New Jersey Schools Insurance Group
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Board of Trustees Meeting of September 16, 2015
Executive Director's Report

On June 30, 2015, five of the seven NJSIG sub funds completed their three-year commitments and became eligible to seek alternative coverage in the open market. As of July 1, 2015, NJSIG has written more than 100% of the expiring book of business measured by premium volume. That includes the addition of two new large accounts and loss of one large account for relationship reasons and the loss of two accounts with unfavorable claim histories. In addition to reporting favorable renewal results, I am pleased to report that the 2014-2015 policy year was also a financial success. Revenue exceeded expenses for the year

Work on the moves to the new office locations is proceeding on time and on budget. The moves will be completed by year-end.

Staff performance reviews were recently completed. Management believes that perfunctory reviews are a wasted opportunity, and the hallmarks of the 2015 reviews are constructive criticism, corrective actions, career development, perpetuation planning, and goal setting.

Underwriting Department changed the annual advocacy meetings with sub fund administrators from past practices to one more oriented toward recognition of the important safety and loss reduction roles the sub fund administrators play in reducing costs for Members.

Loss Control Department has collaborated with the Underwriting Department to establish meetings with non- sub fund districts that parallel the successful loss reduction training provided by the sub fund groups.

NJSIG has agreed to renew the Crisis Management contract for 2015. Crisis Management provides hotline and live support to Member districts facing crisis situations. In addition, they monitor social media and alert Members to potential crisis events. NJSIG will enhance the awareness of the Members regarding this valuable service.

NJSIG will subscribe to the ISO Comp Navigator service. The service analyzes workers' compensation claims at the time they are reported and subsequently to identify those claims that exhibit the characteristics of workers' compensation claims that become large or problematic. ISO reports back to the Group on those claims to facilitate early intervention and monitoring to achieve better outcomes.

With the implementation of GASB Statement No. 68, employers will be required to recognize a liability as employees earn their pension benefits (that is, as they provide services to the government). For the first time, employers will recognize their specific pension amounts which include net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. This will directly affect the surplus of the Group. However, the amount is unknown at this time. The amount is being supplied by the State and has not yet been completed.

Respectfully

William Mayo

William Mayo, CPCU, ARM
Executive Director

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