



New Jersey Schools Insurance Group

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Board of Trustees Meeting of October 24, 2017 Executive Director's Report

Early damage estimates for the series of hurricanes and the California wildfires are beginning to come in. Some estimates are as high as \$100 billion in insured losses. For perspective, Katrina insured losses were in the \$60 billion range. Combined, these events will have a material impact on reinsurance markets. Because reinsurance expense represents almost 25% of the NJSIG annual budget, we are very focused on meeting with our reinsurers to present our risk exposures in the most effective way. We are also investigating potential new reinsurers and structural changes to the reinsurance program. Willis Towers Watson, NJSIG's reinsurance broker, is working closely with us to structure the most advantageous coverages for our Members for the 2018 plan year. It is too soon to speculate on the cost of reinsurance renewals, but NJSIG will keep the Members and our broker partners informed and updated as we proceed with reinsurance negotiations.

The first sub-fund meetings for the current year were recently concluded. The focus of these meetings was a back-to-basics approach to reducing workers' compensation costs. Members were reminded of their commitment to maintain a safety committee, and were offered help and guidance in getting the committees organized. NJSIG continues discussions with Members and Brokers on the current NJSIG loss control offerings and we continue to seek input on any additional loss control services that will benefit our Members.

Respectfully Submitted,

William Mayo

William Mayo, CPCU, ARM
Executive Director