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Board of Trustees Meeting of March 15, 2017 Executive Director's Report

NJSIG staff has focused extensively on matters and compliance since the last meeting. Jill Deitch, Chief Legal Officer, and Stephen Tucker, Assistant General Counsel will address specifics relative to contracting procedures and NJSIG's progress toward compliance. The Claims Department had significant changes since the last Board meeting, as Tony Ruggeri, Claim Manager will present. He will also briefly touch on the claim approval process and will comment regarding some of the outcomes, you might never otherwise hear about but are noteworthy. Jill Deitch will describe some of NJSIG's current approaches to NJSIG defense counsel. Michele Carosi, Comptroller will describe preventing an attempted fraud against NJSIG, and changes within the Accounting Department in support of cross-training team members while balancing separation of duties. Underwriting/Client Relations Manager, Kelly Machu, CSRM, with assistance from David Ritch, Sr. V.P. Willis Re, will provide an overview of reinsurance renewals, 2017 pricing and coverage enhancements. The Executive Director's report is brief so that Trustees may hear about issues important to the organization directly from the capable Managers responsible. We will spotlight the Loss Control and I.T. Departments at a subsequent meeting.

The Executive Director communicated with the broker community, Member Business Officials and the Executive Directors of NJSBA, NJASA, NJASBO and NJPSA regarding pending legislation enabling Joint Insurance Funds to invest in State and Federal government bonds with a maturity of not more than ten years. The legislation passed in the Senate, and NJSIG constituents were encouraged to contact Assembly Speaker Vincent Prieto and their Assembly representatives to request moving A- 4234 to a vote, if they deemed appropriate. If adopted, NJSIG hopes to increase investment income and lower Member costs. Any such investments will be examined by NJSIG's investment advisor, presented to the NJSIG Board of Trustees for approval, and invested through the State Investment Council.

NJSIG is aware of a concern regarding certain rubberized flooring commonly found in schools that may emit mercury vapors. With guidance from a Member district that recently dealt with the issue, NJSIG prepared a communication to NJSIG Members and the broker community regarding the issue, and some recommended action Members might take if they suspect their school's flooring may contain the suspected compounds.

NJSIG is prepared to enter the upcoming renewal season in a sound financial position, with favorable loss experience and successful reinsurance results. Overall, Member pricing will be flat to lower, the Safety Grant program can be continued and strengthened, and the Member's coverage is enhanced. Two of the NJSIG Sub Funds are coming out of their three-year commitment period June 30, 2017 and five of the Sub Funds complete their commitments June 30, 2018.

Respectfully Submitted,

William Mayo

William Mayo, CPCU, ARM
Executive Director