



## New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North  
Mount Laurel, New Jersey 08054  
(609) 386-6060 • FAX (609) 386-8877  
www.njsig.org

### Board of Trustees Meeting of November 29, 2017

#### Action Item

#### Sub-fund administration services (U-2017-0001) competitive contracting summary report and recommendations

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NJSIG is a school board insurance group, also known as a governmental risk pool, established in accordance with P.L. 1983, c. 108, that provides insurance coverage and risk management services to member school districts. In 1998, NJSIG established its first workers' compensation "sub-fund" in an effort to foster greater accountability and participation among members and garner deeper discounts through regional pooling and risk management education. Because sub-fund members share in a single workers' compensation discount rate, they have a vested interest in the success of their sub-fund as a whole. For that reason, sub-fund members actively participate in risk management and loss control training at a sub-fund level, which helps to reduce losses and premiums. NJSIG currently has seven sub-funds. Each sub-fund is administered by an insurance brokerage firm that specializes in school insurance and risk management, and that brokerage firm acts as an extension of NJSIG in administering each of the NJSIG sub-funds. Membership in a sub-fund is determined at NJSIG's sole discretion, in accordance with NJSIG's bylaws and plan of risk management. While sub-fund members share in a single workers' compensation rate, these sub-funds are not separately incorporated entities.

As a part of NJSIG's efforts to maintain compliance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq., on August 23, 2017, NJSIG received authorization from the State of New Jersey, Department of Community Affairs, Division of Local Government Services to secure sub-fund administration services through competitive contracting, and subsequently issued a request for proposals for these services (U-2017-0001). Proposers were invited to submit proposals to administer one or more sub-funds. As a result of a fair and open competitive contracting process, NJSIG received seven proposals in total, one for each of the seven sub-funds. An evaluation committee was convened to evaluate and summarize the proposals based on weighted evaluation criteria. The results of the evaluation committee are summarized below, and attached for your reference:



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1. Burlington & Camden County Educators Insurance Consortium (BACCEIC) sub-fund:
  - a. Conner Strong & Buckelew Companies, LLC – 91.67 mean composite score. The evaluation committee found this proposal reasonable as to cost, and recommends accepting the five-year proposal.
2. Cape May Atlantic Insurance Pool (CAIP) sub-fund:
  - a. J. Bryne Insurance – 31.67 mean composite score. The evaluation committee found this proposal substantially exceeds NJSIG’s cost estimates for the services, and recommends rejecting the proposal and reissuing the request for proposals for sub-fund administration services for the Cape May Atlantic Insurance Pool (CAIP) sub-fund.
3. Educational Risk & Insurance Consortium – North (ERIC North) sub-fund:
  - a. Arthur J. Gallagher & Co. Risk Management Services, Inc. – 86.67 mean composite score. The evaluation committee found this proposal substantially exceeds NJSIG’s cost estimates for the services, and recommends rejecting the proposal and reissuing the request for proposals for sub-fund administration services for the Educational Risk & Insurance Consortium – North (ERIC North) sub-fund.
4. Educational Risk & Insurance Consortium – South (ERIC South) sub-fund:
  - a. Conner Strong & Buckelew Companies, LLC – 91.67 mean composite score. The evaluation committee found this proposal reasonable as to cost, and recommends accepting the five-year proposal.
5. Educational Risk & Insurance Consortium – West (ERIC West) sub-fund:
  - a. Brown & Brown Insurance – 86.67 mean composite score. The evaluation committee found this proposal substantially exceeds NJSIG’s cost estimates for the services, and recommends rejecting the proposal and reissuing the request for proposals for sub-fund administration services for the Educational Risk & Insurance Consortium – West (ERIC West) sub-fund.



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6. Monmouth Ocean County Shared Services Insurance Fund (MOCSSIF) sub-fund:
  - a. Alliant / Boynton – 90.00 mean composite score. The evaluation committee found this proposal reasonable as to cost, and recommends accepting the five-year proposal.
  
7. North Jersey Educational Insurance Fund (NJEIF) sub-fund:
  - a. Regional Risk Managers – 45.00 mean composite score. The evaluation committee found this proposal substantially exceeds NJSIG's cost estimates for the services, and recommends rejecting the proposal and reissuing the request for proposals for sub-fund administration services for the North Jersey Educational Insurance Fund (NJEIF) sub-fund.