

**ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND**  
**RESOLUTION #2017-43**

**RESOLUTION AUTHORIZING THE FUND TREASURER TO TRANSFER \$617,601 FROM THE  
FUND YEAR 2017 MEL LIABILITY & WORKERS' COMPENSATION BUDGET LINE ITEM TO  
THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND RETROSPECTIVE  
ACCOUNT**

**WHEREAS**, the Atlantic County Municipal Joint Insurance Fund (hereafter referred to as the FUND) has been organized pursuant to *N.J.S.A. 40A:10-36 et. seq.*; and

**WHEREAS**, the FUND is duly constituted as a Municipal Self Insurance Fund to provide insurance coverage to its member municipalities; and

**WHEREAS**, the FUND is a member of the Municipal Excess Liability Joint Insurance Fund (MEL JIF); and

**WHEREAS**, beginning with Fund Year 2017, the MEL JIF implemented a Retrospective Program in which the FUND is participating; and

**WHEREAS**, participation in the MEL JIF Retrospective Program requires the FUND to pay the NJ MEL 85% of the 2017 excess workers' compensation and liability loss funding and 100% of all excess premiums for workers compensation, liability and property coverage; and

**WHEREAS**, pursuant to the terms of the MEL JIF Retrospective Program, the FUND paid the MEL JIF \$3,740,194 (inclusive of EPL credits) in Fund Year 2017 which represents 85% of the FUND's obligation to the MEL JIF for excess workers' compensation and liability loss funding and all excess premiums for Fund Year 2017; and

**WHEREAS**, the FUND is obligated to pay the MEL JIF up to a maximum of \$4,357,795 in workers' compensation and liability loss funding and excess premiums should at any point over the next 10 years the MEL JIF pay more than the initial \$3,740,194 paid in Fund Year 2017 for claims occurring in Fund Year 2017; and

**WHEREAS**, the difference between what has been paid to the NJ MEL in Fund Year 2017 (\$3,740,194); and the FUND's potential obligation to the NJ MEL for Fund Year 2017 (\$4,357,795); represents the remaining 15% (\$617,601) of the FUND's 2017 excess loss funding for workers' compensation and liability claims; and

**WHEREAS**, in anticipation that the FUND might have to provide additional funding up to a maximum of \$617,601 to the MEL JIF to pay for losses in excess of the initial payments made to the MEL JIF in Fund Year 2017; on October 26, 2016, the FUND adopted Resolution 2017-40, creating the Municipal Excess Liability Joint Insurance Fund Retrospective Account; and

**WHEREAS**, since the FUND transfers its liabilities for open FUND claims inclusive of established reserves on those claims and IBNR to the Residual Claims Fund Joint Insurance Fund 42 months following the close of the Fund Year with the balance of cash being transferred to the FUND's Closed Years Account, the creation of the Municipal Excess Liability Joint Insurance Fund Retrospective Account to hold the potential additional funding due to the NJ MEL pursuant to the MEL JIF Retrospective Program will allow the FUND to set aside these funds should they need to be paid to the MEL JIF; and

**WHEREAS**, it is in the FUND's best interest to transfer \$617,601 from the Fund Year 2017 Budget into the Municipal Excess Liability Joint Insurance Fund Retrospective Account to guarantee that

these funds will be available to pay any obligations pursuant to the MEL JIF Retrospective Program, account for these funds on a member-by-member basis, and to insure for their proper accounting.

**NOW THEREFORE BE IT RESOLVED**, by the Commissioners of the Atlantic County Municipal Joint Insurance Fund that the FUND Treasurer is hereby authorized to transfer \$617,601 from the Fund Year 2017 MEL Workers' Compensation and Liability Budget line item to the Municipal Excess Liability Joint Insurance Fund Retrospective Account; and

**BE IT FURTHER RESOLVED**, that the FUND Treasurer is hereby directed to make this transfer prior to the end of the Fund Year 2017 fiscal year; and

**BE IT FURTHER RESOLVED**, the FUND Treasurer, FUND Auditor, and Administrative Consultant are hereby directed to account for these funds in accordance with accepted accounting practices for Joint Insurance Funds; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be provided to the Executive Director's office, the FUND Treasurer, FUND Auditor, and Administrative Consultant for their attention and action.

This Resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on December 20, 2017.

**ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND**

Attest: Connie Mahon  
Connie Mahon, Secretary

By: Lucy Samuelson  
Lucy Samuelson, Chairperson

Date: 12/20/17