

RESOLUTION NO. 11-12

Camden County Insurance Commission
(hereinafter the "Insurance Commission")

BE IT RESOLVED by the Insurance Commission's governing body that the 2012 Plan of Risk Management shall be:

- 1.) The perils or liability to be insured against.
 - a.) The Insurance Commission insures the following perils or liability:
 - Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
 - General Liability including Law Enforcement Liability and Employee Benefits Liability.
 - Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
 - Property, Auto Physical Damage and Boiler & Machinery.
 - b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).
 - Excess Workers' Compensation
 - Excess General Liability
 - Excess Auto Liability
 - Excess Property including Boiler and Machinery
 - Public Officials Liability/School Board Legal/Employment Practices Liability
 - Crime
 - Pollution Liability
 - Medical Professional and General Liability
 - Employed Lawyers Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers \$250,000 per occurrence including:
 - Employer's Liability - \$250,000 per occurrence.
 - USL&H – \$250,000 per occurrence.
 - Harbor Marine/Jones Act - \$250,000 per occurrence.

Except for CCC, CCMUA and CCHSC. CCMUA and CCHSC retain their first \$750,000. CCC does not currently purchase workers compensation insurance from the Commission. Also, Camden County has a \$5,000 per occurrence entity deductible.

- The NJC covers excess workers compensation claims to the following limits, *except for CCC, CCMUA and CCHSC. CCMUA and CCHSC retain their first \$750,000. CCC does not currently purchase workers compensation insurance from the NJC.*
 - Workers' Compensation – statutory excess of the Insurance Commission's \$250,000.
 - Employer's Liability - at a sub-limit of \$20,500,000 excess of the Insurance Commission's \$250,000.
 - USL&H – \$250,000 less NJ State benefits excess of the Insurance Commission's SIR of \$250,000.
 - Harbor Marine/Jones Act - \$250,000 less NJ State benefits excess of the Insurance Commission's SIR of \$250,000.

NJC retains limits of \$500,000 excess \$250,000 and purchases from Star Insurance Company Statutory limits for Workers compensation and \$5,000,000/\$10,000,000 for Employers Liability excess over and above \$750,000 with Star Insurance.

b.) General Liability limits.

- The Insurance Commission covers \$250,000 per occurrence. *Camden County has a \$5,000 per occurrence entity deductible.*
 - Law Enforcement - included in the General Liability limits.
 - Employee Benefits Liability - included in the General Liability limits.
 - Subsidence - \$250,000 per occurrence

- Sexual Abuse or Molestation Coverage - \$250,000 per occurrence except for schools.
- Owned Watercraft 32' in length or less - \$250,000.
- Garagekeepers Legal Liability - \$250,000
- The NJC covers excess liability claims as follows:
 - General Liability - \$20,500,000 excess the Insurance Commission's \$250,000. The \$5,000,000 excess \$750,000 commercial excess layer is subject to a \$10,000,000 per member insurance commission annual aggregate limit. The \$15,000,000 excess \$5,750,000 commercial excess layer is subject to a \$15,000,000 annual aggregate limit shared with the Gloucester County Insurance Commission.
 - Law Enforcement - included in the NJC's excess General Liability limits.
 - Employee Benefits Liability - included in the NJC's excess General Liability limits.
 - Subsidence - \$750,000 per occurrence excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Insurance Commission's retention.
 - Sexual Abuse or Molestation Coverage - \$750,000 excess of the Insurance Commission's \$250,000 except for schools. NJC retains 100% of the limit excess of the Insurance Commission's retention.
 - Owned Watercraft 32' in length or less - \$750,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Insurance Commission's retention.
 - Garagekeepers Legal Liability - \$250,000 excess of the Insurance Commission's \$250,000. NJC retains 100% of the limit excess of the Insurance Commission's retention.

NJC retains limits of \$500,000 excess \$250,000 and purchases from Star Insurance Company limits of \$5,000,000/\$10,000,000 excess over and above \$750,000 with Star Insurance Company. NJC also purchases from Star Indemnity & Liability Insurance Company limits of \$15,000,000/\$15,000,000 excess over and above the \$5,000,000/\$10,000,000 with Star Insurance.

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:

- Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of \$250,000. *Camden County has a \$5,000 per occurrence entity deductible.*
- The Insurance Commission covers \$15,000/\$30,000/5,000 for Underinsured/Uninsured Motorists Liability.
- The Insurance Commission covers \$250,000 for Personal Injury Protection (PIP).
- The NJC covers excess automobile liability claims as follows:
 - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's \$250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of \$500,000 excess \$250,000 and purchases from Star Insurance Company limits of \$5,000,000/\$10,000,000 excess over and above \$750,000 with Star Insurance Company. NJC also purchases from Star Indemnity & Liability Insurance Company limits of \$15,000,000/\$15,000,000 excess over and above the \$5,000,000/\$10,000,000 with Star Insurance.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The excess general liability, auto liability, employers' liability and law enforcement liability limit of \$5,000,000/\$10,000,000 are shared limits amongst CCIC member entities. The limits of \$15,000,000/\$15,000,000 excess of the \$5,000,000/\$10,000,000 with Star Insurance Company, NJC retention and the Insurance Commission retention are shared with the Gloucester County Insurance Commission another member commission of the NJC.

d.) Public Officials/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability/school board legal liability/employment practices liability as follows:
 - \$10,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission (except for Camden County Health Services which has a \$1,000,000 each claim and in the annual aggregate sub-limit) subject to the deductibles as outlined below:
 - Camden County - \$250,000 each POL & EPL
 - Camden County College-\$25,000 SBL & \$50,000 EPL

- Camden County College Foundation -\$25,000 SBL & \$50,000 EPL
- Camden County Board of Social Services - \$5,000 each POL & EPL
- Camden County Municipal Utilities Authority - \$25,000 each POL & EPL
- Camden County Health Services - \$25,000 each POL & EPL
- Camden County Pollution Finance Authority - \$25,000 each POL & EPL
- Camden County Improvement Authority - \$10,000 each POL & EPL

There is a sub-limit of \$1,000,000 each claim and in the annual aggregate excess of a member entity retention of \$100,000 for sexual abuse/molestation for schools only.

School Board Legal Liability applies to the member entity schools and Public Officials Liability applies to all other member entities.

NJC does not retain any risk as it is fully insured in the commercial market.

e.) Excess Public Officials Liability/Employment Practices Liability/School: Board Legal Liability:

- Not purchased.

f.) Property/Boiler & Machinery

Property Limits/Sub-limits

- The Insurance Commission covers \$100,000 per occurrence excess of applicable member entity deductibles *except for CC, CCHSC and CCBOSS. These entities individually retain their first \$100,000.*
- The NJC provides excess property coverage via the commercial market with Zurich and RSUI with the following limits **(SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES)** excess of the member retention and member entity deductibles:

Property Per Occurrence Limits:

- A. \$100,000,000 Per Occurrence with Zurich
- B. \$150,000,000 Per Occurrence with RSUI
- C. \$260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Earthquake - \$100,000,000 (Annual Aggregate)
- Flood - \$50,000,000 (Annual Aggregate) Except;
- Flood Inside 100-Year Flood Zone - \$25,000,000
- Asbestos Cleanup - \$50,000 (Annual Aggregate)
- Valuable Paper And Records - \$10,000,000

- Accounts Receivable - \$10,000,000
- Demolition & Increased Cost of Construction-\$25,000,000
- Business Interruption -\$30,000,000 (Business Income On Revenue Producing Property Only)
- Extra Expense – \$10,000,000
- Transit- \$1,000,000 Per Conveyance/\$1,000,000 Per Occurrence
- Fine Arts - \$1,000,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - \$250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - \$5,000,000
- Builders' Risk - \$25,000,000 (no sub-limit for soft costs)
- Newly Acquired Locations - \$25,000,000 (90 day reporting)
- Service Interruption - \$10,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within 1 mile of insured premises, 24 hour waiting period)
- Ingress/Egress - \$5,000,000 Or 30 Days Whichever Is Less
- Debris Removal -\$25,000,000 or 25% of the covered loss, whichever is less
- Civil Government Authority – \$5,000,000 or 30 days, whichever is less
- Leasehold Interest - \$15,000,000
- Loss of Rents - \$15,000,000
- Contingent Time Element - \$5,000,000
- Loss Adjustment Expense - \$500,000 Per Claim/
\$1,000,000 Aggregate
- Extended Reporting Period – 365 Days
- Auto Physical Damage - \$500,000 Per Scheduled Vehicle
- Fungus, Wet Rot, Dry Rot Or Bacteria - \$500,000 Per Occurrence
- Underground Piping - \$10,000,000
- EDP Equipment – No sub-limit
- Outdoor Property - \$5,000 per item, no sub-limit
- Boiler And Machinery - \$100,000,000
 - Business Interruption - \$10,000,000 (Business Income On Revenue Producing Property Only)
 - Contingent Business Income - \$5,000,000
 - Loss Of Rents - \$15,000,000
 - Newly Acquired - \$5,000,000
 - Demolition & Increased Cost Of Construction - \$25,000,000
 - Hazardous Substance - \$5,000,000
 - Expediting Expenses- \$5,000,000
 - Perishable Goods - \$5,000,000
 - Service Interruption - \$5,000,000 Combined Time Element and Property Damage (including Overhead Transmission Lines within 1 mile of insured premises, 24 hour waiting period)
 - Data Restoration - \$1,000,000
 - Miscellaneous Unnamed Location (Property Damage Only) - \$5,000,000

- Extended Period Of Indemnity - 180 Days

Note: There is an excess property policy with RSUI Insurance Company which extends the per occurrence policy limits by \$150,000,000 to a total of \$260,000,000, but not policy sub-limits. The primary limit is \$110,000,000.

Property Deductibles

- The standard member insurance commission retention is \$100,000 per occurrence less member entity deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).
 - Camden County - \$100,000
 - Camden County College - \$25,000 Property and \$500 Auto Physical Damage
 - Camden County Board of Social Services - \$100,000
 - Camden County Municipal Utilities Authority - \$25,000 Property "All Other Perils" except \$1,000 for Auto Physical Damage, \$5,000 for mobile equipment, \$5,000 for EDP (except for the perils of earthquake and flood as stated below) & \$5,000 for underground piping (except for the perils of earthquake and flood as stated below).
 - Camden County Health Services - \$100,000 Property and \$1,000 Auto Physical Damage
 - Camden County Pollution Control Finance Authority - \$5,000 Property and \$1,000 Auto Physical Damage
 - Camden County Improvement Authority - \$2,500
- The Boiler and Machinery deductible is \$25,000 member entity deductible per occurrence.
- The Earthquake Member Insurance Commission retention is \$100,000 per occurrence less the per occurrence member entity deductibles except as respects to underground piping for the CCMUA which retains the first \$100,000 deductible itself in lieu of the member Insurance Commission and as respects to EDP for the CCMUA which has a \$25,000 deductible.
- The Flood Member Insurance Commission retention is \$100,000 per occurrence less member entity per occurrence deductibles except as respects to underground piping for the CCMUA which has a \$25,000 member entity deductible and as respects to EDP for the CCMUA which has a \$25,000 deductible.
- Flood loss for property within the 100-year flood zone is subject to a deductible of \$500,000 each building for municipality buildings, and \$500,000 each building for municipality contents member entity deductible per occurrence; to a deductible of \$250,000 each building for housing authority buildings, and \$100,000 each building for housing authority contents member entity deductible per occurrence; or the National Flood Insurance Plan's (NFIP) maximum available limits for

municipalities and housing authorities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. Losses shall also be adjusted subject to a \$100,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.

“Named Storm Flood” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of \$250,000 and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible. **Note: coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA.**

“Named Storm Wind” subject to a deductible of 1% of the total insurable value (excluding vehicle values) at each location involved in loss or damage, subject to a minimum deductible of \$250,000 and a maximum deductible of \$1,000,000 per occurrence state-wide for all locations for Named Storms. The “Named Storm” deductible is a per member entity deductible. **Note: coverage for the difference in deductible for “insured property” resulting from “insured perils” (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA.**

Named Storm is defined as a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone or tropical storm by the National Hurricane Center of the Center of the National Oceanic and Atmospheric Administration’s National Weather Service. Location is defined as any building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing street, space or waterway shall render such separation inoperative for the purpose of this definition. If the Named Storm involves covered property within the 100-year flood zone, the 100-year flood zone deductible above applies.

- Underground Piping \$100,000 per occurrence less the member entity deductibles as stated above.
- Golf Carts - \$25,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence (all coverage parts):

- Camden County – \$4,000,000
- Camden County Health Services - \$1,000,000
- Camden County Municipal Utility Authority - \$500,000
- Camden County Board of Social Services - \$500,000
- Camden County College - \$500,000
- Camden County Pollution Control Finance Authority - \$500,000
- Camden County Improvement Authority – Not Covered

Deductible per occurrence (each coverage part):

- Camden County – \$50,000
- Camden County Health Services - \$10,000
- Camden County Municipal Utility Authority - \$5,000
- Camden County Board of Social Services - \$5,000
- Camden County College - \$5,000
- Camden County Pollution Control Finance Authority - \$5,000
- Camden County Pollution Control Finance Authority – Not Covered

NJC does not retain any risk as it is fully insured in the commercial market.

h.) Pollution Liability

The NJC via the commercial market provides pollution liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):

- Limit of Liability: \$10,000,000 per claim and \$20,000,000 annual aggregate
- Member Entity Deductible: \$25,000
- New Member Entity Effective Dates: N/A

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by all NJC member Commissions of Gloucester, Camden and Burlington and their respective member entities.

i.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: \$1,000,000/\$3,000,000
 - This primary aggregate limit is shared by each member entity of each NJC member Commission.

- Excess Limit annual aggregate: \$20,000,000/\$20,000,000
 - Excess Limit is a Shared limit with GCIC and BCIC
- Member Entity Deductibles GL and PL:
 - Camden County – \$5,000
 - Camden County Health Services– \$25,000 GL & \$50,000 PL
 - Camden County Municipal Utilities Authority – Not Applicable
 - Camden County Board of Social Services – Not Applicable
 - Camden County College – \$5,000
 - Camden County Pollution Control Finance Authority – Not Applicable
 - Camden County Improvement Authority – Not applicable

NJC does not retain any risk as it is fully insured in the commercial market.

j.) Employed Lawyers Professional Liability

The NJC via the commercial market provides employed lawyers professional liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for employed lawyer's professional liability):

- Limit per claim and annual aggregate: \$5,000,000/\$10,000,000
- Member Entity Self Insured Retentions:
 - Camden County \$50,000
 - Camden County College: \$25,000
 - Camden County Utilities Authority: \$25,000
 - Camden County Board of Social Services: \$25,000
 - All Other Entities: Not applicable

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by all NJC member Commissions and their respective member entities.

NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage):

- a.) Workers' Compensation (all coverages) - \$250,000 CSL

- b.) General Liability (all coverages) - \$250,000 CSL
 - c.) Law Enforcement Liability – Included in General Liability
 - d.) Automobile Liability
 - Property Damage & Bodily Injury - \$250,000 CSL
 - Underinsured/Uninsured - \$15,000/\$30,000/\$5,000 CSL
 - Personal Injury Protection - \$250,000 CSL
 - e.) Public Officials Liability/School Board Legal/Employment Practices Liability – None
 - f.) Property/APD - \$100,000 per occurrence less member entity deductibles.
 - g.) Crime – None
 - h.) Pollution Liability – None
 - i.) Medical Professional General Liability – None
 - j.) Employed Lawyers Liability - None
- 4.) The amount of unpaid claims to be established.
- a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission’s Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.
 - b.) Claims reserves are subject to regular review by the Insurance Commission’s Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.
- 5.) The method of assessing contributions to be paid by each member of the Insurance Commission.
- a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is it’s pro rata share of the probable net cost of the upcoming

Insurance Commission year for each line of coverage as computed by the Actuary.

- b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.
 - d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.
 - e.) The Insurance Commission's Governing Body may, by majority vote, levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.
 - f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.
- 6.) Procedures governing loss adjustment and legal expenses.
- a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's three major excess insurers (i.e. Star Insurance for excess liability and workers' compensation; Everest National and Star & Indemnity for excess liability). Every three years, the NJC's internal auditors also conduct an audit.
 - b.) Each member entity is provided with claims reporting procedure and appropriate forms.
 - c.) In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization (MCO) component

through it's contract with the claims service company whose procedures are integrated into the Insurance Commission's claims process.

- d.) To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

- 7.) Coverage to be purchased from a commercial insurer, if any.

The Insurance Commission does not purchase commercial insurance.

- 8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

- 9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.

- a.) Not applicable at this time.

- 10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

- a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

- b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses.

Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.


11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- 10% of partial total not to exceed \$13,000 for workers compensation claims
- \$7,500 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this 23rd day of February 2012.

Camden County Insurance Commission

By: 
Chairperson

Attest:

Secretary