

Municipal Excess Liability
Joint Insurance Fund
Parsippany, New Jersey

Annual Comprehensive Financial Report
For the Years Ended December 31, 2021 and 2020

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
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INTRODUCTORY SECTION



Municipal Excess Liability Joint Insurance Fund

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Parsippany, New Jersey 07054
Tel (201) 881-7632
Fax (201) 881-7633

May 20, 2022

Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Dear Fund Commissioners:

The Annual Comprehensive Financial Report (ACFR) of the Municipal Excess Liability Joint Insurance Fund (MEL) for the year ended December 31, 2021 is hereby respectfully submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the MEL. We believe the data, as presented, are accurate in all material respects; that they are presented in a manner designed to fairly set forth the financial position and results of the operations of the MEL as measured by the financial activity of its various membership years; and that all disclosures necessary to enable the reader to gain the maximum understanding of the MEL's financial affairs have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section contains this transmittal letter, substantive highlights of the year, a list of the MEL's members, a list of the MEL's officers and an organizational chart. The financial section includes a management discussion and analysis of the financial activities, the basic financial statements, as well as the independent auditors' opinion on the basic financial statements. State schedules are provided pursuant to the specifications of the New Jersey Department of Banking and Insurance, which, along with the Department of Community Affairs, exercises regulatory control over the MEL. The statistical section includes selected data covering the last ten years that the MEL has been operational.

The MEL was formed under State statutes which authorize local government entities to pool resources to meet risk management needs. Specifically, along with local joint insurance funds, the MEL administers a program of self-funding and commercial insurance, and reinsurance that provides protection to members in the areas of property, workers' compensation, and automobile, general, and optional excess professional liability. The MEL performs a number of tasks in accomplishing this mission, including contracting for support services such as claims and litigation management, loss control services and training, financial management and reporting, actuarial services, and general management.

The MEL's economic condition and its outlook continue to be strong. The MEL has provided its members with stable assessments, a long history of dividends, comprehensive insurance, and responsive service. These factors have resulted in steady growth. While the MEL is not expected to continue to grow at its historic rate because its market share is now so large, marginal growth or at least membership stability is expected.

MEL Initiatives

In March of 2020, the state and country were hit with the Covid 19 pandemic. This, along with various weather related events throughout the country and the world, has greatly impacted commercial market pricing.

As a result, the MEL responded by restructuring its program for liability – increasing its retention to \$5,000,000 and reorganizing the primary and cyber liability policies. Given market conditions, the MEL's Underwriting Manager had to put together multi-layering of property carriers for excess flood limits.

The MEL Board appointed special counsel with land use expertise to help the MEL intervene in a matter early in an effort to bring resolution where possible in difficult land use claims.

The MEL engaged counsel to develop a personnel manual to address procedures for municipal volunteers. In addition, J.A. Montgomery (Safety Director) worked with counsel to generate guidance for members responding to a multitude of issues arising out of Covid, namely reopening and vaccinations. And further, guidance on the legalization of recreational cannabis.

In February of 2021, the State Comptrollers Office issued a report recommending a restructuring of the coordination between pension and workers' compensation concerning claims where an employee was awarded an accidental disability. In 1991, the state established a process where an employee with an accidental disability could enter into a "medical monitoring arrangement" to treat work-related injury in lieu of "permanency award" given they were already being compensated for injury with the accidental disability. The report issued by the comptrollers office recommended a reversal of that process. Regulations were eventually modified where workers' compensation is required to provide for a "permanency award" if an employee files a claim petition and the pension payments will be offset for the permanency award. The MEL Executive Director initiated discussions with the state and made suggested modifications, in particular to make change proactively and not retroactively, but to no avail. The MEL has been communicating the impact of this change to members.

During 2021, the MEL was contacted by the Executive Director of the Middlesex Joint Insurance Fund asking for consideration in accepting Middlesex JIF as a member; in this difficult market, the Middlesex JIF had difficulty in placing excess coverages at manageable premiums. The Board of Commissioner extended short term membership options and set specific conditions for the JIF. In addition, the MEL entered into an arrangement with a former MEL JIF Chairman to monitor their compliance with the conditions.

In 2016, the MEL implemented a retrospective premium program where each member's liability and workers' compensation claims fund assessment is discounted, but subject to an additional assessment if a member's claims exceed the amount collected. Since the Executive Director's office identified a problem in that the MEL's claims often take years (or longer) to develop, requiring local JIFs to maintain a substantial contingency. The Board decided to eliminate the retrospective premium program.

Financial Management and Control

The financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and necessarily include amounts based upon reliable estimates and judgments. The MEL's books are maintained on a full accrual basis. A summary of significant accounting policies is discussed in more detail in the notes to the financial statements found in the financial section. The MEL's financial statements differ from the State schedules listed in the supplementary data section as Schedules A through F, as discussed in Note 11 to the financial statements.

Internal Accounting Structure

The MEL's accounting system is organized so that each membership year, and line of coverage within each year, can be evaluated separately. The assets, liabilities, revenues, and expenses of each year and line of coverage are reported separately on a full accrual basis. This practice is necessary because the composition of the MEL's membership, and the extent of participation within each line of coverage, varies from year to year.

The MEL's management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable assurance that these objectives are being met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control decisions are made within the above framework. Management believes that the MEL's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Investment Management

The Joint Cash Management and Investment program (the "JCMI") was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The law provides conservative restrictions as to these investments. Specifically, the investment must be purchased at fair market value, guaranteed as interest and principal, and must have a credit rating of A3 or higher by Moody's Investor Service, or an A- or higher by Standard and Poors Corporation. The maturity cannot be greater than 20 years. In addition, only 50% of the investment portfolio may be comprised of such long-term investments, without prior approval of the New Jersey Department of Community Affairs.

As of December 31, 2021, the MEL's portfolio consisted of the following:

	Amount	Percentage of Total
Checking Accounts/Money Market	\$ 22,166,065	32.03%
New Jersey Cash Management	41,479	0.06%
JCMI	47,005,333	67.91%
	\$ 69,212,877	100.00%

Nisivoccia LLP, independent accountants, provide an independent, objective review of the fairness of the MEL's reported financial position and results of operations. Their audit includes procedures they deem necessary to express an opinion as to the fairness of the financial statements. Their opinion is included in the financial section of this report.

Acknowledgments

Our sincere appreciation is expressed to the members of the MEL Audit Committee for the leadership they provided in the expansion and improvement of the MEL's financial reporting format.

Our appreciation is also extended to each MEL commissioner, and particularly to Executive and Advisory Committee members, for their commitment to risk management and intergovernmental risk pooling.

Respectfully submitted,

David N. Grubb

David N. Grubb, Executive Director

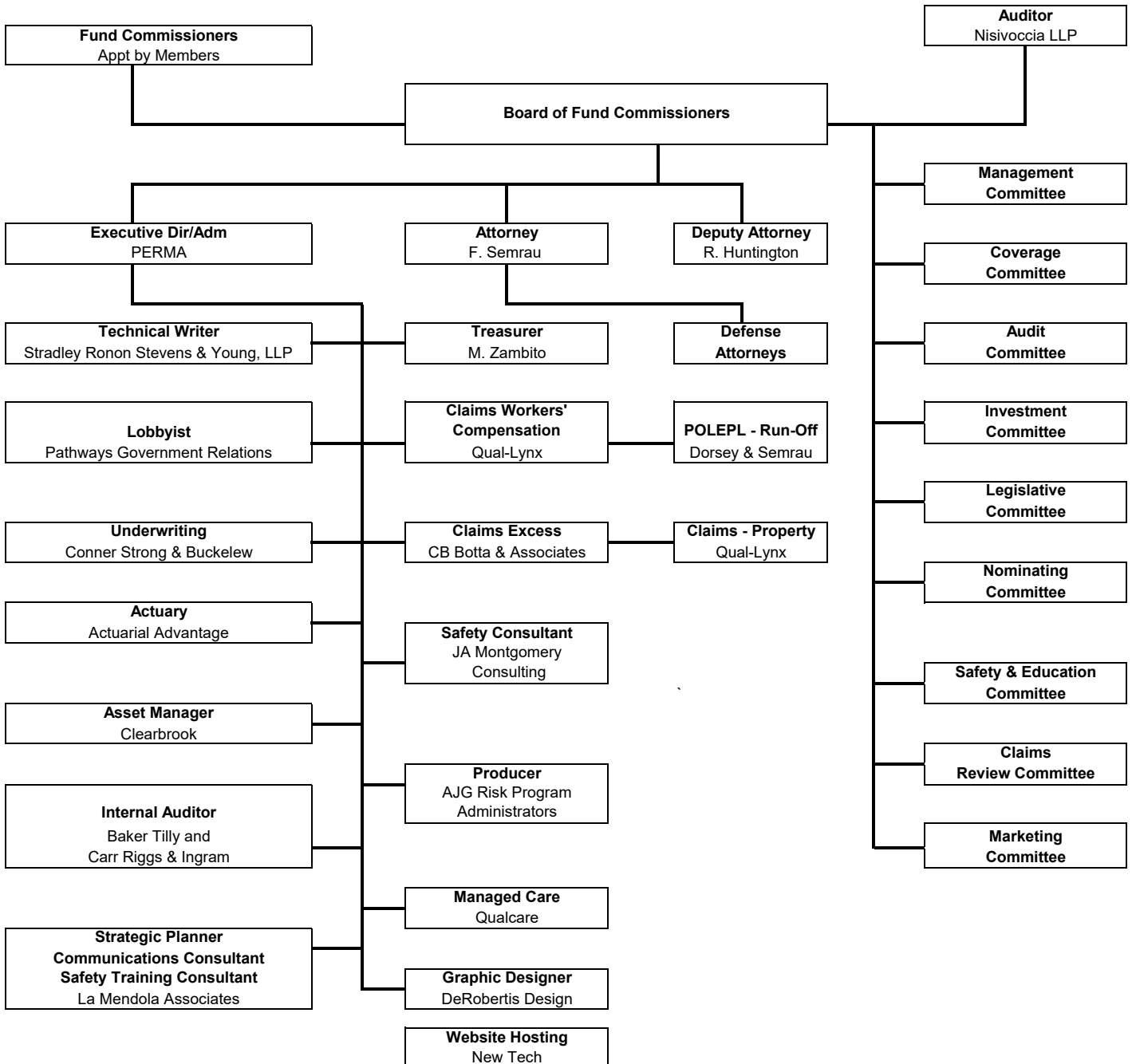
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2021

Thomas Merchel	Fund Chairman
Joy Tozzi	Fund Secretary
Richard Hirsch	Fund Commissioner
Joseph Catenaro	Fund Commissioner
Brian McNeilly	Fund Commissioner
Thomas Nolan	Fund Commissioner
Joseph Wolk	Fund Commissioner
Meghan Jack	Fund Commissioner
Megan Champnee	Fund Commissioner
Veronica Laureigh	Fund Commissioner
Paul Tomasko	Fund Commissioner
Charles Cuccia	Fund Commissioner
Bernard Rutkowski	Fund Commissioner
Joseph D'Arco	Fund Commissioner
Robert Law	Fund Commissioner
John Clarke	Fund Commissioner
Steven Scholey	Fund Commissioner
William Northgrave	Fund Commissioner
Joseph Zanga	Fund Commissioner
Carolyn Rinaldi	Special Fund Commissioner
Perma Risk Management Services	Administrator
David N. Grubb	Executive Director
Joseph P. Hrubash	Deputy Executive Director
Michael Zambito	Treasurer
Dorsey & Semrau, Esqs.	Attorney
Russell Huntington, Esq.	Deputy Attorney
Nisivoccia LLP	Auditor
Actuarial Advantage	Actuary
CB Botta & Associates	Claims Administrators - Excess Liability
Dorsey & Semrau	Claims Administrators – Public Official/EPL
Qual-Lynx	Claims Administrators – Excess Property
Qual-Lynx	Claims Administrators - Worker's Compensation
Qualcare	Managed Care Provider
Conner Strong & Buckelew	Underwriting Manager
AJG Risk Program Administrators	Producer
Baker Tilly	Internal Auditor – Insurance Component
Carr Riggs & Ingram	Internal Auditor – Financial Component
Clearbrook	Asset Manager
Pathways Governmental Relations LLC	Lobbyist

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2021

Stradley Ronon Stevens & Young, LLP	Technical Writer
JA Montgomery Risk Control	Safety Consultant and MSI Training
La Mendola Associates	Independent Strategic Planner & Communication Consultant, and Safety Trainer Consultant
Princeton Strategic Communications	Marketing Manager
Acrisure	Marketing Consultant
DeRobertis Design	Graphic Designer
New Tech	Website – Monthly Hosting
Learning Management System	FirstNet
Risk Management & Information System	Origami

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND 2021 ORGANIZATIONAL CHART



MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
MEMBERSHIP LISTING
AS OF DECEMBER 31, 2021

Atlantic County Municipal Joint Insurance Fund (41 Municipalities)

Bergen County Municipal Joint Insurance Fund (38 Municipalities)

Burlington County Municipal Joint Insurance Fund (28 Municipalities)

Camden County Municipal Joint Insurance Fund (38 Members)

Central Jersey Joint Insurance Fund (13 Municipalities)

Gloucester/Salem/Cumberland Counties Municipalities Joint Insurance Fund (38 Municipalities)

Mid Jersey Municipal Joint Insurance Fund (12 Municipalities)

Middlesex County Municipal Joint Insurance Fund (19 Members)

Monmouth Municipal Joint Insurance Fund (41 Municipalities)

Morris County Municipal Joint Insurance Fund (45 Municipalities)

New Jersey First Responders Joint Insurance Fund (31 Districts)

New Jersey Public Housing Authorities Joint Insurance Fund (89 Authorities)

New Jersey Self Insurers' Joint Insurance Fund (4 Municipalities and 1 Regional Fire and Rescue Squad)

New Jersey Utility Authorities Joint Insurance Fund (72 Authorities)

Ocean County Municipal Joint Insurance Fund (31 Municipalities)

Professional Municipal Management Joint Insurance Fund (4 Municipalities)

Public Alliance Insurance Coverage Fund (20 Municipalities and 1 County)

South Bergen Municipal Joint Insurance Fund (23 Municipalities)

Suburban Metro Municipal Joint Insurance Fund (formerly Suburban Essex) - (10 Member Entities)

Suburban Municipal Joint Insurance Fund (10 Municipalities)

FINANCIAL SECTION



Independent Auditors' Report

The Honorable Chairperson and Members
of the Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
Parsippany, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Excess Liability Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of December 31, 2021 and 2020 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the accompanying Comparative Reconciliation of Claims Liabilities by Fund and Ten-Year Claims Development Information Schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying supplementary information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2022 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Fund's 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 Fund's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 20, 2022

Nisivoccia LLP

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
Management Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2021 and 2020. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Fund'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 Fund is to provide excess property and casualty insurance for joint insurance funds that are members of the Fund. The Fund 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:

Statement of Net Position – This statement presents information reflecting the Fund's assets, liabilities, deferred outflows and inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

Statement of Revenue, Expenses, and Changes in Net Position – This statement reflects the Fund'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.

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

Financial Highlights

The following tables summarize the financial position and results of operations for the Fund as of and for the years ended December 31, 2021, 2020 and 2019.

<u>SUMMARY OF STATEMENT OF NET POSITION</u>	<u>2021</u>	<u>2020</u>	<u>20-21 Percent Change</u>	<u>2019</u>	<u>19-20 Percent Change</u>
ASSETS:					
Cash, Cash Equivalents, Investments	\$ 69,212,877	\$ 69,682,775	-0.67%	\$ 68,385,340	1.90%
Assessments Receivable	5,748,022	5,615,920	2.35%	3,769,697	48.98%
Deferred Premium Cancellation Receivable	15,283,111		100.00%		0.00%
Investment in Joint Venture	220,235	5,963,912	-96.31%	5,569,104	7.09%
Other Assets	4,402,174	4,338,537	1.47%	2,570,321	68.79%
Total	<u>94,866,419</u>	<u>85,601,144</u>	10.82%	<u>80,294,462</u>	6.61%
LIABILITIES:					
Loss Reserves	69,547,306	57,156,056	21.68%	41,648,529	37.23%
Other Liabilities	10,161,297	12,193,431	-16.67%	12,373,297	-1.45%
Total	<u>79,708,603</u>	<u>69,349,487</u>	14.94%	<u>54,021,826</u>	28.37%
NET POSITION	<u>\$ 15,157,816</u>	<u>\$ 16,251,657</u>	-6.73%	<u>\$ 26,272,636</u>	-38.14%

SUMMARY OF STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	2021	2020	20-21 Percent Change	2019	19-20 Percent Change
Operating Revenue:					
Assessments and Other Income	\$ 67,077,150	\$ 51,144,687	31.15%	\$ 47,310,501	8.10%
Operating Expenses:					
Provision for Claims & Claims Expense	23,973,349	23,875,263	0.41%	13,346,801	78.88%
Assessment for Participation in RCF	9,809,468	11,949,635	-17.91%	12,190,987	-1.98%
Insurance Premiums	21,610,909	19,697,503	9.71%	18,974,820	3.81%
Administrative and Operating Expenses	6,865,550	7,000,969	-1.93%	6,709,556	4.34%
Total Operating Expenses	62,259,276	62,523,370	-0.42%	51,222,164	22.06%
Operating Income/(Loss)	4,817,874	(11,378,683)	142.34%	(3,911,663)	-190.89%
Non-Operating Income/(Expenses):					
Change in Investment in Joint Venture	(5,743,677)	394,808	-1554.80%	668,349	-40.93%
Investment Income	(168,038)	962,896	-117.45%	1,754,444	-45.12%
Increase/(Decrease) in Net Position	\$ (1,093,841)	\$ (10,020,979)	89.08%	\$ (1,488,870)	-573.06%

The Fund's asset base increased by 10.82% during the reporting period primarily due to 2.35% increase in assessments receivable, 100.00% increase in Deferred Premium Cancellation Receivable and 1.47% decrease in other assets. Offset by the "Investment in Joint Venture" that represents the Fund's share of net position in the Municipal Excess Liability Residual Claims Fund (RCF). The value of this asset decreased by 96.31% reflecting a decrease in equity retained by that entity.

The Fund's liabilities increased by 14.94% due to a 21.68% increase in Loss Reserves primarily due to the impact of the COVID 19 pandemic on workers' compensation, recent changes in the statute of limitations for sexual molestation law suits and recent changes in the firefighters cancer workers' compensation presumption law.

For 2021 assessments increased 31.15%. The provision for claims and claims expense increased by .41%. Insurance premiums increased by 9.71%, and administrative and operating expenses decreased by 1.93%. Investment income decreased by 117.45% due to a low interest rate environment. For 2021, the Fund continued the policy started in 2004 of not issuing dividends. The Fund emphasized capital accumulation over continuity of dividends for the members.

The Fund's combined net position for all years is \$15,157,816 in 2021 compared to \$16,251,657 at the end of 2020; a decrease of 6.73%. Net position values for both reporting periods include the cumulative effect of the discounting of loss reserves.

The future financial position of the Fund will be impacted by medical costs trends that impact upon workers compensation costs. To address this cost area, the Fund continues to reevaluate its managed care contracts and procedures and closely monitor claims as well as offer accredited safety programs to its members.

BASIC FINANCIAL STATEMENTS

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATEMENT OF NET POSITION

	December 31	
	2021	2020
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 69,212,877	\$ 69,682,775
Assessments Receivable	5,748,022	5,615,920
Deferred Premium Cancellation Receivable	15,283,111	
Accounts Receivable		56,863
Notes Receivable	632,587	507,587
Insurance Receivables	216,724	185,186
Excess Insurance Receivable	1,521,841	1,290,292
Investment in Joint Venture	220,235	5,963,912
Total Current Assets	92,835,397	83,302,535
Long-Term Assets:		
Notes Receivable	2,031,022	2,298,609
Total Long-Term Assets	2,031,022	2,298,609
Total Assets	94,866,419	85,601,144
<u>LIABILITIES:</u>		
Loss Reserves	69,547,306	57,156,056
Accounts Payable - Vendors	266,276	243,796
Due to Municipal Excess Liability Residual Claims Fund	9,895,021	11,949,635
Total Liabilities	79,708,603	69,349,487
<u>NET POSITION:</u>		
Unrestricted	15,157,816	16,251,657
Total Net Position	\$ 15,157,816	\$ 16,251,657

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended December 31	
	2021	2020
Operating Revenue:		
Assessments from Participating Members	\$ 51,794,039	\$ 51,144,687
Deferred Premium Cancellation	15,283,111	
Total Operating Revenue	<u>67,077,150</u>	<u>51,144,687</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense (Net of Reinsurance of \$3,532,963 and \$15,069,699 for 2021 and 2020, respectively)	23,973,349	23,875,263
Assessment for Participation in Municipal Excess Liability		
Residual Claims Fund	9,333,074	11,949,635
Residual Claims Fund - Additional Assessment	476,394	
Insurance Premiums	21,610,909	19,697,503
Claims Administration	1,146,799	1,312,707
Other Contractual Services	2,181,298	2,148,997
Non-Contractual Expenses	211,357	287,044
Administration	1,363,050	1,374,469
EPL Credits	334,250	254,832
Insurance Brokerage Expense	550,387	550,387
Managed Care	546,522	546,522
Reinsurance Manager	317,825	317,825
Risk Management Fees	214,062	208,186
Total Operating Expenses	<u>62,259,276</u>	<u>62,523,370</u>
Operating Income/(Loss)	4,817,874	(11,378,683)
Non-Operating Income/(Expenses):		
Change in Investment in Joint Venture	(5,743,677)	394,808
Investment Income/(Loss)	(168,038)	962,896
Change in Net Position	(1,093,841)	(10,020,979)
Net Position - Beginning of Year	<u>16,251,657</u>	<u>26,272,636</u>
Net Position - End of Year	<u>\$ 15,157,816</u>	<u>\$ 16,251,657</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATEMENT OF CASH FLOWS

	<u>Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Assessments Collected	\$ 51,661,937	\$ 49,298,464
Refunds		4,757,394
Claims Expense	(11,582,099)	(13,125,130)
Professional and Administrative Expenses	(6,643,620)	(7,595,541)
Insurance Premiums	(21,642,447)	(19,600,340)
Municipal Excess Liability Residual Claims Fund	(12,095,631)	(13,481,279)
Net Cash Provided/(Used) by Operating Activities	<u>(301,860)</u>	<u>253,568</u>
Cash Flows from Investing Activities:		
Purchase of Investment Securities		(34,468,363)
Proceeds from Sales and Maturities of Investment Securities		56,967,538
Investment Income	(168,038)	789,656
Net Cash Provided/(Used) by Investing Activities	<u>(168,038)</u>	<u>23,288,831</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(469,898)	23,542,399
Cash and Cash Equivalents, January 1	<u>69,682,775</u>	<u>46,140,376</u>
Cash and Cash Equivalents, December 31	<u>\$ 69,212,877</u>	<u>\$ 69,682,775</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 4,817,874	\$ (11,378,683)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Assets:		
Assessments Receivable	(132,102)	(1,846,223)
Deferred Premium Cancellation Receivable	(15,283,111)	
Insurance Receivables	(31,538)	97,163
Reinsurance Receivable		(1,290,292)
Excess Insurance Receivable	(231,549)	
Accounts Receivable	56,863	(38,554)
Prepaid Expense		69,909
Notes Receivable	142,587	(687,413)
Increase/(Decrease) in Liabilities:		
Loss Reserves	12,391,250	15,507,527
Accounts Payable	22,480	61,486
Due to Municipal Excess Liability Residual Claims Fund	(2,054,614)	(241,352)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (301,860)</u>	<u>\$ 253,568</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: NATURE OF OPERATIONS

The Municipal Excess Liability Joint Insurance Fund (the "Fund") was created on December 16, 1986, in accordance with P.L. 1983, C.372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 10 of Title 40A of the New Jersey statutes". The Fund is both an insured and self-administered group of joint insurance funds established for the purpose of providing low-cost insurance coverage for the members in order to keep local property taxes and fees at a minimum for the municipalities and authorities who form the membership of the joint insurance funds. The participating joint insurance funds must be able to prove satisfactorily to the Fund their compliance with funding and underlying coverage criteria as annually agreed and approved by the Fund. The Fund has 20 members. The following coverages are offered by the Fund to its members:

- a) Excess Workers' Compensation and Employers' Liability
- b) Excess Liability Other than Motor Vehicles
- c) Excess Motor Vehicle
- d) Excess Public Officials'/Employment Practices Liability
- e) Excess Property

Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities. The Fund considers anticipated investment income when determining if a deficiency exists.

A participating member must remain in the Fund for the full term of membership unless terminated earlier by a majority vote of the Fund Commissioners or a two-thirds vote of the Executive Committee for nonpayment of assessments or continued noncompliance after written notice to comply with the bylaws or other obligations. Termination may occur only after proper notice has been given, in accordance with the Fund's bylaws.

The Executive Director and Administrator are responsible for the overall administration of the Fund. Fees paid to the Executive Director and Administrator encompasses all administrative duties which are performed at their offices. Accordingly, the Fund does not maintain any capital assets or incur any payroll expense.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the Fund's accounting policies are described on the next pages.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The combined financial statements include all funds of the Fund over which the Fund exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Fund is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Fund utilizes total economic resources as the measurement focus. Operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the Fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenue, such as subsidies and investment earnings, results from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Fund gives or receives value without directly receiving or giving equal value in exchange, generally do not occur, with the exception of investment earnings and the changes in joint ventures.

Investments

The Fund generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state income taxes.

Assessments

The gross claim fund assessment is determined by the actuary and, when combined with expense and premium projections, constitutes the Fund's budget. Assessments for participating joint insurance funds are determined by underwriting criteria established by the Board of Commissioners.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims 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. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. 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. 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. The Fund discounts claim liabilities for financial reporting purposes. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Reinsurance

The Fund uses reinsurance agreements to reduce its exposure to large losses on certain types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Reinsurance premiums amounted to \$21,610,971 and \$19,697,441 for the years ended December 31, 2021 and 2020, respectively. The amount deducted from claims liabilities for reinsurance was \$18,879,253 and \$16,280,234 at December 31, 2021 and 2020, respectively.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 3: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2021. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess loss insurance and reinsurance coverages. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

Loss reserves, at December 31, 2021 and 2020, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	<u>2021</u>	<u>2020</u>
Case Reserves	\$ 26,553,055	\$ 14,296,072
Losses Incurred but not Reported	<u>42,994,251</u>	<u>42,859,984</u>
Total Loss Reserves	<u>\$ 69,547,306</u>	<u>\$ 57,156,056</u>

The following represents changes in the aggregate reserves for the Fund:

	<u>2021</u>	<u>2020</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 57,156,056</u>	<u>\$ 41,648,529</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	30,172,229	26,344,966
(Decrease)/Increase in Provision for Insured Events of Prior Years	<u>(6,198,880)</u>	<u>(2,469,703)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>23,973,349</u>	<u>23,875,263</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	(539,070)	3,266,005
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>12,121,169</u>	<u>5,101,731</u>
Total Payments	<u>11,582,099</u>	<u>8,367,736</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 69,547,306</u>	<u>\$ 57,156,056</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 3: LOSS RESERVES (Cont'd)

The Fund has elected to discount its loss reserves. The Fund believes that the discounting of loss reserves presents a more accurate presentation of the current loss reserves to be paid in future periods.

At December 31, 2021, \$76,317,252 of unpaid claims and claim adjustment expenses are presented at their net present value of \$69,547,306. These claims are discounted at an annual rate of 1.79%.

At December 31, 2020, \$59,116,234 of unpaid claims and claim adjustment expenses are presented at their net present value of \$57,156,056. These claims are discounted at an annual rate of 1.79%.

The Fund maintains contracts for insurance including excess insurance covering losses in excess of an amount established between the Fund and the insurer up to the limits of coverage set forth in the contract on a specific occurrence, or per accident or annual aggregate basis. The Fund also maintains a contract for reinsurance for Liability other than motor vehicle covering losses in excess of an amount established between the Fund and the Reinsurer up to the limits of coverage set forth in the contract on a specific occurrence or aggregate basis.

A contingent liability exists with respect to insurance coverage which would become an actual liability in the event the insuring companies, or any of them, might be unable to meet their obligations to the Fund under existing reinsurance agreements.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in deposits, money market accounts, short-term investments with original maturities of three months or less. In addition, certain short-term money market investments are reported at amortized costs and included in the financial statements as cash equivalents.

GASB requires disclosure of the level of custodial credit risk assumed by the Fund in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Fund ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Fund limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in Note 5.

Custodial Credit Risk – The Fund's policy with respect to custodial credit risk requires that the Fund ensures that Fund's cash and cash equivalents are only deposited in financial institutions in which New Jersey insurance funds are permitted to invest their cash and cash equivalents.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
 (Continued)

NOTE 4: CASH AND CASH EQUIVALENTS (Cont'd)

New Jersey statutes require public depositories to maintain collateral deposits or public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the federal reserve system and has capital funds of not less than \$25,000,000.

As of December 31, 2021 and 2020, cash and cash equivalents of the Fund consisted of the following:

	Dec. 31, 2021	Dec. 31, 2020
Checking Accounts	\$ 22,166,065	\$ 22,369,142
Cash Management Funds	41,479	41,462
JCMI	47,005,333	47,272,171
	\$ 69,212,877	\$ 69,682,775

The carrying amount of the Fund's cash and cash equivalents as of December 31, 2021 and 2020 were \$69,212,877 and \$69,682,775 respectively. The bank balances as of December 31, 2021 and 2020 were \$63,612,534 and \$69,891,479, respectively. The \$41,479 and \$41,462 invested with the State of New Jersey Cash Management Fund is uninsured and unregistered. The \$47,005,333 is invested with BNY Mellon and is uninsured and unregistered.

JOINT CASH MANAGEMENT AND INVESTMENT PROGRAM

The Joint Cash Management and Investment program (the "JCMI") was formulated under P.L. 2018 Chapter 40 of the New Jersey Statutes which allowed Joint Insurance Funds to pool their funds and broaden the investments that they are permitted to use. The law provides conservative restrictions as to these investments. Specifically, the investment must be purchased at fair market value, guaranteed as interest and principal, and must have a credit rating of A3 or higher by Moody's Investor Service, or an A- or higher by Standard and Poors Corporation. The maturity cannot be greater than 20 years. In addition, only 50% of the investment portfolio may be comprised of such long-term investments, without prior approval of the New Jersey Department of Community Affairs.

The JCMI Operating Committee is constituted as follows: Treasurer of the Fund, of the New Jersey Municipal Environmental Risk Management Fund, of the Municipal Excess Liability Residual

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS (Cont'd)

JOINT CASH MANAGEMENT AND INVESTMENT PROGRAM (Cont'd)

Claims Fund, and one treasurer representing all local participating Joint Insurance Funds plus the Chair of the Fund Investment Committee or its designee from the Investment Committee. The Investment Committee's decisions are made at the recommendation of an experienced and licensed Financial Advisor, Asset Manager, presented to the JCMI Operations Committee for approval; all within the guidelines set forth by the law. The results of the operation will be reported on a "unitized" type basis whereby each participating Fund and their investment will be tracked, charted and reported on a monthly basis. That, too, will be maintained, compensated for, monitored and information provided by the JCMI.

In addition to the monthly reporting, the JCMI will also report as follows:

Quarterly - The Asset Manager will provide the JCMI Operations Committee, the Fund and each participating Joint Insurance Fund with detailed information about the program including asset allocation, investment performance, future investment strategies, and other matters of interest to the JCMI Operations Committee. The Financial Advisor shall provide the JCMI Operations Committee with detailed information about the Municipal Bond Anticipation Notes purchased, the rate purchased and the savings to the issuer based on the cover bid made.

Annually - The Custodian will provide an annual summary of all transactions in each fiscal year, together with a report of investment performance for the year by portfolio, to the JCMI Operations Committee and each participating Joint Insurance Fund. Investment objectives will be reviewed to determine if they are being met.

Below is a listing of the total shares for each Joint Insurance Fund in the JCMI program.

<u>Joint Insurance Fund Participant:</u>	
Municipal Excess Liability Joint Insurance Fund	\$ 47,005,333
Municipal Excess Liability Residual Claims Fund	76,718,281
New Jersey Municipal Environmental Risk Management Fund	25,583,719
Morris County Municipal Joint Insurance Fund	27,151,897
South Bergen Municipal Joint Insurance Fund	14,510,892
New Jersey Utility Authorities Joint Insurance Fund	8,026,974
Central Jersey Joint Insurance Fund	8,529,483
Camden County Municipal Joint Insurance Fund	20,079,942
Suburban Metro Municipal Joint Insurance Fund	5,301,028
Bergen County Municipal Joint Insurance Fund	8,650,107
Professional Municipal Management Joint Insurance Fund	4,783,147
Suburban Municipal Joint Insurance Fund	4,644,401
Ocean County Municipal Joint Insurance Fund	9,937,531
Bergen Municipal Employee Benefits Fund	2,966,747
Monmouth County Municipal Joint Insurance Fund	4,847,204
Altantic County Municipal Joint Insurance Fund	20,920,422
Burlington County Municipal Joint Insurance Fund	14,447,603
Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund	24,908,591
Municipal Reinsurance Health Insurance Fund	11,104,255
	<u>\$ 340,117,557</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 5: INVESTMENTS

New Jersey statutes permit the Fund to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of local units or bonds or other obligations of school districts of which the local units are part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
 (Continued)

NOTE 5: INVESTMENTS (Cont'd)

- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

All of the Fund's investments are recorded at fair value based on quoted market prices (Level 1 inputs). The investments are held by the Fund's custodial bank trust department in the Fund's name. The bank's trust department is also its agent in purchasing and selling the securities. The investments are uninsured and unregistered. All of the funds held by the custodial bank are held in a fiduciary account, in the Fund's name, and are backed by the full faith and credit of the U.S. Government. As such, they are protected in the event of bankruptcy of the bank. The Fund did not have any investments at December 31, 2021 and 2020.

NOTE 6: NET POSITION

The State of New Jersey has no statutory minimum net position requirements.

The Fund had statutory basis accumulated deficit net position accounts as follows:

Fund Year 2018 - Property	\$ 892,697
Fund Year 2018 - Liability	754,386
Fund Year 2018 - Public Officials Employment Practices	133,470
Fund Year 2019 - Workers Compensation	882,446
Fund Year 2019 - Faithful Performance Bond	200,967
Fund Year 2020 - Property	479,712
Fund Year 2020 - Liability	2,102,463
Fund Year 2020 - Workers Compensation	4,080,769
Fund Year 2021 - Property	9,701,069

In addition, at December 31, 2021 the Fund had an overall deficit in Fund Years 2020 and 2021 of \$4,748,308 and \$6,593,146 respectively.

The Fund has no current plans to assess the membership to eliminate deficit balances.

A resolution was passed on October 16, 2019 by the Board of Fund Commissioners to amend the risk management plan to include the following:

After the end of the year before the Fund has finalized its year end accounting, the Fund's Commissioners shall levy an additional supplementary assessment so that the Fund's statutory surplus for all fund years combined is not less than 12.5% of open reserves.

Under this amendment, a supplementary assessment will be paid over a 10-year period if the statutory surplus falls below the trigger amount. This will fund the MEL to pay long term claims.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
 (Continued)

NOTE 7: INSURANCE RECEIVABLES

Insurance receivables consist of funds due from an insurance company for claim reimbursements.

NOTE 8: MEMBERSHIP IN JOINT INSURANCE FUND

In 1995, the Fund became a member of the Municipal Excess Liability Residual Claims Fund (the "Residual Fund"). The Residual Fund is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of assuming and discharging the liabilities associated with loss reserves of participating members. The transfer of these loss reserves to the Residual Fund results in the closing of those fund years and the unencumbering of the net position related to those closed fund years. Each member appoints an official to represent their respective joint insurance fund for the purpose of creating a governing body from which officers for the Residual Fund are elected. As a member of the Residual Fund, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the Residual Fund were to be exhausted, members would become jointly and severally liable for the Residual Fund's liabilities.

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

During 2021, the Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the 2017 Fund Year. Loss reserves totaling \$9,333,074 at June 30, 2021, were assumed as of June 30, 2021 in exchange for the Fund's assessment for participation in the Residual Fund of \$9,333,074.

During 2020, the Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the 2016 Fund Year. Loss reserves totaling \$11,949,635 at June 30, 2020, were assumed as of June 30, 2020 in exchange for the Fund's assessment for participation in the Residual Fund of \$11,949,635.

The December 31, 2021 audit report of the Residual Fund is not filed as of the date of this audit. Selected, summarized financial information for the Residual Fund as of December 31, 2020 is as follows:

Total Assets	\$ 114,473,155
Net Position	\$ 12,640,742
Total Revenue	\$ 28,628,562
Total Expenses	\$ 27,440,448
Change in Net Position	\$ 530,544
Member Dividends	\$ 657,570

The Fund's equity interest in the Residual Fund was \$220,235 and \$5,963,912 as of December 31, 2021 and 2020, respectively.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 8: MEMBERSHIP IN JOINT INSURANCE FUND (Cont'd)

Financial statements for the Residual Fund are available at the office of the Residual Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, New Jersey, 07054
(201) 881-7632

NOTE 9: CONTINGENCIES

In the normal course of its operations, the Fund has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Fund's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

NOTE 10: NOTES RECEIVABLE

In 2012 the Fund entered into a Promissory Note with the Township of Fairfield. The total amount of the settlement was \$712,250. The Township of Fairfield agreed to pay the Fund in installments of \$71,250 over ten years.

On December 17, 2015 the Fund entered into an advanced loan agreement with the Borough of Bogota. Whereas the Fund contributed \$1,500,000 to the Borough of Bogota as part of an overall settlement. The Borough is on a payment plan to reimburse the Fund over the next 20 years in \$75,000 installments plus interest with the first installment payment being made on or before December 31, 2016.

On September 12, 2018 the Fund entered into a Promissory Note with the Township of Belleville. The total amount of the settlement was \$183,370. The Township of Belleville agreed to pay the Fund in installments of \$18,337, with the first installment due January 1, 2019 and terminating on January 1, 2028.

The Fund entered into another Promissory Note with the Borough of Maywood in 2019. The total amount of the settlement was \$540,000. The Borough of Maywood agreed to pay the Fund in installments of \$108,000 annually, with the first installment due January 1, 2020 and terminating on January 1, 2024.

In July of 2020 the Fund entered into a repayment agreement with the Borough of Rutherford for \$450,000. The municipality will make payments in \$90,000 installments to the Fund starting on January 1, 2021 and terminating on January 1, 2025, together with interest equal to the rate of interest the Fund is currently receiving on its investments.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 10: NOTES RECEIVABLE (Cont'd)

On December 21, 2020, the Fund entered into a repayment agreement with the Borough of Woodcliff Lake for \$600,000. The municipality will make annual installments to the Fund in the amount of \$120,000 initiating on January 1, 2021 and terminating on January 1, 2025, together with interest equal to the rate of interest the Fund is currently receiving on its investments.

On January 28, 2020, the Fund entered into a repayment agreement with the Borough of Palisades Park for \$245,000. The municipality will make annual installments to the Fund in the amount of \$35,000 initiating on February 1, 2020 and terminating on February 1, 2026, together with interest equal to the rate of interest the Fund is currently receiving on its investments.

NOTE 11: RELATIONSHIP WITH STATE SCHEDULES

The information in the Fund's financial statements differs from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, the Schedules present historical information from the inception of each fund year. In addition, the financial statements reflect the Fund's equity interest in a joint venture and the discounting of loss reserves at the financial statement date. The Supplementary Schedules do not reflect the equity interest in a joint venture and the discounting of loss reserves.

NOTE 12: AGGREGATE EXCESS LOSS FUND CONTINGENCY

The Fund has adopted a retrospective rating premium approach to implement experience rated assessments for liability and workers' compensation coverages. The Fund billed 85% of the experience rated assessment in the first year and, should a member joint insurance fund exceed that amount, an additional assessment would be calculated based on each member joint insurance fund's retrospective rating modification. The retrospective rating modification is an experience rated factor and any additional assessments would be capped at 100%, 115% or 125% of that factor. If a member joint insurance fund's liability and workers' compensation loss funds stay within the 85% threshold, there would not be an additional assessment. In 2021, the Fund budgeted and assessed each member 100% of the Fund's layer of projected loss funds. The Fund will expense the liability and workers' compensation excess coverage premium for the actual amount billed by the Fund and record revenue at the full amount budgeted and billed its members. The difference between the assessment billed to the Fund's members and the Fund's premium will be transferred to an Aggregate Excess Loss Fund Contingency within the Fund in January and will earn interest in the same manner as all other fund years. The net position within the Aggregate Excess Loss Fund of the Fund will be maintained by member in the same manner that the Closed

Fund Years' net position is maintained. As future fund years continue to adopt this program the same process will be followed and the member shares will be maintained on a weighted average of their contributions to the Aggregate Excess Loss Fund Contingency. If the Fund bills the Fund for an additional assessment, and the member does not have enough net position in its portion of the Aggregate Excess Loss Fund Contingency, the Fund could bill the member an additional assessment.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE 13: SUBSEQUENT EVENTS

While there are many issues that are increasing claims cost for New Jersey public entities, management is confident that the MEL and its affiliated JIFs are in an exceptionally strong position because of decades of conservative financial practices. Management continues to evaluate the impact of the COVID 19 pandemic on workers' compensation and has established a special COVID litigation reserve of \$5.5 million. Workers' compensation claims are also expected to increase because of recent changes in the public employee pension plans that will reduce the plans' contribution in total disability claims. Fortunately, Fund members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims are increasing because of the recent change in the statute of limitations for sexual molestation law suits and the reluctance of the New Jersey Court System to grant summary judgements when Title 59 immunities should apply. Management also expects a sharp increase in excess and reinsurance premiums, especially for property insurance and cyber liability insurance. To mitigate these increases, the Fund is planning a rate adjustment beginning 2022.

NOTE 14: PREMIUM DEFERRAL

From 2016 to 2021, the Fund deferred 15% of the loss funds with the understanding that it could call in this deferral from the member JIFs if needed. Due to unforeseen circumstances such as new legislation, catastrophic hurricanes and the current pandemic, the Fund took action and billed each of its members the additional 15%. This action adds \$15.3 million to the Fund's 2021 income.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
 COMPARATIVE RECONCILIATION OF CLAIMS LIABILITIES BY FUND
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Property		Liability		Faithful Performance Bond		Worker's Compensation		Employment Practices/ Public Officials/		Totals	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Unpaid claims and claim adjustment expenses at beginning of year	\$ (741,546)	\$ (86,554)	\$ 29,067,234	\$ 19,508,131	\$ 384,343	\$ 437,751	\$ 21,017,501	\$ 15,587,152	\$ 7,428,524	\$ 6,202,049	\$ 57,156,056	\$ 41,648,529
Incurred claims and claim adjustment expenses:												
Provision for insured events of the current period	13,092,902	3,973,933	10,686,703	10,945,207	1,768	54,993	5,423,486	10,183,829	967,370	1,187,004	30,172,229	26,344,966
Increase/(decrease) in provision for insured events of prior years	2,662,749	(803,626)	(6,345,449)	534,609	49,891	135,644	(2,688,719)	(2,375,801)	122,648	39,471	(6,198,880)	(2,469,703)
Total incurred claims and claim adjustment expenses	15,755,651	3,170,307	4,341,254	11,479,816	51,659	190,637	2,734,767	7,808,028	1,090,018	1,226,475	23,973,349	23,875,263
Payments:												
Claims and claim adjustment expenses attributable to insured events of the current period	(1,113,537)	3,061,012	546,892			52,077	27,575	152,916			(539,070)	3,266,005
Claims and claim adjustment expenses attributable to insured events of the current period	6,360,524	764,287	1,660,198	1,920,713	385,888	191,968	3,714,559	2,224,763			12,121,169	5,101,731
Total payments	5,246,987	3,825,299	2,207,090	1,920,713	385,888	244,045	3,742,134	2,377,679			11,582,099	8,367,736
Unpaid claims and claim adjustment expenses at end of year	\$ 9,767,118	\$ (741,546)	\$ 31,201,398	\$ 29,067,234	\$ 50,114	\$ 384,343	\$ 20,010,134	\$ 21,017,501	\$ 8,518,542	\$ 7,428,524	\$ 69,547,306	\$ 57,156,056

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

Fiscal Period Ended December 31, 2021 and Policy Period Ended December 31,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Required contribution and investment revenue:										
Earned	\$ 43,550,580	\$ 43,558,176	\$ 44,892,042	\$ 45,952,529	\$ 43,909,018	\$ 51,794,039	\$ 47,072,218	\$ 50,125,513	\$ 50,563,979	\$ 54,159,794
Ceded	16,054,304	16,628,567	18,916,951	19,785,005	19,994,332	21,610,971	20,917,638	18,974,820	19,697,441	21,610,971
	27,496,276	26,929,609	25,975,091	26,167,524	23,914,686	30,183,068	26,154,580	31,150,693	30,866,538	32,548,823
Unallocated expenses	6,958,037	6,845,810	5,463,777	5,688,731	5,759,865	6,845,810	6,654,986	6,769,895	6,958,037	6,845,810
Estimated claims and expenses, end of policy year:										
Incurred	27,880,350	14,995,169	16,964,638	18,870,160	14,769,676	12,465,172	15,617,783	16,845,118	41,746,222	43,015,600
Ceded	10,953,464	14,995,169	16,964,638	17,352,405	274,112	37,544	1,183,686	1,510,952	15,401,256	12,843,371
Net Incurred	16,926,886	14,995,169	16,964,638	17,352,405	14,495,564	12,427,628	14,434,097	15,334,166	26,344,966	30,172,229
Paid (cumulative) as of:										
End of policy year	1,496,244	1,218,330	1,837,362	2,985,974	3,243,964	905,149	2,760,147	2,834,668	3,266,005	(539,070)
One year later	3,494,160	2,004,303	3,193,210	4,915,572	5,700,905	3,145,885	6,174,859	5,045,367	11,739,266	
Two years later	3,661,571	3,011,985	3,270,026	5,359,519	7,106,871	4,199,779	6,679,857	6,435,118		
Three years later	6,903,479	4,977,992	4,150,705	9,995,188	10,690,019	4,982,816	8,145,928			
Four years later	9,156,994	5,166,389	7,777,172	11,584,718	12,293,016	5,774,902				
Five years later	9,156,994	5,166,389	7,777,172	11,584,718	12,293,016					
Six years later	9,156,994	5,166,389	7,777,172	11,584,718						
Seven years later	9,156,994	5,166,389	7,777,172							
Eight years later	9,156,994	5,166,389								
Nine years later	9,156,994									
Reestimated ceded claims and expenses	28,380,548	28,380,548	28,380,548	28,380,548			1,425,224			
Reestimated incurred claims and expense:										
End of policy year	16,926,886	14,995,169	16,964,638	17,352,405	14,495,564	12,427,628	14,434,097	15,334,166	26,344,966	30,172,229
One year later	15,662,386	15,616,435	16,322,145	16,500,405	17,375,790	12,902,178	16,519,142	17,747,025	26,209,702	
Two years later	15,870,592	16,626,074	14,058,530	16,535,077	18,680,599	14,206,403	19,151,500	20,132,939		
Three years later	18,485,509	14,477,179	13,680,665	17,768,894	19,488,140	13,886,610	18,813,678			
Four years later	9,156,994	5,166,389	7,777,172	11,584,718	12,293,016	5,774,902				
Five years later	9,156,994	5,166,389	7,777,172	11,584,718						
Six years later	9,156,994	5,166,389	7,777,172							
Seven years later	9,156,994	5,166,389								
Eight years later	9,156,994									
Nine years later	9,156,994									
Increase/(decrease) in estimated incurred claims and expense from end of policy year	\$ (7,769,892)	\$ (9,828,780)	\$ (9,187,466)	\$ (5,767,687)	\$ (2,202,548)	\$ (6,652,726)	\$ 4,379,581	\$ 4,798,773	\$ (135,264)	\$ -0-

COMBINING SUPPLEMENTARY SCHEDULES

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2021

	Fund Year					Total
	2018	2019	2020	2021		
<u>ASSETS</u>						
MEL						
Aggregate Excess Loss Fund Contingency		MEL Surplus Trigger				
Current Assets:						
Cash and Cash Equivalents	\$ 14,303,185	\$ 2,961,697	\$ 9,870,160	\$ 15,214,900	\$ 8,518,405	\$ 69,212,877
Assessments Receivable					3,179	5,748,022
Deferred Premium Cancellation Receivable	5,626,939		2,383,506	2,472,462	2,381,219	15,283,111
Notes Receivable	632,587					632,587
Insurance Receivables	213,814			258,319	2,910	216,724
Excess Insurance Receivable					1,263,522	1,521,841
Investment in Joint Venture	220,235					220,235
Total Current Assets	20,996,760	2,961,697	12,253,666	17,945,681	12,169,235	92,835,397
Long Term Assets:						
Notes Receivable	2,031,022					2,031,022
Total Long-Term Assets	2,031,022					2,031,022
Total Assets	23,027,782	2,961,697	12,253,666	17,945,681	12,169,235	94,866,419
<u>LIABILITIES</u>						
Loss Reserves						
Accounts Payable			10,667,751	13,697,822	14,470,436	69,547,306
Due to Municipal Excess Liability Residual Claims Fund					266,276	266,276
Total Liabilities	9,895,021		10,667,751	13,697,822	14,470,436	9,895,021
<u>NET POSITION</u>						
Unrestricted/(Deficit)	13,132,761	2,961,697	1,585,915	4,247,859	(2,301,201)	15,157,816
Total Net Position/(Deficit)	\$ 13,132,761	\$ 2,961,697	\$ 1,585,915	\$ 4,247,859	\$ (2,301,201)	\$ 15,157,816

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARENDED DECEMBER 31, 2021

	Fund Year					Total
	2018	2019	2020	2021		
MEL						
Aggregate Excess Loss Fund Contingency		MEL Surplus Trigger				
Operating Revenue:						
Assessments from Participating Members	\$ 5,626,939	\$ 2,383,506	\$ 2,381,219	\$ 51,794,039	\$ 51,794,039	\$ 51,794,039
Deferred Premium Cancellation		\$ 2,472,462	\$ 2,381,219	2,418,985	15,283,111	15,283,111
Total Operating Revenue	5,626,939	2,383,506	2,381,219	54,213,024	67,077,150	67,077,150
Operating Expenses:						
Provision for Claims and Claim Adjustment Expense	\$ (8,111,704)	\$ (337,824)	\$ (135,261)	30,172,227	23,973,349	23,973,349
Assessment for Participation in Municipal Excess Liability						
Residual Claims Fund	9,333,074				9,333,074	9,333,074
Residual Claims Fund - Additional Assessment	476,394				476,394	476,394
Insurance Premiums			(62)	21,610,971	21,610,909	21,610,909
Claims Administration			(34,073)	1,180,872	1,146,799	1,146,799
Other Contractual Services			(18,697)	2,199,995	2,181,298	2,181,298
Non-Contractual Expenses		2,418	70,066	138,873	211,357	211,357
Administration			25	1,363,025	1,363,050	1,363,050
EPL Credits				334,250	334,250	334,250
Insurance Brokerage Expense				550,387	550,387	550,387
Managed Care				546,522	546,522	546,522
Reinsurance Manager				317,825	317,825	317,825
Risk Management Fees				214,062	214,062	214,062
Total Operating Expenses	1,697,764	(337,824)	(118,002)	58,629,009	62,259,276	62,259,276
Operating Income/(Loss)	3,929,175	2,721,330	2,499,221	(4,415,985)	4,817,874	4,817,874
Non-Operating Income/(Expenses):						
Change in Investment in Joint Venture	(5,743,677)				(5,743,677)	(5,743,677)
Investment Income/(Loss)	3,415	(31,902)	(32,296)	(53,230)	(168,038)	(168,038)
Change in Net Position	(1,811,087)	2,689,428	2,466,925	(4,469,215)	(1,093,841)	(1,093,841)
Net Position - Beginning of Year	14,943,848	(1,103,513)	(4,768,126)		16,251,657	16,251,657
Net Position/(Deficit) - End of Year	\$ 13,132,761	\$ 1,585,915	\$ (2,301,201)	\$ (4,469,215)	\$ 15,157,816	\$ 15,157,816

SUPPLEMENTARY DATA

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS ANALYSIS

ALL FUND YEARS
DECEMBER 31, 2021
(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 1,151,381,580	
Supplemental Contributions	862,606	
Other Income (except investments)	15,470,318	
Total Income		\$ 1,167,714,504
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	347,688,243	325,069,413
Case Reserves	52,202,254	
IBNR Reserve	42,994,251	
Subtotal		\$ 442,884,748
Less Excess Insurance:		
Received	39,426,303	28,362,804
Receivable	1,406,093	1,432,863
Recoverable	18,879,253	
Subtotal		59,711,649
Limited Incurred Claims (claims-excess)		383,173,099
<u>Expenses:</u>		
Excess Insurance Premiums	656,022,548	
Administrative	130,009,074	
Worker's Compensation	6,493,253	
Property Grant	593,677	
EPL Credits	1,267,784	
Subtotal Expenses		794,386,336
<u>Total Incurred Liabilities</u> (limited claims and expenses)		1,177,559,435
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(9,844,931)
4. <u>Investment Income (Earned)</u>		62,278,152
4a <u>Transfer</u>		_____
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		52,433,221
6. <u>Return of Surplus:</u>		
Paid	44,265,586	
Authorized and Unpaid	_____	
Subtotal Return of Surplus		44,265,586
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 8,167,635

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDHISTORICAL BALANCE SHEETALL FUND YEARSDECEMBER 31, 2021

(Unaudited)

1. Assets:

Cash and Investments (1)	\$ 69,212,877		
		\$ 69,212,877	
<u>Receivables (1):</u>			
Excess Insurance	1,521,841		
Assessments	5,748,022		
Other	18,163,444		
Total Receivables		25,433,307	
Prepaid Expenses (1)			
Other Assets (1)			
<u>Total Assets</u>			\$ 94,646,184

2. Liabilities:

<u>Claims:</u>			
Case Reserves	33,323,001		
IBNR Reserve (2)	42,994,251		
Subtotal Claims		76,317,252	
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	266,276		
Subtotal Expenses		266,276	
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus			
Miscellaneous Liabilities (1)	9,895,021		
Subtotal		9,895,021	
<u>Total Liabilities</u>			86,478,549

NET CURRENT SURPLUS/(DEFICIT) = 1-2	\$ 8,167,635
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Notes: (1) attach schedule itemizing these categories

(2) attach an opinion from the actuary

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - MEL AGGREGATE EXCESS LOSS FUND CONTINGENCY
DECEMBER 31, 2021
(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 957,029,369		
Supplemental Contributions	862,606		
Premium Deferral Cancellation	5,626,939		
Other Income (except investments)	<u>187,207</u>		
Total Income			\$ 963,706,121
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	309,563,504		
Case Reserves			
IBNR Reserve			
Subtotal		<u>\$ 309,563,504</u>	
Less Excess Insurance:			
Received	28,346,328		484,058
Receivable	142,571		375,707
Recoverable			
Subtotal		<u>28,488,899</u>	
Limited Incurred Claims (claims-excess)		<u>281,074,605</u>	
<u>Expenses:</u>			
Excess Insurance Premiums	574,821,678		
Administrative	106,202,280		
Workers Compensation	4,339,103		
Property Grant	593,677		
EPL Credits			
Subtotal Expenses		<u>685,956,738</u>	
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			<u>967,031,343</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(3,325,222)
4. <u>Investment Income (Earned)</u>			61,403,334
4a. <u>Transfer</u>			<u>(900,000)</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			57,178,112
6. <u>Return of Surplus:</u>			
Paid	44,265,586		
Authorized and Unpaid			
Subtotal Return of Surplus		<u>44,265,586</u>	
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 12,912,526</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2018DECEMBER 31, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	44,099,209	
Supplemental Contributions			
Premium Deferral Cancellation		2,383,506	
Other Income (except investments)			
Total Income			\$ 46,482,715
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		9,123,118	
Case Reserves		7,703,346	
IBNR Reserve		4,314,721	
Subtotal			\$ 21,141,185
Less Excess Insurance:			
Received		977,190	
Receivable			
Recoverable		448,034	
Subtotal			1,425,224
Limited Incurred Claims (claims-excess)			19,715,961
<u>Expenses:</u>			
Excess Insurance Premiums		20,917,638	
Administrative		5,778,842	
Workers' Compensation		525,300	
EPL Credits		350,844	
Subtotal Expenses			27,572,624
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			47,288,585
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(805,870)
4. <u>Investment Income (Earned)</u>			589,503
4a <u>Transfers</u>			900,000
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			683,633
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 683,633

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2019

DECEMBER 31, 2021

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 47,314,276	
Supplemental Contributions		
Deferred Premium Cancellation	2,472,462	
Other Income (except investments)		
Total Income		\$ 49,786,738
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	6,435,118	
Case Reserves	6,390,558	
IBNR Reserve	9,350,125	
Subtotal		\$ 22,175,801
Less Excess Insurance:		
Received		
Receivable		
Recoverable	746,236	
Subtotal		746,236
Limited Incurred Claims (claims-excess)		21,429,565
<u>Expenses:</u>		
Excess Insurance Premiums	18,974,820	
Administrative	5,906,231	
Worker's Compensation	535,806	
EPL Credits	327,858	
Subtotal Expenses		25,744,715
<u>Total Incurred Liabilities</u>		47,174,280
(limited claims and expenses)		
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		
		2,612,458
4. <u>Investment Income (Earned)</u>		
		338,775
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		
		2,951,233
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		
		\$ 2,951,233

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2020DECEMBER 31, 2021

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 48,166,203	
Supplemental Contributions		
Premium Deferral Cancellation	2,381,219	
Other Income (except investments)		
Total Income		\$ 50,547,422
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	13,002,788	
Case Reserves	17,988,457	
IBNR Reserve	13,873,483	
Subtotal		\$ 44,864,728
Less Excess Insurance:		
Received		
Receivable	1,263,522	
Recoverable	14,944,397	
Subtotal		16,207,919
Limited Incurred Claims (claims-excess)		28,656,809
<u>Expenses:</u>		
Excess Insurance Premiums	19,697,441	
Administrative	6,156,683	
Workers Compensation	546,522	
Property Grant	254,832	
Subtotal Expenses		26,655,478
<u>Total Incurred Liabilities</u>		
(limited claims and expenses)		55,312,287
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(4,764,865)
4. <u>Investment Income (Earned)</u>		16,557
4a. <u>Transfer</u>		
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		(4,748,308)
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
Subtotal Return of Surplus		
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		\$ (4,748,308)

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2021DECEMBER 31, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	51,794,039	
Supplemental Contributions			
Premium Deferral Cancellation		2,418,985	
Other Income (except investments)			
Total Income			\$ 54,213,024
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		9,563,715	
Case Reserves		20,119,893	
IBNR Reserve		15,455,922	
Subtotal			\$ 45,139,530
Less Excess Insurance:			
Received		10,102,785	
Receivable			
Recoverable		2,740,586	
Subtotal			12,843,371
Limited Incurred Claims (claims-excess)			32,296,159
<u>Expenses:</u>			
Excess Insurance Premiums		21,610,971	
Administrative		5,965,038	
Worker's Compensation		546,522	
EPL Credits		334,250	
Subtotal Expenses			28,456,781
<u>Total Incurred Liabilities</u>			
(limited claims and expenses)			60,752,940
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(6,539,916)
4. <u>Investment Income (Earned)</u>			(53,230)
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			(6,593,146)
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ (6,593,146)

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - MEL SURPLUS TRIGGER
DECEMBER 31, 2021
(Unaudited)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$	2,978,484
	Supplemental Contributions		
	Other Income (except investments)		
	Total Income		\$ 2,978,484
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid		
	Case Reserves		
	IBNR Reserve		
	Subtotal		
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		
	<u>Expenses:</u>		
	Excess Insurance Premiums		
	Administrative		
	Workers Compensation		
	Property Grant		
	Subtotal Expenses		
	<u>Total Incurred Liabilities</u>		
	(limited claims and expenses)		
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		2,978,484
4.	<u>Investment Income (Earned)</u>		(16,787)
4a.	<u>Transfer</u>		
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		2,961,697
6.	<u>Return of Surplus:</u>		
	Paid		
	Authorized and Unpaid		
	Subtotal Return of Surplus		
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 2,961,697

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2018
DECEMBER 31, 2021
(Unaudited)

	Coverages and Other Accounts								Total
	Property	Liability	Worker's Compensation	Optional Excess		Faithful Performance Bond	Loss Fund Contingency	General and Administrative	
				Public Officials'/ Employment Practices					
1. <u>Underwriting Income</u>									
Regular Contributions (earned)	\$ 13,083,170	\$ 13,148,770	\$ 10,186,372	\$ 932,813	\$ 212,009	\$ 717,643	\$ 5,818,432	\$ 44,099,209	
Supplemental Contributions		1,097,244	1,286,262					2,383,506	
Premium Deferral Cancellation									
Other Income (except investments)									
Total Income	13,083,170	14,246,014	11,472,634	932,813	212,009	717,643	5,818,432	46,482,715	
2. <u>Incurred Liabilities</u>									
Claims (limited incurred)	4,228,948	8,121,219	7,072,262	226,000	67,532			19,715,961	
Expenses	9,746,919	7,120,907	3,184,679	1,741,277			5,778,842	27,572,624	
Total Liabilities	13,975,867	15,242,126	10,256,941	1,967,277	67,532		5,778,842	47,288,585	
3. <u>Underwriting Surplus/(Deficit)</u>	(892,697)	(996,112)	1,215,693	(1,034,464)	144,477	717,643	39,590	(805,870)	
4. <u>Adjustments</u>									
Investment Income		241,726	309,710	994	9,381	24,482	3,210	589,503	
Transfers				900,000				900,000	
Total Adjustments		241,726	309,710	900,994	9,381	24,482	3,210	1,489,503	
5. Gross Operating Surplus	(892,697)	(754,386)	1,525,403	(133,470)	153,858	742,125	42,800	683,633	
6. Return of Surplus									
7. Net Current Surplus	\$ (892,697)	\$ (754,386)	\$ 1,525,403	\$ (133,470)	\$ 153,858	\$ 742,125	\$ 42,800	\$ 683,633	

MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2019
DECEMBER 31, 2021
(Unaudited)

	Coverages and Other Accounts							Total
	Property	Liability	Worker's Compensation	Optional Excess Public Officials/ Employment Practices	Faithful Performance Bond	Loss Fund Contingency	General and Administrative	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 14,086,222	\$ 13,264,389	\$ 10,697,558	\$ 1,680,557	\$ 221,607	\$ 1,290,771	\$ 6,073,172	\$ 47,314,276
Supplemental Contributions								
Premium Deferral Cancellation		1,115,542	1,356,920					2,472,462
Other Income (except investments)								
Total Income	14,086,222	14,379,931	12,054,478	1,680,557	221,607	1,290,771	6,073,172	49,786,738
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	3,448,128	7,727,624	9,826,814	2,000	424,999			21,429,565
Expenses	10,074,458	5,879,140	3,245,552	639,334			5,906,231	25,744,715
Total Liabilities	13,522,586	13,606,764	13,072,366	641,334	424,999		5,906,231	47,174,280
3. <u>Underwriting Surplus/(Deficit)</u>	563,636	773,167	(1,017,888)	1,039,223	(203,392)	1,290,771	166,941	2,612,458
4. <u>Adjustments</u>								
Investment Income	6,510	145,691	135,442	28,690	2,425	6,346	13,671	338,775
Transfers								
Total Adjustments	6,510	145,691	135,442	28,690	2,425	6,346	13,671	338,775
5. Gross Operating Surplus	570,146	918,858	(882,446)	1,067,913	(200,967)	1,297,117	180,612	2,951,233
6. Return of Surplus								
7. Net Current Surplus	\$ 570,146	\$ 918,858	\$ (882,446)	\$ 1,067,913	\$ (200,967)	\$ 1,297,117	\$ 180,612	\$ 2,951,233

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2020
DECEMBER 31, 2021
(Unaudited)

	Coverages and Other Accounts								Total	
	Property	Liability	Worker's Compensation	Optional Excess			Loss Fund Contingency	General and Administrative		
				Public Officials/ Employment Practices	Faithful Performance Bond	Loss Fund Contingency				
1. <u>Underwriting Income</u>										
Regular Contributions (earned)	\$ 15,250,038	\$ 13,362,367	\$ 9,559,580	\$ 1,719,191	\$ 224,985	\$ 1,695,766	\$ 6,354,276	\$ 48,166,203		
Supplemental Contributions										
Premium Deferral Cancellation		1,185,304	1,195,915							2,381,219
Other Income (except investments)										
Total Income	15,250,038	14,547,671	10,755,495	1,719,191	224,985	1,695,766	6,354,276	50,547,422		
2. <u>Incurred Liabilities</u>										
Claims (limited incurred)	5,442,133	10,428,783	11,522,657	1,207,636	55,600			28,656,809		
Expenses	10,287,526	6,216,360	3,326,132	668,777			6,156,683	26,655,478		
Total Liabilities	15,729,659	16,645,143	14,848,789	1,876,413	55,600		6,156,683	55,312,287		
3. <u>Underwriting Surplus/(Deficit)</u>	(479,621)	(2,097,472)	(4,093,294)	(157,222)	169,385	1,695,766	197,593	(4,764,865)		
4. <u>Adjustments</u>										
Investment Income	(91)	(4,991)	12,525	2,677	474	703	5,260	16,557		
Transfers										
Total Adjustments	(91)	(4,991)	12,525	2,677	474	703	5,260	16,557		
5. Gross Operating Surplus	(479,712)	(2,102,463)	(4,080,769)	(154,545)	169,859	1,696,469	202,853	(4,748,308)		
6. Return of Surplus										
7. Net Current Surplus	\$ (479,712)	\$ (2,102,463)	\$ (4,080,769)	\$ (154,545)	\$ 169,859	\$ 1,696,469	\$ 202,853	\$ (4,748,308)		

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2021

DECEMBER 31, 2021

(Unaudited)

	Coverages and Other Accounts							Total
	Property	Liability	Worker's Compensation	Optional Excess Public Officials/ Employment Practices	Faithful Performance Bond	Loss Fund Contingency	General and Administrative	
1. <u>Underwriting Income</u>								
Regular Contributions (earned)	\$ 15,926,606	\$ 15,594,949	\$ 9,951,363	\$ 1,918,384	\$ 226,963	\$ 1,717,424	\$ 6,458,350	\$ 51,794,039
Supplemental Contributions		1,188,007	1,230,978					2,418,985
Premium Deferral Cancellation								
Other Income (except investments)								
Total Income	<u>15,926,606</u>	<u>16,782,956</u>	<u>11,182,341</u>	<u>1,918,384</u>	<u>226,963</u>	<u>1,717,424</u>	<u>6,458,350</u>	<u>54,213,024</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	13,349,118	11,791,546	6,101,419	1,052,276	1,800			32,296,159
Expenses	12,251,337	4,516,853	3,983,871	1,739,682			5,965,038	28,456,781
Total Liabilities	<u>25,600,455</u>	<u>16,308,399</u>	<u>10,085,290</u>	<u>2,791,958</u>	<u>1,800</u>		<u>5,965,038</u>	<u>60,752,940</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(9,673,849)</u>	<u>474,557</u>	<u>1,097,051</u>	<u>(873,574)</u>	<u>225,163</u>	<u>1,717,424</u>	<u>493,312</u>	<u>(6,539,916)</u>
4. <u>Adjustments</u>								
Investment Income	(27,220)		(22,572)		(593)	(1,076)	(1,769)	(53,230)
Transfers								
Total Adjustments	<u>(27,220)</u>		<u>(22,572)</u>		<u>(593)</u>	<u>(1,076)</u>	<u>(1,769)</u>	<u>(53,230)</u>
5. Gross Operating Surplus	<u>(9,701,069)</u>	<u>474,557</u>	<u>1,074,479</u>	<u>(873,574)</u>	<u>224,570</u>	<u>1,716,348</u>	<u>491,543</u>	<u>(6,593,146)</u>
6. Return of Surplus								
7. Net Current Surplus	<u>\$ (9,701,069)</u>	<u>\$ 474,557</u>	<u>\$ 1,074,479</u>	<u>\$ (873,574)</u>	<u>\$ 224,570</u>	<u>\$ 1,716,348</u>	<u>\$ 491,543</u>	<u>\$ (6,593,146)</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2018
DECEMBER 31, 2021
(Unaudited)

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>	<u>Faithful Performance</u>	<u>Public Officials' Employment Practice</u>	
Paid Claims	\$ 4,249,782	\$ 3,446,370	\$ 1,369,434	\$ 57,532		\$ 9,123,118
Case Reserves	427,200	2,205,512	4,834,634	10,000	\$ 226,000	7,703,346
IBNR Reserve		<u>3,446,527</u>	<u>868,194</u>			<u>4,314,721</u>
Subtotal	<u>4,676,982</u>	<u>9,098,409</u>	<u>7,072,262</u>	<u>67,532</u>	<u>226,000</u>	<u>21,141,185</u>
Excess Insurance						
Received		977,190				977,190
Receivable						
Recoverable	<u>448,034</u>					<u>448,034</u>
Subtotal	<u>448,034</u>	<u>977,190</u>				<u>1,425,224</u>
Incurred Claims	<u>4,228,948</u>	<u>8,121,219</u>	<u>7,072,262</u>	<u>67,532</u>	<u>226,000</u>	<u>\$ 19,715,961</u>
Number of Claims	189	385	130	1	25	
Cost/Claim	<u>\$ 22,375</u>	<u>\$ 21,094</u>	<u>\$ 54,402</u>	<u>\$ 67,532</u>	<u>\$ 9,040</u>	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS FUND YEAR - 2019
DECEMBER 31, 2021
(Unaudited)

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>	<u>Public Officials' Employment Practice</u>	<u>Faithful Performance</u>	
Paid Claims	\$ 3,456,933	\$ 42,127	\$ 2,557,943		\$ 378,115	\$ 6,435,118
Case Reserves	737,431	1,516,388	4,087,855	\$ 2,000	46,884	6,390,558
IBNR Reserve		\$ 6,169,109	3,181,016			9,350,125
Subtotal	<u>4,194,364</u>	<u>7,727,624</u>	<u>9,826,814</u>	<u>2,000</u>	<u>424,999</u>	<u>22,175,801</u>
Excess Insurance						
Received						
Receivable						
Recoverable	<u>746,236</u>					<u>746,236</u>
Subtotal	<u>746,236</u>					<u>746,236</u>
Incurred Claims	<u>3,448,128</u>	<u>7,727,624</u>	<u>9,826,814</u>	<u>2,000</u>	<u>424,999</u>	<u>\$ 21,429,565</u>
Number of Claims	138	360	130	105	3	
Cost/Claim	<u>\$ 24,986</u>	<u>\$ 21,466</u>	<u>\$ 75,591</u>	<u>\$ 19</u>	<u>\$ 141,666</u>	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2020
DECEMBER 31, 2021
(Unaudited)

	<u>Coverages</u>					<u>Total</u>
	<u>Property</u>	<u>Liability</u>	<u>Worker's Compensation</u>	<u>Public Officials' Employment Practice</u>	<u>Faithful Performance</u>	
Paid Claims	\$ 9,196,268	\$ 24	\$ 3,754,419		\$ 52,077	\$ 13,002,788
Case Reserves	1,505,495	\$ 2,300,588	14,062,851	\$ 116,000	3,523	17,988,457
IBNR Reserve	61,042	8,128,171	4,592,634	1,091,636		13,873,483
Subtotal	<u>10,762,805</u>	<u>10,428,783</u>	<u>22,409,904</u>	<u>1,207,636</u>	<u>55,600</u>	<u>44,864,728</u>
Excess Insurance						
Received						
Receivable			1,263,522			1,263,522
Recoverable	5,320,672		9,623,725			14,944,397
Subtotal	<u>5,320,672</u>		<u>10,887,247</u>			<u>16,207,919</u>
Incurred Claims	5,442,133	10,428,783	11,522,657	1,207,636	55,600	<u>\$ 28,656,809</u>
Number of Claims	281	216	2,537	118	3	
Cost/Claim	<u>\$ 19,367</u>	<u>\$ 48,281</u>	<u>\$ 4,542</u>	<u>\$ 10,234</u>	<u>\$ 18,533</u>	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2021
DECEMBER 31, 2021
(Unaudited)

	Coverages					Total
	Property	Liability	Worker's Compensation	Faithful Performance	Public Officials' Employment Practice	
Paid Claims	\$ 8,989,248	\$ 546,892	\$ 27,575			\$ 9,563,715
Case Reserves	16,972,890	1,173,309	1,901,894	1,800	70,000	20,119,893
IBNR Reserve	230,351	10,071,345	4,171,950		982,276	15,455,922
Subtotal	<u>26,192,489</u>	<u>11,791,546</u>	<u>6,101,419</u>	<u>1,800</u>	<u>1,052,276</u>	<u>45,139,530</u>
Excess Insurance						
Received	10,102,785					10,102,785
Receivable						
Recoverable	<u>2,740,586</u>					<u>2,740,586</u>
Subtotal	<u>12,843,371</u>					<u>12,843,371</u>
Incurred Claims	<u>13,349,118</u>	<u>11,791,546</u>	<u>6,101,419</u>	<u>1,800</u>	<u>1,052,276</u>	<u>\$ 32,296,159</u>
Number of Claims	242	216	687	5	25	
Cost/Claim	<u>\$ 55,162</u>	<u>\$ 54,590</u>	<u>\$ 8,881</u>	<u>\$ 360</u>	<u>\$ -0-</u>	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2018
DECEMBER 31, 2021
(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 9,746,919		\$ 9,746,919
Liability	6,770,063		6,770,063
Worker's Compensation	2,659,379		2,659,379
Public Officials'/Employment Practice	1,741,277		1,741,277
Subtotal Excess	<u>20,917,638</u>		<u>20,917,638</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,168,601		1,168,601
Safety and Education	1,333,173		1,333,173
Administration	1,310,847		1,310,847
Actuary	50,116		50,116
Attorney	61,505		61,505
Auditor	28,863		28,863
Treasurer	25,161		25,161
Other Consultants	486,875		486,875
Reinsurance Manager	305,484		305,484
Internal Audit	4,000		4,000
Brokerage Expense	529,014		529,014
Non-Contracted Expenses	268,783		268,783
Risk Management Consultant	206,420		206,420
Subtotal Administrative	<u>5,778,842</u>		<u>5,778,842</u>
3. <u>Worker's Compensation</u>			
Managed Care	<u>525,300</u>		<u>525,300</u>
Subtotal Worker's Compensation	<u>525,300</u>		<u>525,300</u>
4. <u>Liability</u>			
EPL Credits	<u>350,844</u>		<u>350,844</u>
Subtotal Liability	<u>350,844</u>		<u>350,844</u>
Total Expenses = 1+2+3+4	<u>\$ 27,572,624</u>	<u>\$ -0-</u>	<u>\$ 27,572,624</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2019
DECEMBER 31, 2021
(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 10,074,458		\$ 10,074,458
Liability	5,551,282		5,551,282
Worker's Compensation	2,709,746		2,709,746
Public Officials'/Employment Practice	639,334		639,334
Subtotal Excess	<u>18,974,820</u>		<u>18,974,820</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,232,010		1,232,010
Safety and Education	1,373,995		1,373,995
Administration	1,346,304		1,346,304
Actuary	51,118		51,118
Attorney	59,199		59,199
Auditor	29,441		29,441
Treasurer	25,664		25,664
Reinsurance Manager	311,593		311,593
Other Consultants	364,847		364,847
Internal Audit	60,193		60,193
Brokerage Expense	539,594		539,594
Non-Contracted Expenses	300,270		300,270
Risk Management Consultant	212,003		212,003
Subtotal Administrative	<u>5,906,231</u>		<u>5,906,231</u>
3. <u>Worker's Compensation</u>			
Managed Care	535,806		535,806
Subtotal Worker's Compensation	<u>535,806</u>		<u>535,806</u>
4. <u>Liability</u>			
EPL Credits	327,858		327,858
Subtotal Liability	<u>327,858</u>		<u>327,858</u>
Total Expenses = 1+2+3+4	<u>\$ 25,744,715</u>	<u>\$ -0-</u>	<u>\$ 25,744,715</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2020
DECEMBER 31, 2021
(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 10,287,526		\$ 10,287,526
Liability	5,961,528		5,961,528
Worker's Compensation	2,779,610		2,779,610
Public Officials Liability	668,777		668,777
Subtotal Excess	<u>19,697,441</u>		<u>19,697,441</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,239,211		1,239,211
Safety and Education	1,445,486		1,445,486
Administration	1,363,051		1,363,051
Actuary	52,140		52,140
Attorney	63,989		63,989
Auditor	30,030		30,030
Treasurer	26,192		26,192
Other Consultants	478,476		478,476
Internal Audit	39,600		39,600
Reinsurance Manager	317,825		317,825
Brokerage Expense	550,387		550,387
Non-Contracted Expenses	342,110		342,110
Risk Management Consultant	208,186		208,186
Subtotal Administrative	<u>6,156,683</u>		<u>6,156,683</u>
3. <u>Worker's Compensation</u>			
Managed Care	546,522		546,522
Subtotal Workers's Compensation	<u>546,522</u>		<u>546,522</u>
4. <u>Liability</u>			
EPL Credits	254,832		254,832
Subtotal Liabiliby	<u>254,832</u>		<u>254,832</u>
Total Expenses = 1+2+3+4	<u>\$ 26,655,478</u>	<u>\$ -0-</u>	<u>\$ 26,655,478</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 2021
DECEMBER 31, 2021
(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 12,251,337		\$ 12,251,337
Liability	4,182,603		4,182,603
Worker's Compensation	3,437,349		3,437,349
Public Officials Liability	1,739,682		1,739,682
Subtotal Excess	<u>21,610,971</u>		<u>21,610,971</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,077,680	\$ 103,191	1,180,871
Safety and Education	1,428,713	2,000	1,430,713
Administration	1,361,425	1,600	1,363,025
Actuary	52,140		52,140
Attorney	34,563	12,864	47,427
Auditor		30,030	30,030
Treasurer	26,178		26,178
Other Consultants	531,779	25,467	557,246
Reinsurance Manager	317,825		317,825
Internal Audit	7,599	48,662	56,261
Brokerage Expense	522,232	28,155	550,387
Non-Contracted Expenses	124,566	14,307	138,873
Risk Management Consultant	214,062		214,062
Subtotal Administrative	<u>5,698,762</u>	<u>266,276</u>	<u>5,965,038</u>
3. <u>Worker's Compensation</u>			
Managed Care	546,522		546,522
Subtotal Worker's Compensation	<u>546,522</u>		<u>546,522</u>
4. <u>Liability</u>			
EPL Credits	334,250		334,250
Subtotal Liability	<u>334,250</u>		<u>334,250</u>
Total Expenses = 1+2+3+4	<u>\$ 28,190,505</u>	<u>\$ 266,276</u>	<u>\$ 28,456,781</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
PROGRAM SUMMARY
FUND YEAR - 2021
DECEMBER 31, 2021
 (Unaudited)
COVERAGES

	Liability	Worker's Compensation	Property	Crime	Public Officials/ Employment Practices	Cyber Liability
1. Limits	\$5,000,000 CSL for general liability, automotive liability, and police professional. \$5,000,000 combined annual aggregate for general liability and police professional per municipality. Automotive liability is unaggregated. An optional \$2,000,000, \$5,000,000, \$10,000,000 or \$15,000,000 per occurrence and \$2,000,000, \$5,000,000, \$10,000,000 or \$15,000,000 aggregate is also available.	Cov. A - Statutory Cov. B - \$5,000,000	\$125 million per occurrence	\$1,000,000 per loss Statutory Positions Covered By Endorsement, subject to application & approval process	Optional limits of \$1,000,000, \$2,000,000, \$3,000,000, \$4,000,000 or \$8,000,000 are available excess of QBE Specialty Insurance Policies issued to members by the affiliated local Joint Insurance Fund	\$900,000 Per Claim/Aggregate (excess of primary \$3,000,000)
2. Fund Retention Specific	The difference between the underlying limits from \$200,000 to \$600,000 per occurrence and \$5,000,000	\$1,700,000 excess of JIF \$300,000 (local retention may vary)	\$900,000 excess of JIF \$100,000	\$950,000 excess of JIF Self insured retention of \$50,000 JIF SIR does not provide coverage for statutory positions	None	\$175,000 excess of member deductible of \$25,000
3. Excess Insurers (list all insurers and amount insured)	Munich Re offers optional limits up to \$15,000,000 excess of \$5,000,000 Chubb provides a per member option for a shared aggregate limit of \$10,000,000 excess of \$20,000,000 (if member JIF extends)	Safety National provides statutory as above over a \$2,000,000 JIF & MEL self insured retention and \$5,000,000 for employers liability.	Zurich Insurance	None	Munich Re offers optional excess public officials employment practices liability to the members of Municipal Excess Liability Joint Insurance Fund up to \$8,000,000 excess of \$2,000,000	Great American \$3,000,000 Follow form Cowbell \$3,000,000 Follow form Cowbell \$6,000,000 Aggregate
4. Number of Participants	19	20	19	19	18	20
5. Incurred Liabilities	\$16,308,399	\$10,085,290	\$25,600,455	\$1,800	\$2,791,958	
6. Exposure Units (population or students)(A) Square Footage (First Responders)	4,993,379 Population \$12,749	3,585,394,140 Payroll	14,784,763,379 Property Value	36,193 Full time Employees	4,096,219 Population	618 Member
7. Liabilities/Unit	\$3.27	\$0.00	\$0.00	\$0.05	\$1.47	\$0.00

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2021
(Unaudited)

<u>Bank</u>	<u>Account Description</u>	<u>Amount</u>
Investors Bank-Claims-QL	Claims	\$ 388,385
Investors Bank-Claims-CB	Claims	1,157
Investors Bank-Claims-York	Claims	17,956
BNY Mellon	Investment	47,005,333
New Jersey Cash Management Fund	Cash Management	41,479
Republic Bank	Short Term Investments	6,607,225
Investors Savings	Checking	9,550,999
		<u>63,612,534</u>
Add: Deposit in Transit		6,054,300
Less: Outstanding Checks		<u>453,957</u>
		<u><u>\$ 69,212,877</u></u>

ANALYSIS OF EXCESS INSURANCE RECEIVABLE
DECEMBER 31, 2021
(Unaudited)

Amount Due From Reinsurance Company:		
Fund Year 2019		\$ 258,319
Fund Year 2020		1,263,522
		<u><u>\$ 1,521,841</u></u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ASSESSMENTS RECEIVABLE
DECEMBER 31, 2021
(Unaudited)

Fund Year 2020	\$	3,179
Fund Year 2021		5,744,843
	\$	<u>5,748,022</u>

ANALYSIS OF OTHER RECEIVABLES
DECEMBER 31, 2021
(Unaudited)

Fund Year - MEL - Aggregate Excess Loss Fund Contingency		
Genesis Insurance Receivable- Workers Compensation	\$	213,814
Notes Receivable Township of Fairfield		71,250
Notes Receivable Borough of Bogota		1,125,000
Notes Receivable Township of Belleville		128,359
Notes Receivable Borough of Maywood		324,000
Notes Receivable Borough of Rutherford		360,000
Notes Receivable Borough of Woodcliff Lake		480,000
Notes Receivable Borough of Palisades Park		175,000
	\$	<u>2,877,423</u>

Fund Year - 2021		
Genesis Insurance Receivable- Workers Compensation		2,910

Premium Deferral Cancellation:		
Fund Year 2018		2,383,506
Fund Year 2019		2,472,462
Fund Year 2020		2,381,219
Fund Year 2021		2,418,985
Fund Year - MEL - Aggregate Excess Loss Fund Contingency		5,626,939
		<u>15,283,111</u>
	\$	<u>18,163,444</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2021
(Unaudited)

Fund Year 2021:

Claims Administration	\$ 103,191	
Safety and Education	2,000	
Administration	1,600	
Attorney	12,864	
Auditor	30,030	
Other Consultants	25,467	
Internal Audit	48,662	
Brokerage Expense	28,155	
Non-Contracted Expenses	<u>14,307</u>	
		<u>\$ 266,276</u>

ANALYSIS OF MISCELLANEOUS LIABILITIES
DECEMBER 31, 2021
(Unaudited)

Fund Year - MEL - Aggregate Excess Loss Fund Contingency:	
Due to Municipal Excess Liability Residual Claims Fund	<u>\$ 9,895,021</u>

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



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 Auditors' Report

The Honorable Chairperson and Members
of the Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
Parsippany, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Municipal Excess Liability Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated May 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 Fund'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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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 financial statements. 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*.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
May 20, 2022

Nisivoccia LLP

STATISTICAL SECTION

This part of the Fund's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Fund's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Fund's financial performance and well-being have changed over time.

Revenue Capacity (Not Applicable)

These schedules contain information to help the reader assess the factors affecting the Fund's ability to generate its revenue.

Debt Capacity (Not Applicable)

These schedules present information to help the reader assess the affordability of the Fund's current levels of outstanding debt and the Fund's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Fund's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the Fund's operations and resources to help the reader understand how the Fund's financial information relates to the services the Fund provides and the activities it performs.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NET POSITION BY COMPONENT
LAST TEN YEARS
 (Unaudited)

	December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities										
Unrestricted	\$ 20,876,056	\$ 24,399,703	\$ 21,088,092	\$ 19,113,098	\$ 29,998,611	\$ 30,788,695	\$ 27,761,506	\$ 26,272,636	\$ 16,251,657	\$ 15,157,816
Total Business-Type Activities Net Position	\$ 20,876,056	\$ 24,399,703	\$ 21,088,092	\$ 19,113,098	\$ 29,998,611	\$ 30,788,695	\$ 27,761,506	\$ 26,272,636	\$ 16,251,657	\$ 15,157,816

Source - Insurance Fund Financial Records.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SCHEDULE OF CHANGE IN NET POSITION
LAST TEN YEARS
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue:										
Assessments from Participating Members	\$ 43,245,446	\$ 43,307,995	\$ 44,620,104	\$ 45,611,847	\$ 43,450,989	\$ 44,367,354	\$ 44,109,647	\$ 47,310,501	\$ 51,144,687	\$ 51,794,039
Deferred Premium Cancellation	618,953	(121,095)	352,718	324,193	597,183	371,100	927,981	1,754,444	1,312,707	15,283,111
Investment Income	618,953	(121,095)	352,718	324,193	597,183	371,100	927,981	1,754,444	962,896	(168,038)
Change in Investment in Joint Venture	(183,932)	1,171,808	(2,071,522)	1,248,544	4,794,438	94,118	(824,443)	668,349	394,808	(5,743,677)
Total Revenue	44,299,420	44,237,613	43,254,516	47,508,777	49,439,793	45,203,672	45,141,166	51,487,738	52,502,391	61,165,435
Expenses:										
Provision for Claims and Claim Adjustment Expense	6,999,622	6,677,234	10,589,937	8,838,158	(97,461)	5,653,871	11,543,780	13,346,801	23,875,263	23,973,349
Assessment for Participation in Municipal Excess Liability Residual Claims Fund	16,384,865	12,178,967	11,222,440	14,858,457	12,247,851	12,458,867	7,811,361	12,190,987	11,949,635	9,333,074
Residual Claims Fund - Additional Assessment										476,394
Insurance Premiums	15,709,983	16,638,026	18,926,665	19,783,632	19,987,434	19,930,759	20,926,903	18,974,820	19,697,503	21,610,909
Claims Administration	1,093,718	1,148,515	1,165,389	1,154,900	1,142,848	1,153,273	1,168,601	1,193,587	1,312,707	1,146,799
Other Contractual Services	2,445,527	2,333,285	2,321,010	2,407,344	2,513,117	2,596,844	3,119,579	2,815,051	3,013,344	3,045,645
Non-Contractual Expenses	87,923	107,039	207,089	269,856	193,597	240,292	279,776	285,270	287,044	211,357
Administration	918,536	935,607	954,319	1,016,726	1,124,916	1,147,468	1,317,570	1,336,443	1,374,469	1,363,050
EPL Credits							350,844	327,608	254,832	334,250
Insurance Brokerage Expense	469,749	479,144	488,727	498,502	508,472	518,641	529,014	539,594	550,387	550,387
Risk Management Fees	346,429	337,244	337,833	332,003	336,323	342,473	192,946	212,003	208,186	214,062
Total Expenses	44,456,352	40,835,061	46,213,409	49,159,578	37,957,097	44,042,488	47,240,374	51,222,164	62,523,370	62,259,276
Change in Net Position	\$ (156,932)	\$ 3,402,552	\$ (2,958,893)	\$ (1,650,801)	\$ 11,482,696	\$ 1,161,184	\$ (2,099,208)	\$ 265,574	\$ (10,020,979)	\$ (1,093,841)

Source - Insurance Fund Financial Records.

MUNICIPAL EXCESS LIABILITY - JOINT INSURANCE FUND
MEMBER GROWTH ANALYSIS - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2021
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total number of members	19	19	19	19	19	19	19	19	19	20
Total employees	35,826	35,342	34,651	34,273	34,072	34,552	33,891	35,559	35,932	36,193
Total annual payrolls	\$ 2,801,787,698	\$ 2,858,665,559	\$ 2,832,850,557	\$ 2,835,141,051	\$ 2,835,141,051	\$ 2,929,818,008	\$ 2,979,452,834	\$ 3,162,926,354	\$ 3,234,701,535	\$ 3,585,394,140
Total member assessments	\$ 43,242,670	\$ 43,305,703	\$ 44,583,334	\$ 45,565,058	\$ 43,405,565	\$ 44,505,992	\$ 44,099,209	\$ 47,314,276	\$ 48,166,203	\$ 51,794,039
Total number of claims	730	485	548	660	618	576	816	736	3,155	1,175
Total reported losses	\$ 12,469,979	\$ 9,348,192	\$ 9,870,040	\$ 14,177,842	\$ 14,760,884	\$ 8,784,189	\$ 15,401,240	\$ 12,079,440	\$ 14,783,326	\$ 16,840,237

Note - Reported losses have not been discounted.

Source - Joint Insurance Fund - Executive Director's Office and Third Party Claims Administrator

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
REPORTED CLAIM ACTIVITY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2021
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property	217	43	70	116	136	61	189	138	281	242
Liability	332	278	332	365	321	384	385	360	216	216
Workers' Compensation	180	159	143	179	157	131	130	130	2,537	687
Faithful Performance Bond	1	5	2	4			1	3	3	5
Public Officials' Liability			1				111	105	118	25
Total	730	485	548	660	618	576	816	736	3,155	1,175
Claims settled in full	607	394	457	555	520	454	692	570	2,928	874
Claims pending	123	91	91	105	98	122	124	166	227	301
Total	730	485	548	660	618	576	816	736	3,155	1,175

Source - Joint Insurance Fund - Third Party Claims Administrator

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
REPORTED LOSS HISTORY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED DECEMBER 31, 2021
(Unaudited)

During its years of existence, the Fund has incurred the following reported losses (paid claims plus case reserves from claims incurred by Fund members). The claims reflect both the impact of increase in membership, the delay in claims reaching the Fund's coverages, and the changes in the average cost per claim. These amounts do not include incurred but not reported ("IBNR") claim estimates.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property	\$ 2,867,601	\$ 2,015,047	\$ 3,241,842	\$ 2,446,654	\$ 3,868,266	\$ 2,262,516	\$ 4,228,948	\$ 3,448,128	\$ 5,381,091	\$ 13,118,767
Liability	6,204,320	1,956,876	4,099,517	6,363,630	7,084,244	2,111,680	4,674,692	1,558,515	2,300,612	1,505,328
Workers' Compensation	3,390,024	4,605,555	2,511,948	5,367,558	3,575,933	4,409,993	6,204,068	6,645,798	6,930,023	2,144,342
Faithful Performance Bond	8,034	770,714	16,344		232,441		67,532	424,999	55,600	1,800
Public Officials' Liability			389				226,000	2,000	116,000	70,000
Total	\$ 12,469,979	\$ 9,348,192	\$ 9,870,040	\$ 14,177,842	\$ 14,760,884	\$ 8,784,189	\$ 15,401,240	\$ 12,079,440	\$ 14,783,326	\$ 16,840,237
Total number of claims	730	485	548	660	618	576	816	736	3,155	1,175
Average cost per claim	\$ 17,082	\$ 19,275	\$ 18,011	\$ 21,482	\$ 23,885	\$ 15,250	\$ 18,874	\$ 16,412	\$ 4,686	\$ 14,332

Note - Reported losses have not been discounted.

Source - Joint Insurance Fund- Third Party Claims Administrator