



New Jersey Schools Insurance Group

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www.njsig.org

Board of Trustees Meeting of September 20, 2017 Executive Director's Report

School's out for Summer – but Team NJSIG was not. Summer of 2017 was in fact a time of continued progress and evolution for NJSIG. NJSIG has been extensively audited by Department of Banking and Insurance, financial auditors, claims auditors and even the State Auditor. Through it all, no material findings have been published by any of those agencies. Spending two years under various microscopes might impede the progress and success of some organizations, but it did not slow NJSIG. We had strong financial results for the year just concluded, and have fully funded the claim reserves and maintained surplus as prescribed by an independent actuarial examination.

Kelly Machu and the Underwriting and Client Relations Department culled unfavorable risks from the book of business, and implemented pricing parity where appropriate while renewing 100% of the business each of past two years (measured by premium volume) despite rate reductions for the Members. The team was stronger, more experienced and more effective than ever. Underwriting also leads the reinsurance efforts for NJSIG, and has successfully handled the inevitable areas of concern to reinsurance underwriters. NJSIG enjoys strong, productive carrier relationships as a result of those efforts.

Jeff Cook and the NJSIG Information Technology Department implemented a new claims management system, Origami, that went live July 1st. The process was nearly flawless thanks to skillful management and cooperation with the Claims Department. I.T. is now focused on updating an antiquated document imaging system that will introduce efficiencies in all aspects of NJSIG's operations. I.T. handles a stream of database and analytics projects for each department, further enhancing NJSIG efficiencies. Next year, I.T. will partner with the Underwriting Department to review efficient and effective underwriting systems.

The Accounting Department successfully concluded implementing a new banking relationship with Investors Bank. The expected tweaks and adjustments with this new and complex arrangement were professionally and skillfully handled by Comptroller, Michele Carosi and her team. During the recent audits, the Accounting Department's abilities to respond to information requests and to demonstrate strong internal controls were very evident.



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The recently concluded reserve analysis by Willis Towers Watson demonstrates improvements in both new and ongoing open claim reserves, which is complementary testimony to Tony Ruggeri's leadership in the Claims Department. In cooperation with the Legal Department, Claims has enjoyed very favorable results on litigated matters. Claims Department is concluding an extensive RFP process for workers' compensation managed care services.

Under Jill Deitch's direction, Legal has made tremendous strides in updating, revising and implementing policies and procedures that ensure NJSIG's compliance with best practices, governing documents and laws and regulations. Jill and Steve Tucker accelerated issuing RFPs and RFQs and managing the resulting contracts, and continue to do so throughout the organization. Legal has been a valuable partner for the Claims Department as internal counsel on litigation matters and in managing defense counsel. The Legal Department lead the transition of the former Human Resources Department. They are currently leading the effort to redefine NJSIG's loss prevention efforts. There are a number of exciting initiatives underway that will enhance NJSIG's existing Safety and Risk Control professionals' abilities to bring the best and most current loss prevention services to NJSIG Members.

The Executive Director's report often focuses on NJSIG operations and results. It is appropriate to acknowledge the quiet efforts and remarkable results of Rebecca Iglesias and the office support staff. NJSIG's success is dependent on Rebecca and her team's efforts managing our physical plant, facilitating training sessions and organizing Board meetings. They create and maintain a productive work environment for NJSIG employees. Rebecca's team also manages the Safety Grant logistics, schedule Safety and Risk Control inspections, help coordinate events and facilitate client support.

Over the course of upcoming Board of Trustees meetings I will prepare a synopsis of each NJSIG Department and the respective management staff for each Board package. Each of the Department Managers will prepare a brief overview of their department's challenges and accomplishments.



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NJSIG enters the 2017/2018 school year well-positioned for continued and expanded success. Strong governance, a dedicated leadership team, sound financial condition and NJSIG's market-leading products and services ensure continued success serving NJSIG's Members.

Respectfully Submitted,

William Mayo

William Mayo, CPCU, ARM
Executive Director