



New Jersey Schools Insurance Group
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Board of Trustees Meeting March 20, 2019
Action Item
Reinsurance

Reinsurance renewals are less favorable than anticipated for July 1, 2019. Proposals for most lines of coverage have been received and reviewed, with the exception of the primary auto general and excess liability lines of coverage. The worst-case estimate is for a 5% rate increase. School Board Legal Liability continues to be the most distressed line of coverage and carries a 10% worst-case rate increase. And property reinsurance markets are offering a 6.7% rate increase despite much more favorable indications as recently as December. Based on the Willis Towers Watson guidance for renewal terms for each line of coverage, the renewal of reinsurance coverage will not exceed \$36,000,000 based on expiring exposure data. NJSIG continues to pursue further price negotiations with carriers and as investigating higher retention limits in certain liability lines. We are also in discussions with an alternative carrier for certain lines of business.

Recommended Resolution: to approve the renewal of reinsurance coverage at a cost not to exceed \$36,000,000 based on expiring exposure data. Further, the Board of Trustees authorizes the Executive Director to renew with alternative responsible carriers if the terms and conditions offered by those carriers provide a clear advantage in Member pricing or coverage terms.

William Mayo

William Mayo, CPCU, ARM
Executive Director