

**Municipal Excess Liability
Joint Insurance Fund
Parsippany, New Jersey**

Annual Comprehensive Financial Report
For the Years Ended December 31, 2022 and 2021

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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

April 28, 2023

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, 2022 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 ACFR 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 January of 2022, the MEL Board of Commissioners appointed a sub-committee to consider the formation of a Joint Insurance Fund to segregate the growing risk of Cyber Security. After several meetings, the board accepted the sub-committee's recommendation to file for approval of a Cyber JIF with the state of New Jersey. Local affiliated JIFs were asked to consider adopting a resolution to join the Cyber JIF. Additionally, the MEL worked with the Chertoff Group to develop updated Cyber Risk Control Standards

New Jersey enacted a law in 2019 that expands the time period to present a claim alleging sexual molestation, including retroactively. Claims have now begun being presented to members where the date of the alleged incident precedes their JIF membership. The MEL Board of Fund Commissioners appointed an archiving firm to help members identify prior policies.

In June, the board began to implement strategies to strengthen the financials in response to a multitude of unexpected factors impacting the MEL and the Residual Claims Fund – such as a change in pension offset for accidental disability pensions, Covid claims, Hurricane Ida, and increased storm activity as well as increasing risk of cyber liability. Namely, the MEL cancelled its “retrospective rating program”; confirmed that 2021 Covid Claims are to be managed at the local JIF level – since Safety National did not include the infections disease endorsement in the 2021 excess workers' compensation policy and the board modified the language in the Risk Management Plan concerning its “surplus trigger” clause.

Also in June, the MEL adjusted its contract terms with the Underwriting Manager – that will reduce their MEL fee by allowing a commission to be paid – combined total will not exceed the fee already awarded to Underwriting Manager. Change will allow for additional claims staff to provide for greater response to the increased workers' compensation and property claims experience.

The board awarded a contract to BIS Safety Software. The change in vendor for the MEL's Learning Management System will support the Mel Safety Institute's popular transition to include Instructor-led Webinars since it will allow for uploading webinar training records.

The MEL successfully negotiated with Safety National to resolve payment structure on 2020 Covid-19 Claims.

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 system 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 Poor's 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, 2022, the MEL's portfolio consisted of the following:

	Amount	Percentage of Total
Checking Accounts/Money Market	\$ 27,059,338	34.53%
New Jersey Cash Management	10,139,226	12.94%
JCMI	41,164,838	52.53%
	\$ 78,363,402	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

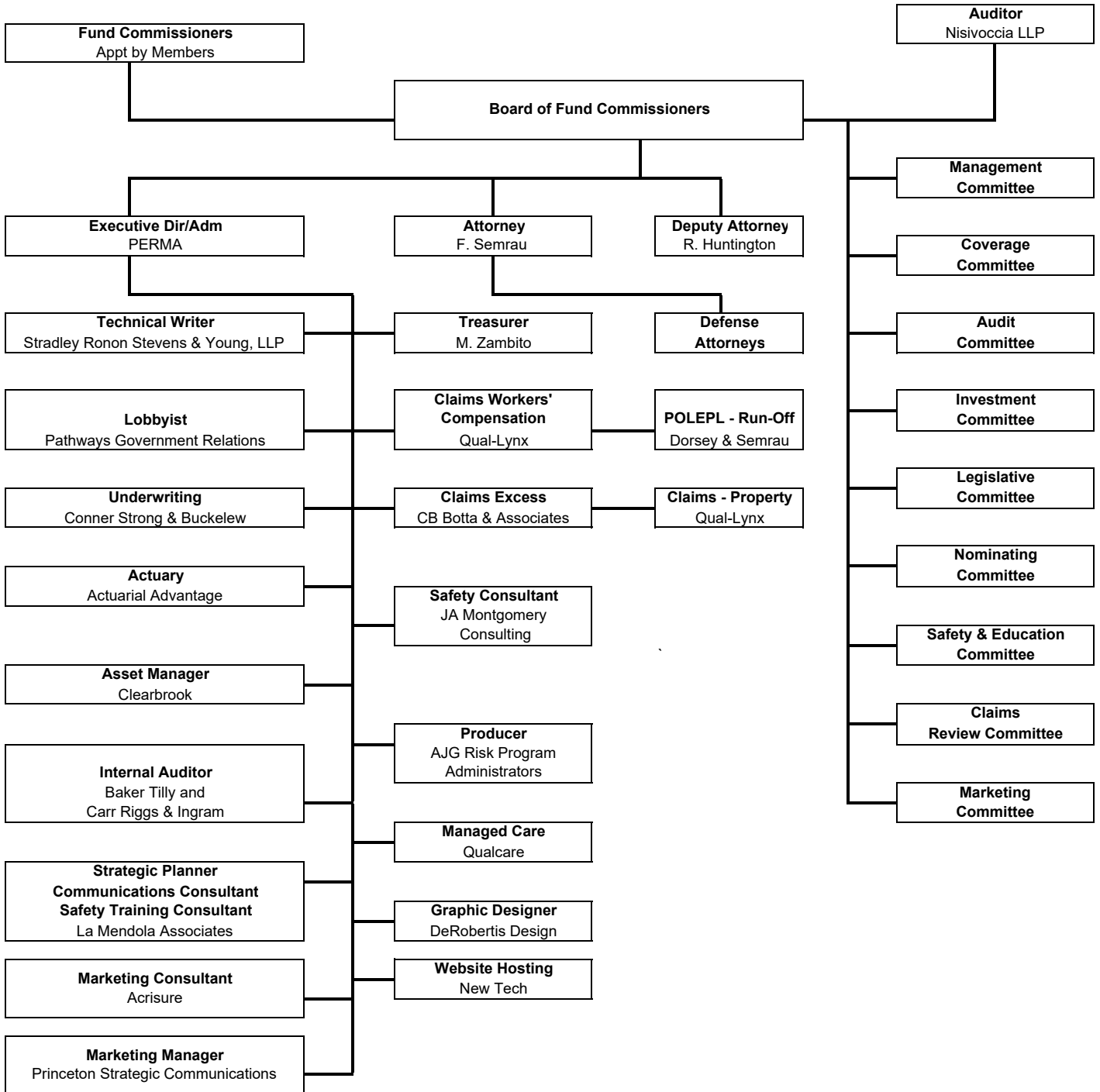
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2022

Joy Tozzi	Fund Chairwoman
Paul Tomasko	Fund Secretary
Richard Hirsch	Fund Commissioner
Greg Franz	Fund Commissioner
Brian McNeilly	Fund Commissioner
Thomas Nolan	Fund Commissioner
Joseph Wolk	Fund Commissioner
Meghan Jack	Fund Commissioner
Megan Champney Kweselait	Fund Commissioner
Veronica Laureigh	Fund Commissioner
Thomas Merchel	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
Sherry Sims	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
Eagle Asset Management	Asset Management
Pathways Governmental Relations LLC	Lobbyist

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2022

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
2022 ORGANIZATIONAL CHART



MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
MEMBERSHIP LISTING
AS OF DECEMBER 31, 2022

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 (15 Municipalities)

Gloucester/Salem/Cumberland Counties Municipalities Joint Insurance Fund (39 Municipalities)

Mid Jersey Municipal Joint Insurance Fund (12 Municipalities)

Middlesex County Municipal Joint Insurance Fund (10 Members)

Monmouth Municipal Joint Insurance Fund (41 Municipalities)

Morris County Municipal Joint Insurance Fund (45 Municipalities)

New Jersey First Responders Joint Insurance Fund (33 Districts)

New Jersey Public Housing Authorities Joint Insurance Fund (90 Authorities)

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

New Jersey Utility Authorities Joint Insurance Fund (73 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) - (11 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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the Municipal Excess Liability Joint Insurance Fund (the “Fund”) as of and for the years ended December 31, 2022 and 2021, 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 financial position of the Fund, as of December 31, 2022 and 2021, and the 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 audits 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 (*Government Auditing Standards*). 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.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
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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 Fund'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 Fund'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 GAAS, 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.

The Honorable Chairperson and Members
of the Board of Fund Commissioners
Municipal Excess Liability Joint Insurance Fund
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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 combining supplementary 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying combining supplementary 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, supplementary data schedules and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 April 28, 2023 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 Fund's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 28, 2023

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, 2022 and 2021. 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, 2022, 2021 and 2020.

<u>SUMMARY OF STATEMENT OF NET POSITION</u>	2022	2021	21-22 Percent Change	2020	20-21 Percent Change
ASSETS:					
Cash and Cash Equivalents	\$ 78,363,402	\$ 69,212,877	13.22%	\$ 69,682,775	-0.67%
Assessments Receivable	3,249,634	5,748,022	-43.47%	5,615,920	2.35%
Deferred Premium Cancellation Receivable		15,283,111	-100.00%		100.00%
Supplemental Underwriting Income Receivable	15,996,821		100.00%		
Investment in Joint Venture	(2,465,176)	220,235	-1219.34%	5,963,912	-96.31%
Other Assets	10,030,363	4,402,174	127.85%	4,338,537	1.47%
Total	105,175,044	94,866,419	10.87%	85,601,144	10.82%
LIABILITIES:					
Loss Reserves	74,306,055	69,547,306	6.84%	57,156,056	21.68%
Other Liabilities	22,027,959	10,161,297	116.78%	12,193,431	-16.67%
Total	96,334,014	79,708,603	20.86%	69,349,487	14.94%
NET POSITION	\$ 8,841,030	\$ 15,157,816	-41.67%	\$ 16,251,657	-6.73%

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

	2022	2021	21-22 Percent Change	2020	20-21 Percent Change
Operating Revenue:					
Assessments and Other Income	\$ 78,998,746	\$ 67,077,150	17.77%	\$ 51,144,687	31.15%
Operating Expenses:					
Provision for Claims & Claims Expense	23,953,209	23,973,349	-0.08%	23,875,263	0.41%
Assessment for Participation in RCF	20,386,697	9,809,468	107.83%	11,949,635	-17.91%
Insurance Premiums	27,533,487	21,610,909	27.41%	19,697,503	9.71%
Administrative and Operating Expenses	7,792,054	6,865,550	13.49%	7,000,969	-1.93%
Total Operating Expenses	79,665,447	62,259,276	27.96%	62,523,370	-0.42%
Operating Income/(Loss)	(666,701)	4,817,874	-113.84%	(11,378,683)	142.34%
Non-Operating Income/(Expenses):					
Change in Investment in Joint Venture	(2,685,411)	(5,743,677)	-53.25%	394,808	-1554.80%
Investment Income	(2,964,674)	(168,038)	-1664.29%	962,896	-117.45%
Increase/(Decrease) in Net Position	\$ (6,316,786)	\$ (1,093,841)	-477.49%	\$ (10,020,979)	-89.08%

The Fund's asset base increased by 10.87% during the reporting period primarily due to a 13.22% increase in Cash and Cash Equivalents 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 1219.34% reflecting a decrease in equity retained by that entity.

The Fund's liabilities increased by 20.86% due to a 116.78% increase in Other Liabilities primarily due to a Supplemental Assessment payable to the Municipal Excess Liability Residual Claims Fund (RCF).

For 2022 assessments increased 17.77%. The provision for claims and claims expense decreased by .08%. Insurance premiums increased by 27.41%, and administrative and operating expenses increased by 13.49%. Investment income decreased by 1664.29% due to unrealized losses in a rising interest rate environment. For 2022, 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 \$8,841,030 in 2022 compared to \$15,157,816 at the end of 2021; a decrease of 41.67%. 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	
	2022	2021
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 78,363,402	\$ 69,212,877
Assessments Receivable	3,249,634	5,748,022
Deferred Premium Cancellation Receivable		15,283,111
Supplemental Underwriting Income Receivable	15,996,821	
Accounts Receivable	198,847	
Notes Receivable	560,143	632,587
Insurance Receivables	2,009,434	216,724
Excess Insurance Receivable	5,091,060	1,521,841
Investment in Joint Venture	(2,465,176)	220,235
Total Current Assets	103,004,165	92,835,397
Long-Term Assets:		
Notes Receivable	2,170,879	2,031,022
Total Long-Term Assets	2,170,879	2,031,022
Total Assets	105,175,044	94,866,419
<u>LIABILITIES:</u>		
Loss Reserves	74,306,055	69,547,306
Accounts Payable - Vendors	1,523,253	266,276
Other Liabilities	118,009	
Due to Municipal Excess Liability Residual Claims Fund	20,386,697	9,895,021
Total Liabilities	96,334,014	79,708,603
<u>NET POSITION:</u>		
Unrestricted	8,841,030	15,157,816
Total Net Position	\$ 8,841,030	\$ 15,157,816

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	
	2022	2021
Operating Revenue:		
Assessments from Participating Members	\$ 63,002,188	\$ 51,794,039
Deferred Premium Cancellation		15,283,111
Supplemental Underwriting Income	15,996,558	
Total Operating Revenue	<u>78,998,746</u>	<u>67,077,150</u>
Operating Expenses:		
Provision for Claims and Claim Adjustment Expense (Net of Reinsurance of \$314,622 and \$13,635,748 for 2022 and 2021, respectively)	23,953,209	23,973,349
Assessment for Participation in Municipal Excess Liability		
Residual Claims Fund	13,211,400	9,333,074
Residual Claims Fund - Additional Assessment	7,175,297	476,394
Insurance Premiums	27,533,487	21,610,909
Claims Administration	1,359,980	1,146,799
Other Contractual Services	2,711,328	2,181,298
Non-Contractual Expenses	156,400	211,357
Administration	1,542,338	1,363,050
EPL Credits	291,850	334,250
Insurance Brokerage Expense	590,609	550,387
Managed Care	557,452	546,522
Reinsurance Manager	324,182	317,825
Risk Management Fees	257,915	214,062
Total Operating Expenses	<u>79,665,447</u>	<u>62,259,276</u>
Operating Income/(Loss)	(666,701)	4,817,874
Non-Operating Income/(Expenses):		
Change in Investment in Joint Venture	(2,685,411)	(5,743,677)
Investment Income/(Loss)	(2,964,674)	(168,038)
Change in Net Position	(6,316,786)	(1,093,841)
Net Position - Beginning of Year	<u>15,157,816</u>	<u>16,251,657</u>
Net Position - End of Year	<u>\$ 8,841,030</u>	<u>\$ 15,157,816</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>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Assessments Collected	\$ 65,500,576	\$ 51,661,937
Supplemental Underwriting Income	15,282,848	
Claims Expense	(19,194,460)	(11,582,099)
Professional and Administrative Expenses	(6,683,328)	(6,643,620)
Insurance Premiums	(29,326,197)	(21,642,447)
Municipal Excess Liability Residual Claims Fund	(13,464,240)	(12,095,631)
Net Cash Provided/(Used) by Operating Activities	<u>12,115,199</u>	<u>(301,860)</u>
Cash Flows from Investing Activities:		
Investment Income	(2,964,674)	(168,038)
Net Cash Provided/(Used) by Investing Activities	<u>(2,964,674)</u>	<u>(168,038)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	9,150,525	(469,898)
Cash and Cash Equivalents, January 1	<u>69,212,877</u>	<u>69,682,775</u>
Cash and Cash Equivalents, December 31	<u>\$ 78,363,402</u>	<u>\$ 69,212,877</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (666,701)	\$ 4,817,874
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	2,498,388	(132,102)
Deferred Premium Cancellation Receivable	15,283,111	(15,283,111)
Supplemental Underwriting Income	(15,996,821)	
Insurance Receivables	(1,792,710)	(31,538)
Excess Insurance Receivable	(3,569,219)	(231,549)
Accounts Receivable	(198,847)	56,863
Notes Receivable	(67,413)	142,587
Increase/(Decrease) in Liabilities:		
Loss Reserves	4,758,749	12,391,250
Accounts Payable	1,256,977	22,480
Due to Municipal Excess Liability Residual Claims Fund	10,491,676	(2,054,614)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 12,115,199</u>	<u>\$ (301,860)</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, 2022

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
- f) Cyber Liability

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, 2022
(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, 2022
(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 \$27,533,487 and \$21,610,909 for the years ended December 31, 2022 and 2021, respectively. The amount deducted from claims liabilities for reinsurance was \$20,457,397 and \$18,879,253 at December 31, 2022 and 2021, 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, 2022
(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, 2022. 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, 2022 and 2021, which have been estimated by the Fund's Actuary and Servicing Agents, are as follows:

	<u>2022</u>	<u>2021</u>
Case Reserves	\$ 18,840,360	\$ 26,553,055
Losses Incurred but not Reported	<u>55,465,695</u>	<u>42,994,251</u>
Total Loss Reserves	<u>\$ 74,306,055</u>	<u>\$ 69,547,306</u>

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

	<u>2022</u>	<u>2021</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 69,547,306</u>	<u>\$ 57,156,056</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	29,219,723	30,172,229
(Decrease)/Increase in Provision for Insured Events of Prior Years	<u>(5,266,514)</u>	<u>(6,198,880)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>23,953,209</u>	<u>23,973,349</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	2,494,355	(539,070)
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>16,700,105</u>	<u>12,121,169</u>
Total Payments	<u>19,194,460</u>	<u>11,582,099</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 74,306,055</u>	<u>\$ 69,547,306</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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, 2022, \$82,528,263 of unpaid claims and claim adjustment expenses are presented at their net present value of \$74,306,055. These claims are discounted at an annual rate of 1.79%.

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%.

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, 2022
 (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, 2022 and 2021, cash and cash equivalents of the Fund consisted of the following:

	Dec. 31, 2022	Dec. 31, 2021
Checking Accounts	\$ 27,059,338	\$ 22,166,065
Cash Management Funds	10,139,226	41,479
JCMI	41,164,838	47,005,333
	\$ 78,363,402	\$ 69,212,877

The carrying amount of the Fund's cash and cash equivalents as of December 31, 2022 and 2021 were \$78,363,402 and \$69,212,877 respectively. The bank balances as of December 31, 2022 and 2021 were \$77,938,530 and \$63,612,534, respectively. The \$10,139,226 and \$41,479 invested with the State of New Jersey Cash Management Fund is uninsured and unregistered. The \$41,164,838 and \$47,005,333 are 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 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.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

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

JOINT CASH MANAGEMENT AND INVESTMENT PROGRAM (Cont'd)

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.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

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

JOINT CASH MANAGEMENT AND INVESTMENT PROGRAM (Cont'd)

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

Joint Insurance Fund Participant:

Municipal Excess Liability Joint Insurance Fund	\$ 41,164,838
Municipal Excess Liability Residual Claims Fund	71,128,849
New Jersey Municipal Environmental Risk Management Fund	23,970,105
New Jersey Municipal Public Housing Authority	1,110,807
Morris County Municipal Joint Insurance Fund	25,173,702
South Bergen Municipal Joint Insurance Fund	13,453,678
New Jersey Utility Authorities Joint Insurance Fund	7,442,156
Central Jersey Joint Insurance Fund	7,908,054
Camden County Municipal Joint Insurance Fund	18,616,986
Suburban Metro Municipal Joint Insurance Fund	4,914,814
Bergen County Municipal Joint Insurance Fund	8,019,890
Professional Municipal Management Joint Insurance Fund	4,434,663
Suburban Municipal Joint Insurance Fund	4,306,026
Bergen Municipal Employee Benefits Fund	2,750,600
Monmouth County Municipal Joint Insurance Fund	4,494,053
Altantic County Municipal Joint Insurance Fund	19,396,232
Burlington County Municipal Joint Insurance Fund	13,865,525
Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund	24,224,942
Ocean County Municipal Joint Insurance Fund	9,213,516
Municipal Reinsurance Health Insurance Fund	10,295,237
	<u>\$ 315,884,673</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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, 2022
(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, 2022 and 2021.

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 2019 - Worker's Compensation	\$ 1,928,945
Fund Year 2019 - Faithful Performance Bond	16,085
Fund Year 2020 - Workers Compensation	3,418,879
Fund Year 2021 - Workers Compensation	979,201
Fund Year 2021 - Public Officials Employment Practices	224,053
Fund Year 2021 - Faithful Performance Bond	695,794
Fund Year 2022 - Property	1,056,620
Fund Year 2022 - Liability	2,840,784
Fund Year 2022 - Worker's Compensation	405,580
Fund Year 2022 - Public Officials Employment Practices	161,185
Fund Year 2022 - Faithful Performance Bond	42,963

In addition, at December 31, 2022 the Fund had an overall deficit in Fund Year 2022 of \$4,011,972 and 2020 of \$107,501. 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 finance the Fund to pay long term claims.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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 2022, the Residual Fund assumed the obligation for discharging the Fund's liabilities for claims and losses for the 2018 Fund Year. Loss reserves totaling \$13,211,400 at December 31, 2022, were assumed as of December 31, 2022 in exchange for the Fund's assessment for participation in the Residual Fund of \$13,211,400.

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 December 31, 2021, were assumed as of December 31, 2021 in exchange for the Fund's assessment for participation in the Residual Fund of \$9,333,074.

The December 31, 2022 audit report of the Residual Fund is not filed as of the date of this audit. Selected, summarized unaudited financial information for the Residual Fund as of December 31, 2022 is as follows:

Total Assets	\$ 129,720,491
Net Position	\$ (7,208,708)
Total Revenue	\$ 45,062,228
Total Expenses	\$ 51,692,625
Change in Net Position	\$ (7,315,397)
Member Dividends	\$ 685,000

The Fund's equity interest in the Residual Fund was \$(2,465,176) and \$220,235 as of December 31, 2022 and 2021, respectively.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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

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.

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.

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, 2022
(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.

In 2022 the Fund entered into a Promissory Note with the Township of Mahwah. The total amount of the settlement was \$750,000. The Township of Mahwah agreed to pay the Fund in installments of \$107,143 over seven years.

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 2022, the Board made a decision to cancel and collect on the 15% balance due.

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. Workers' compensation claims are also expected to increase because of 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 in 2023.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
 COMPARATIVE RECONCILIATION OF CLAIMS LIABILITIES BY FUND
 FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

	Property		Liability		Faithful Performance Bond		Worker's Compensation		Public Officials/ Employment Practices		Totals	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Unpaid claims and claim adjustment expenses at beginning 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
Incurred claims and claim adjustment expenses:												
Provision for insured events of the current period	7,137,667	13,092,902	12,809,463	10,686,703	280,191	1,768	7,838,701	5,423,486	1,153,701	967,370	29,219,723	30,172,229
Increases/(decreases) in provision for insured events of prior years	(4,464,826)	2,662,749	(109,317)	(6,345,449)	711,423	49,891	(122,399)	(2,688,719)	(1,281,395)	122,648	(5,266,514)	(6,198,880)
Total incurred claims and claim adjustment expenses	2,672,841	15,755,651	12,700,146	4,341,254	991,614	51,659	7,716,302	2,734,767	(127,694)	1,090,018	23,953,209	23,973,349
Payments:												
Claims and claim adjustment expenses attributable to insured events of the current period	1,582,877	(1,113,537)	376,886	546,892	255,041		279,551	27,575			2,494,355	(539,070)
Claims and claim adjustment expenses attributable to insured events of the current period	9,953,839	6,360,524	7,526,871	1,660,198	480,025	385,888	(1,444,943)	3,714,559	184,313		16,700,105	12,121,169
Total payments	11,536,716	5,246,987	7,903,757	2,207,090	735,066	385,888	(1,165,392)	3,742,134	184,313		19,194,460	11,582,099
Unpaid claims and claim adjustment expenses at end of year	\$ 903,243	\$ 9,767,118	\$ 35,997,787	\$ 31,201,398	\$ 306,662	\$ 50,114	\$ 28,891,828	\$ 20,010,134	\$ 8,206,535	\$ 8,518,542	\$ 74,306,055	\$ 69,547,306

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

	Fiscal Period Ended December 31, 2022 and Policy Period Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Required contribution and investment revenue:										
Earned	\$ 43,558,176	\$ 44,892,042	\$ 45,952,529	\$ 43,909,018	\$ 51,794,039	\$ 47,072,218	\$ 49,538,126	\$ 56,778,863	\$ 62,763,895	\$ 62,825,551
Ceded	16,628,567	18,916,951	19,785,005	19,994,332	21,610,971	20,917,638	18,974,820	19,697,441	21,646,790	27,497,668
	26,929,609	25,975,091	26,167,524	23,914,686	30,183,068	26,154,580	30,563,306	37,081,422	41,117,105	35,327,883
Unallocated expenses	7,199,155	5,463,777	5,688,731	5,759,865	7,199,155	7,437,710	6,769,895	6,959,037	7,199,155	7,437,710
Estimated claims and expenses, end of policy year:										
Incurred	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	29,489,723
Ceded			1,517,755	274,112	37,544	1,183,686	1,510,952	15,401,256	12,843,371	270,000
Net Incurred	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	29,219,723
Paid (cumulative) as of:										
End of policy year	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)	2,494,355
One year later	2,004,303	3,193,210	4,915,572	5,700,905	3,145,885	6,174,859	5,045,367	11,739,266	13,745,740	
Two years later	3,011,985	3,270,026	5,359,519	7,106,871	4,199,779	6,679,857	6,435,118	9,416,495		
Three years later	4,977,992	4,150,705	9,995,188	10,690,019	4,982,816	8,145,928	8,032,654			
Four years later	5,166,389	7,777,172	11,584,718	12,293,016	5,774,902	11,286,457				
Five years later	5,166,389	7,777,172	11,584,718	12,293,016	6,566,988					
Six years later	5,166,389	7,777,172	11,584,718	12,293,016						
Seven years later	5,166,389	7,777,172	11,584,718	12,293,016						
Eight years later	5,166,389	7,777,172	11,584,718	12,293,016						
Nine years later	5,166,389	7,777,172	11,584,718	12,293,016						
Reestimated ceded claims and expenses	28,380,548	28,380,548	28,380,548	28,488,899	9,333,074	14,636,624	10,964	13,267,985	26,174,494	270,000
Reestimated incurred claims and expense:										
End of policy year	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	29,219,723
One year later	15,616,435	16,322,145	16,500,405	17,375,790	12,902,178	16,519,142	17,747,025	26,209,703	30,070,571	
Two years later	16,626,074	14,058,530	16,535,077	18,680,599	14,206,403	19,151,500	20,132,939	27,862,697		
Three years later	14,477,179	13,680,665	17,768,894	19,488,140	13,886,610	18,813,678	20,842,308			
Four years later	5,166,389	7,777,172	11,584,718	12,293,016	5,774,902	11,286,457				
Five years later	5,166,389	7,777,172	11,584,718	12,293,016	6,566,988					
Six years later	5,166,389	7,777,172	11,584,718	12,293,016						
Seven years later	5,166,389	7,777,172	11,584,718	12,293,016						
Eight years later	5,166,389	7,777,172	11,584,718	12,293,016						
Nine years later	5,166,389	7,777,172	11,584,718	12,293,016						
Increase/(decrease) in estimated incurred claims and expense from end of policy year	\$ (9,828,780)	\$ (9,187,466)	\$ (5,767,687)	\$ (2,202,548)	\$ (5,860,640)	\$ (3,147,640)	\$ 5,508,142	\$ 1,517,731	\$ (101,658)	\$ -0-

COMBINING SUPPLEMENTARY SCHEDULES

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2022

ASSETS	Fund Year					Total
	MEL Aggregate Excess Loss Fund Contingency	MEL Surplus Trigger	2019	2020	2021	
Current Assets:						
Cash and Cash Equivalents	\$ 18,045,524	\$ 2,826,522	\$ 14,810,313	\$ 9,437,943	\$ 11,176,741	\$ 78,363,402
Assessments Receivable				3,179	(3,135)	3,249,634
Supplemental Underwriting Income Receivable				6,696,821	9,300,000	15,996,821
Accounts Receivable					198,847	198,847
Notes Receivable	560,143					560,143
Insurance Receivables	508,759		1,134,757	3,359	362,559	2,009,434
Excess Insurance Receivable				5,091,060		5,091,060
Investment in Joint Venture/(Deficit)	(2,465,176)					(2,465,176)
Total Current Assets	16,649,250	2,826,522	15,945,070	21,232,362	20,836,165	103,004,165
Long Term Assets:						
Notes Receivable	2,170,879					2,170,879
Total Long-Term Assets	2,170,879					2,170,879
Total Assets	18,820,129	2,826,522	15,945,070	21,232,362	20,836,165	105,175,044
LIABILITIES						
Loss Reserves			12,809,654	18,446,202	16,324,831	74,306,055
Accounts Payable	29,536		184,313	526,471	663,955	1,523,253
Other Liabilities	118,009					118,009
Due to Municipal Excess Liability Residual Claims Fund	20,386,697					20,386,697
Total Liabilities	20,534,242		12,993,967	18,972,673	16,988,786	96,334,014
NET POSITION						
Unrestricted/(Deficit)	(1,714,113)	2,826,522	2,951,103	2,259,689	3,847,379	8,841,030
Total Net Position/(Deficit)	\$ (1,714,113)	\$ 2,826,522	\$ 2,951,103	\$ 2,259,689	\$ 3,847,379	\$ 8,841,030

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Fund Year					Total
	MEL Aggregate Excess Loss Fund Contingency	MEL Surplus Trigger	2019	2020	2021	
Operating Revenue:						
Assessments from Participating Members	\$ 38			\$ 6,699,998	\$ 9,296,522	\$ 63,002,188
Supplemental Underwriting Income				6,699,998	9,296,522	15,996,558
Total Operating Revenue	38			6,699,998	9,296,522	78,998,746
Operating Expenses:						
Provision for Claims and Claim Adjustment Expense	(7,527,224)		\$ 709,370	1,652,996	(101,656)	23,953,209
Assessment for Participation in Municipal Excess Liability						
Residual Claims Fund	13,211,400					13,211,400
Residual Claims Fund - Additional Assessment	7,175,297					7,175,297
Insurance Premiums					35,819	27,533,487
Claims Administration					(976)	1,359,980
Other Contractual Services					343,972	2,711,328
Non-Contractual Expenses				1,000	10,348	156,400
Administration						1,542,338
EPL Credits						291,850
Insurance Brokerage Expense						590,609
Managed Care						557,452
Reinsurance Manager						324,182
Risk Management Fees						257,915
Total Operating Expenses	12,859,473		709,370	1,653,996	287,507	79,665,447
Operating Income/(Loss)	(12,859,435)		(709,370)	5,046,002	9,009,015	(666,701)
Non-Operating Income/(Expenses):						
Change in Investment in Joint Venture	(2,685,411)					(2,685,411)
Investment Income/(Loss)	(887,943)	(135,175)	(587,385)	(485,112)	(692,422)	(2,964,674)
Change in Net Position	(16,432,789)	(135,175)	(1,296,755)	4,560,890	8,316,593	(6,316,786)
Net Position/(Deficit) - Beginning of Year	14,718,676	2,961,697	4,247,858	(2,301,201)	(4,469,214)	15,157,816
Net Position/(Deficit) - End of Year	\$ (1,714,113)	\$ 2,826,522	\$ 2,951,103	\$ 2,259,689	\$ 3,847,379	\$ 8,841,030

SUPPLEMENTARY DATA

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
HISTORICAL OPERATING RESULTS ANALYSIS

ALL FUND YEARS

DECEMBER 31, 2022

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 1,214,380,287	
Supplemental Contributions	16,862,606	
Other Income (except investments)	15,470,356	
Total Income		\$ 1,246,713,249
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	370,710,240	
Case Reserves	51,592,166	
IBNR Reserve	55,465,695	
Subtotal		\$ 477,768,101
Less Excess Insurance:		
Received	39,568,874	
Receivable	5,091,060	
Recoverable	24,529,598	
Subtotal		69,189,532
Limited Incurred Claims (claims-excess)		408,578,569
<u>Expenses:</u>		
Excess Insurance Premiums	703,942,732	
Administrative	136,952,576	
Worker's Compensation	7,050,706	
Property Grant	848,509	
EPL Credits	1,304,052	
Subtotal Expenses		850,098,575
<u>Total Incurred Liabilities</u> (limited claims and expenses)		1,258,677,144
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(11,963,895)
4. <u>Investment Income (Earned)</u>		59,313,479
4a <u>Transfer</u>		_____
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		47,349,584
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>		\$ 3,083,998

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
HISTORICAL BALANCE SHEET
ALL FUND YEARS
DECEMBER 31, 2022
(Unaudited)

1. Assets:

Cash and Investments (1)	\$ 78,363,402		
		\$ 78,363,402	
<u>Receivables (1):</u>			
Excess Insurance	5,091,060		
Assessments	3,249,634		
Other	20,936,124		
Total Receivables		29,276,818	
Prepaid Expenses (1)			
Other Assets (1)			
<u>Total Assets</u>			\$ 107,640,220

2. Liabilities:

<u>Claims:</u>			
Case Reserves	27,062,568		
IBNR Reserve (2)	55,465,695		
Subtotal Claims		82,528,263	
<u>Expenses (unpaid) (1):</u>			
Excess Insurance			
Administrative	1,523,253		
Subtotal Expenses		1,523,253	
<u>Other Liabilities:</u>			
Unearned Contributions			
Authorized Return of Surplus			
Miscellaneous Liabilities (1)	20,504,706		
Subtotal		20,504,706	
<u>Total Liabilities</u>			104,556,222
NET CURRENT SURPLUS/(DEFICIT) = 1-2			\$ 3,083,998

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, 2022
(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 1,001,128,578	
Supplemental Contributions	862,606	
Premium Deferral Cancellation	8,010,483	
Other Income (except investments)	187,207	
Total Income		\$ 1,010,188,874
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	321,827,151	
Case Reserves		
IBNR Reserve		
Subtotal		\$ 321,827,151
Less Excess Insurance:		
Received	29,466,089	
Receivable		
Recoverable		
Subtotal		29,466,089
Limited Incurred Claims (claims-excess)		292,361,062
<u>Expenses:</u>		
Excess Insurance Premiums	616,126,013	
Administrative	111,981,122	
Workers Compensation	4,864,403	
Property Grant	593,677	
EPL Credits	350,844	
Subtotal Expenses		733,916,059
<u>Total Incurred Liabilities</u>		
(limited claims and expenses)		1,026,277,121
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(16,088,247)
4. <u>Investment Income (Earned)</u>		61,104,896
4a. <u>Transfer</u>		_____
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		45,016,649
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>		\$ 751,063

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - MEL SURPLUS TRIGGER
DECEMBER 31, 2022
(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>			(151,961)
4a. <u>Transfer</u>			
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			2,826,523
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 2,826,523</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2019DECEMBER 31, 2022

(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		8,032,654	
Case Reserves		7,021,900	
IBNR Reserve		6,977,814	
Subtotal			\$ 22,032,368
Less Excess Insurance:			
Received			
Receivable			
Recoverable		10,964	
Subtotal			10,964
Limited Incurred Claims (claims-excess)			22,021,404
<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>			
(limited claims and expenses)			47,766,119
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			2,020,619
4. <u>Investment Income (Earned)</u>			(248,612)
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,772,007
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,772,007

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2020DECEMBER 31, 2022

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 48,166,201	
Supplemental Contributions	6,700,000	
Premium Deferral Cancellation	2,381,219	
Other Income (except investments)		
Total Income		\$ 57,247,420
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	14,507,555	
Case Reserves	17,768,278	
IBNR Reserve	11,222,038	
Subtotal		\$ 43,497,871
Less Excess Insurance:		
Received		
Receivable	5,091,060	
Recoverable	8,176,925	
Subtotal		13,267,985
Limited Incurred Claims (claims-excess)		30,229,886
<u>Expenses:</u>		
Excess Insurance Premiums	19,697,441	
Administrative	6,157,683	
Workers Compensation	546,522	
Property Grant	254,832	
Subtotal Expenses		26,656,478
<u>Total Incurred Liabilities</u>		
(limited claims and expenses)		<u>56,886,364</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		361,056
4. <u>Investment Income (Earned)</u>		(468,557)
4a. <u>Transfer</u>		
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		(107,501)
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
Subtotal Return of Surplus		
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		<u>\$ (107,501)</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR OPERATING RESULTS ANALYSISFUND YEAR - 2021DECEMBER 31, 2022

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 51,790,561	
Supplemental Contributions	9,300,000	
Premium Deferral Cancellation	2,418,985	
Other Income (except investments)		
Total Income		\$ 63,509,546
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	23,848,525	
Case Reserves	20,784,174	
IBNR Reserve	13,605,867	
Subtotal		\$ 58,238,566
Less Excess Insurance:		
Received	10,102,785	
Receivable		
Recoverable	16,071,709	
Subtotal		26,174,494
Limited Incurred Claims (claims-excess)		32,064,072
<u>Expenses:</u>		
Excess Insurance Premiums	21,646,790	
Administrative	6,319,133	
Worker's Compensation	546,522	
EPL Credits	333,500	
Subtotal Expenses		28,845,945
<u>Total Incurred Liabilities</u>		
(limited claims and expenses)		60,910,017
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		2,599,529
4. <u>Investment Income (Earned)</u>		(745,651)
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		1,853,878
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
Subtotal Return of Surplus		
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		\$ 1,853,878

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2022

DECEMBER 31, 2022

(Unaudited)

1. <u>Underwriting Income:</u>		
Regular Contributions (earned)	\$ 63,002,187	
Supplemental Contributions		
Premium Deferral Cancellation		
Other Income (except investments)		
Total Income		\$ 63,002,187
2. <u>Incurred Liabilities:</u>		
<u>Claims:</u>		
Paid	2,494,355	
Case Reserves	6,017,814	
IBNR Reserve	23,659,976	
Subtotal		\$ 32,172,145
Less Excess Insurance:		
Received		
Receivable		
Recoverable	270,000	
Subtotal		270,000
Limited Incurred Claims (claims-excess)		31,902,145
<u>Expenses:</u>		
Excess Insurance Premiums	27,497,668	
Administrative	6,588,407	
Workers' Compensation	557,453	
EPL Credits	291,850	
Subtotal Expenses		34,935,378
<u>Total Incurred Liabilities</u>		<u>66,837,523</u>
(limited claims and expenses)		<u>66,837,523</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>		(3,835,336)
4. <u>Investment Income (Earned)</u>		(176,636)
4a <u>Transfers</u>		_____
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>		(4,011,972)
6. <u>Return of Surplus:</u>		
Paid		
Authorized and Unpaid		
Subtotal Return of Surplus		_____
7. <u>Net Current Surplus/(Deficit) = 5-6</u>		\$ (4,011,972)

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

FUND YEAR - 2019
DECEMBER 31, 2022
(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)	\$ 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)									
<u>Total Income</u>	<u>14,086,222</u>	<u>14,379,931</u>	<u>12,054,478</u>	<u>1,680,557</u>	<u>221,607</u>	<u>1,290,771</u>	<u>6,073,172</u>	<u>49,786,738</u>	
2. <u>Incurred Liabilities</u>									
Claims (limited incurred)	3,458,793	7,424,431	10,688,181	210,000	239,999			22,021,404	
Expenses	10,074,458	5,879,140	3,245,552	639,334			5,906,231	25,744,715	
<u>Total Liabilities</u>	<u>13,533,251</u>	<u>13,303,571</u>	<u>13,933,733</u>	<u>849,334</u>	<u>239,999</u>		<u>5,906,231</u>	<u>47,766,119</u>	
3. <u>Underwriting Surplus/(Deficit)</u>	<u>552,971</u>	<u>1,076,360</u>	<u>(1,879,255)</u>	<u>831,223</u>	<u>(18,392)</u>	<u>1,290,771</u>	<u>166,941</u>	<u>2,020,619</u>	
4. <u>Adjustments</u>									
Investment Income	(14,339)	(140,856)	(49,690)	(11,098)	2,307	(41,889)	6,953	(248,612)	
Transfers									
<u>Total Adjustments</u>	<u>(14,339)</u>	<u>(140,856)</u>	<u>(49,690)</u>	<u>(11,098)</u>	<u>2,307</u>	<u>(41,889)</u>	<u>6,953</u>	<u>(248,612)</u>	
5. <u>Gross Operating Surplus</u>	<u>538,632</u>	<u>935,504</u>	<u>(1,928,945)</u>	<u>820,125</u>	<u>(16,085)</u>	<u>1,248,882</u>	<u>173,894</u>	<u>1,772,007</u>	
6. <u>Return of Surplus</u>									
7. <u>Net Current Surplus</u>	<u>\$ 538,632</u>	<u>\$ 935,504</u>	<u>\$ (1,928,945)</u>	<u>\$ 820,125</u>	<u>\$ (16,085)</u>	<u>\$ 1,248,882</u>	<u>\$ 173,894</u>	<u>\$ 1,772,007</u>	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
JOINT INSURANCE FUND
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2020
DECEMBER 31, 2022
(Unaudited)

	Coverages and Other Accounts							Total
	Property	Liability	Worker's Compensation	Public Officials/ Employment Practices	Faithful Performance Bond	Loss Fund Contingency	General and Administrative	
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	\$ 6,354,274	\$ 48,166,201
Supplemental Contributions	500,000	4,500,000	1,700,000					6,700,000
Premium Deferral Cancellation		1,185,304	1,195,915					2,381,219
Other Income (except investments)								
Total Income	15,750,038	19,047,671	12,455,495	1,719,191	224,985	1,695,766	6,354,274	57,247,420
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	5,086,111	11,937,643	12,472,586	681,165	52,381			30,229,886
Expenses	10,287,526	6,216,360	3,326,132	668,777			6,157,683	26,656,478
Total Liabilities	15,373,637	18,154,003	15,798,718	1,349,942	52,381		6,157,683	56,886,364
3. <u>Underwriting Surplus/(Deficit)</u>	376,401	893,668	(3,343,223)	369,249	172,604	1,695,766	196,591	361,056
4. <u>Adjustments</u>								
Investment Income	(92)	(285,845)	(75,656)	(36,485)	(5,970)	(62,385)	(2,124)	(468,557)
Transfers								
Total Adjustments	(92)	(285,845)	(75,656)	(36,485)	(5,970)	(62,385)	(2,124)	(468,557)
5. <u>Gross Operating Surplus</u>	376,309	607,823	(3,418,879)	332,764	166,634	1,633,381	194,467	(107,501)
6. <u>Return of Surplus</u>								
7. <u>Net Current Surplus</u>	\$ 376,309	\$ 607,823	\$ (3,418,879)	\$ 332,764	\$ 166,634	\$ 1,633,381	\$ 194,467	\$ (107,501)

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

FUND YEAR - 2021
DECEMBER 31, 2022
(Unaudited)

	Coverages and Other Accounts										Total
	Property	Liability	Worker's Compensation	Optional Excess			Loss Fund Contingency	General and Administrative	Total		
				Public Officials/ Employment Practices	Faithful Performance Bond						
1. <u>Underwriting Income</u>											
Regular Contributions (earned)	\$ 15,926,606	\$ 15,591,871	\$ 9,951,363	\$ 1,918,384	\$ 226,963	\$ 1,717,424	\$ 6,457,950	\$ 51,790,561			
Supplemental Contributions	6,500,000	1,500,000	1,300,000					9,300,000			
Premium Deferral Cancellation		1,188,007	1,230,978					2,418,985			
Other Income (except investments)											
Total Income	22,426,606	18,279,878	12,482,341	1,918,384	226,963	1,717,424	6,457,950	63,509,546			
2. <u>Incurred Liabilities</u>											
Claims (limited incurred)	8,922,948	12,636,311	9,202,901	388,321	913,591			32,064,072			
Expenses	12,245,444	4,557,815	3,983,871	1,739,682			6,319,133	28,845,945			
Total Liabilities	21,168,392	17,194,126	13,186,772	2,128,003	913,591		6,319,133	60,910,017			
3. <u>Underwriting Surplus/(Deficit)</u>	1,258,214	1,085,752	(704,431)	(209,619)	(686,628)	1,717,424	138,817	2,599,529			
4. <u>Adjustments</u>											
Investment Income Transfers	(19,042)	(390,524)	(274,770)	(14,434)	(9,166)	(16,650)	(21,065)	(745,651)			
Total Adjustments	(19,042)	(390,524)	(274,770)	(14,434)	(9,166)	(16,650)	(21,065)	(745,651)			
5. Gross Operating Surplus	1,239,172	695,228	(979,201)	(224,053)	(695,794)	1,700,774	117,752	1,853,878			
6. Return of Surplus											
7. Net Current Surplus	\$ 1,239,172	\$ 695,228	\$ (979,201)	\$ (224,053)	\$ (695,794)	\$ 1,700,774	\$ 117,752	\$ 1,853,878			

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

FUND YEAR - 2022

DECEMBER 31, 2022

(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)	\$ 21,040,093	\$ 18,294,701	\$ 13,038,241	\$ 3,275,801	\$ 240,455	\$ 344,787	\$ 6,768,109	\$ 63,002,187
Supplemental Contributions								
Premium Deferral Cancellation								
Other Income (except investments)								
Total Income	<u>21,040,093</u>	<u>18,294,701</u>	<u>13,038,241</u>	<u>3,275,801</u>	<u>240,455</u>	<u>344,787</u>	<u>6,768,109</u>	<u>63,002,187</u>
2. <u>Incurred Liabilities</u>								
Claims (limited incurred)	7,237,034	13,895,446	9,234,291	1,254,733	280,641			31,902,145
Expenses	14,848,159	7,201,699	4,146,591	2,150,522			6,588,407	34,935,378
Total Liabilities	<u>22,085,193</u>	<u>21,097,145</u>	<u>13,380,882</u>	<u>3,405,255</u>	<u>280,641</u>		<u>6,588,407</u>	<u>66,837,523</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>(1,045,100)</u>	<u>(2,802,444)</u>	<u>(342,641)</u>	<u>(129,454)</u>	<u>(40,186)</u>	<u>344,787</u>	<u>179,702</u>	<u>(3,835,336)</u>
4. <u>Adjustments</u>								
Investment Income	(11,520)	(38,340)	(62,939)	(31,731)	(2,777)	(3,892)	(25,437)	(176,636)
Transfers								
Total Adjustments	<u>(11,520)</u>	<u>(38,340)</u>	<u>(62,939)</u>	<u>(31,731)</u>	<u>(2,777)</u>	<u>(3,892)</u>	<u>(25,437)</u>	<u>(176,636)</u>
5. Gross Operating Surplus	<u>(1,056,620)</u>	<u>(2,840,784)</u>	<u>(405,580)</u>	<u>(161,185)</u>	<u>(42,963)</u>	<u>340,895</u>	<u>154,265</u>	<u>(4,011,972)</u>
6. Return of Surplus								
7. Net Current Surplus	<u>\$ (1,056,620)</u>	<u>\$ (2,840,784)</u>	<u>\$ (405,580)</u>	<u>\$ (161,185)</u>	<u>\$ (42,963)</u>	<u>\$ 340,895</u>	<u>\$ 154,265</u>	<u>\$ (4,011,972)</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2019
DECEMBER 31, 2022
(Unaudited)

	Coverages					Total
	Property	Liability	Worker's Compensation	Public Officials' Employment Practice	Faithful Performance	
Paid Claims	\$ 3,463,478	\$ 934,375	\$ 3,256,008	\$ 184,313	\$ 194,480	\$ 8,032,654
Case Reserves	6,279	2,139,022	4,805,393	25,687	45,519	7,021,900
IBNR Reserve		4,351,034	2,626,780			6,977,814
Subtotal	3,469,757	7,424,431	10,688,181	210,000	239,999	22,032,368
Excess Insurance:						
Received						
Receivable						
Recoverable	10,964					10,964
Subtotal	10,964					10,964
Incurred Claims	3,458,793	7,424,431	10,688,181	210,000	239,999	\$ 22,021,404
Number of Claims	139	381	117	3	125	
Cost/Claim	\$ 24,883	\$ 19,487	\$ 91,352	\$ 70,000	\$ 1,920	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2020

DECEMBER 31, 2022

(Unaudited)

	Coverages					Total
	Property	Liability	Worker's Compensation	Public Officials' Employment Practice	Faithful Performance	
Paid Claims	\$ 6,369,008	\$ 3,942,363	\$ 4,144,403	\$ 226,937	\$ 51,781	\$ 14,507,555
Case Reserves	325,598	850,588	16,364,555	600		17,768,278
IBNR Reserve	9,590	7,144,692	3,613,528	454,228		11,222,038
Subtotal	6,704,196	11,937,643	24,122,486	681,165	52,381	43,497,871
Excess Insurance:						
Received						
Receivable			5,091,060			5,091,060
Recoverable	1,618,085		6,558,840			8,176,925
Subtotal	1,618,085		11,649,900			13,267,985
Incurred Claims	5,086,111	11,937,643	12,472,586	681,165	52,381	\$ 30,229,886
Number of Claims	282	318	2,625	3	123	
Cost/Claim	\$ 18,036	\$ 37,540	\$ 4,751	\$ 227,055	\$ 426	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2021
DECEMBER 31, 2022
(Unaudited)

	Coverages					Total
	Property	Liability	Worker's Compensation	Public Officials' Employment Practice	Faithful Performance	
Paid Claims	\$ 21,744,522	\$ 932,917	\$ 507,131	\$	\$ 663,955	\$ 23,848,525
Case Reserves	13,252,187	1,904,178	5,252,173	\$ 126,000	249,636	20,784,174
IBNR Reserve	100,733	9,799,216	3,443,597	262,321		13,605,867
Subtotal	35,097,442	12,636,311	9,202,901	388,321	913,591	58,238,566
Excess Insurance						
Received	10,102,785					10,102,785
Receivable						
Recoverable	16,071,709					16,071,709
Subtotal	26,174,494					26,174,494
Incurred Claims	8,922,948	12,636,311	9,202,901	388,321	913,591	\$ 32,064,072
Number of Claims	260	277	1,399	108	8	
Cost/Claim	\$ 34,319	\$ 45,618	\$ 6,578	\$ 3,596	\$ 114,199	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 2022

DECEMBER 31, 2022

(Unaudited)

	Coverages					Total
	Property	Liability	Worker's Compensation	Public Officials' Employment Practice	Faithful Performance	
Paid Claims	\$ 1,582,877	\$ 376,886	\$ 279,551		\$ 255,041	\$ 2,494,355
Case Reserves	4,440,463	1,027,576	524,175		25,600	6,017,814
IBNR Reserve	1,483,694	12,490,984	8,430,565	\$ 1,254,733		23,659,976
Subtotal	7,507,034	13,895,446	9,234,291	1,254,733	280,641	32,172,145
Excess Insurance						
Received						
Receivable						
Recoverable	270,000					270,000
Subtotal	270,000					270,000
Incurred Claims	7,237,034	13,895,446	9,234,291	1,254,733	280,641	\$ 31,902,145
Number of Claims	119	161	172	147	4	
Cost/Claim	\$ 60,815	\$ 86,307	\$ 53,688	\$ 8,536	\$ 70,160	

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2019DECEMBER 31, 2022

(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	<u>535,806</u>		<u>535,806</u>
Subtotal Worker's Compensation	<u>535,806</u>		<u>535,806</u>
4. <u>Liability</u>			
EPL Credits	<u>327,858</u>		<u>327,858</u>
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 FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2020DECEMBER 31, 2022

(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	343,110		343,110
Risk Management Consultant	208,186		208,186
Subtotal Administrative	<u>6,157,683</u>		<u>6,157,683</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 Liability	<u>254,832</u>		<u>254,832</u>
Total Expenses = 1+2+3+4	<u>\$ 26,656,478</u>	<u>\$ -0-</u>	<u>\$ 26,656,478</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2021DECEMBER 31, 2022

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 12,245,444		\$ 12,245,444
Liability	4,224,315		4,224,315
Worker's Compensation	3,437,349		3,437,349
Public Officials Liability	1,739,682		1,739,682
Subtotal Excess	<u>21,646,790</u>		<u>21,646,790</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,180,872		1,180,872
Safety and Education	1,430,487		1,430,487
Administration	1,363,025		1,363,025
Actuary	52,140		52,140
Attorney	47,427		47,427
Auditor	30,630		30,630
Treasurer	26,178		26,178
Other Consultants	888,697		888,697
Reinsurance Manager	317,825		317,825
Internal Audit	78,531		78,531
Brokerage Expense	550,387		550,387
Non-Contracted Expenses	138,872		138,872
Risk Management Consultant	214,062		214,062
Subtotal Administrative	<u>6,319,133</u>		<u>6,319,133</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	333,500		333,500
Subtotal Liability	<u>333,500</u>		<u>333,500</u>
Total Expenses = 1+2+3+4	<u>\$ 28,845,945</u>	<u>\$ -0-</u>	<u>\$ 28,845,945</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUNDFUND YEAR EXPENSE ANALYSISFUND YEAR - 2022DECEMBER 31, 2022

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Property	\$ 14,848,159		\$ 14,848,159
Liability	6,909,849		6,909,849
Worker's Compensation	3,589,138		3,589,138
Public Officials'/Employment Practice	2,150,522		2,150,522
Subtotal Excess	<u>27,497,668</u>		<u>27,497,668</u>
2. <u>Administrative Expenses</u>			
Claims Administration	1,360,956		1,360,956
Safety and Education	1,597,754		1,597,754
Administration	1,539,090	\$ 3,248	1,542,338
Actuary	54,456		54,456
Attorney	42,319	24,287	66,606
Auditor		30,631	30,631
Treasurer	26,701		26,701
Other Consultants	508,035	20,547	528,582
Reinsurance Manager	324,182		324,182
Internal Audit	24,622	38,003	62,625
Brokerage Expense	590,609		590,609
Non-Contracted Expenses	142,790	2,262	145,052
Risk Management Consultant	257,915		257,915
Subtotal Administrative	<u>6,469,429</u>	<u>118,978</u>	<u>6,588,407</u>
3. <u>Worker's Compensation</u>			
Managed Care	557,453		557,453
Subtotal Worker's Compensation	<u>557,453</u>		<u>557,453</u>
4. <u>Liability</u>			
EPL Credits	291,850		291,850
Subtotal Liability	<u>291,850</u>		<u>291,850</u>
Total Expenses = 1+2+3+4	<u>\$ 34,816,400</u>	<u>\$ 118,978</u>	<u>\$ 34,935,378</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

PROGRAM SUMMARY

FUND YEAR - 2022

DECEMBER 31, 2022

(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 and 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	\$9,000,000 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 \$6,000,000 Aggregate
4. Number of Participants	19	20	19	19	18	20
5. Incurred Liabilities	\$21,097,145	\$10,698,460	\$22,085,193	\$280,641	\$3,405,255	
6. Exposure Units (population or students) (A) Sq. Footage (First Responders)	5,102,944 Population 512,749	3,585,394,140 Payroll	16,351,703,607 Property Value	37,316 Full time Employees	5,102,944 Population	614 Member
7. Liabilities/Unit	\$4.13	\$0.00	\$0.00	\$7.52	\$1.50	\$0.00

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
DECEMBER 31, 2022
(Unaudited)

<u>Bank</u>	<u>Account Description</u>	<u>Amount</u>
Investors Bank-Claims-QL	Claims	\$ 149,047
Investors Bank-Claims-CB	Claims	6,239
BNY Mellon	Investment	41,164,838
New Jersey Cash Management Fund	Cash Management	10,139,227
Republic Bank	Short Term Investments	6,709,956
Investors Savings	Checking	19,769,223
		<u>77,938,530</u>
Add: Deposit in Transit		884,600
Less: Outstanding Checks		<u>459,728</u>
		<u><u>\$ 78,363,402</u></u>

ANALYSIS OF EXCESS INSURANCE RECEIVABLE
DECEMBER 31, 2022
(Unaudited)

Amount Due From Reinsurance Company:		
Fund Year 2019		<u>\$ 5,091,060</u>
		<u><u>\$ 5,091,060</u></u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ASSESSMENTS RECEIVABLE
DECEMBER 31, 2022
(Unaudited)

Fund Year 2020	\$	3,179
Fund Year 2021		(3,135)
Fund Year 2022		3,249,590
	\$	<u>3,249,634</u>

ANALYSIS OF OTHER RECEIVABLES
DECEMBER 31, 2022
(Unaudited)

Fund Year - MEL - Aggregate Excess Loss Fund Contingency:		
Genesis Insurance Receivable - Workers Compensation	\$	508,760
Notes Receivable Township of Mahwah		750,000
Notes Receivable Borough of Bogota		1,050,000
Notes Receivable Township of Belleville		35,022
Notes Receivable Borough of Maywood		216,000
Notes Receivable Borough of Rutherford		180,000
Notes Receivable Borough of Woodcliff Lake		360,000
Notes Receivable Borough of Palisades Park		<u>140,000</u>
	\$	3,239,782
Fund Year - 2019		
Genesis Insurance Receivable - Workers Compensation		1,134,757
Fund Year - 2020		
Genesis Insurance Receivable - Workers Compensation		3,358
Fund Year - 2021		
Genesis Insurance Receivable - Workers Compensation		362,559
Fund Year - 2022		
Other Assets Receivable: Clearing Liability		198,847
Supplemental Underwriting Income Receivable:		
Fund Year 2020		6,696,821
Fund Year 2021		<u>9,300,000</u>
		15,996,821
	\$	<u>20,936,124</u>

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ADMINISTRATIVE EXPENSES PAYABLE
DECEMBER 31, 2022
(Unaudited)

Fund Year 2018:		
Land Use Claims		\$ 29,536
Fund Year 2019:		
Land Use Claims		184,313
Fund Year 2020:		
Land Use Claims		526,471
Fund Year 2021:		
Land Use Claims		663,955
Fund Year 2022:		
Claims Administration	\$ 3,248	
Attorney	24,287	
Internal Auditor	38,003	
External Auditor	30,631	
Other Consultants	21,809	
Non-Contracted Expenses	<u>1,000</u>	
		<u>118,978</u>
		<u>\$ 1,523,253</u>

ANALYSIS OF MISCELLANEOUS LIABILITIES
DECEMBER 31, 2022
(Unaudited)

Fund Year - MEL - Aggregate Excess Loss Fund Contingency:		
Due to Municipal Excess Liability Residual Claims Fund		<u>\$ 20,504,706</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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the Municipal Excess Liability Joint Insurance Fund (the "Fund") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated April 28, 2023.

Report on 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 the 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 or significant deficiencies 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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 28, 2023

Nisivoccia LLP

STATISTICAL SECTION (Unaudited)

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,				
	2013	2014	2015	2016	2017
Business-Type Activities					
Unrestricted	\$ 24,399,703	\$ 21,088,092	\$ 19,113,098	\$ 29,998,611	\$ 30,788,695
Total Business-Type Activities Net Position	\$ 24,399,703	\$ 21,088,092	\$ 19,113,098	\$ 29,998,611	\$ 30,788,695

	December 31,				
	2018	2019	2020	2021	2022
Business-Type Activities					
Unrestricted	\$ 27,761,506	\$ 26,272,636	\$ 16,251,657	\$ 15,157,816	\$ 8,841,030
Total Business-Type Activities Net Position	\$ 27,761,506	\$ 26,272,636	\$ 16,251,657	\$ 15,157,816	\$ 8,841,030

Source - Insurance Fund Financial Records.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue:										
Assessments from Participating Members	\$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	\$63,002,188
Other Income		498								
Supplemental Underwriting Income	(121,095)	352,718	324,193	597,183	371,100	927,981	1,754,444	962,896	15,283,111	15,996,558
Deferred Premium Cancellation	1,171,808	(2,071,522)	1,248,544	4,794,438	94,118	(824,443)	668,349	394,808	(168,038)	(2,964,674)
Change in Investment in Joint Venture									(5,743,677)	(2,685,411)
Total Revenue	44,358,708	42,901,798	47,184,584	48,842,610	44,832,572	44,213,185	49,733,294	52,502,391	61,165,435	73,348,661
Expenses:										
Provision for Claims and Claim Adjustment Expense	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	23,953,209
Assessment for Participation in Municipal Excess										
Liability Residual Claims Fund	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	13,211,400
Residual Claims Fund - Additional Assessment									476,394	7,175,297
Insurance Premiums	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	27,533,487
Claims Administration	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	1,359,980
Other Contractual Services	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	3,592,962
Non-Contractual Expenses	107,039	207,089	269,856	193,597	240,292	279,776	285,270	287,044	211,357	156,400
Administration	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	1,542,338
EPL Credits						350,844	327,608	254,832	334,250	291,850
Insurance Brokerage Expense	479,144	488,727	498,502	508,472	518,641	529,014	539,594	550,387	550,387	590,609
Risk Management Fees	337,244	337,833	332,003	336,323	342,473	192,946	212,003	208,186	214,062	257,915
Total Expenses	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	79,665,447
Change in Net Position	\$ 3,523,647	\$ (3,311,611)	\$ (1,974,994)	\$ 10,885,513	\$ 790,084	\$ (3,027,189)	\$ (1,488,870)	\$ (10,020,979)	\$ (1,093,841)	\$ (6,316,786)

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, 2022
(Unaudited)

	2013	2014	2015	2016	2017
Total number of members	19	19	19	19	19
Total employees	35,342	34,651	34,273	34,072	34,552
Total annual payrolls	\$ 2,858,665,559	\$ 2,832,850,557	\$ 2,835,141,051	\$ 2,835,141,051	\$ 2,929,818,008
Total member assessments	\$ 43,305,703	\$ 44,583,334	\$ 45,565,058	\$ 43,405,565	\$ 44,505,992
Total number of claims	485	548	660	618	576
Total reported losses	\$ 9,348,192	\$ 9,870,040	\$ 14,177,842	\$ 14,760,884	\$ 8,784,189
Total number of members	19	19	19	20	20
Total employees	33,891	35,559	35,932	36,193	37,316
Total annual payrolls	\$ 2,979,452,834	\$ 3,162,926,354	\$ 3,234,701,535	\$ 3,585,394,140	\$ 3,540,391,904
Total member assessments	\$ 44,099,209	\$ 47,314,276	\$ 48,166,203	\$ 51,794,039	\$ 63,002,188
Total number of claims	816	765	3,351	1,175	603
Total reported losses	\$ 15,401,240	\$ 13,864,493	\$ 16,640,659	\$ 16,464,704	\$ 5,559,747

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, 2022
(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property	43	70	116	136	61	189	139	282	260	119
Liability	278	332	365	321	384	385	381	318	277	161
Workers' Compensation	159	143	179	157	131	130	117	2,625	1,399	172
Faithful Performance Bond	5	2		4		1	3	3	8	4
Public Officials' Liability		1				111	125	123	108	147
Total	<u>485</u>	<u>548</u>	<u>660</u>	<u>618</u>	<u>576</u>	<u>816</u>	<u>765</u>	<u>3,351</u>	<u>2,052</u>	<u>603</u>
Claims settled in full	394	457	555	520	454	692	643	3,191	1,815	360
Claims pending	91	91	105	98	122	124	122	160	237	243
Total	<u>485</u>	<u>548</u>	<u>660</u>	<u>618</u>	<u>576</u>	<u>816</u>	<u>765</u>	<u>3,351</u>	<u>2,052</u>	<u>603</u>

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, 2022
(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.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property	\$ 2,015,047	\$ 3,241,842	\$ 2,446,654	\$ 3,868,266	\$ 2,262,516	\$ 4,228,948	\$ 3,458,793	\$ 5,076,521	\$ 8,822,215	\$ 5,753,340
Liability	1,956,876	4,099,517	6,363,630	7,084,244	2,111,680	4,674,692	3,257,710	4,792,951	2,837,095	1,404,462
Workers' Compensation	4,605,555	2,511,948	5,367,558	3,575,933	4,409,993	6,204,068	8,061,401	8,859,058	5,759,304	803,726
Faithful Performance Bond	770,714	16,344		232,441		67,532	239,998	52,381	913,591	
Public Officials' Liability		389				226,000	25,687	226,937	126,000	280,641
Total	\$ 9,348,192	\$ 9,870,040	\$ 14,177,842	\$ 14,760,884	\$ 8,784,189	\$ 15,401,240	\$ 15,043,589	\$ 19,007,848	\$ 18,458,205	\$ 8,242,169
Total number of claims	485	548	660	618	576	816	765	3,351	2,052	603
Average cost per claim	\$ 19,275	\$ 18,011	\$ 21,482	\$ 23,885	\$ 15,250	\$ 18,874	\$ 19,665	\$ 5,672	\$ 8,995	\$ 13,669

Note - Reported losses have not been discounted.

Source - Joint Insurance Fund- Third Party Claims Administrator