Background

In 2009, a review was conducted in Gloucester and Camden Counties to determine the feasibility of forming Joint Insurance Funds (JIFs) to service NJ Counties and their affiliated independent agencies. Ultimately, the review led to the formation of County Insurance Commissions in Gloucester County, Camden County and more recently Union County and Burlington County. The Insurance Commissions were established by vote of the County Board of Chosen Freeholders of their respective Counties. NJ law allows the establishment of these entities by County government. The Insurance Commission is essentially a "Risk Pool" that combines all of the exposures and insurance risks of the County and its affiliated entities together under one program. In addition, an excess Joint Insurance Fund known as the New Jersey Counties Excess Joint Insurance Fund (CEL JIF) was also formed to facilitate excess and catastrophic coverage for these Insurance

Membership and Coverage

On March 1, 2010, the Gloucester County Insurance Commission (GCIC) became the primary insurer for certain lines of insurance for the County and its member affiliated entities. The GCIC member entities are Gloucester County, Gloucester County College, Gloucester County Utilities Authority, Gloucester County Improvement Authority and Gloucester County Library Commission. The Commission provides Workers Compensation/Employers Liability, General Liability, Automobile Liability, Law Enforcement Liability and Property/Auto Physical Damage coverage. Through GCIC's membership in the CELJIF, the member entities are provided additional coverage excess of the aforementioned coverage plus coverage for Public Officials/Employment Practices Liability, Crime, Pollution Liability, Medical Malpractice and Employed Lawyers Liability.

Scope of Services and Benefits

The Insurance Commission/CELJIF model allows the County and its affiliated entities to effectively "take control" of the total "cost of risk" by creating a combination of pooled risk and group purchased programs for insurance needs. The expectation is that this approach will yield long term financial benefits for the County and its affiliated entities. The model offers the following benefits:

1. A modernized and sophisticated approach to managing risk.
2. An effective method of insurance procurement eliminating redundancy and inefficiency.
3. Capitalizes on the shared services of procuring insurance, loss prevention services and claim management services.
4. Improved claims handling by using a standard methodology for handling claims.
5. A focused and comprehensive safety and loss control program.
6. Consistent and generally broader coverage.
7. The County and its affiliated entities to retain their own underwriting profit.
8. Allows for investment income to accrue to the benefit of the taxpayer.
9. Mitigates premium fluctuations and the buying power leads to greater rate reductions over the long term.
10. Consolidates the administration of insurance programs amongst the County and its affiliated entities resulting in a cost savings.