as of and for the years ended December 31, 2016 and 2015, 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 Commission as of December 31, 2016 and 2015 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.

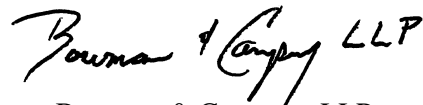
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the 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 26, 2017 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 stylized and cursive.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 26, 2017

**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 Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Gloucester County Insurance Commission (the "Commission"), a component unit of Gloucester County, New Jersey as of and for the year ended December 31, 2016, 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 26, 2017.

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.

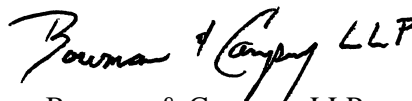
Compliance and Other Matters

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 stylized and cursive.

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 26, 2017

GLOUCESTER COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Gloucester County Insurance Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2016, 2015 and 2014. 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 Commission's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Commission's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The comparative statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating 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, 2016, 2015 and 2014.

Summary Statement of Net Position					
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>Change \$</u>	<u>Change %</u>
Assets:					
Cash & Cash Equivalents	\$ 5,544,616	\$ 5,664,792	\$ 5,518,168	\$ (120,176)	-2.1%
Investment in Joint Venture	1,543,724	1,219,018	1,157,670	324,706	26.6%
Prepaid Expenses			150	-	0.0%
Receivables	<u>700,850</u>	<u>289,260</u>	<u>261,474</u>	<u>411,590</u>	<u>142.3%</u>
Total Assets	<u>7,789,190</u>	<u>7,173,070</u>	<u>6,937,462</u>	<u>616,120</u>	<u>8.6%</u>
Liabilities, Reserves & Net Position					
Liabilities:					
Loss Reserves	3,140,783	3,098,925	3,558,727	41,858	1.4%
Other Liabilities & Reserves	<u>857,417</u>	<u>130,497</u>	<u>53,257</u>	<u>726,920</u>	<u>557.0%</u>
Total Liabilities and Reserves	<u>3,998,200</u>	<u>3,229,422</u>	<u>3,611,984</u>	<u>768,778</u>	<u>23.8%</u>
Net Position - Unrestricted	<u>\$ 3,790,990</u>	<u>\$ 3,943,648</u>	<u>\$ 3,325,478</u>	<u>\$ (152,658)</u>	<u>-3.9%</u>

Summary Statement of Revenues, Expenses, and Changes in Net Position					
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>Change \$</u>	<u>Change %</u>
Operating Revenue:					
Regular Contributions & Other Income	<u>\$ 6,439,052</u>	<u>\$ 6,368,520</u>	<u>\$ 6,120,229</u>	<u>\$ 70,532</u>	<u>1.1%</u>
Operating Expenses:					
Provision for Claims and Claims Expense	2,396,048	2,148,324	1,973,950	247,724	11.5%
Insurance Premiums	2,663,536	2,670,810	2,707,764	(7,274)	-0.3%
Administrative and Operating	<u>1,065,081</u>	<u>943,611</u>	<u>659,507</u>	<u>121,470</u>	<u>12.9%</u>
Total Operating Expenses	<u>6,124,665</u>	<u>5,762,745</u>	<u>5,341,221</u>	<u>361,920</u>	<u>6.3%</u>
Operating Income	314,387	605,775	779,008	(291,388)	-48.1%
Non-Operating Revenue:					
Change in Investment in Joint Venture	<u>324,706</u>	<u>61,348</u>	<u>180,242</u>	<u>263,358</u>	<u>429.3%</u>
Return of Surplus	<u>(791,751)</u>	<u>(48,953)</u>	<u>(148,760)</u>	<u>(742,798)</u>	<u>-1517.4%</u>
Change In Net Position	<u>\$ (152,658)</u>	<u>\$ 618,170</u>	<u>\$ 810,490</u>	<u>\$ (770,828)</u>	<u>-124.7%</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 seventh year of operations were \$7,789,190 and total liabilities were \$3,998,200 resulting in unrestricted net position of \$3,790,990. 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, were \$2,663,536. The Fund 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 Commission'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, 2016 AND 2015

	2016			2015		
	<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	\$ 5,544,616	\$ 244,465	\$ 5,300,151	\$ 5,664,792	\$ 228,021	\$ 5,436,771
Contributions Receivable	165		165	4,477		4,477
CEL Dividend Receivable	41,751		41,751	48,953		48,953
Reimbursements Receivable	658,934		658,934	235,830		235,830
Investment in Joint Venture	1,543,724		1,543,724	1,219,018		1,219,018
Total Assets	7,789,190	244,465	7,544,725	7,173,070	228,021	6,945,049
<u>LIABILITIES AND RESERVES</u>						
Liabilities:						
Accrued Administrative Expenses	25,609	2,671	22,938	25,542	2,575	22,967
Accrued Property and Casualty Excess Insurance	2,022		2,022	9,843		9,843
Claims Payable	38,035	38,035		46,159	46,159	
Authorized Return of Surplus	791,751		791,751	48,953		48,953
Total Liabilities	857,417	40,706	816,711	130,497	48,734.00	81,763
Claims Reserves:						
Case Reserves	1,840,602		1,840,602	1,672,133		1,672,133
IBNR Reserves	1,388,319	36,385	1,351,934	1,510,068	40,487	1,469,581
Less Reserve Discount	(88,138)		(88,138)	(83,276)		(83,276)
Total Reserves	3,140,783	36,385	3,104,398	3,098,925	40,487	3,058,438
Total Liabilities and Reserves	3,998,200	77,091	3,921,109	3,229,422	89,221	3,140,201
<u>NET POSITION</u>						
Unrestricted	\$ 3,790,990	\$ 167,374	\$ 3,623,616	\$ 3,943,648	\$ 138,800	\$ 3,804,848

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, 2016 AND 2015

	2016			2015		
	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property & Casualty</u>
Operating Revenue:						
Regular Contributions	\$ 6,397,301	\$ 574,977	\$ 5,822,324	\$ 6,319,567	\$ 588,013	\$ 5,731,554
CEL Dividend	41,751		41,751	48,953		48,953
Total Operating Revenue	6,439,052	574,977	5,864,075	6,368,520	588,013	5,780,507
Operating Expenses:						
Provision for Claims and Claims Adjustment Expenses	2,396,048	455,302	1,940,746	2,148,324	477,849	1,670,475
Premium for Property and Casualty Excess Insurance	2,663,536		2,663,536	2,670,810		2,670,810
Administrative Expenses:						
Actuary	7,959		7,959	7,803		7,803
Attorney	49,417		49,417	35,130		35,130
Auditor	14,894		14,894	15,306		15,306
Claims Administrators	111,817	32,017	79,800	111,169	31,369	79,800
Claims Administrators Contingency	18,878	18,878				
Fund Administrator	145,720	6,366	139,354	142,989	6,367	136,622
Miscellaneous Expenses	2,533		2,533	5,340		5,340
Postage	27		27	34		34
Printing	208		208			
Risk Management Consultants	289,680	33,840	255,840	289,680	33,840	255,840
Safety Director	351,088		351,088	268,000		268,000
Treasurer	16,700		16,700	12,000		12,000
Underwriting Manager	56,160		56,160	56,160		56,160
Total Operating Expenses	6,124,665	546,403	5,578,262	5,762,745	549,425	5,213,320
Operating Income	314,387	28,574	285,813	605,775	38,588	567,187
Non-Operating Revenue:						
Change in Investment in Joint Venture	324,706		324,706	61,348		61,348
Change in Net Position	639,093	28,574	610,519	667,123	38,588	628,535
Net Position - Beginning	3,943,648	138,800	3,804,848	3,325,478	100,212	3,225,266
Return of Surplus	(791,751)		(791,751)	(48,953)		(48,953)
Net Position - Ending	\$ 3,790,990	\$ 167,374	\$ 3,623,616	\$ 3,943,648	\$ 138,800	\$ 3,804,848

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, 2016 AND 2015

	2016			2015		
	Total	Health	Property & Casualty	Total	Health	Property & Casualty
Cash Flows Provided From Operating Activities:						
Receipts from Regular Contributions	\$ 6,401,613	\$ 574,977	\$ 5,826,636	\$ 6,323,568	\$ 588,013	\$ 5,735,555
Receipts from CEL Dividend	48,953.00		48,953			
Payments for Claim Payments	(2,834,371)	(467,528)	(2,366,843)	(2,544,801)	(430,712)	(2,114,089)
Payments for Property and Casualty Excess Insurance	(2,671,357)		(2,671,357)	(2,691,617)		(2,691,617)
Payments to Professionals and Suppliers	(1,065,014)	(91,005)	(974,009)	(940,526)	(69,001)	(871,525)
Net Cash Flows Provided by (Used in) Operating Activities	(120,176)	16,444	(136,620)	146,624	88,300	58,324
Net Increase (Decrease) in Cash and Cash Equivalents	(120,176)	16,444	(136,620)	146,624	88,300	58,324
Cash and Cash Equivalents - Beginning	5,664,792	228,021	5,436,771	5,518,168	139,721	5,378,447
Cash and Cash Equivalents - Ending	\$ 5,544,616	\$ 244,465	\$ 5,300,151	\$ 5,664,792	\$ 228,021	\$ 5,436,771
Reconciliation of Operating Income to						
Cash Flows Provided by (Used in) Operating Activities:						
Operating Income	\$ 314,387	\$ 28,574	\$ 285,813	\$ 605,775	\$ 38,588	\$ 567,187
Adjustments to Reconcile Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities:						
Changes in Assets and Liabilities:						
Contributions Receivable	4,312		4,312	4,001		4,001
Surplus Return Receivable	7,202		7,202	(48,953)		(48,953)
Reimbursements Receivable	(423,104)		(423,104)	17,166		17,166
Prepaid Expenses	-			150.00		150
Accrued Administrative Expenses	67	96	(29)	2,935	2,575	360
Accrued Property and Casualty Excess Insurance	(7,821)		(7,821)	(20,807)		(20,807)
Claims Payable	(57,077)	(8,124)	(48,953)	46,159	46,159	
Claims Reserves	41,858	(4,102)	45,960	(459,802)	978	(460,780)
Net Cash Flows Provided by (Used in) Operating Activities	\$ (120,176)	\$ 16,444	\$ (136,620)	\$ 146,624	\$ 88,300	\$ 58,324
Supplemental Disclosure - Noncash Activity:						
Change in Investment in Joint Venture	\$ 324,706	\$ -	\$ 324,706	\$ 61,348	\$ -	\$ 61,348

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 2016, 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 2016. 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 "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

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 2016 were as follows:

Property	\$100,000
Auto	\$250,000
General Liability	\$250,000
Workers' Compensation	\$300,000

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 a component unit of Gloucester 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 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.

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 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.

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities – Property and Casualty

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, 2016. 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.

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, 2016. 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, 2016. 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.

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 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 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 \$5,937,811 as of December 31, 2016, \$250,000 was insured while \$5,687,811 was collateralized under GUDPA.

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.

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 for the years ended December 31, 2016 and 2015 was \$1,543,724 and \$1,219,018, 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 year ended December 31, 2016 and for all open Fund 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	\$ 3,098,925	\$ 40,487	\$ 3,058,438
Incurring claims and claims adjustment expenses:			
Provision for insured events of current fund year	2,531,774	495,789	2,035,985
Changes in provision for insured events of prior fund years	(135,726)	(40,487)	(95,239)
Total incurred claims and claims adjustment expenses all fund years	2,396,048	455,302	1,940,746
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	1,107,717	459,404	648,313
Attributable to insured events of prior fund years	1,246,473		1,246,473
Total payments all fund years	2,354,190	459,404	1,894,786
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 3,140,783	\$ 36,385	\$ 3,104,398

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 year ended December 31, 2015 and for all open Fund 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	\$ 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	(399,311)	(36,360)	(362,951)
Total incurred claims and claims adjustment expenses all fund years	2,148,512	478,037	1,670,475
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	1,238,812	(20,173)	1,258,985
Total payments all fund years	2,608,314	477,059	2,131,255
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 3,098,925	\$ 40,487	\$ 3,058,438

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 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 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 NJCEJIF are elected.

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

GLOUCESTER COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

The NJCEJIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

Selected Financial Information

Selected, summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2016 is as follows:

Total Assets	\$ 20,258,515
Total Liabilities	\$ 11,943,354
Net Position	\$ 8,315,161
Total Revenue	\$ 21,323,391
Total Expenses	\$ 18,722,402
Change In Net Position	\$ 2,450,989
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 NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2016 and 2015 were \$2,663,536 and \$2,670,810, respectively.

Note 8: RETURN OF SURPLUS

During 2016 and 2015, the Board of Commissioners approved dividends in the amount of \$791,751 and \$48,953, respectively.

GLOUCESTER COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

GLOUCESTER COUNTY INSURANCE COMMISSION
RECONCILIATION OF PROPERTY AND CASUALTY CLAIMS LIABILITIES BY FUND
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

	<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	\$ 23,987	\$ 1,212,729	\$ 80,217	\$ 1,741,505	\$ 3,058,438
Incurring claims and claims adjustment expenses:					
Provision for insured events of current fund year	292,910	503,913	65,439	1,173,723	2,035,985
Changes in provision for insured events of prior fund years	172,668	(394,448)	70,817	55,724	(95,239)
Total incurred claims and claims adjustment expenses all fund years	465,578	109,465	136,256	1,229,447	1,940,746
Payments (Net of Recoveries):					
Attributable to insured events of current fund year	247,213	1,685	15,453	383,962	648,313
Attributable to insured events of prior fund years	192,103	329,933	53,005	671,432	1,246,473
Total payments all fund years	439,316	331,618	68,458	1,055,394	1,894,786
Total unpaid claims and claim adjustment expenses - Ending	\$ 50,249	\$ 990,576	\$ 148,015	\$ 1,915,558	\$ 3,104,398

GLOUCESTER COUNTY INSURANCE COMMISSION
RECONCILIATION OF HEALTH CLAIMS LIABILITIES BY FUND
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2016

	<u>Dental</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 40,487
Incurred claims and claims adjustment expenses:	
Provision for insured events of current fund year	495,789
Changes in provision for insured events of prior fund years	<u>(40,487)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>455,302</u>
Payments (Net of Recoveries:	
Attributable to insured events of current fund year	459,404
Attributable to insured events of prior fund years	<u></u>
Total payments all fund years	<u>459,404</u>
Total unpaid claims and claim adjustment expenses - Ending	<u>\$ 36,385</u>

GLoucester County Insurance Commission
SEVEN-YEAR PROPERTY AND CASUALTY CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2016

	FUND YEAR ENDED DECEMBER 31					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
						<u>2016</u>
Net Earned Required Contribution and Investment Revenue:						
Earned	\$ 4,321,679	\$ 5,550,530	\$ 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>2,737,845</u>	<u>3,242,677</u>	<u>3,234,061</u>	<u>3,187,221</u>	<u>2,810,675</u>	<u>3,060,745</u>
Unallocated Expenses	478,403	549,614	585,191	583,908	584,996	871,713
						<u>974,586</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						2,035,985
	<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>
Net Incurred						<u>2,035,985</u>
Paid (Cumulative) as of:						
End of Policy Year	508,994	938,354	487,925	788,347	342,413	872,270
One Year Later	1,067,746	1,330,572	769,532	998,113	574,611	1,429,822
Two Years Later	1,457,205	1,846,634	1,034,270	1,208,028	797,835	
Three Years Later	1,700,443	2,370,813	1,672,599	1,313,019		
Four Years Later	1,858,197	2,578,620	1,895,642			
Five Years Later	1,828,933	2,726,075				
Six Years Later	1,819,141					
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	2,258,050
Two Years Later	1,901,994	2,921,378	1,819,083	1,626,725	1,069,175	
Three Years Later	2,022,246	2,750,161	2,173,770	1,495,279		
Four Years Later	1,939,158	2,815,999	2,240,732			
Five Years Later	1,828,933	2,815,883				
Six Years Later	1,819,141					
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (301,350)	\$ 148,873	\$ 175,497	\$ (605,876)	\$ (613,960)	\$ 224,624
						<u>\$ -</u>

GLOUCESTER COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

GLoucester County Insurance Commission
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<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	\$ 197,238	\$ 641,774	\$ 103,684	\$ 1,226,749	\$ 2,663,536	\$ 5,822,324
Incurring Liabilities:						
Claims	292,910	503,913	65,439	1,173,723		2,035,985
Expenses					2,663,536	974,586
Total Liabilities	292,910	503,913	65,439	1,173,723	2,663,536	5,674,107
Underwriting Surplus (Deficit)	(95,672)	137,861	38,245	53,026	-	14,757
Adjustments:						
Investment Income						-
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	(95,672)	137,861	38,245	53,026	-	14,757
Return of Surplus						-
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ (95,672)	\$ 137,861	\$ 38,245	\$ 53,026	\$ -	\$ 14,757
Investment in Joint Venture						228,660
Net Surplus						\$ 376,877

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, 2016

	<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	\$ 230,000	\$ 680,000	\$ 91,000	\$ 1,157,000	\$ 2,670,810	\$ 902,745
						\$ 5,731,555
Incurred Liabilities:						
Claims	338,640	241,185	41,643	1,636,582		2,258,050
Expenses					2,670,810	871,713
						3,542,523
Total Liabilities	338,640	241,185	41,643	1,636,582	2,670,810	871,713
						5,800,573
Underwriting Surplus (Deficit)	(108,640)	438,815	49,357	(479,582)	-	31,032
						(69,018)
Adjustments:						
Investment Income						-
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	(108,640)	438,815	49,357	(479,582)	-	31,032
Return of Surplus						(69,018)
						-
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ (108,640)	\$ 438,815	\$ 49,357	\$ (479,582)	\$ -	\$ 31,032
						(69,018)
Investment in Joint Venture						140,522
Net Surplus						\$ 71,504

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, 2016

	<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>
Underwriting Income:						
Regular Contributions	\$ 243,372	\$ 774,800	\$ 68,650	\$ 1,107,261	\$ 2,707,764	\$ 616,592
						\$ 5,518,439
Incurred Liabilities:						
Claims	81,245	190,013	3,950	793,967		1,069,175
Expenses					2,707,764	584,996
						3,292,760
Total Liabilities	81,245	190,013	3,950	793,967	2,707,764	584,996
						4,361,935
Underwriting Surplus	162,127	584,787	64,700	313,294	-	31,596
						1,156,504
Adjustments:						
Investment Income						-
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus	162,127	584,787	64,700	313,294	-	31,596
Return of Surplus						1,156,504
						-
Net Statutory Surplus						
Before Unallocated Investment	\$ 162,127	\$ 584,787	\$ 64,700	\$ 313,294	\$ -	\$ 31,596
						1,156,504
Investment in Joint Venture						312,780
Net Surplus						\$ 1,469,284

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, 2016

	<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	\$ 243,372	\$ 969,800	\$ 68,650	\$ 1,292,157	\$ 2,559,664	\$ 612,922
						\$ 5,746,565
Incurred Liabilities:						
Claims	149,379	14,558	22,598	1,308,744		1,495,279
Expenses					2,559,344	583,908
						3,143,252
Total Liabilities	149,379	14,558	22,598	1,308,744	2,559,344	583,908
						4,638,531
Underwriting Surplus (Deficit)	93,993	955,242	46,052	(16,587)	320	29,014
						1,108,034
Adjustments:						
Investment Income						-
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	93,993	955,242	46,052	(16,587)	320	29,014
Return of Surplus		710,000				
						710,000
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ 93,993	\$ 245,242	\$ 46,052	\$ (16,587)	\$ 320	\$ 29,014
						398,034
Investment in Joint Venture						248,879
Net Surplus						\$ 646,913

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, 2016

	<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>
Underwriting Income:						
Regular Contributions	\$ 239,354	\$ 969,800	\$ 68,650	\$ 1,292,157	\$ 2,425,887	\$ 621,214
CEL Dividend					41,957	
					41,957	5,617,062
Total Income	239,354	969,800	68,650	1,292,157	2,467,844	5,659,019
Incurred Liabilities:						
Claims	57,908	620,387	377,838	1,184,599		2,240,732
Expenses					2,425,887	585,191
						3,011,078
Total Liabilities	57,908	620,387	377,838	1,184,599	2,425,887	5,251,810
Underwriting Surplus (Deficit)	181,446	349,413	(309,188)	107,558	41,957	407,209
Adjustments:						
Investment Income	84	368	23	422		32
Permanent Transfers						929
						-
Total Adjustments	84	368	23	422	-	32
						929
Gross Statutory Surplus (Deficit)	181,530	349,781	(309,165)	107,980	41,957	408,138
Return of Surplus					41,957	41,957
Net Statutory Surplus (Deficit)	\$ 181,530	\$ 349,781	\$ (309,165)	\$ 107,980	\$ -	\$ 366,181
Before Unallocated Investment						36,055
Investment in Joint Venture						112,565
Net Surplus						\$ 478,746

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, 2016

	<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>
Underwriting Income:						
Regular Contributions	\$ 234,258	\$ 969,800	\$ 68,650	\$ 1,260,640	\$ 2,307,853	\$ 616,141
CEL Dividend					90,832	
					90,832	
Total Income	234,258	969,800	68,650	1,260,640	2,398,685	616,141
						5,548,174
Incurred Liabilities:						
Claims	211,641	757,939	126,796	1,719,507		2,815,883
Expenses					2,307,853	549,614
						2,857,467
Total Liabilities	211,641	757,939	126,796	1,719,507	2,307,853	549,614
						5,673,350
Underwriting Surplus (Deficit)	22,617	211,861	(58,146)	(458,867)	90,832	66,527
						(125,176)
Adjustments:						
Investment Income	60	1,293	79	779	11	134
Permanent Transfers						2,356
						-
Total Adjustments	60	1,293	79	779	11	134
						2,356
Gross Statutory Surplus (Deficit)	22,677	213,154	(58,067)	(458,088)	90,843	66,661
Return of Surplus					90,832	
					90,832	
						(122,820)
						90,832
Net Statutory Surplus (Deficit)	\$ 22,677	\$ 213,154	\$ (58,067)	\$ (458,088)	\$ 11	\$ 66,661
Before Unallocated Investment						(213,652)
Investment in Joint Venture						237,053
Net Surplus						\$ 23,401

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, 2016

	<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>
Underwriting Income:						
Regular Contributions	\$ 183,654	\$ 813,038	\$ 57,553	\$ 1,044,196	\$ 1,596,572	\$ 516,041
CEL Dividend					106,675	
						\$ 4,211,054
						106,675
Total Income	183,654	813,038	57,553	1,044,196	1,703,247	516,041
						4,317,729
Incurred Liabilities:						
Claims	83,686	374,597	9,579	1,351,279		1,819,141
Expenses					1,583,834	478,403
						2,062,237
Total Liabilities	83,686	374,597	9,579	1,351,279	1,583,834	478,403
						3,881,378
Underwriting Surplus (Deficit)	99,968	438,441	47,974	(307,083)	119,413	37,638
						436,351
Adjustments:						
Investment Income	417	2,051	104	982	135	261
Permanent Transfers						3,950
						-
Total Adjustments	417	2,051	104	982	135	261
						3,950
Gross Statutory Surplus (Deficit)	100,385	440,492	48,078	(306,101)	119,548	37,899
Return of Surplus					109,675	37,000
						146,675
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ 100,385	\$ 440,492	\$ 48,078	\$ (306,101)	\$ 9,873	\$ 899
						293,626
Investment in Joint Venture						263,265
Net Surplus						\$ 556,891

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<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) \$	247,213	\$ 1,685	\$ 15,453	\$ 383,962	\$ 648,313
Case Reserves	45,188	25,000	4,000	439,222	513,410
IBNR Reserves	564	488,315	46,547	376,816	912,242
Reserve Discount	(55)	(11,087)	(561)	(26,277)	(37,980)
Subtotal	292,910	503,913	65,439	1,173,723	2,035,985
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 292,910	\$ 503,913	\$ 65,439	\$ 1,173,723	\$ 2,035,985
Number of Claims	23	31	16	107	177
Average Cost Per Claim	\$ 12,735	\$ 16,255	\$ 4,090	\$ 10,969	\$ 11,503

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<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) \$	334,088	\$ 23,068	\$ 9,671	\$ 1,062,995	\$ 1,429,822
Case Reserves	4,558	137,733	16,080	448,268	606,639
IBNR Reserves		85,199	16,250	144,403	245,852
Reserve Discount	(6)	(4,815)	(358)	(19,084)	(24,263)
Subtotal	338,640	241,185	41,643	1,636,582	2,258,050
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 338,640	\$ 241,185	\$ 41,643	\$ 1,636,582	\$ 2,258,050
Number of Claims	28	97	24	120	269
Average Cost Per Claim	\$ 12,094	\$ 2,486	\$ 1,735	\$ 13,638	\$ 8,394

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

	<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	\$ 100,019	\$ 3,950	\$ 612,621	\$ 797,835
Case Reserves		63,104		94,980	158,084
IBNR Reserves		28,877		92,399	121,276
Reserve Discount		(1,987)		(6,033)	(8,020)
Subtotal	81,245	190,013	3,950	793,967	1,069,175
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 81,245	\$ 190,013	\$ 3,950	\$ 793,967	\$ 1,069,175
Number of Claims	27	81	11	105	224
Average Cost Per Claim	\$ 3,009	\$ 2,346	\$ 359	\$ 7,562	\$ 4,773

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

	<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	\$ 14,558	\$ 22,598	\$ 1,126,484	\$ 1,313,019	
Case Reserves				166,661	166,661	
IBNR Reserves				22,641	22,641	
Reserve Discount				(7,042)	(7,042)	
Subtotal	149,379	14,558	22,598	1,308,744	1,495,279	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 149,379	\$ 14,558	\$ 22,598	\$ 1,308,744	\$ 1,495,279	
Number of Claims	12	54	14	128	208	
Average Cost Per Claim	\$ 12,448	\$ 270	\$ 1,614	\$ 10,225	\$ 7,189	

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

	<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	\$ 465,562	\$ 311,781	\$ 1,060,391	\$ 1,895,642
Case Reserves		148,736	61,775	114,661	325,172
IBNR Reserves		8,702	4,788	14,305	27,795
Reserve Discount		(2,613)	(506)	(4,758)	(7,877)
Subtotal	57,908	620,387	377,838	1,184,599	2,240,732
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 57,908	\$ 620,387	\$ 377,838	\$ 1,184,599	\$ 2,240,732
Number of Claims	18	964	14	145	1,141
Average Cost Per Claim	\$ 3,217	\$ 644	\$ 26,988	\$ 8,170	\$ 1,964

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

	<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	\$ 732,527	\$ 126,796	\$ 1,655,111	\$ 2,726,075
Case Reserves		25,787		44,849	70,636
IBNR Reserves		86		22,042	22,128
Reserve Discount		(461)		(2,495)	(2,956)
Subtotal	211,641	757,939	126,796	1,719,507	2,815,883
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 211,641	\$ 757,939	\$ 126,796	\$ 1,719,507	\$ 2,815,883
Number of Claims	32	82	15	147	276
Average Cost Per Claim	\$ 6,614	\$ 9,243	\$ 8,453	\$ 11,697	\$ 10,202

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, 2016

	<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	\$ 1,351,279	\$ 1,819,141	
Case Reserves						-
IBNR Reserves						-
Reserve Discount						-
Subtotal	83,686	374,597	9,579	1,351,279	1,819,141	
Excess Insurance Received						-
Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 83,686	\$ 374,597	\$ 9,579	\$ 1,351,279	\$ 1,819,141	
Number of Claims	33	76	16	136	261	
Average Cost Per Claim	\$ 2,536	\$ 4,929	\$ 599	\$ 9,936	\$ 6,970	

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 492,418	\$ 82,559	\$ 574,977
Other Income			-
Investment Income			-
	<hr/>		
Total Income	492,418	82,559	574,977
	<hr/>		
Incurred Liabilities:			
Claims Paid	459,404		459,404
Actuarial Liability	36,385		36,385
Administrative Expenses		91,102	91,102
	<hr/>		
Total Liabilities	495,789	91,102	586,891
	<hr/>		
Net Deficit	\$ (3,371)	\$ (8,543)	\$ (11,914)
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<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	477,058		477,058
Actuarial Liability			-
Administrative Expenses		71,576	71,576
	<hr/>		
Total Liabilities	477,058	71,576	548,634
	<hr/>		
Net Surplus	\$ 38,360	\$ 1,019	\$ 39,379
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2016

	<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	497,232		497,232
Actuarial Liability			-
Administrative Expenses		71,228	71,228
	<hr/>		
Total Liabilities	497,232	71,228	568,460
	<hr/>		
Net Surplus	\$ 32,394	\$ 936	\$ 33,330
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016

	<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	540,221		540,221
Actuarial Liability			-
Administrative Expenses		121,191	121,191
	<hr/>		
Total Liabilities	540,221	121,191	661,412
	<hr/>		
Net Surplus	\$ 4,593	\$ -	\$ 4,593
	<hr/>		

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2016

	<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
Total Income	9,520,067	4,523,653	624,393	849,452	913,721	16,431,286
Incurred Liabilities:						
Claims Paid	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
Total Liabilities	9,768,587	4,486,746	538,361	849,451	951,509	16,594,654
Net Surplus (Deficit)	\$ (248,520)	\$ 36,907	\$ 86,032	\$ 1	\$ (37,788)	\$ (163,368)

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2011 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2016

	<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
Total Income	21,501,890	10,827,074	627,993	1,848,318	2,325,081	37,130,356
Incurred Liabilities:						
Claims Paid	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
Total Liabilities	24,414,370	9,418,611	579,562	1,848,318	2,486,240	38,747,101
Net Surplus (Deficit)	\$ (2,912,480)	\$ 1,408,463	\$ 48,431	\$ -	\$ (161,159)	\$ (1,616,745)

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, 2016

Income:						
Regular Contributions						
Investment Income						
	<u>Medical</u>	<u>Prescription</u>	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>	
	\$ 18,146,279	\$ 6,581,740	\$ 612,067	\$ 1,789,771	\$ 27,129,857	
	5,180	474	307	21	5,982	
Total Income	18,151,459	6,582,214	612,374	1,789,792	27,135,839	
Incurred Liabilities:						
Claims Paid	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	
Total Liabilities	15,258,920	7,720,713	459,106	1,815,001	25,253,740	
Net Surplus (Deficit)	\$ 2,892,539	\$ (1,138,499)	\$ 153,268	\$ (25,209)	\$ 1,882,099	

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016

	<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	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule C-1)	\$ 292,910	\$ 503,913	\$ 65,439	\$ 1,173,723
Administrative Expenses (1)	88,606	288,306	46,578	551,096
	<u>\$ 381,516</u>	<u>\$ 792,219</u>	<u>\$ 112,017</u>	<u>\$ 1,724,819</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2016

	<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	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule C-2)	\$ 338,640	\$ 241,185	\$ 41,643	\$ 1,636,582
Administrative Expenses (1)	92,907	274,683	36,759	467,364
	<u>\$ 431,547</u>	<u>\$ 515,868</u>	<u>\$ 78,402</u>	<u>\$ 2,103,946</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, 2016

	<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	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-3)	\$ 81,245	\$ 190,013	\$ 3,950	\$ 793,967
Administrative Expenses (1)	64,889	206,581	18,304	295,223
	<u>\$ 146,134</u>	<u>\$ 396,594</u>	<u>\$ 22,254</u>	<u>\$ 1,089,190</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, 2016

	<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	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule C-4)	\$ 149,379	\$ 14,558	\$ 22,598	\$ 1,308,744
Administrative Expenses (1)	54,925	218,869	15,493	291,620
	<u>\$ 204,304</u>	<u>\$ 233,427</u>	<u>\$ 38,091</u>	<u>\$ 1,600,364</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, 2016

	<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	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-5)	\$ 57,908	\$ 620,387	\$ 377,838	\$ 1,184,599
Administrative Expenses (1)	54,502	220,828	15,632	294,230
	<u>\$ 112,410</u>	<u>\$ 841,215</u>	<u>\$ 393,470</u>	<u>\$ 1,478,829</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, 2016

	<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	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-6)	\$ 211,641	\$ 757,939	\$ 126,796	\$ 1,719,507
Administrative Expenses (1)	50,823	210,400	14,894	273,498
	<u>\$ 262,464</u>	<u>\$ 968,339</u>	<u>\$ 141,690</u>	<u>\$ 1,993,005</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, 2016

	<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	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 83,686	\$ 374,597	\$ 9,579	\$ 1,351,279
Administrative Expenses (1)	41,869	185,357	13,121	238,056
	<u>\$ 125,555</u>	<u>\$ 559,954</u>	<u>\$ 22,700</u>	<u>\$ 1,589,335</u>

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

A handwritten signature in black ink, appearing to read 'J. Miles', enclosed within a circular stamp or seal.

James J. Miles, Jr.
Certified Public Accountant