



New Jersey Schools Insurance Group
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Board of Trustees Meeting of November 28, 2018 Executive Director's Report

New Jersey Schools Insurance Group further modified its' participation in the NJSBA conference in Atlantic City by reducing the size of the booth on the conference floor and continuing the movement toward educational opportunities for attendees. The NJSIG sessions on reducing workers' compensation costs were well attended and generated interest in NJSIG from at least two non-members. NJSIG again presented opening remarks at the NJSBA Leadership Breakfast, where Executive Director Dr. Feinsod added complimentary remarks about NJSIG and its' support of the conference and the new board member retreat. At the NJSIG annual meeting in Atlantic City, Trustees agreed to review a policy update for an Annual reorganization meeting and a bi-annual Chairperson and Vice-Chairperson election. Counsel is preparing an action item for consideration at the January Board of Trustees meeting to amend the policies accordingly.

The sub-funds have concluded their first round of meetings for the year. NJSIG participates in those meetings by providing news and updates relevant to members, as well as training aimed at reducing risk in member schools. The meetings each included "State of the Pool" remarks regarding NJSIG. We had a very good story to tell them this year, and we have every reason to believe the good news will continue again next year.

NJSIG Trustees declared a significant safety grant for members this year. The grant is payable over the next four fiscal years for active members in each of those years. The declared grant, made possible in large part from claim reserve reductions, is both positive news for members and a cause to review the internal controls and transparency surrounding the grant process. After hearing feedback from the sub-fund administrators, NJSIG is proposing modifications to the existing process. The key changes to the procedure are that the allocations to each member will be done pool-wide by actuary Willis Towers Watson, and that each sub-fund will have consistent allocation criteria. The actuary's allocations are then posted to the NJSIG portal and each member will have the ability to view their actuarially determined grant amount.

Reinsurance renewal efforts are underway for the 2019-2020 fiscal year. Preliminary meetings with the school board legal liability underwriters were positive, and were more quantitatively based than in the past. Although School Board Legal Liability remains a challenging line of coverage, we are confident that the reinsurance renewal rates will be acceptable to the membership. Meetings with London underwriters are scheduled for the first week of December and meetings with Bermuda and domestic underwriters are scheduled for early February. Although the January 2019 reinsurance treaty renewals can materially influence the pricing to NJSIG, there is nothing on the immediate horizon that presents a cause for concern.

As a result of a contentious settlement with a restoration contractor following a fire at a member school, NJSIG is preparing to issue a RFQ for restoration contractors. The RFQ will specify NJSIG contract terms applicable to work for our members. The terms will specify billing protocols to remove billing ambiguities discovered in the NJESC State contract used by the member in the contended claim. NJSIG has always avoided specifying remediation contractors for a number of business reasons, but maintaining an approved panel of contractors will add a needed degree of control to the settlement of property losses. Results of the RFQ initiative will be presented to Trustees as an action item in a subsequent Board of Trustees meeting

Respectfully Submitted,

William Mayo

William Mayo, CPCU, ARM
Executive Director