



New Jersey Schools Insurance Group  
6000 Midlantic Drive, Suite 300 North  
Mount Laurel, New Jersey 08054  
www.njsig.org

**Board of Trustees Meeting of June 16, 2021  
2021/2022 Budget – Second/Final Reading  
Action Item  
(NJSIG No. 0621-1)**

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The NJ Department of Banking and Insurance (DOBI) requires NJSIG to file the next fiscal year budget by 06/30/2021. Attached is the draft of the fiscal year 2021/2022 NJSIG budget. This attached budget is unchanged since your review and approval of the first reading at the May 19, 2021 meeting. This is the second and final reading of the 2021/2022 NJSIG budget and requires Trustee approval prior to submission to DOBI. Attached please find the 2021/2022 final NJSIG budget for your review, discussion and approval at the June 2021 meeting.

**Recommended Resolution (NJSIG No. 0621-1):** to approve and adopt the attached 2021/2022 NJSIG budget.

Michele Carosi  
Chief Financial Officer



NJSIG  
Income Statement  
For the Periods Ending

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Account	Department	Description	FY 2018/2019 Actuals YTD	FY 2019/2020 Budget YTD	FY 2019/2020 Actuals YTD	FY 2019/2020 Variance	02/28/2021 8 MONTHS Budget YTD	02/28/2021 8 MONTHS Actuals YTD	06/30/2021 12 MONTHS Budget YTD	06/30/2021 12 MONTHS PROJECTED	FY 2021/2022 Budget YTD
		Income:									
4101		Audit Premium Written	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4102		Student Accident	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4103		Workman's Compensation	73,404,560.50	75,621,752.00	76,453,624.14	831,872.14	73,741,020.00	74,528,138.42	73,741,020.00	74,528,138.42	A8 74,731,702.00
4104		Property	18,394,959.86	18,926,664.00	20,047,949.84	1,121,285.84	22,158,736.00	22,926,982.99	22,158,736.00	22,926,982.99	A8 24,571,046.00
4105		Automobile Liability	5,585,102.76	5,616,377.00	5,940,733.96	324,356.96	4,501,960.00	4,758,407.10	4,501,960.00	4,758,407.10	A8 3,171,700.00
4106		Automobile Phys. Damage	981,623.21	994,196.00	1,036,001.41	41,805.41	708,400.00	879,948.49	708,400.00	879,948.49	A8 831,543.00
4107		General Liability	7,993,389.75	8,117,367.00	8,429,518.37	312,151.37	9,958,305.00	10,111,671.62	9,958,305.00	10,111,671.62	A8 9,886,550.00
4108		Boiler	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4109		Errors & Omissions	16,423,464.84	17,350,405.00	17,889,216.16	538,811.16	18,330,643.00	17,513,485.66	18,330,643.00	17,513,485.66	A8 18,772,508.00
4110		Umbrella	4,445,181.13	4,559,320.00	4,829,300.79	269,980.79	5,479,908.00	5,591,627.17	5,479,908.00	5,591,627.17	A8 7,268,220.00
4111		Crime	609,872.22	613,186.00	628,035.45	14,849.45	616,719.00	656,427.38	616,719.00	656,427.38	A8 228,850.00
4113		Pollution Liability Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4114		E.D.P.	992,050.54	1,011,526.00	1,045,180.22	33,654.22	1,022,781.00	1,104,711.11	1,022,781.00	1,104,711.11	A8 0.00
4115		Cigna/Fireman's Fund Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4117		Retro Accounts Income	6,931.74	0.00	8,443.80	8,443.80	0.00	2,078.90	0.00	3,118.35	E12 0.00
4118		Willis Change in Unrnd Premium	(4,864.44)	0.00	(20,712.90)	(20,712.90)	0.00	383,060.51	0.00	383,060.51	A8 0.00
4121		Builder's Risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4122		Supplemental Indemnity	1,801,768.00	1,725,512.00	1,839,317.55	113,805.55	1,769,388.00	2,019,357.69	1,769,388.00	2,019,357.69	A8 2,214,469.00
4123		Bond Premium	274,946.18	274,209.00	284,416.15	10,207.15	278,379.00	139,594.27	278,379.00	139,594.27	A8 0.00
4125		Equipment Breakdown	1,223,125.12	1,229,800.00	1,291,502.88	61,702.88	1,733,759.00	1,771,455.87	1,733,759.00	1,771,455.87	A8 1,694,221.00
	560	Underwriting Department									94,509.00
4126		Crisis Management									94,509.00
	560	Underwriting Department									1,150,002.00
4127		Cyber Liability									1,150,002.00
	560	Underwriting Department									356,393.00
4128		Environmental									356,393.00
	560	Underwriting Department									57,536.00
4129		Restart									57,536.00
4131		Willis ChngUnerndRetMgtFeePrem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
		Premium Income	132,132,111.41	136,040,314.00	139,702,527.82	3,662,213.82	140,299,998.00	142,386,947.18	140,299,998.00	142,387,986.63	
4202		Retro Prem/Srvs Written	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Retro Accounts Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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		<b>Total Income</b>	132,132,111.41	136,040,314.00	139,702,527.82	3,662,213.82	140,299,998.00	142,386,947.18	140,299,998.00	142,387,986.63	145,029,249.00
		<b>Adjustments:</b>									
4700		Contribution Return - 00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4703		WComp Contrib Return	0.00	0.00	(3,100,232.00)	(3,100,232.00)	0.00	0.00	0.00	0.00	0.00
4705		AL Contrib Return	0.00	0.00	(178,967.00)	(178,967.00)	0.00	0.00	0.00	0.00	0.00
4799		Contribution Return - 99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>Member Contribution Returns</b>	0.00	0.00	(3,279,199.00)	(3,279,199.00)	0.00	0.00	0.00	0.00	0.00
4301		Reinsurance Recoveries	2,861,889.33	1,450,000.00	6,345,535.50	4,895,535.50	0.00	2,854,451.63	0.00	2,854,451.63	A8 0.00
4302		Reins Recovery W/C 85/86	1,598.66	0.00	14,351.96	14,351.96	0.00	0.00	0.00	0.00	A8 0.00
4303		Accrued Reins Recoveries	1,465,038.38	0.00	(916,882.00)	(916,882.00)	0.00	(860,306.00)	0.00	(860,306.00)	A8 0.00
4304		Subrogation Income	1,432,764.67	0.00	688,581.29	688,581.29	0.00	588,607.22	0.00	588,607.22	A8 0.00
4306		Reinsurance Rebate Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4307		Claim Deductible Credit	0.00	0.00	133,388.00	133,388.00	0.00	43,500.00	0.00	43,500.00	A8 0.00
		<b>Recoveries &amp; Subro Income</b>	5,761,291.04	1,450,000.00	6,264,974.75	4,814,974.75	0.00	2,626,252.85	0.00	2,626,252.85	0.00
		<b>Revenue</b>	137,893,402.45	137,490,314.00	142,688,303.57	5,197,989.57	140,299,998.00	145,013,200.03	140,299,998.00	145,014,239.48	145,029,249.00
		<b>Expenses:</b>									
5102		Salaries-Temporary Employees	50,887.19	129,336.00	44,347.95	(84,988.05)	30,666.66	885.92	46,000.00	1,328.88	E12 27,500.00
5103		Salaries	5,927,674.45	6,772,600.80	6,074,655.56	(697,945.24)	4,403,784.67	4,099,437.84	6,605,677.01	6,149,156.76	E12 6,795,064.00
5104		Salaries - Overtime	56,964.46	57,560.04	20,952.66	(36,607.38)	22,750.66	17,381.06	34,126.00	26,071.59	E12 25,099.00
5106		Deferred Compensation Pay	0.00	0.00	2,500.00	2,500.00	4,000.00	4,000.00	6,000.00	6,000.00	E12 6,000.00
5108		Payroll Tax Expenses	462,554.13	546,924.00	587,731.35	40,807.35	342,128.00	258,065.43	513,192.00	387,098.15	E12 657,592.00
5109		Pension Expense	829,775.16	966,197.04	803,692.00	(162,505.04)	621,425.34	0.00	932,138.00	932,138.00	B21 902,324.00
5109-68		GASB68-Pension Expense	789,779.00	0.00	568,285.00	568,285.00	0.00	0.00	0.00	0.00	E12 0.00
5110		Employee Benefits Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	E12 0.00
5111		Recruiting Costs	2,087.20	24,750.00	13,377.50	(11,372.50)	1,666.66	0.00	2,500.00	2,500.00	2,000.00
5112		Retiree Med Bene Exp	243,406.00	265,757.04	(9,699.00)	(275,456.04)	164,476.00	0.00	246,714.00	246,714.00	B21 64,693.00
5113		Employee Medical Benefits	934,580.25	1,181,790.00	919,821.53	(261,968.47)	734,758.00	524,251.69	1,102,137.00	786,377.54	E12 1,085,808.00
5114		Employee Dental Benefits	58,053.69	68,492.04	61,486.64	(7,005.40)	45,086.66	37,954.25	67,630.00	56,931.38	E12 72,235.00
5115		Employee Vision Benefits	23,911.80	27,555.00	26,308.40	(1,246.60)	18,343.34	16,507.99	27,515.00	24,761.99	E12 29,834.00
5116		EE HRA Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
5117		Employee FSA Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
5118		Employee Short Term Disability & Other Ins	65,166.30	81,999.96	69,856.57	(12,143.39)	53,333.34	45,097.38	80,000.00	80,000.00	B21 81,000.00
5119		Defined Contribution Retirement Expense	5,992.09	6,222.96	4,790.50	(1,432.46)	1,824.66	548.23	2,737.00	822.35	E12 1,262.00
		<b>Personnel Expenses</b>	9,450,831.72	10,129,184.88	9,188,106.66	(941,078.22)	6,444,244.00	5,004,129.79	9,666,366.00	8,699,900.62	9,750,411.00
5202		Newsletter Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	E12 0.00



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5203		Marketing Expenses	7,744.53	14,499.96	5,581.42	(8,918.54)	6,000.00	1,440.25	9,000.00	2,160.38	E12	7,000.00
		Member Services Dept. Expenses	7,744.53	14,499.96	5,581.42	(8,918.54)	6,000.00	1,440.25	9,000.00	2,160.38		7,000.00
5227		Loss Prevention	89,407.60	27,848.04	9,814.41	(18,033.63)	11,833.34	37.94	17,750.00	56.91	E12	1,930.00
5228		Office Equipment Maintenance	0.00	0.00	0.00		0.00	0.00	0.00	0.00	E12	0.00
5229		Computer Software Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	E12	0.00
		Loss Control Dept. Expenses	89,407.60	27,848.04	9,814.41	(18,033.63)	11,833.34	37.94	17,750.00	56.91		1,930.00
5252		Claims Audit Expense	0.00	102,000.00	0.00	(102,000.00)	60,000.00	0.00	90,000.00	0.00	A8	0.00
5253		Claims Admin. Expenses	(762.00)	0.00	(124.00)	(124.00)	0.00	(428.00)	0.00	(642.00)	E12	0.00
		Claims Dept. Expenses	(762.00)	102,000.00	(124.00)	(102,124.00)	60,000.00	(428.00)	90,000.00	(642.00)		0.00
5301		Accounting Fees	0.00	0.00	3,273.00	3,273.00	3,333.34	0.00	5,000.00	0.00	E12	5,000.00
5303		Actuary Fees	201,279.29	275,000.04	156,538.58	(118,461.46)	193,333.34	93,804.33	290,000.00	290,000.00	B21	249,500.00
5305		Loss Control Outside Services	257,658.86	294,776.04	246,628.07	(48,147.97)	181,000.00	140,227.94	271,500.00	210,341.91	E12	384,500.00
5306		Legal & Professional Fees	112,576.23	200,000.04	35,881.13	(164,118.91)	83,333.34	2,935.00	125,000.00	119,750.00		75,000.00
5310		Third Party Admin.-Willis	675,000.00	675,000.00	675,000.00	0.00	450,000.00	393,750.00	675,000.00	675,000.00	B21	675,000.00
		Outside Service Fees	1,246,514.38	1,444,776.12	1,117,320.78	(327,455.34)	911,000.01	630,717.27	1,366,500.01	1,295,091.92		1,389,000.00
5309		MOCSSIF Agent Commission Exp.	350,000.00	364,000.00	364,000.00	0.00	0.00	0.00	364,000.00	364,000.00	B21	298,917.00
5311		Agent Commission Exp	12,609,016.45	12,092,957.00	13,411,789.78	1,318,832.78	12,785,689.00	14,067,393.57	12,785,689.00	14,067,391.48	A8	13,311,813.00
5312		NJEIF Agent Commission Exp.	400,000.00	400,000.00	400,000.00	0.00	0.00	0.00	400,000.00	400,000.00	B21	400,000.00
5315		ERIC North Agent Comm. Exp.	400,000.00	400,000.00	400,000.00	0.00	0.00	0.00	400,000.00	400,000.00	B21	400,000.00
5316		ERIC South Agent Comm Exp	201,932.68	225,000.00	197,588.32	(27,411.68)	0.00	0.00	190,760.00	190,760.00	B21	218,664.00
5318		ERIC WEST AG. COMM EXP	362,826.69	330,000.00	354,887.77	24,887.77	0.00	0.00	397,030.00	397,030.00	B21	415,717.00
5319		BACCEIC Agent Commission Exp	175,000.00	175,000.00	175,000.00	0.00	0.00	0.00	175,000.00	175,000.00	B21	183,750.00
5320		CAIP Agent Commission Expense	82,695.69	88,000.00	94,619.88	6,619.88	0.00	0.00	94,125.00	94,125.00	B21	104,998.00
		Total Agent Commission Expense	14,581,471.51	14,074,957.00	15,397,885.75	1,322,928.75	12,785,689.00	14,067,393.57	14,806,604.00	16,088,306.48		15,333,859.00
5401		Claims Expense	64,332,022.64	72,431,439.00	61,524,852.78	(10,906,586.22)	47,948,156.00	31,587,827.15	71,922,234.00	71,922,234.00		72,414,116.00
5402		Change in Claims Reserves	(7,361,000.00)	0.00	(8,945,000.00)	(8,945,000.00)	0.00	0.00	0.00	0.00		0.00
5403		Change in Claims Reserves for ULAG	(200,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5404		NEPHA Deductible Reimb. Exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5405		Claims Deductible Debit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
		Claims Expenses	56,771,022.64	72,431,439.00	52,579,852.78	(19,851,586.22)	47,948,156.00	31,587,827.15	71,922,234.00	71,922,234.00		72,414,116.00
5502		Reinsurance Exp (Group/Flat)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5505		Reinsurance Exp-District Bill	34,019,892.22	35,958,733.00	36,106,458.65	147,725.65	39,154,935.00	39,531,036.90	39,154,935.00	39,531,036.90	A8	42,977,965.00
5507		Reinsurance Exp-NJSBAIG Paid	10,754.65	109,556.04	194,545.65	84,989.61	97,879.34	156,427.98	146,819.00	156,427.98	A8	250,137.00



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		Reinsurance Expenses	34,030,646.87	36,068,289.04	36,301,004.30	232,715.26	39,252,814.34	39,687,464.88	39,301,754.00	39,687,464.88	43,228,102.00
5352		IT - Office Equipment Supplies	8,538.36	36,800.04	18,142.35	(18,657.69)	20,333.34	1,406.97	30,500.00	30,500.00	B21 25,500.00
5353		Office Equipment Maintenance	14,837.26	30,300.00	10,049.70	(20,250.30)	20,200.00	6,501.02	30,300.00	30,300.00	B21 15,500.00
5354		Computer Software Maintenance	311,231.16	347,154.96	337,632.57	(9,522.39)	233,016.66	134,338.80	349,525.00	349,525.00	B21 349,055.00
		Information Technology Dept.	334,606.78	414,255.00	365,824.62	(48,430.38)	273,550.00	142,246.79	410,325.00	410,325.00	390,055.00
5702		Depreciation Expense	504,818.62	631,074.96	573,720.83	(57,354.13)	410,260.66	358,362.51	615,391.00	615,391.00	B21 635,795.00
5703		Dues & Subscriptions	286,204.53	113,316.00	86,226.20	(27,089.80)	75,820.67	19,481.90	113,731.01	113,731.01	B21 46,850.00
5704		Misc. Bank Fees	90,771.82	93,575.04	93,046.60	(528.44)	68,916.66	71,370.64	103,375.00	107,055.96	E12 103,875.00
5705		IRS Penalty Fees	0.00	0.00	10,460.48	10,460.48	0.00	9.80	0.00	9.80	A8 0.00
5708		Rent Expense	382,656.02	483,753.96	502,376.40	18,622.44	331,812.00	318,961.82	497,718.00	478,442.73	E12 502,757.00
5708-DEFER		Rent - Deferred Exp(Inc.)	0.00	0.00	82,198.86	82,198.86	0.00	0.00	0.00	0.00	E12 0.00
5709		Office Supplies	101,538.28	37,740.00	21,757.38	(15,982.62)	14,943.34	8,903.68	22,415.00	13,355.52	E12 22,000.00
5710		Office Operating Expenses	54,560.51	65,184.00	58,517.75	(6,666.25)	40,400.00	34,041.71	60,600.00	51,062.57	E12 69,400.00
5711		Office Leased Expenses	30,381.56	19,500.00	15,391.12	(4,108.88)	13,000.00	9,844.43	19,500.00	19,500.00	B21 12,000.00
5712		Telephone Expense	0.00	999.96	0.00	(999.96)	0.00	0.00	0.00	0.00	B21 0.00
5713		Employee Internet Reimbursmt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B21 0.00
5714		Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B21 0.00
5715		Group's Insurance Expense	196,213.38	225,699.96	184,377.42	(41,322.54)	181,300.00	125,679.55	271,950.00	271,950.00	B21 337,585.00
5716		Group's Crime Insurance Exp.	36,888.48	42,000.00	32,316.48	(9,683.52)	0.00	15,809.08	0.00	0.00	B21 0.00
5717		FSA Admin Fee	1,437.70	4,118.04	2,081.20	(2,036.84)	1,666.66	996.00	2,500.00	1,494.00	E12 2,000.00
5723		Postage	61,970.13	69,500.04	53,796.61	(15,703.43)	46,333.34	26,651.84	69,500.00	39,977.76	E12 52,500.00
5727		Employee Seminar Expenses	19,860.44	147,050.04	17,810.79	(129,239.25)	58,156.67	2,793.75	87,235.01	4,190.63	E12 47,086.00
5728		Insurance Course Fees	3,098.08	34,600.08	719.00	(33,881.08)	9,999.99	3,489.75	14,999.99	5,234.63	E12 10,400.00
5729		Tuition Reimbursement	13,096.63	40,490.04	4,995.00	(35,495.04)	24,500.00	0.00	36,750.00	36,750.00	B21 26,250.00
5730		Audit Fees	82,475.00	71,400.00	71,400.00	0.00	48,666.66	(1,400.00)	73,000.00	73,000.00	B21 74,300.00
5731		Consulting Fees	124,735.38	287,500.08	223,092.74	(64,407.34)	230,333.34	77,451.00	345,500.00	345,500.00	B21 287,500.00
5732		Miscellaneous Expenses	7,618.03	3,699.96	2,197.77	(1,502.19)	3,666.66	1,624.67	5,500.00	5,500.00	B21 6,500.00
5733		Disaster Recovery Expenses	112,629.12	129,042.00	111,580.40	(17,461.60)	78,361.34	113,019.92	117,542.00	169,529.88	E12 90,000.00
5734		Building Appraisal Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5735		DOBI Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5736		Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5737		Employee Cell Phone Expense	14,177.72	15,999.96	11,049.31	(4,950.65)	7,120.00	5,529.89	10,680.00	8,294.84	E12 9,480.00
5738		OPRA expenses	0.00	24,999.96	0.00	(24,999.96)	0.00	0.00	0.00	0.00	B21 0.00
5746		Accrued Excise Tax	63,870.71	64,815.96	82,679.42	17,863.46	68,785.34	102,190.62	103,178.00	102,190.62	A8 124,257.00
5798		A/P Discounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5804		Assessments Written-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5805		Admin Write-off Exp.	(15,660.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5806		Ins. Refund Control Exp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5807		Ins. Write-off Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5808		Ins. Discount Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



NJSIG  
Income Statement  
For the Periods Ending

KEY:  
A8 - 8 months actual  
E12 - Estimate based on A8  
B20 - Budgeted 2020 amount  
A - Actual paid after 02/2020

			FY 2018/2019	FY 2019/2020	FY 2019/2020	FY 2019/2020	02/28/2021	02/28/2021	06/30/2021	06/30/2021		FY 2021/2022
Account	Department	Description	Actuals YTD	Budget YTD	Actuals YTD	Variance	8 MONTHS	8 MONTHS	12 MONTHS	12 MONTHS	PROJECTED	Budget YTD
5809		Safety Grant Distribution Exp	2,000,000.00	0.00	2,000,000.00	2,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
		Business Operating Expenses	4,173,341.43	2,606,060.04	4,241,791.76	1,635,731.72	1,714,043.34	1,294,812.56	2,571,065.00	2,462,160.92		2,460,535.00
5201		Travel & Related Expenses	69,647.29	103,604.88	43,668.98	(59,935.90)	47,666.66	1,207.85	71,500.00	1,811.78	E12	34,241.00
5851		Annual Meeting	53,480.18	63,400.00	56,734.05	(6,665.95)	40,600.00	15,930.40	60,900.00	15,930.40	A8	17,000.00
5852		Trustee Meeting Expense	5,577.50	9,999.96	2,576.72	(7,423.24)	4,000.00	310.00	6,000.00	465.00	E12	3,000.00
		Conferences & Meeting Expenses	128,704.97	177,004.84	102,979.75	(74,025.09)	92,266.66	17,448.25	138,400.00	18,207.18		54,241.00
		<b>Total Expenses</b>	<b>120,813,530.43</b>	<b>137,490,313.92</b>	<b>119,310,038.23</b>	<b>(18,180,275.69)</b>	<b>109,499,596.68</b>	<b>92,433,090.45</b>	<b>140,299,998.02</b>	<b>140,585,266.28</b>		<b>145,029,249.00</b>



NJSIG  
Income Statement  
For the Periods Ending

KEY:  
A8 - 8 months actual  
E12 - Estimate based on A8  
B20 - Budgeted 2020 amount  
A - Actual paid after 02/2020

Account	Department	Description	FY 2018/2019 Actuals YTD	FY 2019/2020 Budget YTD	FY 2019/2020 Actuals YTD	FY 2019/2020 Variance	02/28/2021 8 MONTHS Budget YTD	02/28/2021 8 MONTHS Actuals YTD	06/30/2021 12 MONTHS Budget YTD	06/30/2021 12 MONTHS PROJECTED	FY 2021/2022 Budget YTD
		Other Revenue and Expenses:									
4405		Partnership Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4411		Interest -Concentration Acct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4413		Interest-NJ St Inv Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4414		Interest-NJ Cash Mgmt Fund	7,420.22	3,999.96	5,160.03	1,160.07	0.00	139.52	0.00	139.52	A8 0.00
4415		Interest-Commerce Concentr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4418		Interest on Assessment Recvbl's	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4419		Interest - Operating Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4420		Interest - Certificate of Dep	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4421		Tri-State Capital Intrst Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4422		Interest - Beneficial Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
4423		Interest-InvBk Concentration	3,603,627.30	2,000,000.04	2,611,616.07	611,616.03	0.00	623,899.98	0.00	623,899.98	A8 0.00
4424		Interest _ invest Fund (WT)	2,897,739.82	1,599,999.96	3,092,797.41	1,492,797.45	0.00	1,073,511.12	0.00	1,073,511.12	A8 0.00
4425		Accrued Interest/Divid	(334,351.16)	0.00	(501,331.75)	(501,331.75)	0.00	14,101.55	0.00	14,101.55	A8 0.00
4426		Accrued Interest-US Treas Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
		Investment Income	6,174,436.18	3,603,999.96	5,208,241.76	1,604,241.80	0.00	1,711,652.17	0.00	1,711,652.17	0.00
4501		Gain on Securities	688,183.69	0.00	1,782,269.57	1,782,269.57	0.00	(1,026,414.13)	0.00	(1,026,414.13)	A8 0.00
		Financial Income	688,183.69	0.00	1,782,269.57	1,782,269.57	0.00	(1,026,414.13)	0.00	(1,026,414.13)	0.00
4603		Miscellaneous Income	2,572.00	0.00	237.48	237.48	0.00	104.88	0.00	104.88	A8 0.00
4604		Realized Gain/(Loss) Invest-WT	872,515.17	0.00	1,683,238.27	1,683,238.27	0.00	203,913.29	0.00	203,913.29	A8 0.00
4605		Seminar Income	12,275.00	11,750.04	20,525.00	8,774.96	0.00	1,450.00	0.00	1,450.00	A8 0.00
4609		Willis Change in Unrnd Ag Comm	(431.75)	0.00	2,196.02	2,196.02	0.00	(36,755.07)	0.00	(36,755.07)	A8 0.00
4610		Willis Change in Unrnd Reins	2,867.34	0.00	5,708.72	5,708.72	0.00	(98,915.77)	0.00	(98,915.77)	A8 0.00
4620		Legal Settlement Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
		Other Revenues	889,797.76	11,750.04	1,711,905.49	1,700,155.45	0.00	69,797.33	0.00	69,797.33	0.00
5901		Amortization of Inv. Premiums	(411,454.81)	0.00	672,175.37	672,175.37	0.00	4,317.03	0.00	4,317.03	A8 0.00
5902		Investment Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
5903		Write Down of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
5904		Loss/(Gain) on Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
5905		Invest - Paid Accrued Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	A8 0.00
		Investment Expenses	(411,454.81)	0.00	672,175.37	672,175.37	0.00	4,317.03	0.00	4,317.03	0.00
		Total Other Revenue and Expenses	8,163,872.44	3,615,750.00	8,030,241.45	4,414,491.45	0.00	750,718.34	0.00	750,718.34	0.00
		Net Revenue	25,243,744.46	3,615,750.08	31,408,506.79	27,792,756.71	30,800,401.32	53,330,827.92	(0.02)	5,179,691.54	0.00

June 8, 2021

Ms. Carolina Chong  
Insurance Examiner  
New Jersey Department of Banking and Insurance  
Insurance Division – Office of Solvency Regulation  
P.O. BOX 325  
Trenton, NJ 08625

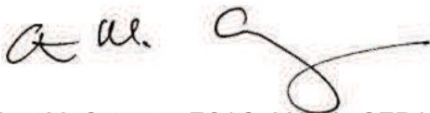
Dear Ms. Chong:

The enclosed Statement of Actuarial Opinion dated June 8, 2021, relates to the 2021/22 fund year budgeted loss and allocated loss adjustment expenses of the New Jersey Schools Insurance Group (NJSIG).

This opinion is rendered for the sole purpose of regulatory review by the State of New Jersey. Publication in any other manner or use for any other purpose is prohibited without our prior written consent. A report supporting our findings has been provided to NJSIG. The report may contain workpapers, trade secrets and confidential information of NJSIG and Willis Towers Watson and as such is not intended to be subject to disclosure requirements under any Freedom of Information Act or similar laws.

Please feel free to contact me with any further questions.

Sincerely,



Ann M. Conway, FCAS, MAAA, CERA  
Managing Director

Enclosures

cc: Jill Deitch – NJSIG  
Michele Carosi – NJSIG

Ann M. Conway, FCAS, MAAA, CERA  
Managing Director

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## IDENTIFICATION

I, Ann M. Conway, am associated with Willis Towers Watson. I am a member of the American Academy of Actuaries and meet its qualification standards for signing statements of actuarial opinion. I am a Fellow of the Casualty Actuarial Society. I was appointed by the Board of Directors of New Jersey Schools Insurance Group (the Group) to render this opinion.

## SCOPE

I have examined the July 1, 2021 through June 30, 2022 budgeted loss and allocated loss adjustment expenses (ALAE) provision as shown in the Group's budget submitted to the New Jersey Department of Banking and Insurance.

### Item

Budgeted 2021/22 loss and ALAE provision (net of ceded reinsurance)	\$72,414,116
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The amount above relates to loss and ALAE provisions for workers compensation, general liability, auto liability, auto physical damage, property and crime coverages. Several other coverages (including errors & omissions liability) are not included in this provision because they are fully reinsured.

My examination of the loss and ALAE provision was based upon data and related information prepared by the Group. In this regard, I relied on Jill Deitch, Esq., Executive Director of the New Jersey Schools Insurance Group, as to the accuracy and completeness of the data. I evaluated the data used directly in my analysis for reasonableness and consistency. My evaluation did not reveal any data points materially affecting my analysis that fell outside of the range of reasonable possibilities. In performing this evaluation, I have assumed that the Group (a) used its best efforts to supply accurate and complete data and (b) did not knowingly provide any inaccurate data. In other respects my examination included the use of such actuarial assumptions and methods and such tests of calculations as I considered necessary.

My review was limited to the item listed above and did not include an analysis of the budgeted financial statement as a whole. My opinion on the loss and ALAE provision is based upon the assumption that the provision will be backed by valid assets, which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

## RELEVANT COMMENTS

### *Salvage and Subrogation*

The loss and ALAE provision is established net of anticipated salvage and subrogation.

### *Discounting*

The Group does not discount its loss and ALAE provision.

### *Asbestos and Environmental Exposures*

I have reviewed the Group's exposure to asbestos and environmental claims. In my opinion, the chance of material liability related to asbestos and environmental claims is remote, since reported claim activity levels are minimal. The Group does write some expanded coverage for environmental exposures but utilizes reinsurance to minimize this exposure.

STATEMENT OF ACTUARIAL OPINION  
New Jersey Schools Insurance Group  
2021/22 Loss and Allocated Loss Adjustment Expense Budget  
Page 2 of 2

*Reinsurance*

My opinion on the loss and ALAE provision net of ceded reinsurance assumes that all ceded reinsurance is valid and collectible. All of the Group's ceded reinsurance is with companies rated A- or better by a reputable insurance rating agency. I have not anticipated any contingent provision if the reinsurers do not meet their obligations to the Group as reflected in my analysis and other information provided to me.

*COVID-19*

I considered the effects of COVID-19 on the Group's experience, including business volume, loss and loss adjustment expense experience and claim handling. I do not believe that the effects of COVID-19 are material to the development of my opinion on the Group's 2021/22 budget.

**OPINION**

In my opinion, the amounts recorded in the 2021/22 Group budget, assuming no material change in the estimated exposures:

- a) meet the requirements of the insurance laws of the State of New Jersey that are applicable to self-insurance pools of educational institutions
- b) are consistent with amounts computed in accordance with the relevant standards of practice promulgated by the Actuarial Standards Board and the Casualty Actuarial Society's Statement of Principles Regarding Property and Casualty Insurance Ratemaking
- c) make a reasonable provision for the July 1, 2021 through June 30, 2022 fund year ultimate loss and ALAE, net of ceded reinsurance, under the Group's contracts and agreements

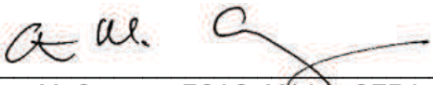
**VARIABILITY**

In evaluating whether the projected losses and ALAE make a reasonable provision for the actual incurred fund year losses, it is necessary to project future loss and ALAE payments. Actual future losses and ALAE will not develop exactly as projected and may, in fact, vary significantly from the projections.

Further, my projections make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Group's historical data base or which are not yet quantifiable.

An actuarial report, including underlying workpapers supporting the findings expressed in this statement of actuarial opinion has been provided to the Group and is available for regulatory examination.

This statement of opinion is solely for the use of, and only to be relied upon by the Group and the State of New Jersey Department of Banking and Insurance with which the Group files its budget.

  
Ann M. Conway, FCAS, MAAA, CERA  
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June 8, 2021