

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION #2019- 49

RESOLUTION AUTHORIZING THE FUND TREASURER TO TRANSFER \$450,611 FROM THE FUND YEAR 2019 MEL LIABILITY & WORKERS' COMPENSATION BUDGET LINE ITEM AND \$44,377 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 MEL JIF 85% of the 2019 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 \$3,313,828 (inclusive of Elected Officials credits) in Fund Year 2019 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 2019; and

WHEREAS, the FUND is obligated to pay the MEL JIF up to a maximum of \$3,683,610 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 \$3,313,828 paid in Fund Year 2019 for claims occurring in Fund Year 2019; and

WHEREAS, the difference between what has been paid to the MEL JIF in excess loss funding for workers' compensation and liability claims in Fund Year 2019 (\$3,313,828); and the FUND's potential obligation to the MEL JIF for Fund Year 2019 (\$3,683,610) is \$369,782; and

WHEREAS, in developing the Fund Year 2019 Budget, the FUND budgeted an additional \$80,829 more than the FUND's maximum obligation for excess workers' compensation and liability loss funding and an additional \$44,377 in excess property premium allowing the FUND the ability to transfer an additional \$125,206 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 60 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 MEL JIF 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 \$494,988 from the Fund Year 2019 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 \$450,611 from the Fund Year 2019 MEL Workers' Compensation and Liability Budget line item and \$44,377 from the Fund Year 2019 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 2019 fiscal year; and

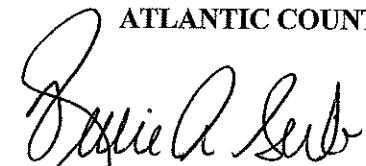
BE IT FURTHER RESOLVED, the FUND Treasurer, FUND Auditor, and Administrative Consultant are hereby directed to account for these funds in accordance with accepted accounting practices for Joint Insurance Funds; and

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.

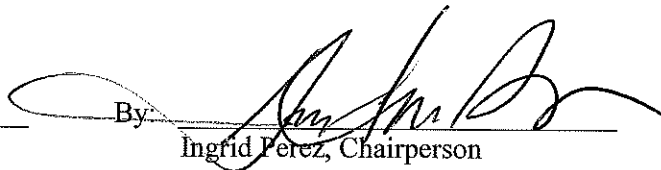
This Resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on December 18, 2019.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Attest:



Julie Board, Secretary
Acting

By 

Ingrid Perez, Chairperson

Date: 12/18/19