



New Jersey Schools Insurance Group
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Board of Trustees Meeting of June 16, 2021 Executive Director Report

NJSIG's most recent memorandum to staff regarding our response to the COVID-19 situation was distributed on June 7, 2021. It is attached for your review. Governor Murphy issued Executive Order 243 on May 26, 2021, rescinding most requirements to accommodate remote working arrangements for businesses and non-profits. We are keeping the status quo through the end of August, continuing to accommodate remote working wherever possible but allowing any employees who need or want to return to the office to do so. As of September 1, 2021, when NJSIG's members are likely to return to full in-person operations, I have directed that all NJSIG employees return to work in person at NJSIG's Mount Laurel office for a minimum of two days per week. As NJSIG is in the middle of the busy renewal season, we did not want to disrupt remote operations, which continue to run smoothly, and we wanted to give employees time to plan in order to ensure an easy return to the office. After September, we will reassess the status of operations. Many employees have expressed an interest in continuing some remote work in the future. We can look into a whether a remote work policy independent of the COVID-19 pandemic could work for NJSIG after September 2021.

Attached to my report is NJSIG's most current organizational chart. There have been some personnel changes this year, and those changes are outlined in the attached chart.

Four of our contracts for sub-fund administration services, for sub-funds CAIP, ERIC North, ERIC West, and NJEIF, expire this month, as they were all on a three-year term. The contracts for the remaining three sub-funds are on a five-year term and do not expire for another two years. We last went out to RFP for sub-fund administration services for CAIP, ERIC North, ERIC West, and NJEIF in December 8, 2017 and February 2, 2018. The NJSIG resolutions authorizing execution of contracts for sub-fund administration services for these sub-funds were executed in January 23, 2018 (attached hereto). These resolutions called for three-year terms but also included an option to extend the contracts for two additional one-year terms. I

believe the organization is best served by extending these contracts for the additional two years, so that all of our sub-funds are on the same contract schedule. At the end of those two years, we plan to publish a new request for proposals for sub-fund administration services as to all seven of our sub-funds.

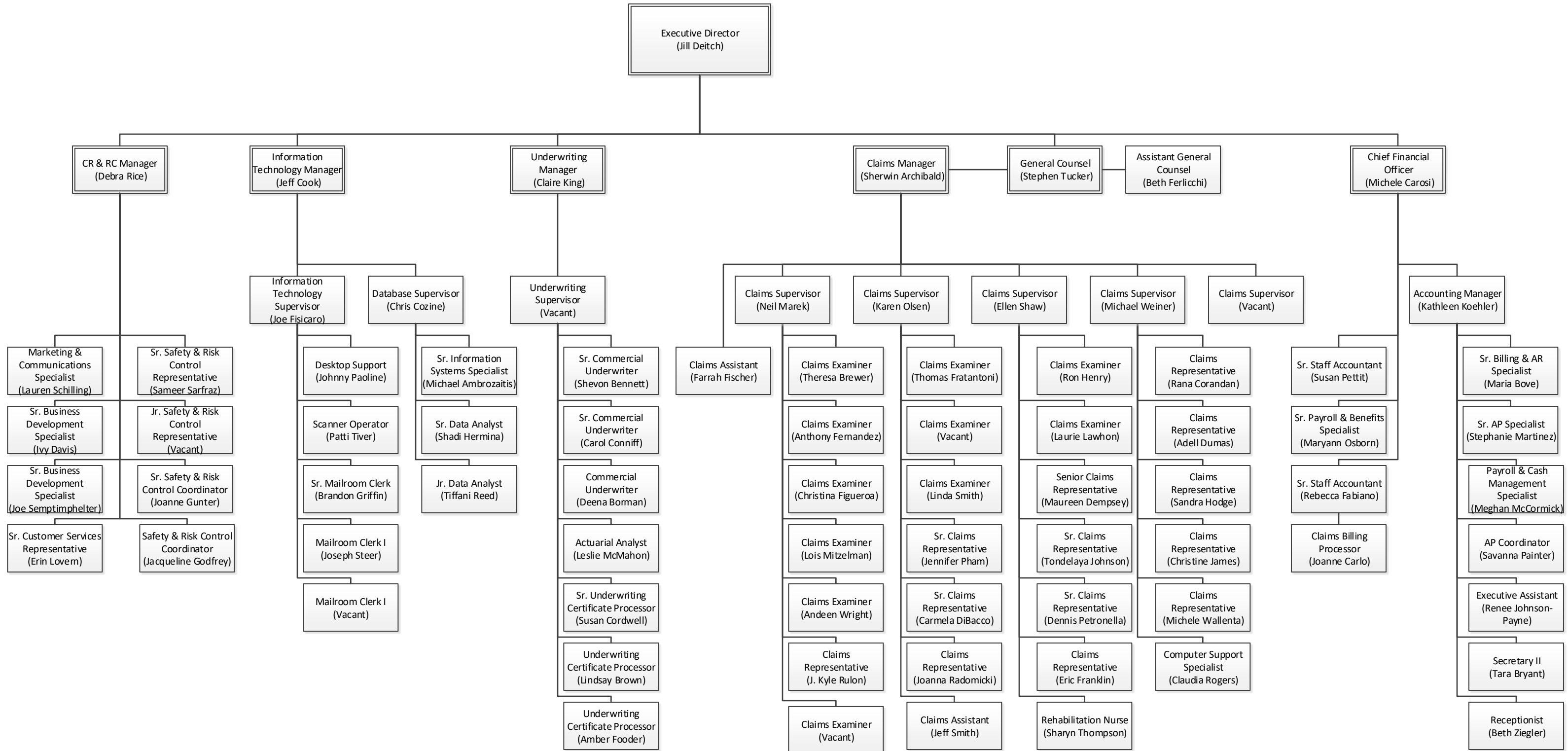
Summer 2021 is nearly upon us, and we are in the last weeks of determining membership for the 2021/2022 policy period. We look forward to meeting with our members in the fall, hopefully at some in-person sub-fund meetings, to do what we can to help ensure a safe return to in-person learning.

Respectfully submitted,

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



New Jersey Schools Insurance Group



NEW JERSEY SCHOOLS INSURANCE GROUP
MEMORANDUM

Date: June 7, 2021

To: All NJSIG Employees

From: Jill Deitch, Esq.
Executive Director

Subject: Guidance to mitigate the risk of spread of COVID-19 in the workplace (updated)

Employee health and safety is a top priority at the New Jersey Schools Insurance Group (“NJSIG”), and NJSIG continues to monitor the severe acute respiratory syndrome coronavirus 2 (“SARS-CoV-2”) / coronavirus disease 2019 (“COVID-19”) situation to help keep us all safe at work. It is also important to ensure the continuous delivery of essential NJSIG services to our members and their employees for the duration of this situation. Below are important things you should know. All of the below procedures are effective immediately and will remain in effect until further notice. This guidance supersedes all prior guidance related to COVID-19. This guidance is subject to change and may be superseded as conditions warrant.

1. Workplace safety

Employees should follow the Centers for Disease Control and Prevention’s (“CDC”) guidance regarding steps to prevent illness and social distancing when feasible while working, as detailed below.

a. Steps to mitigate the risk of spread of COVID-19

Steps you can take to prevent spread of flu and the common cold will also help prevent COVID-19:

- Wash hands often with soap and water. If not available, use hand sanitizer;
- Avoid touching your eyes, nose, or mouth with unwashed hands;
- Avoid contact with people who are sick;
- Stay home while you are sick and avoid contact with others;
- Cover your mouth and nose with a tissue or sleeve when coughing or sneezing; and,

- Get flu and COVID-19 vaccines.¹

This information was taken from the below-referenced New Jersey Department of Health (“NJDOH”) website as of the date of this memorandum. For more up to date guidance on what to do if you suspect you may be sick, visit the NJDOH’s website at: https://www.nj.gov/health/cd/topics/covid2019_community.shtml.

Social distancing, also called “physical distancing,” means keeping a safe space between yourself and other people who are not from your household. To practice social or physical distancing, stay at least 6 feet (about 2 arms’ length) from other people who are not from your household in both indoor and outdoor spaces. Social distancing should be practiced in combination with other everyday preventive actions to reduce the spread of COVID-19, including wearing cloth face coverings/masks (“masks”), avoiding touching your face with unwashed hands, and frequently washing your hands with soap and water for at least 20 seconds. This information was taken from the below-referenced CDC website as of the date of this memorandum. For more up to date guidance on steps to prevent illness, visit the CDC’s website at: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/social-distancing.html>.

While working, NJSIG employees, including those who are fully vaccinated, should stay at least six (6) feet from all other people at all times. This includes other NJSIG employees, employees of member Boards of Education, as well as any member of the public with whom NJSIG employees may interact.

In accordance with Executive Order 192, NJSIG will “[p]romptly notify all employees of any known exposure to COVID-19 at the worksite, consistent with the confidentiality requirements of the ADA and any other applicable laws, and consistent with guidance from the EEOC[.]” For a copy of Executive Order 192, visit the State of New Jersey’s website at: <https://nj.gov/infobank/eo/056murphy/pdf/EO-192.pdf>.

b. Watch for symptoms

People with COVID-19 have had a wide range of symptoms reported – ranging from mild symptoms to severe illness. Symptoms may appear 2-14 days after exposure to the virus. Anyone can have mild to severe symptoms. People with these symptoms may have COVID-19:

¹ NJSIG does not require employees to get a COVID-19 vaccine.

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea

This list does not include all possible symptoms. CDC will continue to update this list as they learn more about COVID-19. Older adults and people who have severe underlying medical conditions like heart or lung disease or diabetes seem to be at higher risk for developing more serious complications from COVID-19 illness. This information was taken from the below-referenced CDC website as of the date of this memorandum. For more up to date guidance on what to do if you suspect you may be sick, visit the CDC's website at: <https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/symptoms.html>.

Please let the Legal Department know if you think you have COVID-19 or another respiratory illness. Managers and supervisors should notify the Legal Department of any employee that is present in the office with suspected COVID-19, or is absent due to suspected COVID-19.

c. Daily COVID-19 self-screening survey

In accordance with Executive Order 192, any employee and authorized non-employee reporting in person to NJSIG's Mount Laurel office must first complete a COVID-19 self-screening survey before entering the workplace. A new COVID-19 self-screening survey must be completed on each date an employee plans on entering the NJSIG office. NJSIG's COVID-19 self-screening survey is available through the time off portal here: <http://dashboard.njsig.org/TIMEOFF/>. Your time and attendance credentials should be used to login to complete the self-screening survey. Employees should complete the COVID-19 self-screening survey from home on the date they plan on working in the office, before leaving for the office. In the event that an employee forgets to complete their self-screening survey before leaving home, the employee must complete their self-screening survey in the reception area before entering any other area

of the office. Print surveys are available for authorized non-employees that need to enter NJSIG's Mount Laurel office.

d. Masks

In accordance with Executive Order 192, NJSIG “[r]equire[s] employees. . . entering the worksite to wear cloth or disposable face masks while on the premises, in accordance with [CDC] recommendations, except where the individual is under two years of age or where it is impracticable for an individual to wear a face mask, such as when the individual is eating or drinking or where a service being provided by the employer cannot be performed on an individual who is wearing a mask[.]” Employees are permitted “to remove face masks when the employees are situated at their workstations and are more than six feet from other individuals at the workplace, or when an individual is alone in a walled office[.]”

NJSIG reserves the right to deny entry to the worksite to any employee who declines to wear a mask, except when doing so would violate State or federal law. Where an employee cannot wear a mask because of a disability, this employee should immediately inform NJSIG of this. NJSIG may require employees to produce medical documentation supporting claims that they are unable to wear a face mask because of a disability. If an employee notes that another employee is not wearing a mask, this may be reported to the Legal Department for resolution. Employees should not attempt to resolve non-compliance with this requirement on their own.

Masks worn by employees should be selected in accordance with CDC guidance, which is available from the CDC website at: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/about-face-coverings.html>. In accordance with Executive Order 192, NJSIG has obtained face masks for any employee that would like one. General information regarding face masks is available from the CDC website at: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/diy-cloth-face-coverings.html>. Employees must still follow guidance regarding steps to prevent illness and social distancing while working in the office even while wearing a face mask.

On May 26, 2021, the Governor of the State of New Jersey issued Executive Order 243. For a copy of Executive Order 243, visit the State of New Jersey's website at: <https://nj.gov/infobank/eo/056murphy/pdf/EO-243.pdf>. This order states in pertinent part that “employers, as defined in Executive Order No. 192 (2020), in workplaces that are not open to the public per Executive Order No. 242 (2021) are not mandated to require employees to wear face masks or social distance at the worksite where the employee provides proof that they are fully vaccinated, as defined by the

CDC, and in accordance with federal and State law.” As such, effective June 4, 2021, any NJSIG employee who provides proof to NJSIG that they are fully vaccinated, as defined by the CDC, is not required to wear a mask in the office. NJSIG does not require employees to get a COVID-19 vaccine. Employees that have provided proof that they are fully vaccinated, and elect not to wear a mask in the workplace, should be aware that they may be implicitly disclosing their vaccination status. Fully vaccinated employees may continue to wear a mask in the office. Proof that an employee is fully vaccinated should be emailed to the Legal Department. For more specific guidance on how the CDC defines “fully vaccinated,” visit the CDC’s website at: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html>.

In accordance with Executive Order 242, authorized non-employees who enter NJSIG’s worksite (i.e., vendors, brokers, etc.) are required to wear a mask, regardless of their vaccination status. If an employee notes an authorized non-employee is not wearing a mask, this may be reported to the Legal Department for resolution. Employees should not attempt to resolve non-compliance with this requirement on their own.

e. Building / office

Please continue to conduct all meetings via teleconference, Zoom, or GoToMeeting wherever possible. No employees should report to NJSIG’s Mount Laurel office without first informing their supervisor. It is very important, for your safety, that NJSIG is aware of which employees are in the office and when.

When no people with confirmed or suspected COVID-19 are known to have been in a space, cleaning once a day is usually enough to sufficiently remove virus that may be on surfaces and help maintain a healthy facility. This information was taken from the below-referenced CDC website as of the date of this memorandum. For more up to date guidance on cleaning, visit the CDC’s website at: <https://www.cdc.gov/coronavirus/2019-ncov/community/disinfecting-building-facility.html>. The interior areas of NJSIG’s Mount Laurel office are cleaned on a daily basis.

Soap is available for hand washing next to the sinks in all bathrooms and kitchens in the office. Alcohol-based hand sanitizer is also available in the common areas. Disposable gloves are available for any employee who would like to utilize gloves while handling inbound deliveries.

With regard to office occupancy capacity, NJSIG’s Mount Laurel office has 20,073 of occupied square feet. See Mount Laurel Bureau of Fire Prevention inspection report, available at https://mobile-eyes.com/InspectPortal_ViewReport.asp?file=1000184TL-14590997604&tr=3B9CDE65-E853-487F-AD27-C161B1B098C4&sum=N. For eighty (80) employees, this provides 250.9125 square feet per employee. Per the Federal Emergency Management Agency, U.S. Fire Administration, “[a]n assumed occupant load factor of greater than 113 square feet per person indicates that the building could potentially practice social distancing without any impact on the number of people present in the building.” A copy of the Federal Emergency Management Agency, U.S. Fire Administration guidance regarding Understanding the impact of social distancing on occupancy is available at https://www.usfa.fema.gov/coronavirus/planning_response/occupancy_social_distancing.html.

For up-to-date OSHA guidance on mitigating and preventing the spread of COVID-19 in the workplace, visit the Occupational Safety and Health Administration’s website guidance on preparing workplaces for COVID-19 at <https://www.osha.gov/coronavirus/safework>.

2. Applicable leave time procedures

NJSIG’s sick leave time policy is set forth in NJSIG Policy 6230. A copy of NJSIG Policy 6230 is available online at: https://www.njsig.org/downloads/bylaws/NJSIG_Policy_Manual_2020-2021.pdf#page=123. The following changes have been made to NJSIG’s procedures with respect to COVID-19:

- a. Isolation (diagnosis with COVID-19): If an employee is diagnosed with COVID-19, the employee may not enter a NJSIG worksite until they meet the return to work criteria below. If, despite such a diagnosis, the employee is not experiencing symptoms, and/or is able to work and wishes to work during the period of COVID-19-related isolation, then the employee shall be permitted to work from home during the period of isolation, if working from home is possible for the employee’s position. While NJSIG’s standard work week remains thirty-five hours, Managers are authorized to modify an employee’s core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated, then the employee will be required to utilize their accrued sick, vacation and/or holiday leave time during the period of the COVID-19-related isolation. In order for the above

to apply, the employee shall provide documentation to the Legal Department verifying their COVID-19 diagnosis within fifteen calendar days of the employee's initial absence. Diagnosed employees should stay home and follow medical direction regarding treatment and absence from work.

Return to work is governed by the "return to work" provision below.

For guidance on what to do if you are sick, visit the CDC's website at: <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>.

- b. Quarantine:** If an employee is not experiencing symptoms of COVID-19 but is (i) directed by a medical professional or government agency to quarantine due to suspicion of exposure to COVID-19, and/or (ii) undergoing a period of self-quarantine pursuant to public health assessment recommendations, then the employee shall be permitted to work from home for the period of the COVID-19-related quarantine, if working from home is possible for the employee's position. While NJSIG's standard work week remains thirty-five hours, Managers are authorized to modify an employee's core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated, the employee will be required to utilize their accrued sick, vacation and/or holiday leave time during the period of the COVID-19-related quarantine. In order for the above to apply, the employee shall provide documentation to the Legal Department verifying the period of the COVID-19-related quarantine within fifteen calendar days of the employee's initial absence.

Return to work is governed by the "return to work" provision below.

- c. Symptoms of respiratory illness:** If an employee is experiencing symptoms of respiratory illness consistent with COVID-19, the employee should immediately seek medical care and request to be tested for COVID-19. If the medical facility is unable to provide such testing, the employee should obtain documentation stating the same, and request a date by which the medical facility will be able to provide such testing. Such documentation shall be provided to the Legal Department within fifteen calendar days of the employee's initial absence. If the employee provides such documentation, the employee may not enter a NJSIG worksite until they meet the return to work criteria below. If the medical facility provides the employee with a date by

which it will be able to provide COVID-19 testing, the employee shall return to the medical facility to obtain such testing prior to returning to work. If, despite experiencing such symptoms, the employee is able to work and wishes to work, then the employee shall be permitted to work from home during the period in which they are experiencing symptoms of respiratory illness consistent with COVID-19, if working from home is possible for the employee's position. While NJSIG's standard work week remains thirty-five hours, Managers are authorized to modify an employee's core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated, or if the employee is otherwise unable to work, then the employee will be required to utilize their accrued sick, vacation and/or holiday leave time during the period in which they are experiencing symptoms of respiratory illness consistent with COVID-19.

Return to work is governed by the "return to work" provision below.

- d. Immediate family member's diagnosis with COVID-19: If an employee's absence is caused by the employee's need to care for an immediate family member who has been diagnosed with COVID-19, but the employee is able to work and wishes to work during the period of the immediate family member's COVID-19-related isolation, the employee shall be permitted to work from home for the period of the immediate family member's COVID-19-related self-isolation, if working from home is possible for the employee's position. While NJSIG's standard work week remains thirty-five hours, Managers are authorized to modify an employee's core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated, the employee will be required to utilize accrued sick, vacation and/or holiday time during the period of the immediate family member's COVID-19-related self-isolation. In order for the above to apply, the employee shall provide documentation to the Legal Department verifying the immediate family member's COVID-19-related self-isolation within fifteen calendar days of the employee's initial absence.
- e. Immediate family member's self-quarantine or isolation: If an employee's absence is caused by the employee's need to care for an immediate family member who has been (i) directed by a medical professional or government agency to self-isolate or quarantine due to suspicion of exposure to or diagnosis with COVID-19, and/or (ii) undergoing a period of self-quarantine

or isolation pursuant to public health assessment recommendations, then the employee shall be permitted to work from home for the period of the immediate family member's COVID-19-related self-isolation or quarantine, if working from home is possible for the employee's position. While NJSIG's standard work week remains thirty-five hours, Managers are authorized to modify an employee's core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated, the employee will be required to utilize accrued sick, vacation or holiday time during the period of the immediate family member's COVID-19-related self-isolation or quarantine. In order for the above to apply, the employee shall provide documentation to the Legal Department verifying the immediate family member's COVID-19-related self-isolation or quarantine within fifteen calendar days of the employee's initial absence.

- f. School / child care center closures or reduction in availability: Employees who are not under suspicion of having been exposed or diagnosed with COVID-19 but must to stay home with a child due to the closure or reduction in availability of a preschool program, elementary school, secondary school, or child care center related to COVID-19, will be required to provide documentation to the Legal Department verifying the closing or reduction in availability. Employees who provide such documentation shall be permitted to work from home, if feasible, during the period of the COVID-19-related closure or reduction in availability. While NJSIG's standard work week remains thirty-five hours, Managers are authorized to modify an employee's core hours under NJSIG Policy 6110 where necessary and where feasible to accommodate such a work from home arrangement. If a work from home arrangement cannot be accommodated or is not feasible, the employee will be required to utilize accumulated sick, vacation or holiday time, during the period of the COVID-19-related closure or reduction in availability.

- g. Required medical documentation: For cases where individuals are undergoing a period of treatment, isolation or quarantine under the circumstances described above, documentation from a local, state or federal governmental agency, a medical professional, office, or hospital or proof that the employee was recently in a location where the recommendation by a governmental agency is to self-quarantine will satisfy the requirement to provide documentation. Additional forms of documentation may also be permitted, as determined by NJSIG. If an employee is absent from work without sufficient documentation confirming treatment, diagnosis, quarantine or

isolation due to exposure or potential exposure, standard leave rules apply.

h. Return to work:

- i. With the exception of employees who have had COVID-19 within the past 3 months and employees who are fully vaccinated (as defined by the CDC), all employees who have been in close contact (as defined by the CDC) with someone who has COVID-19 will not be permitted to enter the workplace until the expiration of the recommended 14-day period of quarantine from the point of last exposure. Furthermore:
- People who have tested positive for COVID-19 within the past 3 months and recovered do not have to quarantine or get tested again as long as they do not develop new symptoms.
 - People who develop symptoms again within 3 months of their first bout of COVID-19 may need to be tested again if there is no other cause identified for their symptoms.
 - People who have been in close contact with someone who has COVID-19 are not required to quarantine if they have been fully vaccinated against the disease and show no symptoms.

This information was taken from the below-referenced CDC website as of the date of this memorandum. For more up to date guidance on quarantine, and for more specific guidance on how the CDC defines “close contact” and “fully vaccinated,” visit the CDC’s website at: <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/quarantine.html>.

- ii. Employees diagnosed with COVID-19 and employees that have displayed symptoms of respiratory illness consistent with COVID-19 will be not be permitted to enter the workplace until the following conditions have been met (based on the scenario presented):
1. *Scenario:* I think or know I had COVID-19, and I had symptoms.

You can be around others after:

- 10 days since symptoms first appeared and
- 24 hours with no fever without the use of fever-reducing medications and
- Other symptoms of COVID-19 are improving*

*Loss of taste and smell may persist for weeks or months after recovery and need not delay the end of isolation

Most people do not require testing to decide when they can be around others; however, if your healthcare provider recommends testing, they will let you know when you can resume being around others based on your test results.

Note that these recommendations do not apply to persons with severe COVID-19 or with severely weakened immune systems (immunocompromised). These persons should follow the guidance below for “I was severely ill with COVID-19 or have a severely weakened immune system (immunocompromised) due to a health condition or medication. When can I be around others?”

2. *Scenario:* I tested positive for COVID-19 but had no symptoms.

If you continue to have no symptoms, you can be with others after 10 days have passed since you had a positive viral test for COVID-19. Most people do not require testing to decide when they can be around others; however, if your healthcare provider recommends testing, they will let you know when you can resume being around others based on your test results.

If you develop symptoms after testing positive, follow the guidance above for “I think or know I had COVID-19, and I had symptoms.”

3. *Scenario:* I was severely ill with COVID-19 or have a severely weakened immune system (immunocompromised) due to a health condition or medication. When can I be around others?

People who are severely ill with COVID-19 might need to stay home longer than 10 days and up to 20 days after symptoms first appeared. Persons who are severely immunocompromised may require testing to determine when they can be around others. Talk to your healthcare provider for more information. If testing is available in your community, it may be recommended by your healthcare provider. Your healthcare provider will let you know if you can resume being around other people based on the results of your testing.

Your doctor may work with an infectious disease expert or your local health department to determine whether testing will be necessary before you can be around others.

This information was taken from the below-referenced CDC website as of the date of this memorandum. For more up to date guidance on return to work after illness, visit the CDC’s website at: <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/end-home-isolation.html>.

Please note that the paid leave provisions of the Families First Coronavirus Response Act (FFCRA), which required certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19, expired on December 31, 2020. For more information on the FFCRA, visit the U.S. Department of Labor’s website at: <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>.

3. Working remotely; Working in the office

On March 21, 2020, the Governor of the State of New Jersey issued Executive Order 107 in response to COVID-19. For a copy of Executive Order 107, visit the State of New Jersey's website at: <https://nj.gov/infobank/eo/056murphy/pdf/EO-107.pdf>. This order states in pertinent part that “[a]ll New Jersey residents shall remain home or at their place of residence unless they are . . . reporting to, or performing, their job[.]” Executive Order 107, at 5 ¶ 2. This Executive Order also provides that “[a]ll businesses or non-profits in the State, whether closed or open to the public, must accommodate their workforce, wherever practicable, for telework or work-from-home arrangements.” Executive Order 107, at 10 ¶ 10. This Executive Order also provides that “[t]o the extent a business or non-profit has employees that cannot perform their functions via telework or work-from-home arrangements, the business or non-profit should make best efforts to reduce staff on site to the minimal number necessary to ensure that essential operations can continue.” Executive Order 107, at 10 ¶ 11.

In accordance with Executive Order 107, NJSIG has made best efforts to reduce staff on site in NJSIG's Mount Laurel office to the minimum necessary to ensure that essential operations can continue. This includes accommodating all employees, wherever practicable, with work-from-home arrangements. However, certain parts of NJSIG's operations, including but not limited to mail operations, check issuance and the attendant supervision, cannot presently be performed from home.

To that end, and in accordance with Executive Order 107, all employees that can perform their functions via work-from-home arrangements may do so until August 31, 2021. Employees should coordinate with their supervisor to determine the dates on which they will report to NJSIG's Mount Laurel office as of September 1, 2021, in accordance with the information below. In the event that you are an employee that can perform your functions via a work-from-home arrangement, but you would prefer to work in the office on one or more dates, you must first notify your supervisor before reporting to the office. As outlined above, it is very important, for your safety, that NJSIG is aware of which employees are in the office and when.

For employees who have functions that cannot be performed from home, you should continue to coordinate with your supervisor regarding the dates on which you should report to NJSIG's Mount Laurel office to perform these functions until August 31, 2021. Employees should coordinate with their supervisor to determine the dates on which they will report to NJSIG's Mount Laurel office as of September 1, 2021, in accordance with the information below. In the event that you are an employee that cannot perform all of your functions via a work-from-home arrangement, and you would prefer to work in the office more frequently than you are currently required, you must first notify your supervisor before reporting to the office on any additional day(s).

Again, it is very important, for your safety, that NJSIG is aware of which employees are in the office and when.

On May 26, 2021, the Governor of the State of New Jersey issued Executive Order 243 in response to COVID-19. This order states in pertinent part that “[p]aragraphs 10 and 11 of Executive Order No. 107 (2020) are hereby rescinded. Businesses and non-profits that require staff to report to a physical worksite must continue to follow the provisions of Executive Order No. 192 (2020), as applicable.” Thus, in accordance with Executive Order 243, effective September 1, 2021, unless approved in advance by the Executive Director, all employees must work at NJSIG’s Mount Laurel office a minimum of two days per week. Employees should coordinate with their supervisor regarding the dates on which they will report to NJSIG’s Mount Laurel office as of September 1, 2021.

All employees working from home will continue to be paid their normal wages. All employees working in the office will continue to be paid their normal wages. Non-exempt employees should continue to utilize the PayChex time and attendance online system to record all time worked, whether in the office, or at home. This system can be accessed online utilizing the following link: <https://timeandlabor.paychex.com/secure/>. Employees should record all time off requests, including those related to COVID-19, using the NJSIG time off system, which is available on NJSIG’s intranet at <http://dashboard.njsig.org/TIMEOFF/>.



A Message from New Jersey Schools Insurance Group's Executive Director

NJSIG's Response to the Cyber Liability Insurance Market Changes

Dear members of the New Jersey Schools Insurance Group:

NJSIG has received a number of broker inquiries over the last several weeks regarding the tumultuous cyber liability insurance market, as well as the unfavorable retentions/deductibles, and policy form that were imposed upon our program without warning by our cyber liability insurer, Beazley Group. We wanted to provide you with additional context regarding the state of the cyber liability market, and what we have been doing to attempt to address this issue.

The marketplace for cyber liability insurance has continued to harden over the last several years, a trend that has only accelerated over the last year due to high profile cyber-attacks that exploited vulnerabilities in prominent software platforms such as [SolarWinds Orion](#), [Microsoft Exchange Server](#), [Accellion File Transfer Appliance](#), as well as high profile ransomware attacks on [CNA Financial Corp.](#) (\$40,000,000), [Colonial Pipeline Company](#) (\$4,400,000) and [Brenntag SE](#) (\$4,400,000). In addition to these high profile cyber-attacks, the Federal Bureau of Investigation's (FBI) Internet Crime Complaint Center [reported](#) a stunning proliferation in the sheer number of cyber complaints reported in 2020, totaling 791,790 from the American public, with reported losses exceeding \$4,000,000,000. According to the FBI, this represents a 69% increase in total complaints from 2019 to 2020.

In this context, the more recent acceleration of high profile cyber-attacks aimed at public schools such as [Broward County Public Schools](#), as well as the more general warning issued by the FBI in December 2020 that cyber criminals have been focusing on public schools as targets of opportunity ([Alert AA20-345A](#)), has increased the risk profile for the cyber liability of public schools in the eyes of the cyber liability insurance market. Thus, in this already hardened cyber liability insurance market, these developments have severely reduced the availability of cyber liability coverage, particularly for public schools, and even more so for public school pools. In an attempt to combat these trends, NJSIG's reinsurance broker marketed our group program to at least fourteen other carriers. Unfortunately, due the variability in minimum cyber security controls in place amongst our membership, as well as our membership's unfavorable loss history, we were unable to obtain better terms than those offered by the Beazley Group.

Looking forward, NJSIG currently retains no risk on the cyber liability line of coverage. While we have explored the possibility of retaining risk on the cyber liability line of coverage – and indeed, we do not shy away from retaining risk where our members need us to do so, such as with communicable disease – the current cyber insurance market with its present volatility is not, in our estimation, amenable to pooling at the present time. The current volatility leaves NJSIG without a strong basis upon which to predict future losses in the near term, and thus unable to provide members with predictable rates. While pooling can be very cost-effective for lines of coverage with actuarially predictable losses, if a pool fails to collect sufficient

contributions to cover retained risk, members must be reassessed. Reassessment of members for additional contributions is something that NJSIG aims to avoid, as an additional assessment of members for completed years is antithetical to the cost-effective coverage offering we attempt to offer our members. Thus, so long as for-profit commercial carriers are willing to assume this cyber risk, it is our belief that our membership is best served transferring this risk to commercial insurers on a member-by-member basis. We will continue to assess the situation, and we rely on your feedback to decide next steps for what is best for the membership at large.

NJSIG's cyber liability coverage was previously included as a component of our property coverage in prior years. However, for the 2021/2022 upcoming policy year the cyber liability coverage is an independent line item on your proposal that may be accepted, or rejected. In response to your inquiries, NJSIG requested that Beazley Group confirm that NJSIG members are free to obtain separate policies of cyber insurance with other carriers to cover the retention/deductible in the Beazley policy, and that payments made (whether directly or indirectly) by these separate policies will serve to satisfy the retention/deductible in the Beazley Group policy. In response, on June 11, 2021, Beazley Group has stated that they will "recognize erosion of retention by payments made by third parties towards a covered loss under this policy. The inability of the third party to pay will not relieve the named insured of the obligation to cover our retention. Also, this is subject to review and acceptance of our legal team as well as finalizing the wording." If Beazley Group provides additional information on this point, we will of course let you know.

So, what can you, NJSIG's brokers and members, do to help improve the cyber program for next year? While NJSIG does not view it as within our role, nor within our expertise, to dictate to our members what cyber security measures they should have in place (such as two-factor authentication and strong independent backup protocols), most cyber insurers now require proof of minimum cyber security measures to even consider providing coverage. Many organizations offer public recommendations about minimum cyber security protocols, and recently President Biden issued an [Executive Order](#) dictating the minimum cyber security standards that all Federal Governmental agencies must implement. While this Executive Order is not binding on public schools in the State of New Jersey, it offers a good starting point for thinking about how to improve an organization's cyber security. In addition, the Educational Services Commission of New Jersey cooperative pricing system, in which many NJSIG members also participate, also offers preapproved [cyber security vendor services](#). Finally, members can also join the [New Jersey Cybersecurity and Communications Integration Cell](#) (NJCCIC), which is a component organization within the New Jersey Office of Homeland Security and Preparedness. You can become a member of the NJCCIC at no cost, and the NJCCIC provides a wide array of cybersecurity services, including the development and distribution of cyber alerts and advisories, cyber tips and best practices for effectively managing cyber risk. Other NJCCIC services include threat briefings, risk assessments, incident response support, and training.

Without uniform adoption of minimum cyber security measures by all NJSIG members, we cannot anticipate a material improvement in our membership's loss performance, and thus in the future of our group cyber program. I hope you find this information useful, and I look forward to hearing from you regarding your feedback on the future of NJSIG's cyber program.

Thank you and stay well.

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