

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION #2018-53

RESOLUTION AUTHORIZING THE FUND TREASURER TO TRANSFER \$180,145 FROM THE FUND YEAR 2018 MEL LIABILITY & WORKERS' COMPENSATION BUDGET LINE ITEM AND \$77,439 FROM THE MEL EXCESS PROPERTY 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, 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 2018 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 \$3,195,607 (inclusive of EPL credits) in Fund Year 2018 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 2018; and

WHEREAS, the FUND is obligated to pay the MEL JIF up to a maximum of \$3,563,054 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 \$3,195,607 paid in Fund Year 2018 for claims occurring in Fund Year 2018; and

WHEREAS, the difference (\$367,447) between what has been paid to the NJ MEL in Fund Year 2018 (\$3,195,607); and the FUND's potential obligation to the NJ MEL for Fund Year 2018 (\$3,563,054); represents additional funding the FUND is making available toward paying the maximum obligation under the MEL JIF Retrospective Program; and

WHEREAS, in developing the Fund Year 2018 Budget, the FUND the budgeted \$180,145 more than the 85% of the FUND's obligation for excess workers' compensation and liability and \$77,439 in excess property premium allowing the FUND the ability to transfer \$257,584 to 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 48 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 \$257,584 from the Fund Year 2018 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 \$180,145 from the Fund Year 2018 MEL Workers' Compensation and Liability Budget line item and \$77,439 from the Fund Year 2018 MEL Excess Property 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 2018 fiscal year; and

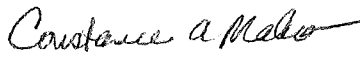
BE IT FURTHER RESOLVED, the FUND Treasurer, FUND Auditor, and Administrative Consultant are hereby directed to account for these funds in accordance with accepted accounting practices for Joint Insurance Funds; and

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 19, 2018.

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Attest: 
Ingrid Pérez, Secretary

By: 
Connie Mahon, Chairperson

Date: 
December 19, 2018