

**GLOUCESTER COUNTY INSURANCE COMMISSION**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2018 AND 2017**

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, 2018 and 2017, 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, 2018 and 2017 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 September 26, 2019 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

Voorhees, New Jersey  
September 26, 2019

**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, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 26, 2019.

**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

Voorhees, New Jersey  
September 26, 2019

# **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, 2018, 2017 and 2016. 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, investing 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, 2018, 2017 and 2016.

Summary Statement of Net Position					
	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>2017 to 2018</u>	
				<u>Change \$</u>	<u>Change %</u>
Assets:					
Cash & Cash Equivalents	\$ 5,054,059	\$ 5,834,294	\$ 5,544,616	\$ (780,235)	-13.4%
Investment in Joint Venture	2,538,239	1,831,796	1,543,725	706,443	38.6%
Contributions and Other Receivables	189,130	129,733	700,850	59,397	45.8%
Total Assets	<u>7,781,428</u>	<u>7,795,823</u>	<u>7,789,191</u>	<u>(14,395)</u>	<u>-0.2%</u>
Liabilities, Reserves & Net Position					
Liabilities:					
Loss Reserves	3,716,061	3,597,529	3,140,783	118,532	3.3%
Other Liabilities & Reserves	1,154,212	1,080,881	857,417	73,331	6.8%
Total Liabilities and Reserves	<u>4,870,273</u>	<u>4,678,410</u>	<u>3,998,200</u>	<u>191,863</u>	<u>4.1%</u>
Net Position - Unrestricted	<u>\$ 2,911,155</u>	<u>\$ 3,117,413</u>	<u>\$ 3,790,990</u>	<u>\$ (206,258)</u>	<u>-6.6%</u>

Summary Statement of Revenues, Expenses, and Changes in Net Position					
	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>2017 to 2018</u>	
				<u>Change \$</u>	<u>Change %</u>
Operating Revenue:					
Regular Contributions	<u>\$ 6,541,084</u>	<u>\$ 6,417,393</u>	<u>\$ 6,397,301</u>	<u>\$ 123,691</u>	<u>1.9%</u>
Operating Expenses:					
Provision for Claims and Claims Expense	2,527,955	2,553,678	2,396,048	(25,723)	-1.0%
Insurance Premiums	2,840,389	2,722,433	2,663,536	117,956	4.3%
Administrative and Operating	1,085,442	1,102,930	1,065,081	(17,488)	-1.6%
Total Operating Expenses	<u>6,453,786</u>	<u>6,379,041</u>	<u>6,124,665</u>	<u>74,745</u>	<u>1.2%</u>
Operating Income	87,298	38,352	272,636	48,946	127.6%
New Jersey Excess Joint Insurance Fund	81,267	55,669	41,751	25,598	46.0%
Change in Investment in Joint Venture	706,444	288,071	324,706	418,373	145.2%
Return of Surplus	(1,081,267)	(1,055,669)	(791,751)	(25,598)	2.4%
Change In Net Position	<u>\$ (206,258)</u>	<u>\$ (673,577)</u>	<u>\$ (152,658)</u>	<u>\$ 467,319</u>	<u>69.4%</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 ninth year of operations were \$7,781,428 and total liabilities were \$4,870,273 resulting in unrestricted net position of \$2,911,155. The Investment in Joint Ventures represents the Commission's share of net position in the New Jersey Counties Excess Joint Insurance Fund (the Fund).

Insurance premiums, representing the assessment paid to the New Jersey Counties Excess Joint Insurance Fund, were \$2,840,389. The Fund is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of the 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, and Union County Insurance Fund Commission..

## **Economic Conditions**

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

## **Contacting the Commission's Management**

This financial report is designed to provide the 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, 2018 and 2017

	2018			2017		
	<u>Total</u>	<u>Health</u>	<u>Property &amp; Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property &amp; Casualty</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 5,054,059	\$ 299,564	\$ 4,754,495	\$ 5,834,294	\$ 255,252	\$ 5,579,042
Contributions Receivable	3,740		3,740			
Surplus Return Receivable	81,267		81,267	55,668		55,668
Reimbursements Receivable	104,123		104,123	74,065		74,065
Investment in Joint Venture	2,538,239		2,538,239	1,831,796		1,831,796
Total Assets	7,781,428	299,564	7,481,864	7,795,823	255,252	7,540,571
<u>LIABILITIES AND RESERVES</u>						
Liabilities:						
Accrued Administrative Expenses	29,205	2,900	26,305	25,212		25,212
Accrued Property and Casualty Excess Insurance	3,740		3,740	-		
Claims Payable	40,000	40,000		-		
Authorized Return of Surplus	1,081,267		1,081,267	1,055,669		1,055,669
Total Liabilities	1,154,212	42,900	1,111,312	1,080,881	-	1,080,881
Claims Reserves:						
Case Reserves	2,380,865		2,380,865	2,237,191		2,237,191
IBNR Reserves	1,424,926	36,397	1,388,529	1,459,987	35,575	1,424,412
Less Reserve Discount	(89,730)		(89,730)	(99,649)		(99,649)
Total Reserves	3,716,061	36,397	3,679,664	3,597,529	35,575	3,561,954
Total Liabilities and Reserves	4,870,273	79,297	4,790,976	4,678,410	35,575	4,642,835
<u>NET POSITION</u>						
Unrestricted	\$ 2,911,155	\$ 220,267	\$ 2,690,888	\$ 3,117,413	\$ 219,677	\$ 2,897,736

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, 2018 AND 2017

	2018			2017		
	<u>Total</u>	<u>Health</u>	<u>Property &amp; Casualty</u>	<u>Total</u>	<u>Health</u>	<u>Property &amp; Casualty</u>
Operating Revenue:						
Regular Contributions	\$ 6,541,084	\$ 554,237	\$ 5,986,847	\$ 6,417,393	\$ 569,406	\$ 5,847,987
Operating Expenses:						
Provision for Claims and Claims Adjustment Expenses	2,527,955	478,118	2,049,837	2,553,678	443,626	2,110,052
Premium for Property and Casualty Excess Insurance	2,840,389		2,840,389	2,722,433		2,722,433
Administrative Expenses:						
Actuary	8,279		8,279	8,118		8,118
Attorney	31,860		31,860	67,113		67,113
Auditor	16,126		16,126	15,810		15,810
Claims Administrators	117,521	35,321	82,200	113,069	33,269	79,800
Fund Administrator	151,852	6,868	144,984	148,709	6,568	142,141
Miscellaneous Expenses	6,778		6,778	24,568		24,568
Postage	7		7	18		18
Printing	208		208	-		
Risk Management Consultants	289,180	33,340	255,840	289,480	33,640	255,840
Safety Director	385,193		385,193	359,863		359,863
Treasurer	22,278		22,278	20,022		20,022
Underwriting Manager	56,160		56,160	56,160		56,160
Total Operating Expenses	6,453,786	553,647	5,900,139	6,379,041	517,103	5,861,938
Operating Income (Loss)	87,298	590	86,708	38,352	52,303	(13,951)
Non-Operating Revenue:						
New Jersey Counties Excess Joint Insurance Fund Dividend	81,267		81,267	55,669		55,669
Change in Investment in Joint Venture	706,444		706,444	288,071		288,071
Total Non-Operating Revenue:	787,711	-	787,711	343,740	-	343,740
Change in Net Position	875,009	590	874,419	382,092	52,303	329,789
Net Position - Beginning	3,117,413	219,677	2,897,736	3,790,990	167,374	3,623,616
Return of Surplus	(1,081,267)		(1,081,267)	(1,055,669)		(1,055,669)
Net Position - Ending	\$ 2,911,155	\$ 220,267	\$ 2,690,888	\$ 3,117,413	\$ 219,677	\$ 2,897,736

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, 2018 AND 2017

	2018			2017		
	Total	Health	Property & Casualty	Total	Health	Property & Casualty
Cash Flows Provided From Operating Activities:						
Receipts from Regular Contributions	\$ 6,537,345	\$ 554,237	\$ 5,983,108	\$ 6,417,557	\$ 569,406	\$ 5,848,151
Payments for Claim Payments	(2,399,481)	(437,296)	(1,962,185)	(1,550,098)	(482,471)	(1,067,627)
Payments for Property and Casualty Excess Insurance	(2,836,649)		(2,836,649)	(2,724,455)		(2,724,455)
Payments to Professionals and Suppliers	(1,081,449)	(72,629)	(1,008,820)	(1,103,327)	(76,148)	(1,027,179)
Net Cash Flows Provided by Operating Activities	219,766	44,312	175,454	1,039,677	10,787	1,028,890
Cash Flows Provided by Investing Activities:						
New Jersey Counties Excess Joint Insurance Fund Dividend	55,668		55,668	41,752		41,752
Cash Flows Used in Noncapital Financing Activities:						
Fund Equity Distribution to Participating Members	(1,055,669)		(1,055,669)	(791,751)		(791,751)
Net Increase (Decrease) in Cash and Cash Equivalents	(780,235)	44,312	(824,547)	289,678	10,787	278,891
Cash and Cash Equivalents - Beginning	5,834,294	255,252	5,579,042	5,544,616	244,465	5,300,151
Cash and Cash Equivalents - Ending	\$ 5,054,059	\$ 299,564	\$ 4,754,495	\$ 5,834,294	\$ 255,252	\$ 5,579,042
Reconciliation of Operating Income (Loss) to Cash Flows Provided by Operating Activities:						
Operating Income (Loss)	\$ 87,298	\$ 590	\$ 86,708	\$ 38,352	\$ 52,303	\$ (13,951)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Changes in Assets and Liabilities:						
Contributions Receivable	(3,739)		(3,739)	164		164
Reimbursements Receivable	(30,058)		(30,058)	584,869		584,869
Accrued Administrative Expenses	3,993	2,900	1,093	(397)	(2,671)	2,274
Accrued Property and Casualty Excess Insurance	3,740		3,740	(2,022)		(2,022)
Claims Payable	40,000	40,000		(38,035)	(38,035)	
Claims Reserves	118,532	822	117,710	456,746	(810)	457,556
Net Cash Flows Provided by (Used in) Operating Activities	\$ 219,766	\$ 44,312	\$ 175,454	\$ 1,039,677	\$ 10,787	\$ 1,028,890
Supplemental Disclosure - Noncash Activity:						
Change in Investment in Joint Venture	\$ 706,444	\$ -	\$ 706,444	\$ 288,071	\$ -	\$ 288,071

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 2018, Gloucester County, Rowan College at Gloucester County, Gloucester County Improvement Authority, Gloucester County Utility Municipal 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. 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 2018 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, GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14. 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 comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other



**GLOUCESTER COUNTY INSURANCE COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**

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

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

obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

Additionally, the Commission has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the 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, 2018. 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, 2018. 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, 2018. 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 \$5,161,871 as of December 31, 2018, \$250,000 was insured while \$4,911,871 was collateralized under GUDPA.

Of the Commission's bank balance of \$5,857,581 as of December 31, 2017, \$250,000 was insured while \$5,607,581 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, 2018 and 2017 was \$2,538,239 and \$1,831,795, 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, 2018 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	\$ 3,597,529	\$ 35,575	\$ 3,561,954
Incurring claims and claims adjustment expenses:			
Provision for insured events of current fund year	2,599,228	512,255	2,086,973
Changes in provision for insured events of prior fund years	(71,273)	(34,137)	(37,136)
Total incurred claims and claims adjustment expenses all fund years	2,527,955	478,118	2,049,837
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	1,130,426	477,296	653,130
Attributable to insured events of prior fund years	1,278,997	-	1,278,997
Total payments all fund years	2,409,423	477,296	1,932,127
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 3,716,061	\$ 36,397	\$ 3,679,664

**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, 2017 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	\$ 3,140,783	\$ 36,385	\$ 3,104,398
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year	2,588,265	488,317	2,099,948
Changes in provision for insured events of prior fund years	(34,588)	(44,692)	10,104
Total incurred claims and claims adjustment expenses all fund years	2,553,677	443,625	2,110,052
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	1,219,623	451,873	767,750
Attributable to insured events of prior fund years	877,308	(7,438)	884,746
Total payments all fund years	2,096,931	444,435	1,652,496
Total unpaid claim and claim adjustment expenses all fund years - Ending	\$ 3,597,529	\$ 35,575	\$ 3,561,954

**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)**

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

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

**Selected Financial Information**

Selected, summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Total Assets	<u>\$ 27,849,300</u>	<u>\$ 24,018,573</u>
Total Liabilities	<u>\$ 12,930,080</u>	<u>\$ 13,262,954</u>
Net Position	<u>\$ 14,919,220</u>	<u>\$ 10,755,619</u>
Total Revenue	<u>\$ 21,536,267</u>	<u>\$ 21,104,436</u>
Total Expenses	<u>\$ 16,582,656</u>	<u>\$ 18,753,988</u>
Change In Net Position	<u>\$ 4,453,611</u>	<u>\$ 2,150,448</u>

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, 2018 and 2017 were \$2,840,389 and \$2,722,433, respectively.

**Note 8: RETURN OF SURPLUS**

During 2018 and 2017, the Board of Commissioners approved dividends in the amount of \$1,081,267 and \$1,055,669, 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, 2018

	<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	\$ 46,457	\$ 996,670	\$ 344,573	\$ 2,174,254	\$ 3,561,954
Incurring claims and claims adjustment expenses:					
Provision for insured events of current fund year	260,545	546,094	87,842	1,192,492	2,086,973
Changes in provision for insured events of prior fund years	(28,136)	(112,817)	261,061	(157,244)	(37,136)
Total incurred claims and claims adjustment expenses all fund years	232,409	433,277	348,903	1,035,248	2,049,837
Payments (Net of Recoveries):					
Attributable to insured events of current fund year	216,547	926	6,803	428,854	653,130
Attributable to insured events of prior fund years	17,261	194,732	69,663	997,341	1,278,997
Total payments all fund years	233,808	195,658	76,466	1,426,195	1,932,127
Total unpaid claims and claim adjustment expenses - Ending	\$ 45,058	\$ 1,234,289	\$ 617,010	\$ 1,783,307	\$ 3,679,664

GLOUCESTER COUNTY INSURANCE COMMISSION  
RECONCILIATION OF HEALTH CLAIMS LIABILITIES BY FUND  
FOR THE PERIOD MARCH 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2018

	<u>Dental</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 35,575
Incurring claims and claims adjustment expenses:	
Provision for insured events of current fund year	512,255
Changes in provision for insured events of prior fund years	<u>(34,137)</u>
Total incurred claims and claims adjustment expenses all fund years	<u>478,118</u>
Payments (Net of Recoveries:	
Attributable to insured events of current fund year	477,296
Attributable to insured events of prior fund years	<u>-</u>
Total payments all fund years	<u>477,296</u>
Total unpaid claims and claim adjustment expenses - Ending	<u><u>\$ 36,397</u></u>

GLOUCESTER COUNTY INSURANCE COMMISSION  
NINE-YEAR PROPERTY AND CASUALTY CLAIMS DEVELOPMENT INFORMATION  
AS OF DECEMBER 31, 2018

	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>	<u>2017</u>	<u>2018</u>
Net Earned Required Contribution and Investment Revenue:									
Earned	\$ 4,354,315	\$ 5,611,950	\$ 5,659,948	\$ 5,771,734	\$ 5,536,150	\$ 5,731,555	\$ 5,822,324	\$ 5,847,987	\$ 5,054,059
Ceded	1,583,834	2,307,853	2,425,887	2,559,344	2,707,764	2,670,810	2,663,536	2,722,433	2,840,389
	2,770,481	3,304,097	3,234,061	3,212,390	2,828,386	3,060,745	3,158,788	3,125,554	2,213,670
Unallocated Expenses	478,403	549,614	585,191	583,908	584,996	871,713	974,601	1,029,438	1,009,913
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	2,035,985	2,099,948	2,086,973
Ceded									
Net Incurred	2,120,491	2,667,010	2,065,235	2,101,155	1,683,135	2,033,426	2,035,985	2,099,948	2,086,973
Paid (Cumulative) as of:									
End of Policy Year									
One Year Later	508,994	938,354	487,925	788,347	342,413	872,270	648,313	767,750	653,130
Two Years Later	1,067,746	1,330,572	769,532	998,113	574,611	1,429,822	1,108,847	974,820	
Three Years Later	1,457,205	1,846,634	1,034,270	1,208,028	797,835	1,590,742	1,368,728		
Four Years Later	1,700,443	2,370,813	1,672,599	1,313,019	915,083	2,169,581			
Five Years Later	1,858,197	2,578,620	1,895,642	1,337,595	941,625				
Six Years Later	1,828,933	2,726,075	1,965,289	1,467,627					
Seven Years Later	1,819,141	2,777,721	2,031,615						
Eight Years Later	1,819,316	2,786,518							
	1,820,826								
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	2,035,985	2,099,948	2,086,973
One Year Later	1,850,771	2,426,430	1,672,321	1,931,487	1,314,646	2,258,050	1,768,581	1,964,120	
Two Years Later	1,901,994	2,921,378	1,819,083	1,626,725	1,069,175	2,578,556	1,589,468		
Three Years Later	2,022,246	2,750,161	2,173,770	1,495,279	1,019,644	2,924,811			
Four Years Later	1,939,158	2,815,999	2,240,732	1,529,498	963,069				
Five Years Later	1,828,933	2,815,883	2,196,248	1,628,833					
Six Years Later	1,819,141	2,832,506	2,093,649						
Seven Years Later	1,819,141	2,819,887							
Eight Years Later	1,823,324								
Change in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (297,167)	\$ 152,877	\$ 28,414	\$ (472,322)	\$ (720,066)	\$ 891,385	\$ (446,517)	\$ (135,828)	\$ -

**GLOUCESTER COUNTY INSURANCE COMMISSION**  
**SUPPLEMENTARY INFORMATION**

GLoucester County Insurance Commission  
STATEMENT OF FUND YEAR 2018 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<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 &amp; Contingency</u>
						<u>Total</u>
Underwriting Income:						
Regular Contributions	\$ 183,000	\$ 576,000	\$ 103,000	\$ 1,232,000	\$ 2,840,389	\$ 1,052,458
						\$ 5,986,847
Incurred Liabilities:						
Claims	260,545	546,094	87,842	1,192,492		2,086,973
Expenses					2,840,389	1,009,913
						3,850,302
Total Liabilities	260,545	546,094	87,842	1,192,492	2,840,389	1,009,913
						5,937,275
Underwriting Surplus (Deficit)	(77,545)	29,906	15,158	39,508	-	42,545
						49,572
Adjustments:						
Permanent Transfers						-
	-	-	-	-	-	-
Total Adjustments						-
Gross Statutory Surplus (Deficit)	(77,545)	29,906	15,158	39,508	-	42,545
Return of Surplus						49,572
						-
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ (77,545)	\$ 29,906	\$ 15,158	\$ 39,508	\$ -	\$ 42,545
						49,572
Investment in Joint Venture						150,302
Net Surplus						\$ 199,874

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<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 &amp; Contingency</u>
Underwriting Income:						
Regular Contributions	\$ 178,000	\$ 609,000	\$ 104,000	\$ 1,217,000	\$ 2,722,433	\$ 1,017,554
						\$ 5,847,987
Incurred Liabilities:						
Claims	162,956	278,322	325,420	1,197,422		1,964,120
Expenses					2,722,433	1,029,438
						3,751,871
Total Liabilities	162,956	278,322	325,420	1,197,422	2,722,433	1,029,438
						5,715,991
Underwriting Surplus (Deficit)	15,044	330,678	(221,420)	19,578	-	(11,884)
						131,996
Adjustments:						
Permanent Transfers						-
	-	-	-	-	-	-
Total Adjustments						-
Gross Statutory Surplus (Deficit)	15,044	330,678	(221,420)	19,578	-	(11,884)
Return of Surplus						131,996
						-
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ 15,044	\$ 330,678	\$ (221,420)	\$ 19,578	\$ -	\$ (11,884)
						131,996
Investment in Joint Venture						260,102
Net Surplus						\$ 392,098

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, 2018

	<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 &amp; 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	381,307	45,712	23,479	1,138,970		1,589,468
Expenses					2,663,536	974,601
						3,638,137
Total Liabilities	381,307	45,712	23,479	1,138,970	2,663,536	5,227,605
Underwriting Surplus (Deficit)	(184,069)	596,062	80,205	87,779	-	594,719
Adjustments:						
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	(184,069)	596,062	80,205	87,779	-	594,719
Return of Surplus						-
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ (184,069)	\$ 596,062	\$ 80,205	\$ 87,779	\$ -	\$ 14,742
Investment in Joint Venture						414,631
Net Surplus						\$ 1,009,350

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, 2018

	<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 &amp; Contingency</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	344,086	577,951	324,738	1,678,036		2,924,811
Expenses					2,670,810	871,713
						3,542,523
Total Liabilities	344,086	577,951	324,738	1,678,036	2,670,810	871,713
						6,467,334
Underwriting Surplus (Deficit)	(114,086)	102,049	(233,738)	(521,036)	-	31,032
						(735,779)
Adjustments:						
Permanent Transfers						-
Total Adjustments	-	-	-	-	-	-
Gross Statutory Surplus (Deficit)	(114,086)	102,049	(233,738)	(521,036)	-	31,032
Return of Surplus						(735,779)
						-
Net Statutory Surplus (Deficit)	\$ (114,086)	\$ 102,049	\$ (233,738)	\$ (521,036)	\$ -	\$ 31,032
Before Unallocated Investment						(735,779)
Investment in Joint Venture						149,798
Net Deficit						\$ (585,981)



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, 2018

	<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 &amp; 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	167,308	3,950	710,566		963,069
Expenses					2,707,764	584,996
						3,292,760
Total Liabilities	81,245	167,308	3,950	710,566	2,707,764	584,996
						4,255,829
Underwriting Surplus	162,127	607,492	64,700	396,695	-	31,596
						1,262,610
Adjustments:						
NJCEJIF Dividend					17,711	17,711
Permanent Transfers						-
Total Adjustments	-	-	-	-	17,711	-
						17,711
Gross Statutory Surplus	162,127	607,492	64,700	396,695	17,711.00	31,596
Return of Surplus	150,000	600,000		350,000	17,711	
						1,117,711
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ 12,127	\$ 7,492	\$ 64,700	\$ 46,695	\$ -	\$ 31,596
						162,610
Investment in Joint Venture						
						361,664
Net Surplus						\$ 524,274

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, 2018

	<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 &amp; Contingency</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	20,525	22,598	1,436,331		1,628,833
Expenses					2,559,344	583,908
						3,143,252
Total Liabilities	149,379	20,525	22,598	1,436,331	2,559,344	583,908
						4,772,085
Underwriting Surplus (Deficit)	93,993	949,275	46,052	(144,174)	320	29,014
						974,480
Adjustments:						
NJCEJIF Dividend					25,169	25,169
Permanent Transfers						-
Total Adjustments	-	-	-	-	25,169	25,169
Gross Statutory Surplus (Deficit)	93,993	949,275	46,052	(144,174)	25,489	29,014
Return of Surplus	70,000	910,000	25,000		25,169	20,000
						1,050,169
Net Statutory Surplus (Deficit)	\$ 23,993	\$ 39,275	\$ 21,052	\$ (144,174)	\$ 320	\$ 9,014
Before Unallocated Investment						(50,520)
Investment in Joint Venture						400,784
Net Surplus						\$ 350,264

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, 2018

	<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 &amp; Contingency</u>
Underwriting Income:						
Regular Contributions	\$ 239,354	\$ 969,800	\$ 68,650	\$ 1,292,157	\$ 2,425,887	\$ 621,214
Incurring Liabilities:						
Claims	57,908	482,231	357,331	1,196,179		2,093,649
Expenses					2,425,887	585,191
Total Liabilities	57,908	482,231	357,331	1,196,179	2,425,887	585,191
Underwriting Surplus (Deficit)	181,446	487,569	(288,681)	95,978	-	36,023
Adjustments:						
Investment Income	84	368	23	422		32
NJCEJIF Dividend					41,957	41,957
Permanent Transfers						-
Total Adjustments	84	368	23	422	41,957	32
Gross Statutory Surplus (Deficit)	181,530	487,937	(288,658)	96,400	41,957	36,055
Return of Surplus		335,000			41,957	
Net Statutory Surplus (Deficit)	\$ 181,530	\$ 152,937	\$ (288,658)	\$ 96,400	\$ -	\$ 36,055
Before Unallocated Investment						
Investment in Joint Venture						263,770
Net Surplus						\$ 442,034

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, 2018

	<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 &amp; Contingency</u>
Underwriting Income:						
Regular Contributions	\$ 234,258	\$ 969,800	\$ 68,650	\$ 1,260,640	\$ 2,307,853	\$ 616,141
						\$ 5,457,342
Incurred Liabilities:						
Claims	211,641	752,641	126,796	1,728,809		2,819,887
Expenses					2,307,853	549,614
						2,857,467
Total Liabilities	211,641	752,641	126,796	1,728,809	2,307,853	549,614
						5,677,354
Underwriting Surplus (Deficit)	22,617	217,159	(58,146)	(468,169)	-	66,527
						(220,012)
Adjustments:						
Investment Income	60	1,293	79	779	11	134
NJCEJIF Dividend					152,252	
Permanent Transfers						2,356
						152,252
						-
Total Adjustments	60	1,293	79	779	152,263	134
						154,608
Gross Statutory Surplus (Deficit)	22,677	218,452	(58,067)	(467,390)	152,263	66,661
Return of Surplus					152,252	
						(65,404)
						152,252
Net Statutory Surplus (Deficit)						
Before Unallocated Investment	\$ 22,677	\$ 218,452	\$ (58,067)	\$ (467,390)	\$ 11	\$ 66,661
						(217,656)
Investment in Joint Venture						
						254,627
Net Surplus						\$ 36,971

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, 2018

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>NJCEJIF</u>	<u>Expense &amp; 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
Incurring Liabilities:							
Claims	83,686	376,107	9,579	1,353,952			1,823,324
Expenses					1,583,834	478,403	2,062,237
Total Liabilities	83,686	376,107	9,579	1,353,952	1,583,834	478,403	3,885,561
Underwriting Surplus (Deficit)	99,968	436,931	47,974	(309,756)	12,738	37,638	325,493
Adjustments:							
Investment Income	417	2,051	104	982	135	261	3,950
NJCEJIF Dividend					139,311		139,311
Permanent Transfers							-
Total Adjustments	417	2,051	104	982	139,446	261	143,261
Gross Statutory Surplus (Deficit)	100,385	438,982	48,078	(308,774)	152,184	37,899	468,754
Return of Surplus		250,000			142,311	37,000	429,311
Net Statutory Surplus (Deficit)	\$ 100,385	\$ 188,982	\$ 48,078	\$ (308,774)	\$ 9,873	\$ 899	\$ 39,443
Before Unallocated Investment							
Investment in Joint Venture							282,561
Net Surplus							\$ 322,004

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<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) \$	216,547	\$ 926	\$ 6,803	\$ 428,854	\$ 653,130
Case Reserves	38,566	40,175	2,000	535,130	615,871
IBNR Reserves	5,596	521,275	80,947	244,809	852,627
Reserve Discount	(164)	(16,282)	(1,908)	(16,301)	(34,655)
Subtotal	260,545	546,094	87,842	1,192,492	2,086,973
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 260,545	\$ 546,094	\$ 87,842	\$ 1,192,492	\$ 2,086,973
Number of Claims	18	48	10	101	177
Average Cost Per Claim	\$ 14,475	\$ 11,377	\$ 8,784	\$ 11,807	\$ 11,791

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<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) \$	161,896	\$ 7,663	\$ 25,371	\$ 779,890	\$ 974,820
Case Reserves	1,062	87,617	260,127	309,949	658,755
IBNR Reserves		188,933	44,646	117,325	350,904
Reserve Discount	(2)	(5,891)	(4,724)	(9,742)	(20,359)
Subtotal	162,956	278,322	325,420	1,197,422	1,964,120
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 162,956	\$ 278,322	\$ 325,420	\$ 1,197,422	\$ 1,964,120
Number of Claims	27	61	17	102	207
Average Cost Per Claim	\$ 6,035	\$ 4,563	\$ 19,142	\$ 11,739	\$ 9,489

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2018

	<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) \$	381,307	\$ 8,140	\$ 19,249	\$ 960,032	\$ 1,368,728
Case Reserves		12,974		141,459	154,433
IBNR Reserves		25,186	4,269	42,199	71,654
Reserve Discount		(588)	(39)	(4,720)	(5,347)
Subtotal	381,307	45,712	23,479	1,138,970	1,589,468
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 381,307	\$ 45,712	\$ 23,479	\$ 1,138,970	\$ 1,589,468
Number of Claims	26	41	13	109	189
Average Cost Per Claim	\$ 14,666	\$ 1,115	\$ 1,806	\$ 10,449	\$ 8,410



GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2018

	<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) \$	344,086	\$ 204,850	\$ 93,046	\$ 1,527,599	\$ 2,169,581
Case Reserves		351,504	214,035	125,013	690,552
IBNR Reserves		28,746	20,021	31,253	80,020
Reserve Discount		(7,149)	(2,364)	(5,829)	(15,342)
Subtotal	344,086	577,951	324,738	1,678,036	2,924,811
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 344,086	\$ 577,951	\$ 324,738	\$ 1,678,036	\$ 2,924,811
Number of Claims	31	90	20	121	262
Average Cost Per Claim	\$ 11,100	\$ 6,422	\$ 16,237	\$ 13,868	\$ 11,163

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2018

	<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	\$ 167,308	\$ 3,950	\$ 689,122	\$ 941,625	
Case Reserves				18,152	18,152	
IBNR Reserves				4,538	4,538	
Reserve Discount				(1,246)	(1,246)	
Subtotal	81,245	167,308	3,950	710,566	963,069	
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 81,245	\$ 167,308	\$ 3,950	\$ 710,566	\$ 963,069	
Number of Claims	28	77	11	105	221	
Average Cost Per Claim	\$ 2,902	\$ 2,173	\$ 359	\$ 6,767	\$ 4,358	

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2018

	<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	\$ 20,525	\$ 22,598	\$ 1,275,125	\$ 1,467,627	
Case Reserves				154,280	154,280	
IBNR Reserves				15,428	15,428	
Reserve Discount				(8,502)	(8,502)	
Subtotal	149,379	20,525	22,598	1,436,331	1,628,833	
Excess Insurance Received Recoverable					-	
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ 149,379	\$ 20,525	\$ 22,598	\$ 1,436,331	\$ 1,628,833	
Number of Claims	13	53	11	128	205	
Average Cost Per Claim	\$ 11,491	\$ 387	\$ 2,054	\$ 11,221	\$ 7,946	

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2018

	<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	\$ 474,442	\$ 357,331	\$ 1,141,934	\$ 2,031,615
Case Reserves		7,270		47,349	54,619
IBNR Reserves		727		9,470	10,197
Reserve Discount		(208)		(2,574)	(2,782)
Subtotal	57,908	482,231	357,331	1,196,179	2,093,649
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 57,908	\$ 482,231	\$ 357,331	\$ 1,196,179	\$ 2,093,649
Number of Claims	19	96	12	145	272
Average Cost Per Claim	\$ 3,048	\$ 5,023	\$ 29,778	\$ 8,250	\$ 7,697

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2011 PROPERTY AND CASUALTY CLAIMS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2018

	<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	\$ 752,641	\$ 126,796	\$ 1,695,440	\$ 2,786,518
Case Reserves				31,613	31,613
IBNR Reserves				3,161	3,161
Reserve Discount				(1,405)	(1,405)
Subtotal	211,641	752,641	126,796	1,728,809	2,819,887
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 211,641	\$ 752,641	\$ 126,796	\$ 1,728,809	\$ 2,819,887
Number of Claims	32	78	14	147	271
Average Cost Per Claim	\$ 6,614	\$ 9,649	\$ 9,057	\$ 11,761	\$ 10,405

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, 2018

	<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	\$ 376,107	\$ 9,579	\$ 1,351,454	\$ 1,820,826	
Case Reserves				2,590	2,590	
IBNR Reserves					-	
Reserve Discount				(92)	(92)	
Subtotal	83,686	376,107	9,579	1,353,952	1,823,324	
Excess Insurance Received Recoverable						-
						-
Subtotal	-	-	-	-	-	
Limited Incurred Claims	\$ 83,686	\$ 376,107	\$ 9,579	\$ 1,353,952	\$ 1,823,324	
Number of Claims	33	74	16	136	259	
Average Cost Per Claim	\$ 2,536	\$ 5,083	\$ 599	\$ 9,956	\$ 7,040	

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2018 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 476,361	\$ 77,876	\$ 554,237
Incurring Liabilities:			
Claims Paid	477,297		477,297
Actuarial Liability	34,958		34,958
Administrative Expenses		75,528	75,528
Total Liabilities	512,255	75,528	587,783
Net Surplus (Deficit)	\$ (35,894)	\$ 2,348	\$ (33,546)

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 487,249	\$ 82,156	\$ 569,405
Incurring Liabilities:			
Claims Paid	451,873		451,873
Actuarial Liability	1,438		1,438
Administrative Expenses		73,478	73,478
Total Liabilities	453,311	73,478	526,789
Net Surplus	\$ 33,938	\$ 8,678	\$ 42,616



GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 492,418	\$ 82,559	\$ 574,977
Incurring Liabilities:			
Claims Paid	451,966		451,966
Actuarial Liability			-
Administrative Expenses		91,102	91,102
Total Liabilities	451,966	91,102	543,068
Net Surplus (Deficit)	\$ 40,452	\$ (8,543)	\$ 31,909

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2015 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 515,418	\$ 72,595	\$ 588,013
Incurring Liabilities:			
Claims Paid	477,058		477,058
Actuarial Liability			-
Administrative Expenses		71,576	71,576
Total Liabilities	477,058	71,576	548,634
Net Surplus	\$ 38,360	\$ 1,019	\$ 39,379

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2014 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 529,626	\$ 72,164	\$ 601,790
Incurring Liabilities:			
Claims Paid	497,232		497,232
Actuarial Liability			-
Administrative Expenses		71,228	71,228
Total Liabilities	497,232	71,228	568,460
Net Surplus	\$ 32,394	\$ 936	\$ 33,330

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2013 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2018

	<u>Dental</u>	<u>Administrative</u>	<u>Total</u>
Income:			
Regular Contributions	\$ 544,814	\$ 121,191	\$ 666,005
Incurring Liabilities:			
Claims Paid	540,221		540,221
Actuarial Liability			-
Administrative Expenses		121,191	121,191
Total Liabilities	540,221	121,191	661,412
Net Surplus	\$ 4,593	\$ -	\$ 4,593

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2012 HEALTH ACCOUNTS OPERATING RESULTS ANALYSIS  
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2018

	<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, 2018

	<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, 2018

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 2018 PROPERTY AND CASUALTY PROGRAM SUMMARY  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	5	5	5	5
Incurring Liabilities:				
Claims (Schedule C-1)	\$ 260,545	\$ 546,094	\$ 87,842	\$ 1,192,492
Administrative Expenses (1)	88,259	277,798	49,676	594,180
	<u>\$ 348,804</u>	<u>\$ 823,892</u>	<u>\$ 137,518</u>	<u>\$ 1,786,672</u>

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



GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2017 PROPERTY AND CASUALTY PROGRAM SUMMARY  
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$300,000
Excess Insurers	Zurich Mitsui Sumitomo Velocity Starr	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-2)	\$ 162,956	\$ 278,322	\$ 325,420	\$ 1,197,422
Administrative Expenses (1)	86,926	297,404	50,788	594,320
	<u>\$ 249,882</u>	<u>\$ 575,726</u>	<u>\$ 376,208</u>	<u>\$ 1,791,742</u>

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

GLOUCESTER COUNTY INSURANCE COMMISSION  
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY PROGRAM SUMMARY  
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$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
Incurred Liabilities:				
Claims (Schedule C-3)	\$ 381,307	\$ 45,712	\$ 23,479	\$ 1,138,970
Administrative Expenses (1)	88,607	288,310	46,579	551,104
	<u>\$ 469,914</u>	<u>\$ 334,022</u>	<u>\$ 70,058</u>	<u>\$ 1,690,074</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich 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
Incurred Liabilities:				
Claims (Schedule C-4)	\$ 344,086	\$ 577,951	\$ 324,738	\$ 1,678,036
Administrative Expenses (1)	92,907	274,683	36,759	467,364
	<u>\$ 436,993</u>	<u>\$ 852,634</u>	<u>\$ 361,497</u>	<u>\$ 2,145,400</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich Underwriters at Lloyds RSUI Scottsdale	NJCEJIF Underwriters at Lloyds National Casualty Markel	NJCEJIF Underwriters at Lloyds National Casualty Markel	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-5)	\$ 81,245	\$ 167,308	\$ 3,950	\$ 710,566
Administrative Expenses (1)	64,889	206,581	18,304	295,223
	<u>\$ 146,134</u>	<u>\$ 373,889</u>	<u>\$ 22,254</u>	<u>\$ 1,005,789</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Wesco Safety National
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-6)	\$ 149,379	\$ 20,525	\$ 22,598	\$ 1,436,331
Administrative Expenses (1)	55,209	219,999	15,573	293,126
	<u>\$ 204,588</u>	<u>\$ 240,524</u>	<u>\$ 38,171</u>	<u>\$ 1,729,457</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 57,908	\$ 482,231	\$ 357,331	\$ 1,196,179
Administrative Expenses (1)	54,502	220,828	15,632	294,230
	<u>\$ 112,410</u>	<u>\$ 703,059</u>	<u>\$ 372,963</u>	<u>\$ 1,490,409</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-8)	\$ 211,641	\$ 752,641	\$ 126,796	\$ 1,728,809
Administrative Expenses (1)	50,823	210,400	14,894	273,498
	<u>\$ 262,464</u>	<u>\$ 963,041</u>	<u>\$ 141,690</u>	<u>\$ 2,002,307</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, 2018

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY
Fund Retention	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	5	5	5	5
Incurred Liabilities:				
Claims (Schedule C-9)	\$ 83,686	\$ 376,107	\$ 9,579	\$ 1,353,952
Administrative Expenses (1)	41,869	185,357	13,121	238,056
	<u>\$ 125,555</u>	<u>\$ 561,464</u>	<u>\$ 22,700</u>	<u>\$ 1,592,008</u>

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



**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

## **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

