



New Jersey Schools Insurance Group
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Board of Trustees Meeting September 15, 2021
Action Item
Resolution Authorizing the Issuance of Initial Member Refunds
NJSIG No. 0921-4

At the July 27, 2021 Board of Trustees meeting, the Board directed management to explore returning a portion of the members' contributions for the 2020/2021 fiscal year due to the reduced claims activity associated with the reduction in school activity due to the COVID-19 pandemic. For the period of July 1, 2020 through June 4, 2021, NJSIG's workers' compensation claim activity was substantially reduced compared to that of the same period of time for the prior several fiscal years.

To this end, management has determined that the most effective way to return a portion of members' contributions would be to conduct an initial refund of member contributions for the 2020/2021 fiscal year. This initial refund would be conducted pursuant to N.J.A.C. 11:15-4.21(a), and the refund would be of a portion of member contributions for the workers' compensation fund which is in excess of the amount necessary to fund all obligations for those funds for the 2020/2021 fiscal year. However, in light of N.J.A.C. 11:15-4.21(b), which requires that "[t]he fund may seek approval from the Commissioner to make initial refund payments from a claims or loss retention fund account remaining from any year which has been completed at least 24 months by submitting a written notification to the Department, with accompanying documentation as set forth in this subsection, at least 30 days prior to the proposed refund[,]” NJSIG must first seek the approval of the Commissioner of the Department of Banking and Insurance prior to conducting an initial member refund.

Recommended Resolution: Attached.