BURLINGTON COUNTY INSURANCE COMMISSION

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2019 AND 2018

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

BURLINGTON COUNTY INSURANCE COMMISSION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Burlington County Insurance Commission
9 Campus Drive
Suite 216
Parsippany, NJ 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the Burlington County Insurance Commission (the "Commission"), a component unit of Burlington County, New Jersey as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Commissioners
Burlington County Insurance Commission

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2019 and 2018 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Burlington County Insurance Commission

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 2020 on our consideration of the Commission’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 1, 2020

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Burlington County Insurance Commission
9 Campus Drive
Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Burlington County Insurance Commission (the "Commission"), a component unit of Burlington County, New Jersey as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 1, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Commissioners
Burlington County Insurance Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 1, 2020

BURLINGTON COUNTY INSURANCE COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Burlington County Insurance Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2019, 2018 and 2017. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Commission is to provide property and casualty, employee health and prescription insurance coverages for Burlington County Proper and its' inter-agencies that are members of the Commission. The Commission maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – This statement presents information reflecting the Commission's assets, liabilities and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Commission's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The comparative statements of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, investing, and noncapital financing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the net position and results of operations for the Commission as of and for the years ended December 31, 2019, 2018 and 2017:

Summary Statements of Net Position				2018 to 2019 Change	
	12/31/2019	12/31/2018	12/31/2017	Amount	Percentage
Assets					
Cash & Cash Equivalents	$10,035,545	$ 8,372,798	$ 3,970,677	$ 1,662,747	19.9%
Contributions and Other Receivables	10,364,942	8,776,882	7,825,136	1,588,060	18.1%
Investment in Joint Venture	1,482,216	1,406,830	964,967	75,386	5.4%
Total Assets	21,882,703	18,556,510	12,760,780	3,326,193	17.9%
Liabilities, Reserves & Net Position					
Liabilities and Reserves					
Loss Reserves	10,984,110	12,272,584	10,221,563	(1,288,474)	-10.5%
Other Liabilities & Reserves	541,127	200,716	127,883	340,411	169.6%
Total Liabilities and Reserves	11,525,237	12,473,300	10,349,446	(948,063)	-7.6%
Net Position - Unrestricted	$10,357,466	$ 6,083,210	$ 2,411,334	$ 4,274,256	70.3%

Summary Statements of Revenues, Expenditures, and Changes in Net Position				2018 to 2019 Change	
	12/31/2019	12/31/2018	12/31/2017	Amount	Percentage
Operating Revenue					
Regular & Employee Contributions	$54,878,125	$54,459,102	$52,168,355	$ 419,023	0.8%
Operating Expenses:					
Provision for Claims and Claims Adjustment Expense	42,888,859	43,358,460	43,809,613	(469,601)	-1.1%
Premium for Excess Insurance	5,524,476	5,281,088	4,265,056	243,388	4.6%
Administrative Expenses	2,496,723	2,728,394	2,794,467	(231,671)	-8.5%
Total Operating Expenses	50,910,058	51,367,942	50,869,136	(457,884)	-0.9%
Operating Income	3,968,067	3,091,160	1,299,219	876,907	28.4%
Non-Operating Revenue:					
New Jersey Excess Joint Insurance Fund Dividend	221,345	50,343		171,002	339.7%
Change in Investment in Joint Venture	75,386	441,863	282,508	(366,477)	-82.9%
Investment Income	230,804	138,853	46,516	91,951	66.2%
Total Non-Operating Revenue	527,535	631,059	329,024	(103,524)	-16.4%
Return of Surplus	(221,346)	(50,343)	-	171,003	339.7%
Change In Net Position	$ 4,274,256	$ 3,671,876	$ 1,628,243	$ 602,380	16.4%

Financial Highlights Cont’d

On November 23, 2011, the Burlington County Board of Chosen Freeholders adopted a resolution, which authorized the establishment of the Burlington County Insurance Commission. The Commission was established under N.J.S.A. 40A:10-6, which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County’s determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program and consolidation of insurance policies.

The Burlington County Insurance Commission offers property & casualty, health and prescription coverage to its members. The Commission’s total assets at the end of the eighth year of operations were $21,882,703 and total liabilities and reserves were $11,525,237 resulting in a surplus in unrestricted net position of $10,357,466. The Investment in Joint Ventures represents the Commission’s share of net position in the New Jersey Counties Excess Joint Insurance Fund.

$2,389,681 of the total insurance premiums expense were assessments paid to the New Jersey Counties Excess Joint Insurance Fund (the “Fund”). The Fund is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of the Fund, that consists of the Atlantic County Insurance Commission, Camden County Insurance Commission, Cumberland County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Mercer County Insurance Fund Commission, Monmouth County, Ocean County, Commission and Union County Insurance Fund Commission.

In 2019, investment income was $230,804 during the reporting period.

Economic Conditions

The future financial position of the Commission will be impacted by trends in medical costs, which affect workers compensation and medical benefits costs. The Commission will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Commission's Management

This financial report is designed to provide the Burlington County Insurance Commission members and the Division of Local Government Services, Department of Community Affairs, State of New Jersey with a general overview of the Commission’s finances and to demonstrate the Commission’s accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Burlington County Insurance Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

Exhibit A-1

BURLINGTON COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019			2018		
	Total	Property & Casualty	Health	Total	Property & Casualty	Health
ASSETS						
Cash and Cash Equivalents	$ 10,035,545	$ 4,353,143	$ 5,682,402	$ 8,372,798	$ 3,986,439	$ 4,386,359
Contributions Receivable	6,165,321		6,165,321	6,232,073		6,232,073
Excess Insurance Receivable	1,772,002		1,772,002	1,862,352		1,862,352
Surplus Dividend Receivable	221,346	221,346		50,343	50,343	
Reimbursement Receivable	746,070	746,070		632,114	632,114	
Other Receivables	1,460,203		1,460,203	-		
Investment in Joint Venture	1,482,216	1,482,216		1,406,830	1,406,830	
Total Assets	21,882,703	6,802,775	15,079,928	18,556,510	6,075,726	12,480,784
LIABILITIES AND RESERVES						
Liabilities:						
Accrued Administrative Expenses	241,502	8,187	233,315	22,753	7,453	15,300
Authorized Return Of Surplus	221,346	221,346		50,343	50,343	
Due to NJCEL	75,876	75,876		-		
Excess Insurance Payable	-			121,624		121,624
Contributions Payable	2,403	2,403		5,996	5,996	
Total Liabilities	541,127	307,812	233,315	200,716	63,792	136,924
Claims Reserves:						
Case Reserves	3,009,600	3,009,600		3,911,686	3,911,686	
IBNR Reserves	8,097,606	2,341,606	5,756,000	8,505,904	2,371,904	6,134,000
Less Reserve Discount	(123,096)	(123,096)		(145,006)	(145,006)	
Total Reserves	10,984,110	5,228,110	5,756,000	12,272,584	6,138,584	6,134,000
Total Liabilities and Reserves	11,525,237	5,535,922	5,989,315	12,473,300	6,202,376	6,270,924
NET POSITION						
Unrestricted (Deficit)	$ 10,357,466	$ 1,266,853	$ 9,090,613	$ 6,083,210	$ (126,650)	$ 6,209,860

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit A-2

BURLINGTON COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Total	Property & Casualty	Health	Total	Property & Casualty	Health
Operating Revenues:						
Regular Contributions	$ 54,691,097	$ 5,711,272	$ 48,979,825	$ 54,275,248	$ 5,163,302	$ 49,111,946
Employee Contributions	187,028		187,028	183,854		183,854
Total Operating Revenues	54,878,125	5,711,272	49,166,853	54,459,102	5,163,302	49,295,800
Operating Expenses:						
Provision for Claims and						
Claims Adjustment Expenses	42,888,859	1,746,961	41,141,898	43,358,460	2,895,043	40,463,417
Premium for Excess Insurance	5,524,476	2,389,681	3,134,795	5,281,088	2,051,713	3,229,375
Administrative Expenses:						
Actuary	43,266	7,566	35,700	42,418	7,418	35,000
Affordable Care Act Taxes	11,454		11,454	-		
Attorney	11,020	11,020		11,320	11,320	
Auditor	21,785	6,735	15,050	18,703	6,603	12,100
Claims Administrator	954,709	128,453	826,256	943,537	120,089	823,448
Fund Administrator	541,985	190,808	351,177	506,600	184,242	322,358
Miscellaneous Expenses	23,718	18,802	4,916	24,460	18,148	6,312
Program Manager	843,073		843,073	907,800		907,800
Risk Management Consultants	7,976	7,976		17,820	17,820	
Stop Loss Commission	37,737		37,737	255,736		255,736
Total Operating Expenses	50,910,058	4,508,002	46,402,056	51,367,942	5,312,396	46,055,546
Operating Income (Loss)	3,968,067	1,203,270	2,764,797	3,091,160	(149,094)	3,240,254
Non-Operating Revenue:						
New Jersey Counties Excess Liability Fund Dividend	221,345	221,345		50,343	50,343	
Change in Investment in Joint Venture	75,386	75,386		441,863	441,863	
Investment Income	230,804	114,848	115,956	138,853	78,574	60,279
Total Non-Operating Revenue	527,535	411,579	115,956	631,059	570,780	60,279
Change in Net Position	4,495,602	1,614,849	2,880,753	3,722,219	421,686	3,300,533
Net Position (Deficit) - Beginning	6,083,210	(126,650)	6,209,860	2,411,334	(497,993)	2,909,327
Return of Surplus	(221,346)	(221,346)	-	(50,343)	(50,343)	-
Net Position (Deficit) - Ending	$ 10,357,466	$ 1,266,853	$ 9,090,613	$ 6,083,210	$ (126,650)	$ 6,209,860

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit A-3

BURLINGTON COUNTY INSURANCE COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Total	Property & Casualty	Health	Total	Property & Casualty	Health
Cash Flows from Operating Activities:						
Receipts from Regular Contributions	54,754,256	$ 5,707,679	$ 49,046,577	$ 54,451,604	$ 5,169,298	$ 49,282,306
Receipts from Employee Contributions	187,028		187,028	183,854		183,854
Payments for Claims	(45,585,266)	(2,695,515)	(42,889,751)	(42,508,810)	(2,587,872)	(39,920,938)
Payments for Insurance Premiums	(5,646,100)	(2,389,681)	(3,256,419)	(5,232,779)	(2,038,463)	(3,194,316)
Payments to Professionals and Suppliers	(2,277,974)	(370,626)	(1,907,348)	(2,630,601)	(249,006)	(2,381,595)
Net Cash Flows Provided by Operating Activities	1,431,944	251,857	1,180,087	4,263,268	293,957	3,969,311
Cash Flows Provided by Investing Activities:						
Investment Income	281,146	165,190	115,956	138,853	78,574	60,279
Cash Flows Used In Noncapital Financing Activities:						
Fund Equity Distribution to Participating Members	(50,343)	(50,343)		-		
Net Increase in Cash and Cash Equivalents	1,662,747	366,704	1,296,043	4,402,121	372,531	4,029,590
Cash and Cash Equivalents - Beginning of Year	8,372,798	3,986,439	4,386,359	3,970,677	3,613,908	356,769
Cash and Cash Equivalents - End of Year	$ 10,035,545	$ 4,353,143	$ 5,682,402	$ 8,372,798	$ 3,986,439	$ 4,386,359
Reconciliation of Operating Income (Loss) to Cash Flows From Operating Activities:						
Operating Income (Loss)	$ 3,968,067	$ 1,203,270	$ 2,764,797	$ 3,091,160	$ (149,094)	$ 3,240,254
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Changes in Assets and Liabilities:						
Contributions Receivable	66,752		66,752	170,360		170,360
Prepaid Expenses	-			13,250	13,250	
Excess Insurance Receivable	90,350		90,350	(1,201,371)		(1,201,371)
Reimbursement Receivable	(113,956)	(113,956)		116,358	116,358	
Other Receivables	(1,460,203)		(1,460,203)			
Due to NJCE	75,876	75,876				
Accrued Administrative Expenses	218,749	734	218,015	(18,565)	276	(18,841)
Excess Insurance Payable	(121,624)		(121,624)	35,059		35,059
Contributions Payable	(3,593)	(3,593)		5,996	5,996	
Claims Reserves	(1,288,474)	(910,474)	(378,000)	2,051,021	307,171	1,743,850
Net Cash Flows Provided by Operating Activities	$ 1,431,944	$ 251,857	$ 1,180,087	$ 4,263,268	$ 293,957	$ 3,969,311
Supplemental Disclosure - Noncash Activity:						
Change in Investment in Joint Venture	$ 75,386	$ 75,386	$ -	$ 441,863	$ 441,863	$ -

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

On November 23, 2011, the Burlington County Insurance Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Board of Commissioners of the Commission may approve subsequent membership by a majority vote of the Commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2019, members of the Commission included Burlington County, Burlington County Bridge Commission, Burlington County Board of Social Services, and Rowan College at Burlington County.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's Actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following property and casualty coverage to its members:

Workers' Compensation including Employers' Liability (WC).
General Liability other than motor vehicles (GL).
Property damage other than motor vehicles (PR).
Automobile Liability (AL).

Effective July 1, 2015, the Commission offers the following health coverages to its members:

Medical
Prescription

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), the Commission offers the following ancillary insurance coverage to its members:

Crime
Pollution Liability
Medical Professional Liability
Employed Lawyers Liability
Cyber Liability/Special Coverages
Aviation Liability

The Commission provides coverage on a self-insured basis and secures excess insurance through membership in the NJCEJIF for WC, GL and AL in a form and an amount from an insurance company acceptable to the Commissioner of Insurance. Insurance coverage is also provided by Lloyds for Public Officials Liability and Employment Practices Liability (POL/EPL) in excess of Burlington County's self-insured retention of $500,000.

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND (CONT'D)

PROPERTY AND CASUALTY INSURANCE

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2019 were as follows:

Property	$100,000
Auto	$250,000
General Liability	$250,000
Workers Compensation	$300,000

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund.

HEALTH INSURANCE

The limits of liability under the various health coverages for 2019 were as follows:

Limits	Description
I. Commission's Self-Insured Retained (S.I.R.) Limit of Liability	
A. Specific limit – With the exception of six specific enrolled participants, the specific excess limit is $300,000 per enrolled participant per reinsurance policy year. The specific excess limit for the two remaining participants is $400,000.	
B. Aggregate limit of liability – Is based on the aggregate factors multiplied by the participant census, which totaled $57,459,128 for the plan year.	
II. Excess Insurers' Limit of Liability	
A. $ unlimited	Reimbursement in excess of the Commission's specific S.I.R.
B. $1,000,000	Reimbursement in excess of the Commission's aggregate S.I.R.

Health Insurance Coverage Notes:

1. "Health Insurance" means health insurance as defined pursuant to N.J.S.A. 17B:17-4 or service benefits as provided by health service corporations, hospital service corporations or medical service corporations authorized to do business in the state.

2. "Incurred Claims" means claims, which occur during a Fund year, including claims paid during a later period. The exact definition of "Incurred Claims" or any similar term is the definition used in the excess insurance policy purchased by the Commission.

3. The Commission's reinsurance agreement for the year 2019 was with Standard Security Life Insurance Company of New York. The agreement is on a 12/15 month exposure period covering claims incurred during the twelve-month policy period July 1, 2018 to June 30, 2019.

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND (CONT'D)

Health Insurance Coverage Notes (Cont’d):

4. Open enrollment for participating employees is offered on December 1st.

5. Medical coverage consists of each participating member's individual medical benefits plan.

6. Medicare provides secondary coverage for eligible active employees and primary coverage for eligible Medicare participants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Commission in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* - *an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the primary entity’s operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity and/or its primary citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Commission has no component units and is a component unit of Burlington County, New Jersey.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the comparative statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments Cont'd)

include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Property and Casualty Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Commissioners.

Health Coverage Contributions

Members are assessed monthly contributions based on a pro rata amount of the current estimates of projected losses, administrative expenses and the cost of stop loss insurance.

Supplemental Contributions

The Board of Commissioners shall by majority vote levy upon the participating county agencies, additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Interest Income Allocation

Interest income was allocated based on the ratio of monthly average invested cash balances by line of coverage to the total amount invested applied to interest income credited for the month.

Unpaid Claims Liabilities–Property and Casualty

The Commission establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities–Property and Casualty (Cont'd)

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves
Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, PMA Management Corp.

B. Claims Incurred But Not Reported (IBNR) Reserve
In order to recognize claims incurred but not reported, a reserve is calculated by the Commission's actuary, The Actuarial Advantage Inc.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2019. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency and other factors.

Unpaid Claims Liabilities – Health Coverage

In order to recognize unpaid health coverage losses, a reserve was calculated by the Commission's administrator as of December 31, 2019. Liabilities for unpaid losses represent the estimated liability on claims reported to the Commission plus reserves for claims incurred but not yet reported. The liabilities for claims are evaluated using Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2019. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage – Property and Casualty

Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subrogation – Property and Casualty

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Stop Loss Insurance – Health Coverage

The Commission seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by maintaining stop loss insurance coverage with Aetna Insurance Company.

Health coverage losses ceded for 2019 and 2018 amounted to $7,052,196 and $3,386,026, respectively.

Refunds

As per Article VIII of the Commission’s Rules and Regulations, any monies for a fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Commission. A refund for any year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations submitted and approved by a majority of the Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Commission is exempt from income taxes under Section 115 of the Internal Revenue Code.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments”, the Commission has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or “net investment in capital assets” and includes net position that may be allocated for specific purposes by the Board.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and positive changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses (Cont’d)

Operating expenses include expenses associated with the Commission’s operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission’s deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Commission’s bank balance of $10,087,079 as of December 31, 2019, $258,816 was insured while $9,828,263 was collateralized under GUDPA.

Of the Commission’s bank balance of $8,516,593 as of December 31, 2018, $500,000 was insured while $8,016,593 was collateralized under GUDPA.

Note 4: INVESTMENT IN JOINT VENTURE

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is carrying the individual fund year surplus as unrestricted net position on the Comparative Statements of Net Position. The allocations of those funds attributed to the NJCEJIF’s individual members are based on the member's percentage of assessments. The Commission’s allocated share of surplus as of December 31, 2019 and 2018 was $1,482,216 and $1,406,830, respectively.

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the year ended December 31, 2019 and for all open Fund years net of excess insurance recoveries:

	Total	Property and Casualty	Health
Total unpaid claim and claim adjustment expenses all fund years - Beginning	$ 12,272,584	$ 6,138,584	$ 6,134,000
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year	45,014,571	2,670,338	42,344,233
Changes in provision for insured events of prior fund years	(2,125,712)	(923,377)	(1,202,335)
Total incurred claims and claims adjustment expenses all fund years	42,888,859	1,746,961	41,141,898
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	38,822,783	766,710	38,056,073
Attributable to insured events of prior fund years	5,354,550	1,890,725	3,463,825
Total Payments all fund years	44,177,333	2,657,435	41,519,898
Total unpaid claim and claim adjustment expenses all fund years - Ending	$ 10,984,110	$ 5,228,110	$ 5,756,000

BURLINGTON COUNTY INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the year ended December 31, 2018 and for all open Fund years net of excess insurance recoveries:

	Total	Property and Casualty	Health
Total unpaid claim and claim adjustment expenses all fund years - Beginning	$ 10,221,563	$ 5,831,413	$ 4,390,150
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year	47,700,475	3,270,501	44,429,974
Changes in provision for insured events of prior fund years	(4,342,015)	(375,458)	(3,966,557)
Total incurred claims and claims adjustment expenses all fund years	43,358,460	2,895,043	40,463,417
Payments (Net of Recoveries):			
Claims and claim adjustments expenses:			
Attributable to insured events of current fund year	39,275,371	963,117	38,312,254
Attributable to insured events of prior fund years	2,032,068	1,624,755	407,313
Total Payments all fund years	41,307,439	2,587,872	38,719,567
Total unpaid claim and claim adjustment expenses all fund years - Ending	$ 12,272,584	$ 6,138,584	$ 6,134,000

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective January 1, 2012, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the NJCEJIF are elected.

As a member of the NJCEJIF, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJCEJIF were to be exhausted, members would become jointly and severally liable for the NJCEJIF's liabilities.

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS (CONT'D)

New Jersey Counties Excess Joint Insurance Fund (Cont'd)

The NJCEJIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

Selected Financial Information

Selected, summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2019 and 2018 is as follows:

	2019	2018
Total Assets	$31,940,315	$ 27,849,300
Total Liabilities	$16,232,406	$ 12,930,080
Net Position	$15,707,909	$ 14,919,220
Total Revenue	$24,290,142	$ 21,536,267
Total Expenses	$21,501,453	$ 16,582,656
Change in Net Position	$ 788,689	$ 4,453,611
Distributions to Members	$ 2,000,000	$ 500,000

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Commission's Executive Director:

PERMA
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

Note 7: RELATED PARTY TRANSACTIONS

As disclosed in note 6, the Commission is a member of the New Jersey Counties Excess Liability Joint Insurance Fund and accordingly has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2019 and 2018 were $2,389,681 and $2,051,713, respectively.

Note 8: RETURN OF SURPLUS

During 2019, the Board of Commissioners approved the payment of dividends to the Commission's members in the amount of $221,346. The dividend was payable in the amount of $50,278 from the 2012 fund year, $93,181 from the 2013 fund year, $28,924 from the 2014 fund year, $25,564 from the 2015 fund year and $23,399 from the 2016 fund year.

During 2018, the Board of Commissioners approved the payment of dividends to the Commission's members in the amount of $50,343. The dividend was payable in the amount of $31,060 from the 2013 fund year and $19,283 from the 2014 fund year.

Note 9: SUBSEQUENT EVENTS

Management continues to evaluate the impact of the COVID-19 pandemic on the Commission. While the financial impact of Workers' Compensation claims from this exposure is uncertain, management is confident that the New Jersey Counties Excess JIF and the affiliated Insurance Commissions/Counties have more than sufficient resources to pay all claims in a timely manner. Further, the members are experiencing a lower rate of other workers' compensation claims because they have reduced their operations. Liability claims are also expected to decline because of (1) the stronger immunities under New Jersey Law during a declared emergency and (2) the lower number of accidents due to reduced member operations. Management expects an increase in excess premiums beginning in 2021 and is currently taking steps to mitigate this increase.

BURLINGTON COUNTY INSURANCE COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

BURLINGTON COUNTY INSURANCE COMMISSION
RECONCILIATION OF PROPERTY AND CASUALTY CLAIMS LIABILITIES BY COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Property	General Liability	Automobile	Workers' Compensation	Total
Total unpaid claims and claim adjustment expenses - Beginning	$ 103,366	$ 2,347,722	$ 260,645	$ 3,426,851	$ 6,138,584
Incurred claims and claims adjustment expenses:					
Provision for insured events of current fund year	344,379	531,601	260,243	1,534,115	2,670,338
Changes in provision for insured events of prior fund years	78,277	(864,471)	182,504	(319,687)	(923,377)
Total incurred claims and claims adjustment expenses all fund years	422,656	(332,870)	442,747	1,214,428	1,746,961
Payments (Net of Recoveries):					
Claims and claims adjustment expenses:					
Attributable to insured events of current fund year	220,725	(81,278)	168,130	459,133	766,710
Attributable to insured events of prior fund years	181,643	434,593	16,076	1,258,413	1,890,725
Total payments all Fund years	402,368	353,315	184,206	1,717,546	2,657,435
Total unpaid claims and claim adjustment expenses - Ending	$ 123,654	$ 1,661,537	$ 519,186	$ 2,923,733	$ 5,228,110

Schedule 1A

BURLINGTON COUNTY INSURANCE COMMISSION
RECONCILIATION OF HEALTH CLAIMS LIABILITIES BY COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Medical	Prescription	Total
Total unpaid claims and claim adjustment expenses - Beginning	$ 3,251,881	$ 2,882,119	$ 6,134,000
Incurred claims and claims adjustment expenses:			
Provision for insured events of current fund year	32,268,477	10,075,756	42,344,233
Changes in provision for insured events of prior fund years	2,372,621	(3,574,956)	(1,202,335)
Total incurred claims and claims adjustment expenses all fund years	34,641,098	6,500,800	41,141,898
Payments (Net of Recoveries):			
Claims and claims adjustment expenses:			
Attributable to insured events of current fund year	29,980,317	8,075,756	38,056,073
Attributable to insured events of prior fund years	5,448,942	(1,985,117)	3,463,825
Total payments all Fund years	35,429,259	6,090,639	41,519,898
Total unpaid claims and claim adjustment expenses - end of year	$ 2,463,720	$ 3,292,280	$ 5,756,000

Schedule 2

BURLINGTON COUNTY INSURANCE COMMISSION
EIGHT-YEAR PROPERTY AND CASUALTY CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2019

	2012	2013	2014	2015	2016	2017	2018	2019
Net Earned Required Contribution and Investment Revenue:								
Earned	$ 4,797,124	$ 4,663,904	$ 4,490,332	$ 4,559,537	$ 4,548,855	$ 4,626,030	$ 5,205,800	$ 5,733,005
Ceded	1,758,713	1,907,280	1,912,552	1,958,345	1,822,041	1,781,594	2,051,713	2,389,681
	3,038,411	2,756,624	2,577,780	2,601,192	2,726,814	2,844,436	3,154,087	3,343,324
Unallocated Expenses	427,937	325,199	319,903	322,311	325,038	328,101	365,642	371,359
Estimated Claims and Expenses, End of Policy Year:								
Incurred	2,027,497	2,662,479	2,127,140	2,167,542	2,674,121	2,489,481	3,270,501	2,670,338
Ceded								
Net Incurred	2,027,497	2,662,479	2,127,140	2,167,542	2,674,121	2,489,481	3,270,501	2,670,338
Paid (Cumulative) as of:								
End of Policy Year	697,525	541,067	511,501	579,623	889,737	744,890	963,117	766,710
One Year Later	991,893	1,217,371	867,265	1,580,692	1,466,821	1,001,463	1,697,587	
Two Years Later	1,227,625	1,554,616	1,290,190	1,979,611	1,652,619	1,232,224		
Three Years Later	1,508,548	1,907,330	1,909,715	2,663,881	1,836,293			
Four Years Later	1,580,567	1,942,041	2,231,245	2,839,044				
Five Years Later	1,679,399	2,116,883	2,421,259					
Six Years Later	1,711,140	2,461,996						
Seven Years Later	1,712,668							
Reestimated Incurred Claims and Expenses:								
End of Policy Year	2,027,497	2,662,479	2,127,140	2,167,542	2,674,121	2,489,481	3,270,501	2,670,338
One Year Later	1,996,512	2,559,856	2,060,727	2,674,121	2,906,776	2,073,709	3,099,978	
Two Years Later	1,725,129	2,537,773	2,595,243	3,186,626	2,603,395	1,919,359		
Three Years Later	1,792,770	2,757,984	2,759,804	3,676,610	2,199,104			
Four Years Later	1,818,957	2,463,384	2,622,558	3,435,177				
Five Years Later	1,747,819	2,467,202	2,479,959					
Six Years Later	1,734,958	2,663,609						
Seven Years Later	1,728,370							
Change in Estimated Incurred Claims and Expenses from End of Policy Year	$ (299,127)	$ 1,130	$ 352,819	$ 1,267,635	$ (475,017)	$ (570,122)	$ (170,523)	$ -

Schedule 2A

BURLINGTON COUNTY INSURANCE COMMISSION
FIVE-YEAR HEALTH CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2019

	2015	2016	2017	2018	2019
Net Earned Required Contribution					
and Investment Revenue:					
Earned	$ 19,780,824	$ 41,249,371	$ 47,629,064	$ 49,372,499	$ 49,194,139
Ceded	704,528	2,055,033	2,474,430	3,238,406	3,134,795
	19,076,296	39,194,338	45,154,634	46,134,093	46,059,344
Unallocated Expenses	1,219,067	2,368,405	2,448,757	2,382,326	2,123,399
Estimated Claims and					
Expenses, End of Policy Year:					
Incurred	17,498,141	38,885,781	44,679,615	44,639,553	45,802,385
Ceded	50,636	2,076,302	987,568	193,310	2,288,160
Net Incurred	17,447,505	36,809,479	43,692,047	44,446,243	43,514,225
Paid (Cumulative) as of:					
End of Policy Year	12,298,688	31,688,235	39,401,897	38,312,254	38,056,073
One Year Later	16,672,178	33,972,823	39,746,915	41,739,444	
Two Years Later	16,615,953	34,035,118	41,048,527		
Three Years Later	16,915,953	32,858,697			
Four Years Later	16,527,397				
Reestimated Incurred Claims					
and Expenses:					
End of Policy Year	17,447,505	36,809,479	43,692,047	44,446,243	43,514,225
One Year Later	16,718,605	34,072,823	39,763,195	42,037,292	
Two Years Later	16,615,953	34,035,118	41,048,527		
Three Years Later	16,615,953	32,858,697			
Four Years Later	16,527,397				
Change in Estimated					
Incurred Claims and Expenses					
from End of Policy Year	$ (920,108)	$ (3,950,782)	$ (2,643,520)	$ (2,408,951)	$ -

BURLINGTON COUNTY INSURANCE COMMISSION

SUPPLEMENTARY INFORMATION

Schedule B-1

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2019 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 170,000	$ 788,057	$ 150,000	$ 1,827,000	$ 2,389,681	$ 386,534	$ 5,711,272
Incurred Liabilities:							
Claims	344,379	531,601	260,243	1,534,115			2,670,338
Expenses					2,389,681	371,359	2,761,040
Total Liabilities	344,379	531,601	260,243	1,534,115	2,389,681	371,359	5,431,378
Underwriting Surplus (Deficit)	(174,379)	256,456	(110,243)	292,885	-	15,175	279,894
Adjustments:							
Investment Income	726	6,089	44	12,788	1,341	745	21,733
Permanent Transfers							-
Total Adjustments	726	6,089	44	12,788	1,341	745	21,733
Gross Surplus (Deficit)	(173,653)	262,545	(110,199)	305,673	1,341	15,920	301,627
Return of Surplus							-
Net Surplus (Deficit) Before Unallocated Investment	$ (173,653)	$ 262,545	$ (110,199)	$ 305,673	$ 1,341	$ 15,920	301,627
Investment in Joint Venture							100,315
Net Surplus							$ 401,942

Schedule B-2

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2018 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 131,226	$ 729,881	$ 135,951	$ 1,743,180	$ 2,051,713	$ 371,351	$ 5,163,302
Incurred Liabilities:							
Claims	543,199	709,973	149,437	1,697,369			3,099,978
Expenses					2,051,713	365,642	2,417,355
Total Liabilities	543,199	709,973	149,437	1,697,369	2,051,713	365,642	5,517,333
Underwriting Surplus (Deficit)	(411,973)	19,908	(13,486)	45,811	-	5,709	(354,031)
Adjustments:							
Investment Income	21	14,360	1,688	24,721	1,272	436	42,498
Permanent Transfers							-
Total Adjustments	21	14,360	1,688	24,721	1,272	436	42,498
Gross Surplus (Deficit)	(411,952)	34,268	(11,798)	70,532	1,272	6,145	(311,533)
Return of Surplus							-
Net Surplus (Deficit) Before Unallocated Investment	$ (411,952)	$ 34,268	$ (11,798)	$ 70,532	$ 1,272	$ 6,145	(311,533)
Investment in Joint Venture							204,102
Net Deficit							$ (107,431)

Schedule B-3

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2017 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 80,164	$ 584,788	$ 102,785	$ 1,696,635	$ 1,781,594	$ 332,428	$ 4,578,394
Incurred Liabilities:							
Claims	144,283	236,343	430,079	1,108,654			1,919,359
Expenses					1,781,594	328,101	2,109,695
Total Liabilities	144,283	236,343	430,079	1,108,654	1,781,594	328,101	4,029,054
Underwriting Surplus (Deficit)	(64,119)	348,445	(327,294)	587,981	-	4,327	549,340
Adjustments:							
Investment Income	22	15,193	548	31,194	212	467	47,636
Permanent Transfers							-
Total Adjustments	22	15,193	548	31,194	212	467	47,636
Gross Surplus (Deficit)	(64,097)	363,638	(326,746)	619,175	212	4,794	596,976
Return of Surplus							-
Net Surplus (Deficit) Before Unallocated Investment	$ (64,097)	$ 363,638	$ (326,746)	$ 619,175	$ 212	$ 4,794	596,976
Investment in Joint Venture							106,386
Net Surplus							$ 703,362

Schedule B-4

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2016 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 98,000	$ 368,000	$ 74,000	$ 1,789,699	$ 1,822,041	$ 340,871	$ 4,492,611
Incurred Liabilities:							
Claims	329,741	224,344	98,346	1,546,673			2,199,104
Expenses					1,822,041	325,038	2,147,079
Total Liabilities	329,741	224,344	98,346	1,546,673	1,822,041	325,038	4,346,183
Underwriting Surplus (Deficit)	(231,741)	143,656	(24,346)	243,026	-	15,833	146,428
Adjustments:							
Investment Income		1,479		28,991	3	2,372	32,845
NJCEJIF Dividend					23,399		23,399
Permanent Transfers							-
Total Adjustments	-	1,479	-	28,991	23,402	2,372	56,244
Gross Surplus (Deficit)	(231,741)	145,135	(24,346)	272,017	23,402	18,205	202,672
Return of Surplus					23,399		23,399
Net Surplus (Deficit) Before Unallocated Investment	$ (231,741)	$ 145,135	$ (24,346)	$ 272,017	$ 3	$ 18,205	179,273
Investment in Joint Venture							287,966
Net Surplus							$ 467,239

Schedule B-5

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2015 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 117,000	$ 300,000	$ 68,000	$ 1,732,504	$ 1,958,345	$ 336,788	$ 4,512,637
Incurred Liabilities:							
Claims	166,308	852,030	302,301	2,114,538			3,435,177
Expenses					1,958,345	322,311	2,280,656
Total Liabilities	166,308	852,030	302,301	2,114,538	1,958,345	322,311	5,715,833
Underwriting Surplus (Deficit)	(49,308)	(552,030)	(234,301)	(382,034)	-	14,477	(1,203,196)
Adjustments:							
Investment Income	270	536	335	15,788	3,210	1,197	21,336
NJCEJIF Dividend					25,564		25,564
Permanent Transfers							-
Total Adjustments	270	536	335	15,788	28,774	1,197	46,900
Gross Surplus (Deficit)	(49,038)	(551,494)	(233,966)	(366,246)	28,774	15,674	(1,156,296)
Return of Surplus					25,564		25,564
Net Surplus (Deficit) Before Unallocated Investment	$ (49,038)	$ (551,494)	$ (233,966)	$ (366,246)	$ 3,210	$ 15,674	(1,181,860)
Investment in Joint Venture							111,967
Net Deficit							$ (1,069,893)

Schedule B-6

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2014 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 126,664	$ 223,841	$ 69,570	$ 1,690,287	$ 1,912,553	$ 364,467	$ 4,387,382
Incurred Liabilities:							
Claims	2,109	1,402,705	306,512	768,633			2,479,959
Expenses					1,912,552	319,903	2,232,455
Total Liabilities	2,109	1,402,705	306,512	768,633	1,912,552	319,903	4,712,414
Underwriting Surplus (Deficit)	124,555	(1,178,864)	(236,942)	921,654	1	44,564	(325,032)
Adjustments:							
Investment Income	5,007	236	61	46,324	186	2,930	54,744
NJCEJIF Dividend					48,206		48,206
Permanent Transfers							-
Total Adjustments	5,007	236	61	46,324	48,392	2,930	102,950
Gross Surplus (Deficit)	129,562	(1,178,628)	(236,881)	967,978	48,393	47,494	(222,082)
Return of Surplus					48,207		48,207
Net Surplus (Deficit) Before Unallocated Investment	$ 129,562	$ (1,178,628)	$ (236,881)	$ 967,978	$ 186	$ 47,494	(270,289)
Investment in Joint Venture							295,871
Net Surplus							$ 25,582

Schedule B-7

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2013 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 126,664	$ 223,841	$ 69,570	$ 1,804,203	$ 1,907,280	$ 382,797	$ 4,514,355
Incurred Liabilities:							
Claims		388,976	41,428	2,233,205			2,663,609
Expenses					1,907,280	325,199	2,232,479
Total Liabilities	-	388,976	41,428	2,233,205	1,907,280	325,199	4,896,088
Underwriting Surplus (Deficit)	126,664	(165,135)	28,142	(429,002)	-	57,598	(381,733)
Adjustments:							
Investment Income	6,251	418	1,518	14,190	168	2,763	25,308
NJCEJIF Dividend					124,241		124,241
Permanent Transfers							-
Total Adjustments	6,251	418	1,518	14,190	124,409	2,763	149,549
Gross Surplus (Deficit)	132,915	(164,717)	29,660	(414,812)	124,409	60,361	(232,184)
Return of Surplus					124,241		124,241
Net Surplus (Deficit) Before Unallocated Investment	$ 132,915	$ (164,717)	$ 29,660	$ (414,812)	$ 168	$ 60,361	(356,425)
Investment in Joint Venture							211,996
Net Deficit							$ (144,429)

Schedule B-8

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2012 FUND YEAR PROPERTY AND CASUALTY ACCOUNTS OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2019

	Coverages and Other Accounts						
	Property	General Liability	Automobile	Workers' Compensation	NJCEJIF	Expense & Contingency	Total
Underwriting Income:							
Regular Contributions	$ 124,180	$ 219,452	$ 68,206	$ 2,058,826	$ 1,758,713	$ 459,497	$ 4,688,874
Incurred Liabilities:							
Claims	75,551	329,597	7,877	1,315,345			1,728,370
Expenses					1,758,713	427,937	2,186,650
Total Liabilities	75,551	329,597	7,877	1,315,345	1,758,713	427,937	3,915,020
Underwriting Surplus (Deficit)	48,629	(110,145)	60,329	743,481	-	31,560	773,854
Adjustments:							
Investment Income	2,984	478	3,003	43,982	121	2,446	53,014
NJCEJIF Dividend					55,236		55,236
Permanent Transfers							-
Total Adjustments	2,984	478	3,003	43,982	55,357	2,446	108,250
Gross Surplus (Deficit)	51,613	(109,667)	63,332	787,463	55,357	34,006	882,104
Return of Surplus					55,236		55,236
Net Surplus (Deficit) Before Unallocated Investment	$ 51,613	$ (109,667)	$ 63,332	$ 787,463	$ 121	$ 34,006	826,868
Investment in Joint Venture							163,614
Net Surplus							$ 990,482

Schedule C-1

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2019 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 220,725	$ (81,278)	$ 168,130	$ 459,133	$ 766,710
Case Reserves	123,500	21,555	5,651	376,875	527,581
IBNR Reserves	1,516	613,355	88,960	725,444	1,429,275
Reserve Discount	(1,362)	(22,031)	(2,498)	(27,337)	(53,228)
Subtotal	344,379	531,601	260,243	1,534,115	2,670,338
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 344,379	$ 531,601	$ 260,243	$ 1,534,115	$ 2,670,338
Number of Claims	11	88	52	154	305
Average Cost Per Claim	$ 31,307	$ 6,041	$ 5,005	$ 9,962	$ 8,755

Schedule C-2

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2018 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 543,199	$ 118,488	$ 59,421	$ 976,479	$ 1,697,587
Case Reserves		259,828	28,442	626,337	914,607
IBNR Reserves		349,259	64,062	111,600	524,921
Reserve Discount		(17,602)	(2,488)	(17,047)	(37,137)
Subtotal	543,199	709,973	149,437	1,697,369	3,099,978
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 543,199	$ 709,973	$ 149,437	$ 1,697,369	$ 3,099,978
Number of Claims	14	121	32	161	328
Average Cost Per Claim	$ 38,800	$ 5,868	$ 4,670	$ 10,543	$ 9,451

Schedule C-3

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2017 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 144,283	$ 71,878	$ 95,897	$ 920,166	$ 1,232,224
Case Reserves		27,853	261,665	182,016	471,534
IBNR Reserves		140,364	79,685	11,008	231,057
Reserve Discount		(3,752)	(7,168)	(4,536)	(15,456)
Subtotal	144,283	236,343	430,079	1,108,654	1,919,359
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 144,283	$ 236,343	$ 430,079	$ 1,108,654	$ 1,919,359
Number of Claims	9	80	46	166	301
Average Cost Per Claim	$ 16,031	$ 2,954	$ 9,350	$ 6,679	$ 6,377

Schedule C-4

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2016 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 329,741	$ 136,827	$ 95,471	$ 1,274,254	$ 1,836,293
Case Reserves		2,863	1,255	263,758	267,876
IBNR Reserves		86,240	1,666	13,853	101,759
Reserve Discount		(1,586)	(46)	(5,192)	(6,824)
Subtotal	329,741	224,344	98,346	1,546,673	2,199,104
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 329,741	$ 224,344	$ 98,346	$ 1,546,673	$ 2,199,104
Number of Claims	8	82	44	186	320
Average Cost Per Claim	$ 41,218	$ 2,736	$ 2,235	$ 8,315	$ 6,872

Schedule C-5

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2015 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 166,308	$ 705,540	$ 302,301	$ 1,664,895	$ 2,839,044
Case Reserves		135,319		429,802	565,121
IBNR Reserves		13,161		26,550	39,711
Reserve Discount		(1,990)		(6,709)	(8,699)
Subtotal	166,308	852,030	302,301	2,114,538	3,435,177
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 166,308	$ 852,030	$ 302,301	$ 2,114,538	$ 3,435,177
Number of Claims	5	115	38	154	312
Average Cost Per Claim	$ 33,262	$ 7,409	$ 7,955	$ 13,731	$ 11,010

Schedule C-6

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2014 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 2,109	$ 1,344,005	$ 306,512	$ 768,633	$ 2,421,259
Case Reserves		59,367			59,367
IBNR Reserves					-
Reserve Discount		(667)			(667)
Subtotal	2,109	1,402,705	306,512	768,633	2,479,959
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 2,109	$ 1,402,705	$ 306,512	$ 768,633	$ 2,479,959
Number of Claims	3	139	54	154	350
Average Cost Per Claim	$ 703	$ 10,091	$ 5,676	$ 4,991	$ 7,086

Schedule C-7

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2013 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ -	$ 388,975	$ 41,428	$ 2,031,593	$ 2,461,996
Case Reserves		1		192,463	192,464
IBNR Reserves				10,154	10,154
Reserve Discount				(1,005)	(1,005)
Subtotal	-	388,976	41,428	2,233,205	2,663,609
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ -	$ 388,976	$ 41,428	$ 2,233,205	$ 2,663,609
Number of Claims	-	135	17	157	309
Average Cost Per Claim	$ -	$ 2,881	$ 2,437	$ 14,224	$ 8,620

Schedule C-8

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2012 FUND YEAR PROPERTY AND CASUALTY CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2019

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Total
Paid Claims (Net of Recoveries)	$ 75,551	$ 329,597	$ 7,877	$ 1,299,643	$ 1,712,668
Case Reserves				11,050	11,050
IBNR Reserves				4,730	4,730
Reserve Discount				(78)	(78)
Subtotal	75,551	329,597	7,877	1,315,345	1,728,370
Excess Insurance					
Received					-
Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	$ 75,551	$ 329,597	$ 7,877	$ 1,315,345	$ 1,728,370
Number of Claims	11	82	14	199	306
Average Cost Per Claim	$ 6,868	$ 4,019	$ 563	$ 6,610	$ 5,648

Schedule D-1

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2019 FUND YEAR HEALTH COVERAGE OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

	Coverages and Other Accounts				
	Medical	Prescription	Reinsurance	Expense & Contingency	Total
Underwriting Income:					
Regular Contributions	$ 35,104,044	$ 10,405,950	$ 2,346,167	$ 1,123,664	$ 48,979,825
Employee Contributions	184,417				184,417
Total Income	35,288,461	10,405,950	2,346,167	1,123,664	49,164,242
Incurred Liabilities:					
Claims					
Paid	32,268,477	8,075,756			40,344,233
IBNR	5,047,992	410,160			5,458,152
Recovered	(2,288,160)				(2,288,160)
Expenses			3,134,795	2,123,399	5,258,194
Total Liabilities	35,028,309	8,485,916	3,134,795	2,123,399	48,772,419
Underwriting Surplus (Deficit)	260,152	1,920,034	(788,628)	(999,735)	391,823
Adjustments:					
Investment Income	17,870	6,947	2,864	2,216	29,897
Permanent Transfers					-
Total Adjustments	17,870	6,947	2,864	2,216	29,897
Gross Surplus (Deficit)	278,022	1,926,981	(785,764)	(997,519)	421,720
Return of Surplus					-
Net Surplus (Deficit)	$ 278,022	$ 1,926,981	$ (785,764)	$ (997,519)	$ 421,720

Schedule D-2

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2018 FUND YEAR HEALTH COVERAGE OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2019

	Coverages and Other Accounts				
	Medical	Prescription	Reinsurance	Expense & Contingency	Total
Underwriting Income:					
Regular Contributions	$ 35,325,307	$ 10,613,156	$ 1,157,417	$ 2,016,066	$ 49,111,946
Employee Contributions	186,465				186,465
Total Income	35,511,772	10,613,156	1,157,417	2,016,066	49,298,411
Incurred Liabilities:					
Claims					
Paid	35,151,206	7,454,988			42,606,194
IBNR	(277,152)	575,000			297,848
Recovered	(866,750)				(866,750)
Expenses			3,238,406	2,382,326	5,620,732
Total Liabilities	34,007,304	8,029,988	3,238,406	2,382,326	47,658,024
Underwriting Surplus (Deficit)	1,504,468	2,583,168	(2,080,989)	(366,260)	1,640,387
Adjustments:					
Investment Income	53,235	20,825	28		74,088
Permanent Transfers					-
Total Adjustments	53,235	20,825	28	-	74,088
Gross Surplus (Deficit)	1,557,703	2,603,993	(2,080,961)	(366,260)	1,714,475
Return of Surplus					-
Net Surplus (Deficit)	$ 1,557,703	$ 2,603,993	$ (2,080,961)	$ (366,260)	$ 1,714,475

Schedule D-3

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2017 FUND YEAR HEALTH COVERAGE OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2019

	Coverages and Other Accounts				
	Medical	Prescription	Reinsurance	Expense & Contingency	Total
Underwriting Income:					
Regular Contributions	$ 33,003,488	$ 10,361,675	$ 1,654,108	$ 2,186,302	$ 47,205,573
Employee Contributions	383,793				383,793
Total Income	33,387,281	10,361,675	1,654,108	2,186,302	47,589,366
Incurred Liabilities:					
Claims					
Paid	32,160,959	9,498,573			41,659,532
IBNR	(402,929)	402,929			-
Recovered	(611,005)				(611,005)
Expenses			2,474,430	2,448,757	4,923,187
Total Liabilities	31,147,025	9,901,502	2,474,430	2,448,757	45,971,714
Underwriting Surplus (Deficit)	2,240,256	460,173	(820,322)	(262,455)	1,617,652
Adjustments:					
Investment Income	29,309	6,142	4,247		39,698
Permanent Transfers					-
Total Adjustments	29,309	6,142	4,247	-	39,698
Gross Surplus (Deficit)	2,269,565	466,315	(816,075)	(262,455)	1,657,350
Return of Surplus					-
Net Surplus (Deficit)	$ 2,269,565	$ 466,315	$ (816,075)	$ (262,455)	$ 1,657,350

Schedule D-4

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2016 FUND YEAR HEALTH COVERAGE OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2019

	Coverages and Other Accounts				
	Medical	Prescription	Reinsurance	Expense & Contingency	Total
Underwriting Income:					
Regular Contributions	$ 28,182,995	$ 10,648,608	$ 1,710,811	$ 684,639	$ 41,227,053
Incurred Liabilities:					
Claims					
Paid	26,144,358	8,987,668			35,132,026
IBNR	(1,521,619)	1,521,619			-
Recovered	(2,273,329)				(2,273,329)
Expenses			2,055,033	2,368,405	4,423,438
Total Liabilities	22,349,410	10,509,287	2,055,033	2,368,405	37,282,135
Underwriting Surplus (Deficit)	5,833,585	139,321	(344,222)	(1,683,766)	3,944,918
Adjustments:					
Investment Income	13,913	3,137	5,268		22,318
Permanent Transfers					-
Total Adjustments	13,913	3,137	5,268	-	22,318
Gross Surplus (Deficit)	5,847,498	142,458	(338,954)	(1,683,766)	3,967,236
Return of Surplus					-
Net Surplus (Deficit)	$ 5,847,498	$ 142,458	$ (338,954)	$ (1,683,766)	$ 3,967,236

Schedule D-5

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF 2015 FUND YEAR HEALTH COVERAGE OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2019

	Coverages and Other Accounts				
	Medical	Prescription	Reinsurance	Expense & Contingency	Total
Underwriting Income:					
Regular Contributions	$ 13,559,355	$ 4,238,228	$ 764,279	$ 1,183,085	$ 19,744,947
Incurred Liabilities:					
Claims					
Paid	12,657,330	4,009,259			16,666,589
IBNR	(382,572)	382,572			-
Recovered	(139,192)				(139,192)
Expenses			704,528	1,219,067	1,923,595
Total Liabilities	12,135,566	4,391,831	704,528	1,219,067	18,450,992
Underwriting Surplus (Deficit)	1,423,789	(153,603)	59,751	(35,982)	1,293,955
Adjustments:					
Investment Income	33,674	249	1,276	678	35,877
Permanent Transfers					-
Total Adjustments	33,674	249	1,276	678	35,877
Gross Surplus (Deficit)	1,457,463	(153,354)	61,027	(35,304)	1,329,832
Return of Surplus					-
Net Surplus (Deficit)	$ 1,457,463	$ (153,354)	$ 61,027	$ (35,304)	$ 1,329,832

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2019 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$300,000
Excess Insurers	NJCEJIF Zurich Starr Indemnity Velocity Mitsui	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National Argonaut
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule C-1)	$ 344,379	$ 531,601	$ 260,243	$ 1,534,115
Administrative Expenses (1)	21,509	99,709	18,979	231,162
	$ 365,888	$ 631,310	$ 279,222	$ 1,765,277

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2018 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$300,000
Excess Insurers	Zurich Starr Indemnity Velocity Mitsui	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Argonaut	NJCEJIF Underwriters at Lloyds Safety National Argonaut
Number of Participants	4	4	4	4
Incurred Liabilities:				
Claims (Schedule C-2)	$ 543,199	$ 709,973	$ 149,437	$ 1,697,369
Administrative Expenses (1)	17,510	97,391	18,141	232,600
	$ 560,709	$ 807,364	$ 167,578	$ 1,929,969

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2017 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2017 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$300,000
Excess Insurers	Zurich Starr Indemnity Velocity Mitsui	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-3)	$ 144,283	$ 236,343	$ 430,079	$ 1,108,654
Administrative Expenses (1)	10,673	77,857	13,685	225,886
	$ 154,956	$ 314,200	$ 443,764	$ 1,334,540

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2016 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$300,000
Excess Insurers	Zurich Starr Indemnity Scottsdale Mitsui	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-4)	$ 329,741	$ 224,344	$ 98,346	$ 1,546,673
Administrative Expenses (1)	13,673	51,343	10,324	249,698
	$ 343,414	$ 275,687	$ 108,670	$ 1,796,371

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2015 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2015 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$250,000
Excess Insurers	Zurich Starr Indemnity Scottsdale Mitsui	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-5)	$ 166,308	$ 852,030	$ 302,301	$ 2,114,538
Administrative Expenses (1)	17,006	43,605	9,884	251,817
	$ 183,314	$ 895,635	$ 312,185	$ 2,366,355

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2014 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2014 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$20,250,000 / $30,250,000	$20,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$250,000
Excess Insurers	Zurich RSUI Scottsdale	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Underwriters at Lloyds National Casualty	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-6)	$ 2,109	$ 1,402,705	$ 306,512	$ 768,633
Administrative Expenses (1)	19,201	33,931	10,546	256,225
	$ 21,310	$ 1,436,636	$ 317,058	$ 1,024,858

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2013 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$15,250,000 / $30,250,000	$15,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Underwriters at Lloyds Starr Indemnity	NJCEJIF Wesco Safety National
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-7)	$ -	$ 388,976	$ 41,428	$ 2,233,205
Administrative Expenses (1)	18,519	32,727	10,171	263,782
	$ 18,519	$ 421,703	$ 51,599	$ 2,496,987

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

BURLINGTON COUNTY INSURANCE COMMISSION
STATEMENT OF FUND YEAR 2012 PROPERTY AND CASUALTY PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2012 THROUGH DECEMBER 31, 2019

	Coverages			
	Property	General Liability	Auto	Workers Compensation
Limits	$260,000,000	$15,250,000 / $30,250,000	$15,250,000 / $30,250,000	STATUTORY
Fund Retention	$100,000	$250,000	$250,000	$250,000
Excess Insurers	Zurich RSUI	NJCEJIF Star	NJCEJIF Star	NJCEJIF Star
Number of Participants	3	3	3	3
Incurred Liabilities:				
Claims (Schedule C-8)	$ 75,551	$ 329,597	$ 7,877	$ 1,315,345
Administrative Expenses (1)	21,509	38,011	11,814	356,604
	$ 97,060	$ 367,608	$ 19,691	$ 1,671,949

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

James J. Miles, Jr.
Certified Public Accountant