



New Jersey Schools Insurance Group  
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## Board of Trustees Meeting of May 19, 2021 Underwriting Report

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Reinsurance negotiations wrapped up in late April and the 2021-2022 member renewal season is underway. There are no significant reinsurer or pass-through carrier changes for 21-22. While capacity on both the property and casualty side was not an issue this renewal, as was the case last year, negotiations with the excess casualty and cyber reinsurers were more protracted than usual.

Unfortunately, in keeping with a national insurer trend in response to the COVID-19 pandemic, all casualty reinsurers on the renewal program have opted to exclude coverage for claims arising out of communicable diseases. In response, the Board of Trustees approved an increase in NJSIG's self-insured retention (SIR) from \$500,000 to \$1,000,000 on Auto Liability and General Liability in order to provide a higher communicable disease sublimit within the NJSIG SIR.

Additionally, as a result of a substantial increase in cyber liability losses, both nationally and in New Jersey, the NJSIG cyber reinsurer has significantly increased member retentions and premiums, tightened underwriting requirements and reiterated the importance of every NJSIG member having a comprehensive cyber loss control program in place to minimize exposure.

Immediately after all of the Group's reinsurance renewal quotes were negotiated and formally bound in late April via Willis Towers Watson, the new rates were thoroughly and satisfactorily tested in the NavRisk underwriting software prior to the release of first renewal proposal. As of 5/10/21, the department has received 238 renewal submissions, 7 new member submissions, and 19 current member additional lines submissions. Additionally, the NJSIG underwriters have released approximately 50 renewal quote proposals and several member requests to bind coverage have already been received. These statistics are consistent with prior years and all underwriting processes are running smoothly.

All statutorily required auto insurance identification cards and workers' compensation posting notices have been manually customized and assembled into packets by department staff for timely mailing to members prior to 7/1/21.

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Underwriting Manager