



New Jersey Schools Insurance Group

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Board of Trustees Meeting of June 17, 2015
Action Item
Rescinding the 5/20/15 Broker Commission Rate

NJSIG is committed to operate under a broker distribution system, paying brokers a standard commission rate of 15% for all lines except workers' compensation which is 6% commission. Effective July 1, 2016 NJSIG will pay standard commissions for all accounts except those accounts paying less than the standard commission as of July 1, 2015.

The May 20, 2015 motion did not clearly specify that only those accounts paying less than standard commission rates would be permitted to continue with the lower commission rates. Any new business written will be at the standard commission rates.

Recommended Resolution: Approve adopting a policy of paying standard commission rates in all circumstances, unless the need for higher commission rates is substantiated in writing and fully disclosed to the member school district. Conversely, NJSIG will honor arrangements for accounts paying less than NJSIG standard commissions as of July 1, 2015 on all NJSIG lines of coverage but only for those districts whose brokers are receiving less than the standard commission rates for the 2014-2015 policy year if requested in writing by the member district. It is recommended that the May 20, 2015 motion be rescinded to state that only those accounts paying less than standard commissions on July 1, 2015 are eligible to continue with the lower commission rates. The change will be effective July 1, 2016.

William Mayo

William Mayo, CPCU, ARM
Executive Director