



New Jersey Schools Insurance Group
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Board of Trustees Meeting of March 23, 2022 Executive Director Report

NJSIG released the much anticipated budgetary guidance on March 10th at NJSIG's annual Broker meeting. With all the uncertainty and chaos in the market with COVID-19, cyber, and predicted and unpredicted natural disasters, we project that our combined overall guidance across all lines would be up 7.17 percent, if the Board implements my proposed rate recommendations on our retained risk, i.e., our self-insured retention (SIR), or the portion of risk that NJSIG holds in-house. We issued this rate guidance based on the most current information we had from the reinsurance and excess carriers at that time. But Alliant, NJSIG's reinsurance broker, continues to negotiate with the reinsurance and excess carriers to obtain the best rates, with the best available coverage. We remain hopeful that rates ultimately improve from the guidance we issued.

Since receiving permission from the New Jersey Department of Banking and Insurance (DOBI) to return approximately \$6.3 million in member contributions to NJSIG members with workers' compensation coverage in the 2020/2021 policy year, we have been working hard to get our systems ready to issue refund credits or checks. Letters and emails will be going out to members advising the exact amount each member can expect. Client Relations representatives also have a list of the amounts of each member's refund if brokers and members are eager to find out what they can expect. We are hoping to be able to issue checks or refunds in May.

DOBI recently contacted me after approving the COVID-19 return of contributions about our surplus and our future refund plan. They told me that they were quite happy to be having this conversation with us, rather than the one they have been having with other pools that do not have the "problem" of a large surplus but have the much trickier problem of a significant deficit, and now must conduct supplemental assessments for long-ago years.

We have been hard at work organizing and preparing to begin making these returns from our surplus. With the assistance of our recently created position of policy analyst/complex claims examiner, we are identifying exactly what members participated

on our program, by year, by line of coverage, so that we can figure out what each member's portion of the overall premium was for each year, for each line of coverage, dating back to 1983. This is the first step in figuring out which years we should close and when – the goal is to close out years in such a way that all members will be in a positive position. I believe that once implemented, it will assist members to stabilize year over year rate fluctuations and achieve our goal of overall rate stability year over year.

NJSBA's 2022 Workshop will be in person this year beginning October 24, 2022 through October 26, 2022. Our sponsorship of the conference is scheduled for an action item today. If approved, NJSIG will present on ethics at the group training session, which has historically been one of the most well attended trainings of the conference. The \$25,000 sponsorship includes a 10x20 booth space, two one-hour group sessions, prominent advertising throughout the Atlantic City Convention Center, and sponsorship of Workshop's App.

In order to ensure continuity of governance, it is proposed that the Board renew the terms for Christopher Russo, Irene Le Febvre, Dana Sullivan, and Richard Casey for an additional three years, as their terms are set to expire on June 30, 2022. That way, the terms for Christopher Russo, Irene Le Febvre, Dana Sullivan, and Richard Casey would run from July 1, 2022 to June 30, 2025. Our new trustees should be assigned to committees. I recommend Damaris Gurowsky for the personnel committee and Christopher Carrubba for the claims committee. This assures that each committee will have a superintendent, business administrator, and board member assigned.

Respectfully Submitted,

Jill Deitch, Esq.
Executive Director
New Jersey Schools Insurance Group