



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

Board of Trustees Meeting of May 20, 2020
Action Item
Excess and reinsurance for the 2020-2021 policy year

At the March 9, 2020, the Board of Trustees authorized the binding of reinsurance coverage at a cost not to exceed \$41,743,534 based on expiring exposure data. Further, the Board of Trustees authorized 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.

Based on that authorization, and with the help of NJSIG's insurance broker, NJSIG has obtained quotations for reinsurance and excess insurance where necessary for all appropriate lines of coverage. NJSIG's insurance broker estimates that the approximate premium due based on these proposed contracts would be \$37,808,204.51. This number is only approximate because as NJSIG members exposures change, the amount of premium due under these policies will change as well.

As previously indicated, the market for reinsurance and excess insurance is "hardening," however, despite the deleterious market condition, we have been able to keep the total cost well below the March 9, 2020 estimate by aggressively marketing NJSIG's program to multiple carriers. According to NJSIG's reinsurance broker, the market for reinsurance and excess insurance is also experiencing significant turmoil as a result of the SARS-CoV-2 pandemic. More information regarding this is available from NJSIG's insurance broker: <https://www.willistowerswatson.com/en-GB/Insights/2020/04/covid-19-willis-re-impact-report>.

Recommended Resolution: to approve the award of contracts to the insurance entities identified in the attached resolution.

Jill Deitch, Esq.
Executive Director



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**Resolution Authorizing the Execution of
Contracts Pursuant to the Public School Contracts Law**

WHEREAS, the New Jersey Schools Insurance Group (“NJSIG”) is authorized by N.J.S.A. 18A:18B-1, et seq. to provide risk transfer mechanisms for its members;

WHEREAS, NJSIG requires excess and reinsurance for the 2020-2021 policy year to aid in the transfer of risk for the organization; and,

WHEREAS, such service is in the nature of an exception to the bidding requirements under N.J.S.A. 18A:18A-5(a)(10), “[i]nsurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”

WHEREAS, the Executive Director has executed a Certification pursuant to N.J.A.C. 5:34-2.3(b), which said Certification is attached; and

NOW THEREFORE, BE IT RESOLVED, that:

- 1) NJSIG awards contracts for excess and reinsurance for the 2020-2021 policy year to the following insurance entities:
 - a. Indian Harbor Insurance Company;



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- b. Axis Surplus Insurance Company;
- c. Colony Insurance Company;
- d. Crum & Forster Specialty Insurance Company;
- e. Underwriters at Lloyd's, London Administered by Hiscox d/b/a Hiscox
Insurance Agency, CA Syndicate 0033;
- f. Evanston Insurance Company;
- g. RSUI Indemnity Company;
- h. Pennsylvania Manufacturers' Assoc. Ins. Company;
- i. Continental Casualty Company;
- j. Canopus Ins. Services, Lloyd's of London, Syndicates 444 and 1861;
- k. Starr Surplus Lines Ins. Corp.;
- l. Everest Indemnity Insurance Company;



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- m. HDI Global Insurance Company;
- n. General Security Indemnity Company of Arizona;
- o. Endurance American Specialty Insurance Company;
- p. Tokio Marine America Insurance Company;
- q. Zurich American Insurance Company;
- r. Munich Re - Princeton Excess & Surplus Lines Ins Co.;
- s. Lex London as a division of American International Group UK Limited;
- t. Lloyd's of London, Syndicates 0033 HIS;
- u. Lloyd's of London, Syndicate 3902 NOA;
- v. Lloyd's of London, Syndicates 1200 AMA, 969 APL, 2010 MMX, 1183
TAL;
- w. Lancashire Insurance Co. (UK) Ltd.;



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- x. HDI Global Specialty SE UK Branch;
- y. Endurance Worldwide Ins. Ltd.;
- z. Argo Re Ltd.;
- aa. Hamilton Re, Ltd.;
- bb. Allied World Assurance Company;
- cc. Chubb Bermuda Insurance Ltd.;
- dd. Liberty Specialty Markets Bermuda Ltd.;
- ee. Markel Bermuda Ltd.;
- ff. Great American Ins Co.;
- gg. Beazley Group.;
- hh. AXA-XL.;
- ii. Safety National Casualty Corporation.;



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- jj. National Union Fire Ins Co of Pittsburgh / Special Contingency Risks;
 - kk. Lloyd's of London, Syndicates 0382 HDU, 0457 MRS, 1301 SCC, 1221
NAV;
 - ll. Ironshore Specialty Ins Co;
 - mm. QBE Specialty Ins. Co. / Apex Insurance;
 - nn. Chubb / Federal Ins. Co.;
 - oo. Munich Reinsurance America, Inc.;
 - pp. General Reinsurance Corporation, Genesis;
 - qq. Argonaut Insurance Company, Argo;
 - rr. Lloyds of London, Syndicates 0033 HIS, 4472 LIB; and,
 - ss. Chubb / McCloskey Insurance Company.
- 2) The Executive Director is hereby authorized to execute contracts with the
above-referenced service providers;



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- 3) These contracts are awarded in accordance with the Public School Contracts Law, N.J.S.A. 18A:18A-1, et seq.;

- 4) A notice of this action shall be published once in the official newspaper designated by the New Jersey Schools Insurance Group.

I certify that the foregoing is a true copy of a Resolution passed by the New Jersey Schools Insurance Group at the meeting duly held on the 20th day of May, 2020.



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**Resolution Authorizing the Execution of
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New Jersey Schools Insurance Group

By: _____

Irene Le Febvre, Chairperson

Board Secretary
Use Only

DATE:

MOVED BY:

SECONDED BY:

VOTE:

New Jersey Schools Insurance Group
Certification pursuant to N.J.A.C. 5:34-2.3(b)

To: New Jersey Schools Insurance Group Board of Trustees

From: Jill Deitch, Esq.
Executive Director

Date: May 20, 2020

Subject: Insurance, including the purchase of insurance coverage and consultant services

This is to request an award of a contract without the receipt of formal bids as insurance, including the purchase of insurance coverage and consultant services, N.J.S.A. 18A:18A-5(a)(10). I do hereby certify to the following:

1. **Provide a clear description of the nature of the work to be done:**
Excess and reinsurance coverage for the lines of coverage offered to members of the New Jersey Schools Insurance Group.
2. **Describe in detail why the contract meets the provisions of the statute and rules:** N.J.S.A. 18A:18A-5(a)(10) (“Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”).
3. **The service(s) is of such a specialized and qualitative nature that the performance of the service(s) cannot be reasonably described by written specifications because:** N.J.S.A. 18A:18A-5(a)(10)

New Jersey Schools Insurance Group

Certification pursuant to N.J.A.C. 5:34-2.3(b)

(“Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;”).

4. **Describe the informal solicitation of quotations:** NJSIG retained an insurance broker via RFP U-2019-0001, and this insurance broker is responsible for acting as an independent insurance and risk transfer advisor to NJSIG and provide unbiased risk transfer advice that is in the best interests of NJSIG and its membership. This insurance broker must obtain and retain documentation of a minimum of two competitive quotations for insurance per line of coverage / coverage specialty per policy year. The full scope of work for this insurance broker is set forth in RFP U-2019-0001.
5. I have reviewed the rules of the Division of Local Government Services pursuant to N.J.A.C. 5:34-2.1, et seq. and certify that the proposed contracts may be considered an extraordinary unspecifiable service in accordance with the requirements thereof.

Respectfully submitted,

Jill Deitch, Esq.
(Print Name)

New Jersey Schools Insurance Group
Certification pursuant to N.J.A.C. 5:34-2.3(b)

(Signature)

Executive Director
(Title)

(Original to be retained by the NJSIG Board of Trustees Secretary with the affirmed copy of the resolution; signed duplicate to be kept by appropriate official).