



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting of May 20, 2020 Underwriting Report

The 2020-2021 member renewal season is formally underway. Via exigent collaboration with the IT Department and the entire NJSIG management team, the Underwriting Department has been provided with all the tools necessary to make an exceptionally smooth transition to the new remote working environment. As a result, NJSIG does not expect the present circumstances to slow down the renewal quoting process or effect the quality or timeliness of service to our members and brokers.

Nevertheless, the NJSIG member renewal process got off to a later start this year as it took longer than usual to negotiate the excess casualty reinsurance agreements. The negotiations were more complex than in previous years due to the hardening global casualty reinsurance market and attendant contraction of capacity at equitable terms and rates. Most of the market disruption is the result of reinsurer concerns over the new sexual abuse “reviver” statutes enacted in New Jersey and across the U.S. in combination with concerns over the rising costs of claims and rising jury verdicts nationwide (also referred to as “social inflation”).

While there have been a few deductible increases for 20-21, NJSIG is pleased to report there are no major carrier changes on the pass-through coverages (Environmental, Cyber, Equipment Breakdown, E&O, Supplemental Indemnity) nor are there any significant adverse coverage changes on these lines. However, the coronavirus pandemic has resulted in more carriers, on both the property and casualty lines, mandating the inclusion of communicable disease/pandemic exclusions in their agreements.

As a result of the current work-from-home status, the NJSIG Underwriting, Accounting and IT Departments have also been collaborating on the implementation of a paperless endorsement and renewal invoice process by more fully utilizing the capabilities of NJSIG’s recently upgraded ImageRight paperless workflow software.

As anticipated, NJSIG brokers are not having any difficulty moving the statutorily required Board Secretary/Board Treasurer bonds from NJSIG to the numerous commercial carriers engaged in this specialty. As mentioned in last month’s report, this transition is necessitated by the decision of our long-standing bond reinsurer, GAIG, to withdraw from the public entity bond market on a pooled basis.

Finally, NJSIG is pleased to report approximately 300 renewal and new business submissions have been received to date, which is on par with last year at this time. This is an extraordinary testament to the resilience of our member Business Administrators and brokers during this administratively challenging time.

Claire A. King, J.D., AIC
Underwriting Manager