

**ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION #2021-30___**

**RESOLUTION AUTHORIZING PAYMENT OF \$228,743 FROM THE ACM JIF MEL
RETROSPECTIVE ACCOUNT IN ACCORDANCE WITH THE REQUIREMENTS OF
THE NEW JERSEY MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SURPLUS TRIGGER**

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

WHEREAS, the ACM JIF is a member of the New Jersey Municipal Excess Liability Joint Insurance Fund (NJ MEL); and

WHEREAS, in 2020, the NJ MEL amended its Risk Management Plan to include a “Surplus Trigger”; and

WHEREAS, the purpose of the Surplus Trigger is to guarantee the ongoing fiscal integrity of the NJ MEL by requiring that the NJ MEL have a minimum amount of surplus available at any given time; and

WHEREAS, the Surplus Trigger is calculated on an annual basis valued as of December 31st of the most recently closed Fund Year; and

WHEREAS, the NJ MEL Surplus Trigger is enacted when the Fund’s statutory surplus for all fund years combined is no less than 12.5% of unpaid claims including IBNR; and

WHEREAS, based upon calculations provided by the NJ MEL valued as of December 31, 2020, the ratio of unencumbered cash to the total amount of unpaid claims including IBNR has fallen below the 12.5% ratio; and

WHEREAS, the total amount of cash needed by the NJ MEL to meet the 12.5% ratio is \$2,978,484; and

WHEREAS, the total obligation of the ACM JIF of the \$2,978,484 is \$228,743; and

WHEREAS, the ACM JIF established a MEL Retrospective Account in 2016 to hold cash to be used to offset any additional funding needed to pay for ACM JIF member MEL claims that exceed the contractual minimum loss funding obligation required by the NJ MEL Retrospective Program; and

WHEREAS, as of December 31, 2020, the MEL Retrospective Account had an unencumbered surplus balance of \$2,224,391; and

WHEREAS, it is the recommendation of the ACM JIF Finance Committee that the \$228,743 payment due from the ACM JIF to pay for its share of the MEL Trigger assessment be paid from the ACM JIF’s MEL Retrospective Account.

NOW THEREFORE BE IT RESOLVED by the Atlantic County Municipal Joint Insurance Fund that the Fund Administrator and Fund Treasurer is hereby authorized to make payment to the NJ MEL in the amount of \$228,743 from the ACM JIF MEL Retrospective Account to satisfy its obligation to the NJ MEL resulting from the MEL Surplus Trigger; and

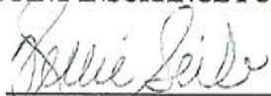
BE IT FURTHER RESOLVED that a copy of this Resolution be provided to the Fund Administrator, Fund Treasurer, and Fund Administrative Consultant for their information and necessary action.

This Resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on June 16, 2021.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Attest: 

Jim Craft, Secretary

By: 

Kellie Seib, Chairperson

Date: June 16, 2021