



1-888-NJ Pool 1

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 March 16, 2016 Client Relations and Underwriting Report

The NJSIG Underwriting Department have completed the 2016/2017 Workers' Compensation Experience Modifier calculations (mods). The Client Relations Representatives were able to release the mods to our broker community very early in February.

Underwriting Management is in the process of reviewing and revising the 2016/2017 renewal and new business applications to ensure that NJSIG Underwriters collect pertinent exposure data. As an additional underwriting measure, we will require brokers to submit their Member districts' current Long-Range Facilities Plan (LRFP) with their renewal applications. The Client Relations Department will release current Auto and Property Schedules to our brokers for their renewal submission preparation.

We have been afforded the opportunity to compete on several new business submissions and are confident we will successfully welcome new Members to the Group during the 2016/2017 program year. Additionally, we have interviewed a potential new broker in the Monmouth/Ocean County area. We are currently vetting the agency specs, history, licenses and professional liability insurance limits and look forward to a positive outcome.

NJSIG will also participate in the 2016 NJCSA Conference in Atlantic City. The Group has approximately 60+ Charter School Members which represents 70% of the Charter Schools in New Jersey. NJSIG has not participated in the past two annual Charter School Conferences in an effort to stabilize a class of business that had become a claims concern. However, after a detailed study last month of our charter school Members we were pleased to notice a marked performance improvement. NJSIG proudly insures many profitable and growing charter schools. We have been able to assist in educating charter school administrators through sub fund meetings, Loss Control visits and Underwriting/broker team guidance. The overall improvement in losses of the Group's Charter School Members is such that we have decided to modify our underwriting requirements. We will now consider offering terms to stable, loss positive Charter Schools in business a minimum of three years in lieu of five.

Several Underwriting staff members took advantage of our less hectic months and completed insurance related trainings & courses to better their insurance knowledge and skills. NJSIG Management appreciates their initiative and drive to further support this great pool.

I am pleased to report that our sub fund meetings continue to be successful and attendance is at an all-time high. We believe this is a result of the "team" mentality the Sub fund Administrators and the NJSIG staff share. Our administrators are a pleasure to work with and we are grateful for their passion and support. Another factor driving the spike in attendance is the presenters. John Moore, John Gainey, and Rich Pevner are engaging and dynamic and the educational elements of their presentations will undoubtedly have a positive effect on losses and premiums.



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Client Relations and Underwriting Report – March 16, 2016

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NJSIG Client Relations is also currently working in conjunction with the MOCSSIF and ERIC North sub funds on their joint training day in May. These sub funds have acquired another exceptionally engaging speaker with an educational, yet exciting, agenda. We again hope to have a robust final attendance count.

Finally, today, March 1st means we are just two days away from our second annual brokers meeting. The NJSIG staff is very excited about the full agenda, dynamic presenters and an overwhelming final count of 105 attendees. I have attached a copy of the meeting agenda for your review. I welcome any questions or comments you may have.

Thank you.

Kelly A. Machu

Kelly A. Machu, Client Relations and Underwriting Manager


Second Annual Broker Meeting

2016-2017



Welcome Bill Mayo

NJSIG Executive Director




A Year in Review

January 2015:

- 5 of our 7 subfunds were coming out of their 3 year commitment
- Burlington office lease was expiring
- Reinsurance renewals for property and E&O were in jeopardy
- Edison claim created unwarranted negative publicity
- Trustees were concerned over organizational culture




Achievements in 2015




- Group achieved a 100% renewal rate(measured by premium volume)
- New facilities were located for main office and data recovery center
- Property reinsurance was renewed without rate increase

Achievements in 2015



- Coverage limits were increased from \$350M to \$400M
- Flood coverage increases
- Increased Cost of Construction increased from \$10M to \$25M limit
- E&O claims administration was outsourced

Structure & Culture



- **Member Services Department was consolidated with Underwriting/Client Relations**
- **Broker commissions were standardized**
 - All Members are required to have a broker
- **NJSIG complying with the School Ethics Act**

Structure & Culture



Staff Additions:

- **Judge Peter Calderone :** Consultant
(Retired as the Chief of the NJ Workers' Compensation Courts)
- **Jill Deitch :** Chief Legal Officer
(Former Section Chief at NJ Office of the Attorney General)
- **Underwriting :** Hired seasoned professionals to improve Underwriting & Client Relations

Governance & Compliance



- **New Board of Trustees**
- **Productive Board Meetings**
- **Successful Audits**

Subfund Meeting Protocols


- 1 **Non-solicitation**
- 2 **Courteous Behavior**
- 3 **Open Communication**

2016 Initiatives



- **Investment Income**
 - 2007-2008: NJSIG earned \$8M
 - 2014-2015: NJSIG earned less than \$1M
- **Health Insurance Fund (HIF)**
 - Feasibility Study

Broker Assistance



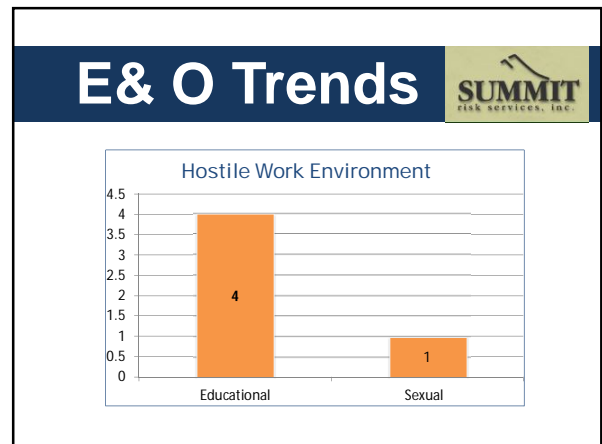
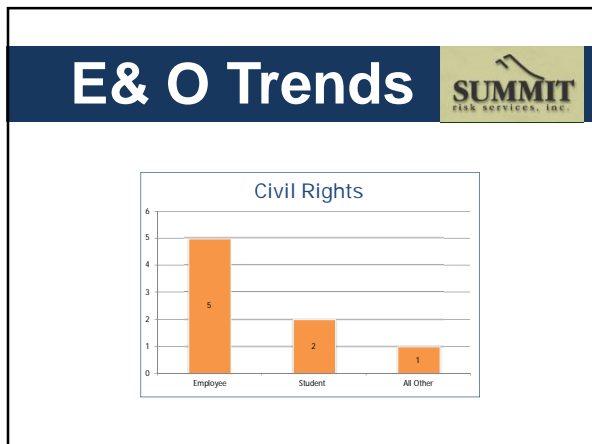
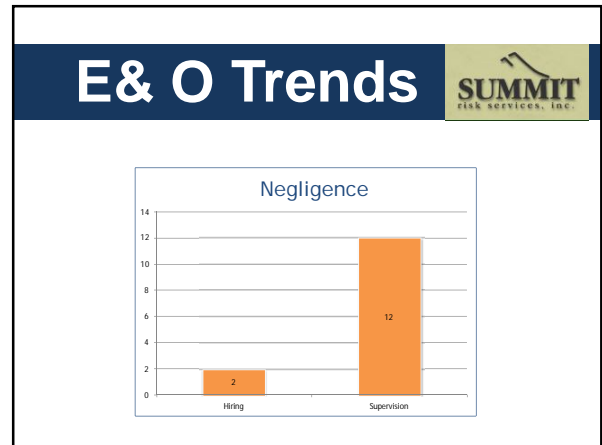
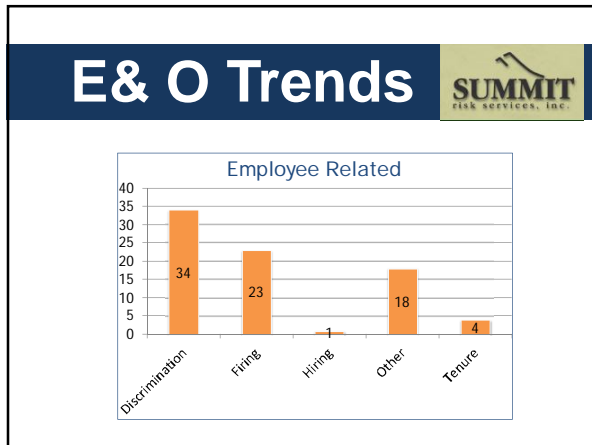
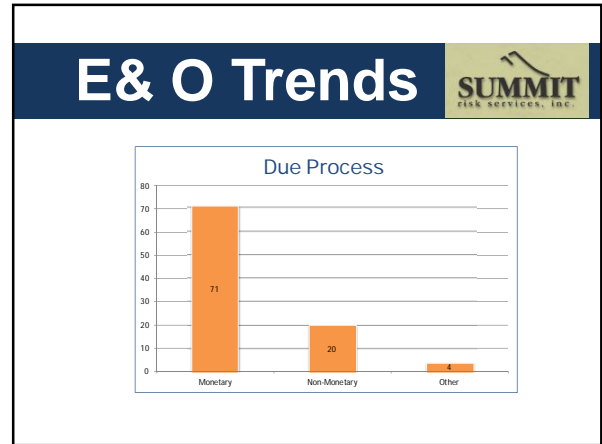
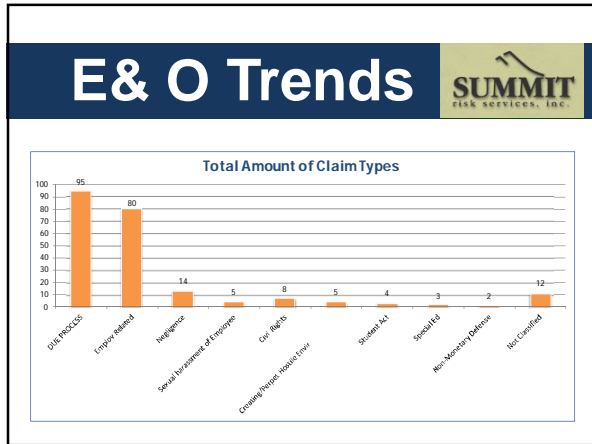
- **Understanding the Role of Governance**

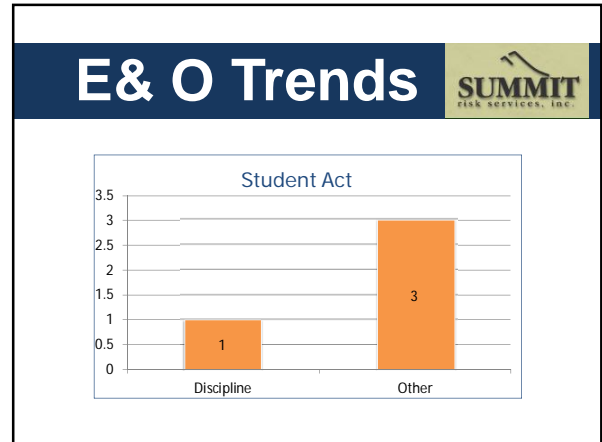
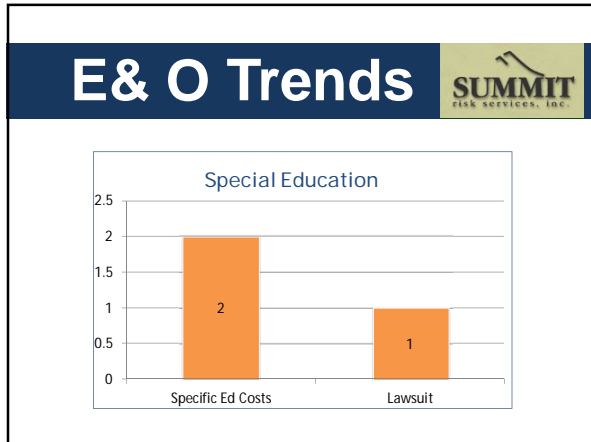


Welcome Rich Pevner

of Summit Risk

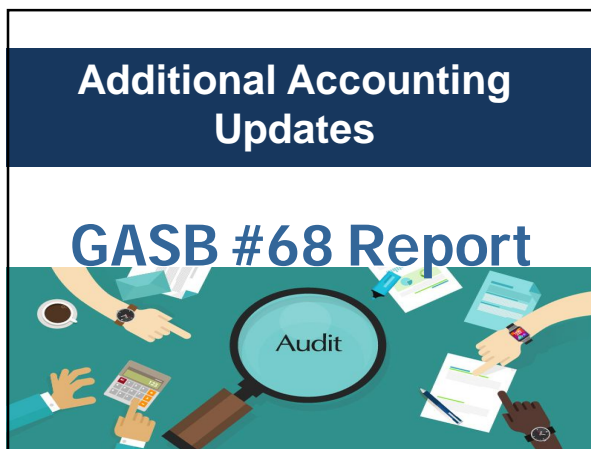






Fiscal Year 2015 Financial Highlights

Overall Assets	\$294.6 million
Loss Reserves	\$213.2 million
Safety Grant	\$2.2 million
Unrestricted Net Position	\$57.0 million





The Basic HR Process

- Developing Job Descriptions
- Recruiting Candidates
- Interviewing/Selection
- Training
- Performance Appraisal
 - What do all of these have in common?
 - All areas which can lead to litigation and a charge with the EEOC, NJ DOE, NJ Law Division and NJ DCR

NJSIG Resources

- **Chief Legal Officer**
 - Jill Deitch, Former Section Chief, Division of Law, Office of the Attorney General
- **Human Resources Manager**
 - Chai H. Respes, Certified HR Professional
- **Trainings, Webinars and Face to Face Meetings (Partnering with Loss Control)**
 - These value-added resources are available to assist you!

Welcome

Jill Deitch

NJSIG Chief Legal Officer

Spoliation

Occurs when evidence pertinent to the action is destroyed, interfering with the action's proper administration and disposition.

Spoliation

Party asserting the claim for spoliation must establish:


1. That the evidence was material to the litigation
2. The evidence was material to the case
3. The evidence could not be obtained elsewhere
4. Defendant intentionally withheld, altered or destroyed the evidence
5. Plaintiff was damaged as a result.

Spoliation



Insurance Company sought \$70,000 from Camden County!


Spoliation



- Protect Schools with Policies on Preserving Evidence.
- Policies counter intentional destruction claims.

Confidentiality

Information viewed on Stars is confidential, and should not be shared. Sharing this information could jeopardize the defense.



Welcome

Kelly Machu

NJSIG Client Relations & Underwriting Manager




Annual Meeting & Reception



- **Successful 2015 NJSBA Convention**
 - Valuable Feedback from Broker Community
- **2016 NJSBA Convention**
 - October 25 – 27


Client Relations & Underwriting Welcomes



- **Carol Conniff**
 - Underwriter
- **Joe Semptimphelter**
 - Client Relations Representative


Underwriting Reminders

- **Friday, June 10, 2016: BOR Due Date**
- **April 1, 2016: Apps Available**
- **New Business Applications**
 - 5 Years of Loss Runs Needed
- **May 25-26, 2016: NJ Charter School Conference**
- **Lock & Binds** (and "subject to's")



Applications/ Underwriting Data Requests

- **Importance of Submitting Completed Apps**
 - Don't Forget Auto Schedules
 - Statement of Values MUST be Accurate
- **Long Range Facility Plan**
- **Zurich Pollution App Required this Year**




Underwriting Updates



- **Minimum Square Footage RC Increase**
- **Standard Broker Commissions**
- **Managing Exposures**


Subfund Meetings

- **2015/2016 Meetings:**
 - Great Feedback!
 - Attendance




Welcome Ron Acebal

of CBIZ Valuation Group, LLC



NJSIG Property Appraisal Program

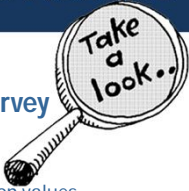


Historically: Why Do We Have Appraisals Completed?


- Help to ensure each member is adequately insured for its property exposures
 - Issues with over valuation
 - Issues with under valuation
 - Liability associated with each
 - Provides confidence to insurance markets




Pools & Appraisals Results




- **AGRIP Property Appraisal Survey**
- 68% have an appraisal program
- 81% adjust premiums annually based on values
- 90% use a nationally recognized estimating program
- 56% complete on site inspections every 3-5 years

Source: AGRIP Survey on Appraisals
Privileged & Confidential 


The Value of Property Exposure Data

- Throughout the underwriting process and as part of broader Enterprise Risk Management (ERM) strategies, insurance companies are increasingly recognizing quality of exposure data as an area of significant concern. If you are responsible for implementing ERM programs, managing underwriting, or brokering property programs, introducing a strategic improvement program targeting the quality of your exposure data may be the solution that you are looking for.
- Although well-publicized improvements have been made to address model-based shortcomings, the inability of insurers and reinsurers to obtain complete and accurate exposure data continues to pose a major threat. The adage of 'garbage in, garbage out' should not be taken lightly, with RMS reporting that when missing or incorrect information is improved, model results vary by a factor of four on a single building or by up to 25% across a portfolio - Global Reinsurance

Privileged & Confidential 

The Appraisal Program To Date

- Value
- Building Information
- COPE Data
- Detailed Secondary Exposure Data
- Contents Modeling
 - Contents valuation is completed by a modeling approach during the limited scope inspection. A value formula was applied based upon detailed contents inventories, and considerations for the application of the formula include occupancy, size (floor area), density, and the presence of any specialized equipment.
- New – Fixed Asset Services – Preferred Rates

Privileged & Confidential 

The Appraisal Program To Date

- NJSIG Innovative Solution
 - Enhanced Coverage
- Leadership in Energy and Environmental Design
 - Developed by the U.S. Green Building Council (USGBC), LEED helps building owners and operators be environmentally responsible and use resources efficiently.

Four Certification Levels



40-49 50-59 60-79 80+ Points

- How Does LEED affect NJSIG?
 - Many federal agencies state (NJ)/ local governments require or reward LEED certification.

Privileged & Confidential

Questions?



R.F. Acebal

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Valuation, Financial Advisory and Litigation Support

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www.cbiz.com

Welcome

Dave Ritch of Willis Pooling



Crisis Management

A Package Policy built around a kidnap/ransom product

Also includes:

- Disappearance
- Customer Identity theft extortion
- Evacuation and Restoration Costs
- Express Kidnapping
- Child Abduction
- Hostage Crisis



INFORM | PREVENT | RESPOND | INSURE

Crisis Management

Assault Extension:
(Most similar to workplace violence coverage)

- On premises or during an activity that insured sponsors
- The weapon must have been brought on premises
- Result in death or dismemberment
- Regional print or televised media within 48 hours



INFORM | PREVENT | RESPOND | INSURE

Laptops/Tablets




Own with confidence.

Comprehensive Insurance Solutions for K12 Technology


<ul style="list-style-type: none">  Accidental Damage  Theft, Burglary and Robbery  Liquid Spills and Submersion  Power Surge  Fire, Flood and Vandalism 	<p>Whether you already have a technology program, are planning a 1-to-1 program, or have students that participate in a BYOD (Bring Your Own Device) program, Safeware has a solution to meet your unique needs.</p> <p>Additional features include:</p> <ul style="list-style-type: none"> • Flexible term options • Deductible options • Multi-year discounts • No occurrence limit • Renewable • No waiting period <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> <p>For more information about our K12 programs, please contact:</p> <p>Zach Morral 419.889.4121 zmorral@safeware.com</p> </div>
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Welcome

Jeff Cook NJSIG IT Manager



NJSIG Claim Reporting

- As of 7/1/15 – Errors & Omissions carrier changed to QBE/Summit Risk 
- As of 9/1/15 - NJSIG required by our prior E&O carrier (XL Re-Insurance) to forward all open E&O claims to Summit Risk for policy periods prior to 7/1/15

Quarterly Loss Runs

- 1/22/16 – Quarterly Loss Runs released
- October-December 2015 – Districts beginning with L-Z may have received incomplete E&O Reports (Erin English (eenglish@njsig.org) will be managing requests moving forward to avoid any future issues)
- April 2016 - Next scheduled mailing

Partnering with ISO Data Analytics & Reporting


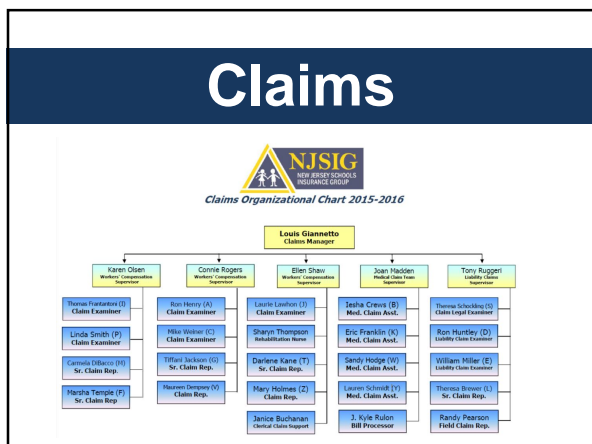
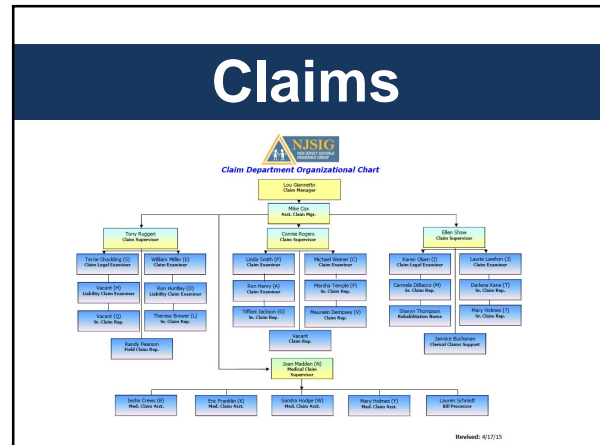
- ISO Workers' Compensation Navigator: Web based product that will allow us to compare our Workers' Comp claim data with the rest of the Insurance Industry Data for early identification of potential problem claims.



Partnering with ISO Data Analytics & Reporting

- How partnering with ISO and using Data Analytics will benefit NJSIG:
 - Breaking down the total cost of risk to gain a deeper understanding of individual cost drivers and quantify their impact.
 - Dissect our program, compare it to trends in the overall insurance market and strengthen our ability to negotiate with carriers.
 - Develop meaningful benchmark analysis for better decision-making, resource allocation and overall process improvement.
 - Able to present this information in a way so it is easily understood and actionable.


Welcome Lou Giannetto NJSIG Claim Manager


Welcome Tony Jones NJSIG Loss Control Manager




The WeTip Crime Hotline




- **Tip Operations around the Clock**
 - 24 hours a day/365 days a year (*always live operators*)
 - Neutral third party organization, 501 (c)(3) Non Profit
- **Total and Complete Anonymity**
 - No taping, tracing or Caller ID




The WeTip Crime Hotline




- **Computer Tip Database**
 - Tracks tips, demographics, crime types
 - Complete reporting system back to Designated School Contact
 - Rewards up to \$1,000 paid upon arrest and conviction
 - Rewards paid anonymously
- **Internet Tips and Unsolved Crime Reports**
 - www.wetip.com



How it Works




- **District submits a Crime Reporting Sheet**
 - Designates a District Contact
 - Designates a Local Police Contact
- **We-Tip is Implemented throughout the School or District**
- **Ready to Use!**




How it Works

"This is the WeTip Crime Hotline, do not give your name or identify yourself in anyway".



- Questions asked have been developed with the help of law enforcement to obtain the maximum amount of information possible.
- Up to 65 questions are asked of informants.
- If there is an arrest and conviction rewards are offered. Informants provide a 3 part code name.



What Happens Next?

- Tip information is typed into the WeTip Crime database
- Each tip is reviewed and disseminated to law enforcement
 - Up to 9 law enforcement agencies
 - Some tips are multiple crimes (*i.e. homicide, child endangerment, drugs, etc.*)
- Disposition information is received from law enforcement regarding case status
- Courts report back to WeTip on Conviction Status




Reporting Crime to WeTip



- Violent Crimes on School Campuses
- Property Destruction
- Threats and Bullying Behavior
- Unsafe Conditions/Safety Violations
- Workers Compensation Fraud/Insurance Fraud
- Drugs/Illegal Substance or Alcohol Use by Employees
- Theft/Robbery/Burglary
- Discrimination/Harassment



Rewards



- Rewards are paid anonymously through post offices using code names and numbers
- Rewards up to \$1,000 are offered when tips lead to arrests and conviction
- Members can post an extraordinary reward up to \$100,000 in special circumstances
- Rewards are paid with consideration to recommendation by investigator



Reward! (Sample)



Sheriff's Investigators are asking for your help in apprehending the suspects responsible for the August 20 vandalism which caused over \$100,000 damage to Colfax High School. Perpetrator(s), using fire hoses, ruined the wooden gymnasium floor.

If you have information regarding this crime you are urged to call Dep. Steve Shafer or Dep. Larry Jenks at 889-7800.

If you wish to remain completely anonymous call:


WeTip
(800)78-CRIME
www.wetip.com
 Se Habla Español

A reward of up to \$1,000 is available upon arrest and conviction of the suspect(s) responsible for this crime.






Implementation

- Posters/Signs
- Student Involvement- Govt., Contests
- PTA/PTO and Letters Home to Parents
- School TV and Website
- Assemblies
- Letterhead, Calendars, Handbooks
- Local Media = Community Awareness



It's All About Trust

- Students must believe the WeTip Hotline numbers are totally safe and anonymous.
- **No** taping, tracing or caller ID.
- An established liaison to serve the specific needs of the school district


WeTip has Taken More than 10,000 Tips on Child Abuse & Neglect

More than 2.5 million reports of child abuse are made in the United States annually, with hundreds of deaths related to child abuse reported every year.

It shouldn't hurt to be a kid!




Workers' Compensation Fraud is Costing Us All a BUNDLE!

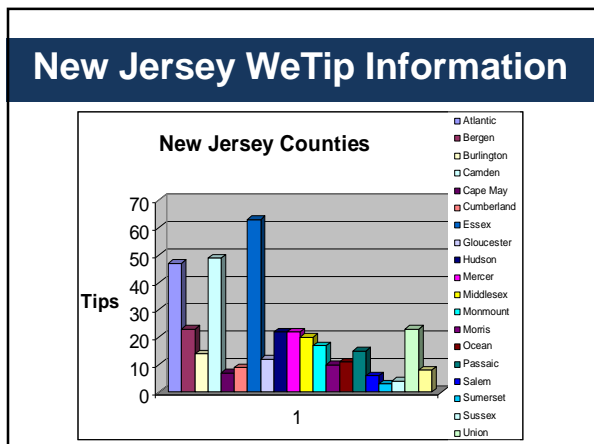
DON'T LET CRIME PAY

WeTip inc.®
(800)87-FRAUD

UP TO \$500 REWARD!



Sponsored By:
 New Jersey Schools Insurance Group





How WeTip Can Fit into Your School District Security Plan

- Crime Prevention and Awareness
- Fraud Detection and Deterrent
- Invites Input from Students and Staff
- Flexible Program
 - Fast Reward
 - Multiple Uses
 - Custom/Specific Responses

Summary

- The WeTip School Safety Hotline is the most cost effective way to establish a neutral third party communication with students and school district employees.
- The system helps allow time for the school district to take appropriate action and avoid liability.
- Information received in time can help to enhance the school district's legal stance in the event of a lawsuit.
- The hotline demonstrates the school district's determination to detect, resolve and prevent workplace issues.


WeTip's School Safety Hotline

Anonymous Hotlines are for all students and school district employees.

Hotlines Include:

- 800-78-CRIME
- 800-87-FRAUD
- 800-47-DRUGS
- 800-47-ARSON
- 855-86-BULLY

www.wetip.com



Welcome David Nash, Esq.

Of Legal One





LEGAL ONE & NJSIG: Working Together

Innovative Partnership with NJSIG

- Common Goal: Empower school employees to make legally sound decisions that recognize and protect the rights of students, parents, staff members and other stakeholders and minimize potential legal liability



New Legal Challenges Each Day

- Law is rapidly evolving in numerous areas, including:
 - Social media, First Amendment Rights, cyberbullying
 - Transgender student rights
 - Hazing as bullying
 - TEACHNJ and progressive discipline
 - Evolving standards for employment discrimination
 - Addressing mental health and addiction issues
 - Understanding employee leave




Title IX and Transgender Students

- [Illinois Controversy](#)
- Settlement reached on December 2nd
- Implications for school districts?
- Note that NJLAD also provides protections based on gender identity, including access to restrooms and locker rooms

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Exclusive to NJSIG

- Full access to 7 LEGAL ONE online courses with more than 20 videos on a wide array of school law issues at no cost
- Includes videos with scenarios and attorney commentaries, resource materials, online assessments
- New content to be added / updated each year
- New Jersey specific!




LEGAL ONE Content

- More than 20 online videos, plus supplemental materials and assessments, organized into 7 online course.
- Governance and Ethics
- Student Rights & Responsibilities
- Staff Rights & Responsibilities
- Special Education
- Tenure and Evaluation
- Employment Discrimination
- NJ's Anti-Bullying Bill of Rights
- [Sample Video](#)



How to Maximize Value?

- Review our courses yourself
- Meet with key decision-makers in your districts to discuss ways to use videos
- Review claims experience of specific districts and identify videos and in-person courses of greatest value
- Encourage use of videos as discussion springboard at staff meetings
- Help districts to develop a yearlong plan to ensure maximum usage
- Provide feedback to LEGAL ONE on ideas for future enhancements



Marketing and Outreach Plan

- Broadcast email going to school principals, assistant principals, supervisors, superintendents, business administrators and other select staff in each of the approximately 400 NJSIG school districts with instructions for easy access
- Working directly with districts with higher claims experience
- Meeting with NJSIG sub-funds to raise awareness and review latest hot issues



For More Information

- David Nash, Esq.
- LEGAL ONE Director
- (609) 860-1200
- dnash@njpsa.org
- www.njpsa.org/legalonenj



Thank You!

