



New Jersey Schools Insurance Group

450 Veterans Drive
Burlington, New Jersey 08016
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of September 16, 2015 Information Technology Report

E&O CLAIMS TRANSFER

QBE is our new reinsurer for E&O, as of July 1, 2015 all new claims for the 2015/2016 policy year will be reported to QBE. QBE uses Summit Risk as their TPA to handle our claims. Districts and brokers have been notified of this change and new E&O reporting procedures have been provided to them. We have internal mailroom procedures in place to forward to Summit any E&O documents, emails or faxes that are sent to us in error.

XL Reinsurance was our E&O reinsurer from July 1, 2008 through June 30, 2015. We (NJSIG) have complied with the termination letter sent to us by XL Reinsurance dated May 26, 2015; this letter is included in my report. Read only access was given to 250 open E&O claims in our claims system (STARS) and paperless system (Imageright). The 250 open claims were for policy periods from 7/1/08 through 6/30/15, where XL was the reinsurer. All correspondence for these claims will be forward to Summit for claim handling moving forward.

New Office Moves

I have been working with all the necessary vendors, management groups and the realtor to make sure all IT solutions are in place for our future moves.

Disaster recovery office 500 Campus Drive, Marlboro, NJ - Verizon site inspection for Ethernet connection (data and Phones) has been done; delivery date is scheduled for September 15, 2015. I have received proposals for data and voice cabling, air-conditioning unit for the server room and AV setup for the small conference room and common area conference room.

New Mount Laurel Office 6000 Midlantic Drive Mount Laurel, NJ - Verizon site inspection for Ethernet connection (Data and Phones) has been completed; delivery date is scheduled for October 20, 2015. I have received proposals for data, voice cabling and AV setup for the large conference room, small conference room and training room.

AGRiP

I attended the AGRIP Leadership and Technology conference along with Kelly Machu (Client Relations/Underwriting Manager) held August 9 through August 12, 2015 in Coeur d'Alene, Idaho. The conference was very informative, with speakers touching on continuity and disaster recovery planning, analytics, blue printing and other key IT topics.

My opinion is we are very comparable to the top companies in our industry when it comes to IT solutions. Our disaster recovery plan is very strong where we replicate our data every two hours to a hot site; we have a good balance of cloud solutions and self-hosting solutions that fit our recovery needs. Being paperless is not only a huge part of our disaster recovery and continuity planning it streamlines our internal and external business processes in all departments.



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A future goal would be to get more involved with data analytics and business intelligent reporting. Data can be a very powerful tool, analyzing industry data along with your data can help us make more educated decisions and projections on handling claims, underwriting and loss control. For a long term goal I am going to begin looking at other options for claim\underwriting system that would have the data analytic and business intelligent reporting feature built in, this could take a couple years. My short term goal is to use a third party vendor that can provide us with the data and tools to report at a reasonable cost.

Mailroom New Hire

We would like to welcome Joseph Steer as our new mailroom clerk. Joe has been with us for over a year off and on as a temporary employee. Joe has proven himself to be a great asset to the mailroom and we look forward to having Joe with us for many years.

Jeff Cook

Jeff Cook, Information Systems Manager



VIA FEDERAL EXPRESS
RECEIPT REQUESTED

May 26, 2015

Mike Cox
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Burlington, NJ 08016

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Suite 100
Exton, PA 19341
USA

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Dear Mr. Cox:

Please be advised that the Claims Service Agreement (the "Agreement") by and between Indian Harbor Insurance Company ("XL Catlin") and The New Jersey School Boards Association Insurance Group ("NJSBAIG") will be terminated as of August 31, 2015.

Pursuant to Article VII (C) 1, as of August 31, XL Catlin will assume all responsibility for performing adjusting services for all Claims. In that regard, on or before August 1, 2015, please provide Summit Risk electronic access to all claims files.

During the termination period, NJSBAIG must use its best efforts to handle claims in accordance with the terms and conditions of the Agreement. In addition, pursuant to Article II (F), XL Catlin asks that NJSBAIG obtain XL Catlin's prior approval before retaining any attorney or other expert after the date of this letter.

NJSBAIG is reminded that all Claims files and records of all Claims shall be maintained in a hard copy or electronic format for a period of seven (7) years after the Claim has been closed.

In addition, pursuant to Exhibit C, upon termination of the Agreement, NJSBAIG shall return to XL Catlin any unearned fees within thirty (30) days after demand by Insurer. Accordingly, on or before September 30, 2015, all unearned fees shall be returned to XL Catlin in accordance with the calculation set forth in paragraph 3. As of the date of this letter as set forth in the attached spreadsheet, unearned fees are calculated to be \$250,778. XL Catlin will provide an updated spreadsheet with the specific amount of the unearned fees in August.

In the event you are planning to send a letter to the claimants, vendors or any third parties explaining the reason for the change in claim service providers, a copy of the letter must be forwarded to XL Catlin prior to its mailing for XL Catlin's approval.

We appreciate your efforts to fulfill the obligations of the Agreement termination and we look forward to working with you to achieve a seamless transition. Any questions regarding this process can be referred to Dale Powell.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erin M. Fry'.

Erin M. Fry, Esq., CPCU, RPLU
Head of Programs
Select Professional
XL Group
Encls.

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XL Catlin
Select Professional
New Jersey School Board

Return Fees assuming 8/31/2015 termination date

Year	Earned Dates	GEP	Fee
1	8/31/2012 - 8/31/2013	\$ 6,375,533	\$ 31,878
2	8/31/2013 - 8/31/2014	\$ 7,705,752	\$ 77,058
3	8/31/2014 - 8/31/2015	\$ 7,092,150	\$ 141,843
Total			\$ 250,778