



New Jersey Schools Insurance Group
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Board of Trustees Meeting March 23, 2022

Action Item

Excess, reinsurance and group insurance for the 2022-2023 policy year

NJSIG No. 0322-02

NJSIG has begun receiving quotes for reinsurance and excess insurance for the 2022/2023 policy year. Alliant, NJSIG's current insurance broker, has indicated that the market for reinsurance and excess insurance continues to "harden" for a third 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. Alliant has aggressively marketed NJSIG's lines of business to reinsurance and excess insurance carriers to ensure we are able to obtain the necessary coverage for our membership at acceptable rates.

As a result, NJSIG is facing double digit rate increases on the property reinsurance; significant increases on the casualty reinsurance; and a lesser but still sizeable increase on the professional liability reinsurance. Notably, while cyber coverage has traditionally made up a minor component of our overall program, claims activity has spiked nationwide; thus cyber rates are increasing significantly.

Alliant's guidance for a worst-case scenario at this juncture is that excess and reinsurance for the 2022/2023 policy year will not exceed \$48,032,365 based on expiring exposure data. NJSIG continues to pursue further price negotiations with carriers and continues to explore increased aggregate limits where appropriate.

Recommended Resolution: To approve the renewal of excess, reinsurance and group insurance coverage for the 2022-2023 policy year at a cost not to exceed \$48,032,365 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.