



New Jersey Schools Insurance Group
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Resolution Authorizing the Issuance of Initial Member Refunds

NJSIG No. 0921-4

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is a school board insurance group authorized by N.J.S.A. 18A:18B-1, et seq. to provide risk transfer mechanisms for its members;

WHEREAS, in response to the COVID-19 pandemic, on March 16, 2020, the Governor of the State of New Jersey, Philip D. Murphy, signed Executive Order 104 (2020), which stated in pertinent part “[a]ll public, private, and parochial preschool program premises, and elementary and secondary schools, including charter and renaissance schools, shall be closed to students beginning on Wednesday, March 18, 2020, and shall remain closed as long as this Order remains in effect[;]”

WHEREAS, in response to the COVID-19 pandemic, on May 12, 2020, the Commissioner of the New Jersey Department of Banking and Insurance, Marlene Caride, signed Bulletin No. 20-22, ordering “insurers to make an initial premium refund or other adjustment to all adversely-impacted New Jersey policyholders, and for each month that the public health emergency is in effect,” for the lines of insurance listed in Bulletin No. 20-22, including “Workers’ compensation insurance[;]”

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WHEREAS, on August 13, 2020, Governor Phil Murphy signed Executive Order No. 175 (2020), which supersedes Executive Orders 104 (2020) and 107 (2020)'s requirement that all preschool, elementary and secondary public schools remain closed to students due to the COVID-19 public health emergency;

WHEREAS, Executive Order 175 set forth the requirements for the reopening of in-person instruction at public school districts, charter and renaissance schools, while providing flexibility for those schools unable to meet the enumerated requirements for health and safety;

WHEREAS, in response to the easing of the COVID-19 pandemic, on June 4, 2021, Governor Murphy signed Executive Order 244, which stated in pertinent part that “[t]he Public Health Emergency declared in Executive Order No. 103 (2020) pursuant to the EHPA, N.J.S.A. 26:13-1, et seq., is hereby terminated[;]”

WHEREAS, although NJSIG is not an “insurer” under N.J.S.A. 18A:18B-3(d), NJSIG had received member inquiries regarding return of contributions in response to commercial insurers conducting premium refunds pursuant to Bulletin No. 20-22;

WHEREAS, for the period of July 1, 2020 through June 4, 2021, NJSIG's workers' compensation claim activity was substantially reduced compared to the same period in the several preceding fiscal years;

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WHEREAS, as a member-focused school board insurance group, NJSIG has endeavored to support our member schools in any way possible during this extraordinarily challenging time;

WHEREAS, NJSIG seeks to refund a certain percentage of member contributions for the workers' compensation fund from the 2020/2021 fiscal year;

WHEREAS, N.J.A.C. 11:15-4.21(a) provides that “[a]ny monies for a fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the fund not less than 24 months after the end of the fiscal year[;]”

WHEREAS, N.J.A.C. 11:15-4.21(b) provides that “[t]he fund may seek approval from the Commissioner to make initial refund payments from a claims or loss retention fund account remaining from any year which has been completed at least 24 months by submitting a written notification to the Department, with accompanying documentation as set forth in this subsection, at least 30 days prior to the proposed refund[;]” and,

NOW THEREFORE, BE IT RESOLVED, that:

- 1) The Executive Director is hereby authorized to seek approval from the Commissioner of the New Jersey Department of Banking and Insurance pursuant to N.J.A.C. 11:15-4.21(b) to request a waiver of the twenty-four month requirement of N.J.A.C. 11:15-4.21(a) due to the COVID-19 pandemic, and to

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conduct an initial member refund on the workers' compensation line for the 2020/2021 fiscal year upon receipt of such approval;

- 2) Upon receipt of approval of the Commissioner, the Executive Director is authorized to conduct an initial refund of \$6,346,945.53 in workers' compensation member contributions for the 2020/2021 fiscal year, to be performed in accordance with N.J.A.C. 11:15-4.21(d) and paid in proportion to the member's participation in the respective funds.

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 15th day of September, 2021.

New Jersey Schools Insurance Group

By: _____
Christopher Russo, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE: