



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

Board of Trustees Meeting March 17, 2021
Action Item
Excess and reinsurance for the 2021-2022 policy year

NJSIG No. 0321-02

NJSIG has begun receiving quotes for reinsurance and excess insurance for the 2021/2022 policy year. As I indicated at our last meeting meeting, Willis Re, NJSIG's current insurance broker, has indicated that the market for reinsurance and excess insurance continues to "harden" for a second consecutive year. "Hardening" is a term of art in the insurance industry that generally means insurance rates are increasing, and available insurance capacity is decreasing. Willis Re has aggressively marketed NJSIG's lines of business to reinsurance and excess insurance carriers so as to ensure we are able to obtain the necessary coverage for our membership at acceptable rates.

Willis Re's prediction regarding the market conditions has proven prescient, with significant hardening noted across multiples lines of coverage for the second consecutive year.. Most significantly, NJSIG is facing double digit rate increases on the property and casualty coverages, with lesser but significant increase on the professional liability coverage. Notably, while cyber coverage has traditionally made up a minor component of the overall program, claims activity has spiked nationwide and thus rates are increasing significantly.

Willis Re's guidance for a worst-case scenario at this juncture is that excess and reinsurance for the 2021/2022 policy year will not exceed \$43,906,832 based on expiring exposure data. NJSIG continues to pursue further price negotiations with carriers and is investigating higher retention limits in certain coverages. NJSIG also continues to explore increased aggregate limits where appropriate.



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Recommended Resolution (NJSIG No. 0321-02): to approve the renewal of reinsurance coverage at a cost not to exceed \$43,906,832 based on expiring exposure data. Further, the Board of Trustees authorizes the Executive Director to renew with alternative responsible carriers if the terms and conditions offered by those carriers provide a clear advantage in Member pricing or coverage terms.

Jill Deitch, Esq.
Executive Director