

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION #2023-35

RESOLUTION AUTHORIZING THE CREATION OF THE RESIDUAL CLAIMS FUND SUPPLEMENTAL ASSESSMENT 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 Residual Claims Fund (RCF JIF); and

WHEREAS, the RCF JIF's financial position has been negatively impacted by the recognition of unrealized losses, the reopening of older workers compensation claims, recent changes to sexual abuse and molestation statutes, the adoption of the Thomas Canzanella Act, and a change to the pension offset program; and

WHEREAS, these aforementioned changes have resulted in higher claims costs, increased reserves on open claims, and higher confidence levels being applied to Incurred But Not Reported (IBNR) calculations; and

WHEREAS, pursuant to the Indemnity & Trust Agreement between the RCF JIF and the FUND, the FUND is financially responsible should the RCF JIF need to issue a supplemental assessment to its members JIFs; and

WHEREAS, in recognition that the RCF JIF has in excess of \$80 million in cash as of December 31, 2022, it is not necessary for the RCF JIF to collect any additional funds from its member JIFs at this time; however, Member FUND's must create a payable for their potential share of any shortfall; and

WHEREAS, to better track any additional assessments that might be due and owing to the RCF JIF in the future, it is appropriate to create a specific account for this purpose; and


NOW THEREFORE BE IT RESOLVED by the Commissioners of the Atlantic County Municipal Joint Insurance Fund that the FUND Treasurer is hereby authorized to create a RCF Supplemental Assessment Account; and

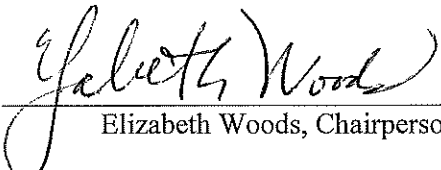
BE IT FURTHER RESOLVED that the FUND Treasurer, FUND Auditor, and Administrative Consultant are hereby directed to account for these funds in accordance with accepted accounting practices for Joint Insurance Funds; and

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 June 21, 2023.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Attest: 
Jessica Bishop, Secretary

By: 
Elizabeth Woods, Chairperson

Date: 6-21-2023