

ATLANTIC COUNTY INSURANCE COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021



ATLANTIC COUNTY INSURANCE COMMISSION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Atlantic County Insurance Commission (the "Commission"), a component unit of Atlantic County, New Jersey as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Cont'd)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Required Supplementary Information (Cont'd)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
September 8, 2023

**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
Atlantic 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 Atlantic County Insurance Commission (the "Commission"), a component unit of Atlantic County, New Jersey as of and for the year ended December 31, 2022, 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 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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.

Board of Commissioners
Atlantic County Insurance Commission

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
September 8, 2023

ATLANTIC COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Atlantic County Insurance Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2022, 2021, and 2020. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Commission is to provide property and casualty insurance coverage for Atlantic 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 (Deficit) – This statement presents information reflecting the Commission's assets, liabilities, and net position (deficit). Net position (deficit) represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position (Deficit) – 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 (deficit) 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, noncapital financing, and investing 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, 2022, 2021, and 2020.

Summary Statements of Net Position (Deficit)	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2022 to 2021 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash and Cash Equivalents	\$ 8,783,135	\$ 9,515,252	\$ 9,007,701	\$ (732,117)	-7.7%
Investment in Joint Venture	930,547	783,233	815,998	147,314	18.8%
Contributions & Other Receivables	5,461,522	5,229,025	5,873,450	232,497	4.4%
Other Assets	22,786	53,918	42,813	(31,132)	-57.7%
Total Assets	15,197,990	15,581,428	15,739,962	(383,438)	-2.5%
Liabilities, Reserves & Net Position (Deficit)					
Liabilities					
Loss Reserves	16,377,406	12,881,891	10,952,984	3,495,515	27.1%
Other Liabilities & Reserves	33,642	84,413	34,247	(50,771)	-60.1%
Total Liabilities and Reserves	16,411,048	12,966,304	10,987,231	3,444,744	26.6%
Net Position (Deficit) - Unrestricted	\$ (1,213,058)	\$ 2,615,124	\$ 4,752,731	\$ (3,828,182)	-146.4%

Summary Statements of Revenues, Expenses, and Changes in Net Position (Deficit)	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>2022 to 2021 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$ 8,706,823	\$ 8,310,716	\$ 8,103,988	\$ 396,107	4.8%
Operating Expenses:					
Provision for Claims and Claims Expense	9,150,753	7,136,391	5,465,607	2,014,362	28.2%
Insurance Premiums	2,811,307	2,350,241	2,035,547	461,066	19.6%
Administrative and Operating	820,558	967,848	835,503	(147,290)	-15.2%
Total Operating Expenses	12,782,618	10,454,480	8,336,657	2,328,138	22.3%
Operating Loss	(4,075,795)	(2,143,764)	(232,669)	(1,932,031)	-90.1%
Non-Operating Revenue (Expense):					
Change in Investment in Joint Venture	147,314	(32,765)	60,930	180,079	549.6%
NJCEJIF Dividend	18,059	11,392	15,189	6,667	58.5%
Investment Income	100,299	38,922	66,798	61,377	157.7%
Total Non-Operating Revenue	265,672	17,549	142,917	248,123	1413.9%
Return of Surplus	18,059	11,392	15,189	6,667	58.5%
Change In Net Position (Deficit)	\$ (3,828,182)	\$ (2,137,607)	\$ (104,941)	\$ (1,690,575)	-79.1%

Financial Highlights Continued

On December 29, 2014, the Atlantic County Board of Chosen Freeholders adopted a resolution, which authorized the establishment of the Atlantic 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 Atlantic County Insurance Commission's total assets at the end of the eighth year of operations were \$15,197,990 and total liabilities and reserves were \$16,411,048 resulting in a deficit in unrestricted net position of \$1,213,058. The Investment in Joint Ventures represents the Commission's share of net position in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums, represent the assessment paid to the New Jersey Counties Excess Joint Insurance Fund ("the NJCE"), were \$2,811,307. The NJCE is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund, Camden County Insurance Fund Commission, Cumberland County Insurance Commission, Burlington County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Commission, Monmouth County, Ocean County Insurance Fund Commission and Union County Insurance Fund Commission.

Economic Conditions

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

Contacting the Commission's Management

This financial report is designed to provide the Atlantic 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 Atlantic County Insurance Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

ATLANTIC COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION (DEFICIT)
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 8,783,135	\$ 9,515,252
Investment in Joint Venture	930,547	783,233
Contributions Receivable	5,443,463	5,217,633
Return of Surplus Receivable	18,059	11,392
Due From Member	22,786	53,918
	<hr/>	<hr/>
Total Assets	15,197,990	15,581,428
	<hr/>	<hr/>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	15,437	72,875
Due To NJCEJIF	146	146
Return of Surplus Payable	18,059	11,392
	<hr/>	<hr/>
Total Liabilities	33,642	84,413
	<hr/>	<hr/>
Claims Reserves:		
Case Reserves	12,571,827	9,415,111
IBNR Reserves	4,268,186	3,853,849
Less: Reserve Discount	(462,607)	(387,069)
	<hr/>	<hr/>
Total Reserves	16,377,406	12,881,891
	<hr/>	<hr/>
Total Liabilities and Reserves	16,411,048	12,966,304
	<hr/>	<hr/>
<u>NET POSITION (DEFICIT)</u>		
Unrestricted	\$ (1,213,058)	\$ 2,615,124
	<hr/>	<hr/>

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

ATLANTIC COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenue:		
Regular Contributions	<u>\$ 8,706,822</u>	<u>\$ 8,310,716</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	9,150,753	7,136,391
Premium for Excess Insurance	2,811,307	2,350,241
Administrative Expenses:		
Actuary	9,474	9,288
Attorney	18,289	128,023
Auditor	10,564	10,159
Claims Administrator	303,505	297,554
Fund Administrator	127,345	124,848
Managed Care	214,200	210,000
Miscellaneous Expenses	3,829	5,161
Postage	13	47
Treasurer	8,238	57,668
Risk Management Consultants	120,000	120,000
Secretary	<u>5,100</u>	<u>5,100</u>
Total Operating Expenses	<u>12,782,617</u>	<u>10,454,480</u>
Operating Loss	<u>(4,075,795)</u>	<u>(2,143,764)</u>
Non-Operating Revenue (Expense):		
Change in Investment in Joint Venture	147,314	(32,765)
NJCEJIF Dividend	18,059	11,392
Investment Income	<u>100,299</u>	<u>38,922</u>
Total Non-Operating Revenue	<u>265,672</u>	<u>17,549</u>
Change in Net Position	(3,810,123)	(2,126,215)
Net Position - Beginning	2,615,124	4,752,731
Return of Surplus	<u>(18,059)</u>	<u>(11,392)</u>
Net Position (Deficit) - Ending	<u>\$ (1,213,058)</u>	<u>\$ 2,615,124</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 8,480,992	\$ 8,951,344
Payments for Claim Payments	(5,624,106)	(5,219,094)
Payments for Insurance Premiums	(2,811,307)	(2,350,241)
Payments to Professionals and Suppliers	<u>(877,995)</u>	<u>(913,380)</u>
Net Cash Flows Provided by (Used In) Operating Activities	<u>(832,416)</u>	<u>468,629</u>
Cash Flows Provided By Investing Activities:		
Investment Income	<u>111,691</u>	<u>54,111</u>
Cash Flows Used In Noncapital Financing Activities:		
Fund Equity Distribution to Participating Members	<u>(11,392)</u>	<u>(15,189)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(732,117)	507,551
Cash and Cash Equivalents - Beginning	<u>9,515,252</u>	<u>9,007,701</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 8,783,135</u></u>	<u><u>\$ 9,515,252</u></u>
Reconciliation of Operating Loss to		
Cash Flows From Operating Activities:		
Operating Loss	\$ (4,075,795)	\$ (2,143,764)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by (Used In) Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(225,830)	640,628
Due From Member	31,132	(11,611)
Accrued Administrative Expenses	(57,438)	54,468
Claims Reserves	<u>3,495,515</u>	<u>1,928,908</u>
Net Cash Flows Provided by (Used In) Operating Activities	<u><u>\$ (832,416)</u></u>	<u><u>\$ 468,629</u></u>
Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u><u>\$ 147,314</u></u>	<u><u>\$ (32,765)</u></u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

Effective December 29, 2014, the Atlantic 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 2022, members of the Commission included the Atlantic County, Atlantic County Improvement Authority and Atlantic County Utility Authority.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following primary insurance coverage to its members:

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

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), the Commission offers the following ancillary insurance coverage to its members:

- Public Officials Liability/Employment Practices Liability.
- Crime.
- Pollution Liability.
- Medical Professional Liability.
- Employed Lawyers Liability.
- Cyber Liability.

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

PROPERTY AND CASUALTY INSURANCE

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2022 were as follows:

Property	\$250,000
Auto	\$500,000
General Liability	\$500,000
Workers' Compensation	\$750,000

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 Atlantic 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. 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 governing body'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. 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 Atlantic 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.

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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 government 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 of America or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds, or other obligations of the local unit or bonds or other obligations of governmental unit of which the local unit is a part or within which the governmental unit is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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

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.

Annual Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different. All past-due contributions bear interest at the rate established annually by the Commissioners.

Supplemental Contributions

The Commissioners shall by majority vote levy upon the participating county agencies, additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Interest Income Allocation

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

Unpaid Claims Liabilities

The Commission establishes property and casualty claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves.**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx.

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities (Cont'd)

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, 2022. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency and other factors.

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

Excess Coverage

Coverage in excess of the Commission's 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

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 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/Executive Committee. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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.

Operating expenses include expenses associated with the Commission's operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative 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 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 \$8,926,310 as of December 31, 2022, \$250,000 was insured while \$8,676,310 was collateralized under GUDPA.

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Custodial Credit Risk Related to Deposits (Cont'd)

Of the Commission's bank balance of \$9,718,562 as of December 31, 2021, \$250,000 was insured while \$9,468,562 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, 2022 and 2021, was \$930,547 and \$783,233, respectively.

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission establishes a liability for both reported and unreported insured events, which 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 years ended December 31, 2022 and 2021, and for all open fund years net of excess insurance recoveries:

	<u>2022</u>	<u>2021</u>
Total unpaid claim and claim adjustment expenses all fund years - Beginning	<u>\$ 12,881,891</u>	<u>\$ 10,952,984</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	5,736,708	5,292,942
Changes in provision for insured events of prior fund years	<u>3,414,045</u>	<u>1,843,449</u>
Total incurred claims and claims adjustment expenses all fund years	<u>9,150,753</u>	<u>7,136,391</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	1,173,161	1,397,421
Attributable to insured events of prior fund years	<u>4,482,077</u>	<u>3,810,063</u>
Total payments all fund years	<u>5,655,238</u>	<u>5,207,484</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 16,377,406</u>	<u>\$ 12,881,891</u>

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective December 29, 2014, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating 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.

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, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Total Assets	<u>\$ 35,971,605</u>	<u>\$ 33,498,183</u>
Total Liabilities & Reserves	<u>\$ 20,549,381</u>	<u>\$ 19,092,209</u>
Net Position	<u>\$ 15,422,224</u>	<u>\$ 14,405,974</u>
Total Revenue	<u>\$ 32,398,337</u>	<u>\$ 27,823,315</u>
Total Expenses	<u>\$ 30,532,087</u>	<u>\$ 28,099,491</u>
Change In Net Position	<u>\$ 1,016,250</u>	<u>\$ (1,026,176)</u>
Return of Surplus	<u>\$ 850,000</u>	<u>\$ 750,000</u>

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the NJCEJIF's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

ATLANTIC COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

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, 2022 and 2021, were \$2,811,307 and \$2,350,241, respectively.

The NJCEJIF is also due \$146 as of December 31, 2022 and 2021, from the Commission for the reimbursement of property claim payments.

Note 8: RETURN OF SURPLUS

During 2022, the Board of Commissioners approved a dividend in the amount of \$18,059, representing a pass through of NJCEJIF dividends paid from the 2019 fund year.

During 2021, the Board of Commissioners approved a dividend in the amount of \$11,392, representing a pass through of NJCEJIF dividends paid from the 2016 fund year.

Note 9: SUBSEQUENT EVENTS

COVID-19 Pandemic

While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the Commission and its affiliated excess insurer, the New Jersey Counties Excess Joint Insurance Fund are in an exceptionally strong position because of years of conservative financial practices. Management continues to evaluate the impact of the COVID-19 pandemic on workers' compensation on the Commission.

Claims Activity

Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. The Commission's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply.

Excess Reinsurance Premiums

Although there are signs of insurance marketplace stabilization, Management also expects an increase in excess and reinsurance premiums, especially for cyber liability insurance. To mitigate the increase, the New Jersey Counties Excess Joint Insurance Fund is planning a rate adjustment beginning in 2023.

ATLANTIC COUNTY INSURANCE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION

ATLANTIC COUNTY INSURANCE COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<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	\$ 237,359	\$ 1,652,309	\$ 438,235	\$ 10,553,988	\$ 12,881,891
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	567,438	275,158	211,184	4,682,928	5,736,708
Changes in provision for insured events of prior fund years	(156,899)	217,578	(102,106)	3,455,472	3,414,045
Total incurred claims and claims adjustment expenses all fund years	410,539	492,736	109,078	8,138,400	9,150,753
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	93,139	1,899	24,025	1,054,098	1,173,161
Attributable to insured events of prior fund years	71,967	193,281	50,501	4,166,328	4,482,077
Total payments all fund years	165,106	195,180	74,526	5,220,426	5,655,238
Total unpaid claims and claim adjustment expenses - Ending	\$ 482,792	\$ 1,949,865	\$ 472,787	\$ 13,471,962	\$ 16,377,406

ATLANTIC COUNTY INSURANCE COMMISSION
EIGHT-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2022

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net Earned Required Contribution and Investment Revenue:								
Earned	\$ 7,658,652	\$ 8,245,516	\$ 8,300,701	\$ 8,033,562	\$ 8,033,843	\$ 8,131,222	\$ 8,331,314	\$ 8,712,391
Ceded	1,444,407	1,852,128	1,851,881	1,900,538	1,978,578	2,035,547	2,350,241	2,811,307
	<u>6,214,245</u>	<u>6,393,388</u>	<u>6,448,820</u>	<u>6,133,024</u>	<u>6,055,265</u>	<u>6,095,675</u>	<u>5,981,073</u>	<u>5,901,084</u>
Unallocated Expenses	<u>850,712</u>	<u>863,503</u>	<u>860,947</u>	<u>858,568</u>	<u>859,397</u>	<u>856,581</u>	<u>808,885</u>	<u>820,357</u>
Estimated Claims and Expenses, End of Policy Year:								
Incurred	4,024,308	3,417,955	4,188,908	4,184,234	3,890,333	5,199,066	5,392,942	5,736,708
Ceded						11,996		
Net Incurred	<u>4,024,308</u>	<u>3,417,955</u>	<u>4,188,908</u>	<u>4,184,234</u>	<u>3,890,333</u>	<u>5,187,070</u>	<u>5,392,942</u>	<u>5,736,708</u>
Paid (Cumulative) as of:								
End of Policy Year	704,313	920,455	1,220,000	696,088	685,691	1,126,062	1,397,421	1,173,161
One Year Later	1,502,937	1,736,849	2,172,095	1,828,155	1,794,300	2,250,927	2,913,014	
Two Years Later	2,621,271	2,529,052	2,909,321	2,616,449	2,492,374	3,080,626		
Three Years Later	3,570,915	3,243,858	3,588,980	3,387,397	3,022,010			
Four Years Later	3,979,832	3,650,336	4,020,323	3,798,919				
Five Years Later	4,490,763	3,879,482	4,585,278					
Six Years Later	5,046,456	4,278,852						
Seven Years Later	5,277,756							
Reestimated Incurred Claims and Expenses:								
End of Policy Year	4,024,308	3,417,955	4,188,908	4,184,234	3,890,333	5,187,070	5,392,942	5,736,708
One Year Later	3,445,083	2,915,150	3,879,618	4,008,711	3,401,971	4,474,182	7,016,178	
Two Years Later	4,350,220	3,952,147	4,376,856	4,303,482	3,726,476	4,895,549		
Three Years Later	5,185,950	4,417,599	4,625,162	5,261,264	4,313,580			
Four Years Later	6,060,772	4,578,605	5,488,508	5,380,290				
Six Years Later	6,123,588	4,802,581	5,714,000					
Seven Years Later	6,210,316	5,320,817						
	<u>6,129,900</u>							
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<u>\$ 2,105,592</u>	<u>\$ 1,902,862</u>	<u>\$ 1,525,092</u>	<u>\$ 1,196,056</u>	<u>\$ 423,247</u>	<u>\$ (291,521)</u>	<u>\$ 1,623,236</u>	<u>\$ -</u>

ATLANTIC COUNTY INSURANCE COMMISSION
SUPPLEMENTARY INFORMATION

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

	<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	\$ 295,493	\$ 304,349	\$ 177,158	\$ 4,287,000	\$ 2,811,307	\$ 831,515	\$ 8,706,822
Incurring Liabilities:							
Claims	567,438	275,158	211,184	4,682,928			5,736,708
Expenses					2,811,307	820,357	3,631,664
Total Liabilities	567,438	275,158	211,184	4,682,928	2,811,307	820,357	9,368,372
Underwriting Surplus (Deficit)	(271,945)	29,191	(34,026)	(395,928)	-	11,158	(661,550)
Adjustments:							
Investment Income	389	554	280	4,296	50		5,569
Permanent Transfers							-
Total Adjustments	389	554	280	4,296	50	-	5,569
Gross Surplus (Deficit)	(271,556)	29,745	(33,746)	(391,632)	50	11,158	(655,981)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	<u>\$ (271,556)</u>	<u>\$ 29,745</u>	<u>\$ (33,746)</u>	<u>\$ (391,632)</u>	<u>\$ 50</u>	<u>\$ 11,158</u>	(655,981)
Investment in Joint Venture							115,269
Net Deficit							<u>\$ (540,712)</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<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	\$ 296,000	\$ 311,000	\$ 193,000	\$ 4,342,000	\$ 2,350,240	\$ 818,476	\$ 8,310,716
Incurring Liabilities:							
Claims	495,351	162,092	193,503	6,165,232			7,016,178
Expenses					2,350,241	808,885	3,159,126
Total Liabilities	495,351	162,092	193,503	6,165,232	2,350,241	808,885	10,175,304
Underwriting Surplus (Deficit)	(199,351)	148,908	(503)	(1,823,232)	(1)	9,591	(1,864,588)
Adjustments:							
Investment Income	5	2,022	1,027	15,994	-	1,550	20,598
Permanent Transfers							-
Total Adjustments	5	2,022	1,027	15,994	-	1,550	20,598
Gross Surplus (Deficit)	(199,346)	150,930	524	(1,807,238)	(1)	11,141	(1,843,990)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	<u>\$ (199,346)</u>	<u>\$ 150,930</u>	<u>\$ 524</u>	<u>\$ (1,807,238)</u>	<u>\$ (1)</u>	<u>\$ 11,141</u>	<u>(1,843,990)</u>
Investment in Joint Venture							<u>(17,157)</u>
Net Deficit							<u>\$ (1,861,147)</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<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	\$ 317,726	\$ 325,000	\$ 204,000	\$ 4,358,000	\$ 2,035,547	\$ 863,715	\$ 8,103,988
Incurring Liabilities:							
Claims	548,084	454,334	40,094	3,853,037			4,895,549
Expenses					2,035,547	856,581	2,892,128
Total Liabilities	548,084	454,334	40,094	3,853,037	2,035,547	856,581	7,787,677
Underwriting Surplus (Deficit)	(230,358)	(129,334)	163,906	504,963	-	7,134	316,311
Adjustments:							
Investment Income		3,102	1,907	20,112	4	2,109	27,234
Permanent Transfers							-
Total Adjustments	-	3,102	1,907	20,112	4	2,109	27,234
Gross Surplus (Deficit)	(230,358)	(126,232)	165,813	525,075	4	9,243	343,545
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (230,358)	\$ (126,232)	\$ 165,813	\$ 525,075	\$ 4	\$ 9,243	343,545
Investment in Joint Venture							(56,138)
Net Position							\$ 287,407

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<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	\$ 225,000	\$ 319,000	\$ 214,000	\$ 4,388,000	\$ 1,978,578	\$ 863,338	\$ 7,987,916
Incurring Liabilities:							
Claims	178,492	402,666	40,015	3,692,407			4,313,580
Expenses					1,978,578	859,397	2,837,975
Total Liabilities	178,492	402,666	40,015	3,692,407	1,978,578	859,397	7,151,555
Underwriting Surplus (Deficit)	46,508	(83,666)	173,985	695,593	-	3,941	836,361
Adjustments:							
Investment Income	922	3,459	2,610	30,212	763	2,134	40,100
Permanent Transfers							-
NJCEJIF Dividend					5,827		5,827
Total Adjustments	922	3,459	2,610	30,212	6,590	2,134	45,927
Gross Surplus (Deficit)	47,430	(80,207)	176,595	725,805	6,590	6,075	882,288
Return of Surplus					18,059		18,059
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 47,430	\$ (80,207)	\$ 176,595	\$ 725,805	\$ (11,469)	\$ 6,075	864,229
Investment in Joint Venture							180,969
Net Position							\$ 1,045,198

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<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	\$ 228,000	\$ 313,000	\$ 218,000	\$ 4,448,200	\$ 1,900,538	\$ 862,967	\$ 7,970,705
Incurring Liabilities:							
Claims	62,964	500,147	195,572	4,621,607			5,380,290
Expenses					1,900,538	858,568	2,759,106
Total Liabilities	62,964	500,147	195,572	4,621,607	1,900,538	858,568	8,139,396
Underwriting Surplus (Deficit)	165,036	(187,147)	22,428	(173,407)	-	4,399	(168,691)
Adjustments:							
Investment Income	3,993	6,618	4,516	43,303		4,427	62,857
Permanent Transfers							-
Total Adjustments	3,993	6,618	4,516	43,303	-	4,427	62,857
Gross Surplus (Deficit)	169,029	(180,529)	26,944	(130,104)	-	8,826	(105,834)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 169,029	\$ (180,529)	\$ 26,944	\$ (130,104)	\$ -	\$ 8,826	(105,834)
Investment in Joint Venture							207,130
Net Position							\$ 101,296

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages and Other Accounts</u>						<u>Total</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	\$ 235,000	\$ 327,000	\$ 222,000	\$ 4,940,000	\$ 1,851,311	\$ 664,684	\$ 8,239,995
Incurring Liabilities:							
Claims	138,885	128,701	57,102	5,389,312			5,714,000
Expenses					1,851,881	860,947	2,712,828
Total Liabilities	138,885	128,701	57,102	5,389,312	1,851,881	860,947	8,426,828
Underwriting Surplus (Deficit)	96,115	198,299	164,898	(449,312)	(570)	(196,263)	(186,833)
Adjustments:							
Investment Income	1,096	6,995	5,328	46,927		360	60,706
Permanent Transfers							-
Total Adjustments	1,096	6,995	5,328	46,927	-	360	60,706
Gross Surplus (Deficit)	97,211	205,294	170,226	(402,385)	(570)	(195,903)	(126,127)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 97,211	\$ 205,294	\$ 170,226	\$ (402,385)	\$ (570)	\$ (195,903)	(126,127)
Investment in Joint Venture							229,868
Net Position							\$ 103,741

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<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	\$ 230,137	\$ 320,816	\$ 217,299	\$ 4,843,286	\$ 1,852,129	\$ 664,328	\$ 8,127,995
Incurring Liabilities:							
Claims	342,419	640,612	68,659	4,269,127			5,320,817
Expenses					1,852,128	863,503	2,715,631
Total Liabilities	342,419	640,612	68,659	4,269,127	1,852,128	863,503	8,036,448
Underwriting Surplus (Deficit)	(112,282)	(319,796)	148,640	574,159	1	(199,175)	91,547
Adjustments:							
Investment Income		5,342	4,234	49,793	11	343	59,723
Permanent Transfers							-
NJCEJIF Dividend					57,799		57,799
Total Adjustments	-	5,342	4,234	49,793	57,810	343	117,522
Gross Surplus (Deficit)	(112,282)	(314,454)	152,874	623,952	57,811	(198,832)	209,069
Return of Surplus					45,567		45,567
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (112,282)	\$ (314,454)	\$ 152,874	\$ 623,952	\$ 12,244	\$ (198,832)	163,502
Investment in Joint Venture							139,541
Net Position							\$ 303,043

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

Coverages and Other Accounts

	<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	\$ 183,929	\$ 314,525	\$ 213,038	\$ 4,748,320	\$ 1,444,978	\$ 704,505	\$ 7,609,295
Incurring Liabilities:							
Claims	34,420	482,582	47,681	5,565,217			6,129,900
Expenses					1,444,407	850,712	2,295,119
Total Liabilities	34,420	482,582	47,681	5,565,217	1,444,407	850,712	8,425,019
Underwriting Surplus (Deficit)	149,509	(168,057)	165,357	(816,897)	571	(146,207)	(815,724)
Adjustments:							
Investment Income	4,176	166	4,954	21,681	22	1,776	32,775
Permanent Transfers							-
NJCEJIF Dividend					16,582		16,582
Total Adjustments	4,176	166	4,954	21,681	16,604	1,776	49,357
Gross Surplus (Deficit)	153,685	(167,891)	170,311	(795,216)	17,175	(144,431)	(766,367)
Return of Surplus					16,582		16,582
Net Surplus (Deficit)							
Before Unallocated Investment	\$ 153,685	\$ (167,891)	\$ 170,311	\$ (795,216)	\$ 593	\$ (144,431)	(782,949)
Investment in Joint Venture							131,064
Net Deficit							\$ (651,885)

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

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 93,139	\$ 1,899	\$ 24,025	\$ 1,054,098	\$ 1,173,161
Case Reserves	477,795	83,574	69,798	2,432,359	3,063,526
IBNR Reserves	1,000	199,551	123,426	1,303,575	1,627,552
Reserve Discount	(4,496)	(9,866)	(6,065)	(107,104)	(127,531)
Subtotal	567,438	275,158	211,184	4,682,928	5,736,708
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 567,438	\$ 275,158	\$ 211,184	\$ 4,682,928	\$ 5,736,708
Number of Claims	52	150	57	260	519
Average Cost Per Claim	\$ 10,912	\$ 1,834	\$ 3,705	\$ 18,011	\$ 11,053

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 486,880	\$ 16,039	\$ 50,562	\$ 2,359,533	\$ 2,913,014
Case Reserves	8,544	51,408	39,931	3,138,808	3,238,691
IBNR Reserves		98,783	106,784	777,749	983,316
Reserve Discount	(73)	(4,138)	(3,774)	(110,858)	(118,843)
Subtotal	495,351	162,092	193,503	6,165,232	7,016,178
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 495,351	\$ 162,092	\$ 193,503	\$ 6,165,232	\$ 7,016,178
Number of Claims	71	149	61	256	537
Average Cost Per Claim	\$ 6,977	\$ 1,088	\$ 3,172	\$ 24,083	\$ 13,066

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2021

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 548,064	\$ 21,383	\$ 40,094	\$ 2,471,085	\$ 3,080,626
Case Reserves	20	349,599		1,085,318	1,434,937
IBNR Reserves		92,438		340,194	432,632
Reserve Discount		(9,086)		(43,560)	(52,646)
Subtotal	<u>548,084</u>	<u>454,334</u>	<u>40,094</u>	<u>3,853,037</u>	<u>4,895,549</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 548,084</u>	<u>\$ 454,334</u>	<u>\$ 40,094</u>	<u>\$ 3,853,037</u>	<u>\$ 4,895,549</u>
Number of Claims	<u>53</u>	<u>134</u>	<u>45</u>	<u>205</u>	<u>437</u>
Average Cost Per Claim	<u>\$ 10,341</u>	<u>\$ 3,391</u>	<u>\$ 891</u>	<u>\$ 18,795</u>	<u>\$ 11,203</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 178,490	\$ 129,128	\$ 40,015	\$ 2,674,377	\$ 3,022,010
Case Reserves	2	241,894		800,506	1,042,402
IBNR Reserves		35,952		249,525	285,477
Reserve Discount		(4,308)		(32,001)	(36,309)
Subtotal	178,492	402,666	40,015	3,692,407	4,313,580
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 178,492	\$ 402,666	\$ 40,015	\$ 3,692,407	\$ 4,313,580
Number of Claims	50	191	62	209	512
Average Cost Per Claim	\$ 3,570	\$ 2,108	\$ 645	\$ 17,667	\$ 8,425

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 62,964	\$ 92,097	\$ 52,885	\$ 3,590,973	\$ 3,798,919
Case Reserves		386,298	142,490	787,403	1,316,191
IBNR Reserves		26,995	1,519	276,488	305,002
Reserve Discount		(5,243)	(1,322)	(33,257)	(39,822)
Subtotal	<u>62,964</u>	<u>500,147</u>	<u>195,572</u>	<u>4,621,607</u>	<u>5,380,290</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 62,964</u>	<u>\$ 500,147</u>	<u>\$ 195,572</u>	<u>\$ 4,621,607</u>	<u>\$ 5,380,290</u>
Number of Claims	<u>38</u>	<u>189</u>	<u>69</u>	<u>236</u>	<u>532</u>
Average Cost Per Claim	<u>\$ 1,657</u>	<u>\$ 2,646</u>	<u>\$ 2,834</u>	<u>\$ 19,583</u>	<u>\$ 10,113</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 138,885	\$ 125,604	\$ 57,102	\$ 4,263,687	\$ 4,585,278
Case Reserves		2,279		888,444	890,723
IBNR Reserves		856		274,418	275,274
Reserve Discount		(38)		(37,237)	(37,275)
Subtotal	<u>138,885</u>	<u>128,701</u>	<u>57,102</u>	<u>5,389,312</u>	<u>5,714,000</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 138,885</u>	<u>\$ 128,701</u>	<u>\$ 57,102</u>	<u>\$ 5,389,312</u>	<u>\$ 5,714,000</u>
Number of Claims	<u>39</u>	<u>142</u>	<u>39</u>	<u>212</u>	<u>432</u>
Average Cost Per Claim	<u>\$ 3,561</u>	<u>\$ 906</u>	<u>\$ 1,464</u>	<u>\$ 25,421</u>	<u>\$ 13,227</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 342,419	\$ 227,694	\$ 68,659	\$ 3,640,080	\$ 4,278,852
Case Reserves		415,952		474,754	890,706
IBNR Reserves		2,318		174,001	176,319
Reserve Discount		(5,352)		(19,708)	(25,060)
Subtotal	<u>342,419</u>	<u>640,612</u>	<u>68,659</u>	<u>4,269,127</u>	<u>5,320,817</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 342,419</u>	<u>\$ 640,612</u>	<u>\$ 68,659</u>	<u>\$ 4,269,127</u>	<u>\$ 5,320,817</u>
Number of Claims	<u>50</u>	<u>147</u>	<u>55</u>	<u>224</u>	<u>476</u>
Average Cost Per Claim	<u>\$ 6,848</u>	<u>\$ 4,358</u>	<u>\$ 1,248</u>	<u>\$ 19,059</u>	<u>\$ 11,178</u>

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<u>Coverages</u>				<u>Total</u>
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	
Paid Claims (Net of Recoveries)	\$ 34,420	\$ 482,582	\$ 47,681	\$ 4,713,073	\$ 5,277,756
Case Reserves				694,651	694,651
IBNR Reserves				182,614	182,614
Reserve Discount				(25,121)	(25,121)
Subtotal	<u>34,420</u>	<u>482,582</u>	<u>47,681</u>	<u>5,565,217</u>	<u>6,129,900</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 34,420</u>	<u>\$ 482,582</u>	<u>\$ 47,681</u>	<u>\$ 5,565,217</u>	<u>\$ 6,129,900</u>
Number of Claims	<u>39</u>	<u>232</u>	<u>45</u>	<u>188</u>	<u>504</u>
Average Cost Per Claim	<u>\$ 883</u>	<u>\$ 2,080</u>	<u>\$ 1,060</u>	<u>\$ 29,602</u>	<u>\$ 12,163</u>

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

	<u>Coverages</u>			<u>Workers'</u> <u>Compensation</u>
	<u>Property</u>	<u>General</u> <u>Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$20,500,000 / \$30,500,000	\$20,500,000 / \$30,500,000	STATUTORY
Fund Retention	\$250,000	\$500,000	\$500,000	\$750,000
Excess Insurers	NJCEJIF Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-1)	\$ 567,438	\$ 275,158	\$ 211,184	\$ 4,682,928
Administrative Expenses (1)	47,869	49,304	28,699	694,485
	<u>\$ 615,307</u>	<u>\$ 324,462</u>	<u>\$ 239,883</u>	<u>\$ 5,377,413</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000 / \$25,250,000	\$20,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$250,000	\$500,000	\$500,000	\$750,000
Excess Insurers	NJCEJIF Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-2)	\$ 495,351	\$ 162,092	\$ 193,503	\$ 6,165,232
Administrative Expenses (1)	46,564	48,923	30,361	683,037
	<u>\$ 541,915</u>	<u>\$ 211,015</u>	<u>\$ 223,864</u>	<u>\$ 6,848,269</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2020 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000 / \$25,250,000	\$20,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$250,000	\$500,000	\$500,000	\$750,000
Excess Insurers	NJCEJIF Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Old Republic	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-3)	\$ 548,084	\$ 454,334	\$ 40,094	\$ 3,853,037
Administrative Expenses (1)	52,291	53,488	33,574	717,229
	<u>\$ 600,375</u>	<u>\$ 507,822</u>	<u>\$ 73,668</u>	<u>\$ 4,570,266</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$20,250,000 / \$25,250,000	\$20,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$100,000	\$500,000	\$500,000	\$750,000
Excess Insurers	NJCEJIF Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-4)	\$ 178,492	\$ 402,666	\$ 40,015	\$ 3,692,407
Administrative Expenses (1)	37,576	53,274	35,739	732,809
	<u>\$ 216,068</u>	<u>\$ 455,940</u>	<u>\$ 75,754</u>	<u>\$ 4,425,216</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2022

	<u>Coverages</u>			<u>Workers'</u> <u>Compensation</u>
	<u>Property</u>	<u>General</u> <u>Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$20,250,000 / \$25,250,000	\$20,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$100,000	\$500,000	\$500,000	\$750,000
Excess Insurers	Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-5)	\$ 62,964	\$ 500,147	\$ 195,572	\$ 4,621,607
Administrative Expenses (1)	37,593	51,608	35,944	733,423
	<u>\$ 100,557</u>	<u>\$ 551,755</u>	<u>\$ 231,516</u>	<u>\$ 5,355,030</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$15,250,000 / \$25,250,000	\$15,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$100,000	\$500,000	\$500,000	\$750,000
Excess Insurers	Zurich Velocity Mitsui Sumitomo Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-6)	\$ 138,885	\$ 128,701	\$ 57,102	\$ 5,389,312
Administrative Expenses (1)	35,346	49,184	33,391	743,026
	<u>\$ 174,231</u>	<u>\$ 177,885</u>	<u>\$ 90,493</u>	<u>\$ 6,132,338</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2022

	<u>Coverages</u>			
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>
Limits	\$260,000,000	\$15,250,000 / \$25,250,000	\$15,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$100,000	\$500,000	\$500,000	\$750,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-7)	\$ 342,419	\$ 640,612	\$ 68,659	\$ 4,269,127
Administrative Expenses (1)	35,413	49,367	33,438	745,284
	<u>\$ 377,832</u>	<u>\$ 689,979</u>	<u>\$ 102,097</u>	<u>\$ 5,014,411</u>

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

ATLANTIC COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2022

	<u>Coverages</u>			<u>Workers' Compensation</u>
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$15,250,000 / \$25,250,000	\$15,250,000 / \$25,250,000	STATUTORY
Fund Retention	\$100,000	\$500,000	\$500,000	\$750,000
Excess Insurers	Zurich Mitsui Sumitomo Scottsdale Starr	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-8)	\$ 34,420	\$ 482,582	\$ 47,681	\$ 5,565,217
Administrative Expenses (1)	28,659	49,007	33,194	739,852
	<u>\$ 63,079</u>	<u>\$ 531,589</u>	<u>\$ 80,875</u>	<u>\$ 6,305,069</u>

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Dennis J. Skalkowski
Certified Public Accountant