

**OCEAN COUNTY INSURANCE FUND COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**



OCEAN COUNTY INSURANCE FUND COMMISSION

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Ocean County Insurance Fund Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Ocean County Insurance Fund Commission (the "Commission"), a component unit of the County of Ocean, State of New Jersey as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the initial period then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 16, 2025

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Ocean County Insurance Fund Commission
9 Campus Drive, Suite 216
Parsippany, NJ 07054

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Ocean County Insurance Fund Commission (the "Commission"), a component unit of the County of Ocean, State of New Jersey as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Bowman & Company LLP

Bowman & Company LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 16, 2025

OCEAN COUNTY INSURANCE FUND COMMISSION

Management's Discussion and Analysis - Unaudited

This section of the annual financial report of the Ocean County Insurance Fund Commission (the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2024, 2023 and 2022. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Commission is to provide property and casualty insurance coverage for Ocean County Proper and its inter-agencies that are members of the Commission. The Commission maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – These statements present information reflecting the Commission's assets, liabilities, and net position. Net position represents the amount of total assets, less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – These statements reflect the Commission's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The comparative statements of cash flows are presented on the direct method of reporting, which reflects cash flows from operating, noncapital financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the year.

Financial Highlights

The following tables summarize the net position and results of operations for the Commission as of and for the years ended December 31, 2024, 2023, and 2022.

Summary Statements of Net Position			2023 to 2024 Change	
	12/31/2024	12/31/2023	12/31/2022	
			Amount	Percentage
Assets				
Cash & Cash Equivalents	\$ 28,609,932	\$ 24,539,472	\$13,951,022	\$ 4,070,460 16.6%
Investments in Joint Ventures	691,386	558,425	1,001,306	132,961 23.8%
Contributions Receivable	17,687	-	-	17,687 100.0%
Excess Insurance Receivable	-	5,291	-	(5,291) -100.0%
Total Assets	29,319,005	25,103,188	14,952,328	4,215,817 16.8%
Liabilities, Reserves, & Net Position				
Liabilities & Reserves				
Claims Reserves	23,459,649	20,474,257	15,897,090	2,985,392 14.6%
Other Liabilities	4,503,334	8,141,382	3,402,842	(3,638,048) -44.7%
Total Liabilities & Reserves	27,962,983	28,615,639	19,299,932	(652,656) -2.3%
Net Position - Unrestricted (Deficit)	\$ 1,356,022	\$ (3,512,451)	\$ (4,347,604)	\$ 4,868,473 138.6%

Summary Statements of Revenues, Expenses, and Changes in Net Position			2023 to 2024 Change	
	12/31/2024	12/31/2023	12/31/2022	
			Amount	Percentage
Operating Revenue				
Regular Contributions and Other Revenue	\$ 14,833,504	\$ 13,894,482	\$12,062,218	\$ 939,022 6.8%
Operating Expenses:				
Provision for Claims and				
Claims Expense	6,634,019	8,973,362	13,420,520	(2,339,343) -26.1%
Insurance Premiums	4,164,429	3,751,091	2,887,070	413,338 11.0%
Administrative and Operating	590,403	579,549	578,308	10,854 1.9%
Total Operating Expenses	11,388,851	13,304,002	16,885,898	(1,915,151) -14.4%
Operating Income (Loss)	3,444,653	590,480	(4,823,680)	2,854,173 483.4%
Non-Operating Revenue:				
Investment Income	1,290,859	687,554	141,662	603,305 87.7%
Change in Investment in Joint Venture	132,961	(442,881)	130,880	575,842 130.0%
Total Non-Operating Revenue	1,423,820	244,673	272,542	1,179,147 481.9%
Return of Surplus	-	-	-	0.00%
Change In Net Positon (Deficit)	\$ 4,868,473	\$ 835,153	\$ (4,551,138)	\$ 4,033,320 482.9%

Financial Highlights Continued

On February 17, 2021, the Ocean County Board of County Commissioners adopted a resolution, which authorized the establishment of the Ocean County Insurance Fund Commission. The Commission was established under N.J.S.A. 40A:10-6, which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County's determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program, and consolidation of insurance policies.

The Ocean County Insurance Fund Commission's total assets at the end of the fourth year of operations were \$29,319,005 and total liabilities and reserves were \$27,962,983 resulting in an unrestricted net surplus of \$1,356,022. The Investment in Joint Ventures represents the Commission's share of net position in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums, representing the assessment paid to the New Jersey Counties Excess Joint Insurance Fund ("the NJCEJIF"), were \$4,164,429. The NJCEJIF is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund: Atlantic County Insurance Commission, Camden County Insurance Commission, Cumberland County Insurance Commission, Burlington County Insurance Commission, Gloucester County Insurance Commission, Hudson County, Monmouth County, Mercer County Insurance Fund Commission, and Union County Insurance Fund Commission.

In 2024, investment income was \$1,290,859 during the reporting period.

Economic Conditions

The future financial position of the Commission will be impacted by trends in medical costs, which affect workers compensation costs. The Commission will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Commission's Management

This financial report is designed to provide the Ocean County Insurance Fund Commission members and the Division of Local Government Services, Department of Community Affairs of the State of New Jersey with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Ocean County Insurance Fund Commission office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

OCEAN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 28,609,932	\$ 24,539,472
Investment in Joint Venture	691,386	558,425
Contributions Receivable	17,687	-
Excess Insurance Receivable	-	5,291
Total Assets	<u>29,319,005</u>	<u>25,103,188</u>
<u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	31,325	17,854
Legacy Claims Payable	4,333,800	7,145,873
Unearned Revenue	-	844,694
Due to NJCEJIF	<u>138,209</u>	<u>132,961</u>
Total Liabilities	<u>4,503,334</u>	<u>8,141,382</u>
Claims Reserves:		
Case Reserves	11,089,132	10,516,218
IBNR Reserves	14,979,288	12,231,167
Less: Reserve Discount	<u>(2,608,771)</u>	<u>(2,273,128)</u>
Total Claims Reserves	<u>23,459,649</u>	<u>20,474,257</u>
Total Liabilities and Reserves	<u>27,962,983</u>	<u>28,615,639</u>
<u>NET POSITION</u>		
Unrestricted (Deficit)	<u>\$ 1,356,022</u>	<u>\$ (3,512,451)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

OCEAN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue:		
Regular Contributions	<u>\$ 14,833,504</u>	<u>\$ 13,894,482</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	6,634,019	8,973,362
Premium for Excess Insurance	4,164,429	3,751,091
Administrative Expenses:		
Actuary	21,719	21,293
Attorney	20,634	22,412
Auditor	13,843	13,311
Claims Administrator	303,637	297,683
Fund Administrator	179,022	175,512
Miscellaneous Expenses	4,447	3,163
Postage	65	61
Risk Management Consultants	41,616	40,800
Treasurer	<u>5,420</u>	<u>5,314</u>
Total Operating Expenses	<u>11,388,851</u>	<u>13,304,002</u>
Operating Income	<u>3,444,653</u>	<u>590,480</u>
Non-Operating Revenue (Expense):		
Change in Investment in Joint Venture	132,961	(442,881)
Investment Income	<u>1,290,859</u>	<u>687,554</u>
Total Non-Operating Revenue	<u>1,423,820</u>	<u>244,673</u>
Change in Net Position	4,868,473	835,153
Net Position - Beginning	<u>(3,512,451)</u>	<u>(4,347,604)</u>
Return of Surplus	-	-
Net Position - Ending	<u>\$ 1,356,022</u>	<u>\$ (3,512,451)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

OCEAN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from Operating Activities:		
Receipts from Regular Contributions	\$ 13,971,123	\$ 13,891,820
Receipts for Claim Payments	(6,460,700)	215,494
Payments for Insurance Premiums	(4,164,429)	(3,751,091)
Payments to Professionals and Suppliers	<u>(566,393)</u>	<u>(455,327)</u>
 Net Cash Flows Provided by Operating Activities	 <u>2,779,601</u>	 <u>9,900,896</u>
Cash Flows Provided by Investing Activities:		
Investment Income	<u>1,290,859</u>	<u>687,554</u>
 Net Increase in Cash and Cash Equivalents	 4,070,460	 10,588,450
 Cash and Cash Equivalents - Beginning of Year	 <u>24,539,472</u>	 <u>13,951,022</u>
 Cash and Cash Equivalents - Ending of Year	 <u>\$ 28,609,932</u>	 <u>\$ 24,539,472</u>
 Reconciliation of Operating Income to		
Cash Flows from Operating Activities:		
Operating Income	\$ 3,444,653	\$ 590,480
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(17,687)	-
Excess Insurance Receivable	5,291	(5,291)
Accrued Administrative Expenses	13,471	1,274
Contributions Payable	-	(2,662)
Unearned Revenue	(844,694)	-
Legacy Claims Payable	(2,812,073)	4,626,671
Due to NJCEJIF	5,248	128,239
Due to Member	-	(14,982)
Claims Reserves	<u>2,985,392</u>	<u>4,577,167</u>
 Net Cash Flows Provided by Operating Activities	 <u>\$ 2,779,601</u>	 <u>\$ 9,900,896</u>
 Supplemental Disclosure - Non-cash Activity:		
Change in Investment in Joint Venture	<u>\$ 132,961</u>	<u>\$ (442,881)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

On February 17, 2021, the Ocean County Insurance Fund Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey for the purpose of securing significant savings in insurance cost, as well as providing stability in coverage.

The Board of County Commissioners of the Commission are appointed by the County Executive. The Commission may approve subsequent membership by a majority vote of the Commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2024, members of the Commission included Ocean County and Ocean County Utility Authority.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following primary insurance coverage to its members:

Workers' Compensation including Employers' Liability
General Liability other than motor vehicles
Public Officials Liability/Employment Practices Liability
Property damage other than motor vehicles
Automobile Liability and damage

Through membership in the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"), the Commission offers the following ancillary insurance coverage to its members:

Crime
Pollution Liability
Medical Professional Liability
Employed Lawyers Liability
Cyber Liability

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

PROPERTY AND CASUALTY INSURANCE

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2024 were as follows:

Property	\$250,000
Auto	\$250,000
General Liability	\$250,000
Workers' Compensation	\$750,000
Public Officials/Employment Practices	\$500,000

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Ocean County Insurance Fund Commission in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board ("GASB") Statements No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the primary entity's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the primary entity.

The basic, but not the only criterion for including a potential component unit within the reporting entity is the primary entity's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the primary entity and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the primary entity is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary entity could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Commission has no component units and is a component unit of the County of Ocean, State of New Jersey.

Basis of Presentation

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statements of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents, and Investments (Cont'd)

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments, which may be purchased by New Jersey governmental units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of the school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Annual Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in installments to be determined by the Commissioners. Total contributions are recognized as earned revenue evenly over the annual contract period or period of risk, if different. All past-due contributions bear interest at the rate established annually by the Commissioners.

Supplemental Assessments

The Board of County Commissioners shall by majority vote levy upon the participating county agencies additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities

The Commission establishes property and casualty claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. Reported Claims Case Reserves

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. Claims Incurred But Not Reported ("IBNR") Reserve

In order to recognize claims incurred but not reported, a reserve is calculated by the Commission's actuary, The Actuarial Advantage, Inc.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2024. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity, frequency, and other factors.

Management believes that the liabilities for unpaid claims above are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in cumulative operations.

Excess Coverage

Coverage in excess of the Commission's self-insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

Subrogation

Subrogation and all other recoverable claim amounts, excluding excess insurance, are recognized upon receipt of cash only.

Refunds

As per Article VIII of the Commission's Rules and Regulations, any monies for a fund year in excess of the amount necessary to fund all obligations for that year as certified by an actuary may be declared to be refundable by the Commission. A refund for any year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual contribution.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations submitted and approved by a majority of the Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Commission is exempt from income taxes under Section 115 of the Internal Revenue Code.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Commission has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of investment income and positive changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Operating expenses include expenses associated with the Commission operations, including claims expense, insurance, and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Commission in excess of FDIC-insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Commission's bank balance of \$28,855,515 as of December 31, 2024, \$250,000 was insured while \$28,605,515 was collateralized under GUDPA.

Of the Commission's bank balance of \$24,740,059 as of December 31, 2023, \$250,000 was insured while \$24,490,059 was collateralized under GUDPA.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 4: INVESTMENT IN JOINT VENTURE

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund. The NJCEJIF is carrying the individual fund year surplus as unrestricted net position on the Comparative Statements of Net Position. The allocations of those funds attributed to the NJCEJIF's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus for the years ended December 31, 2024 and 2023, was \$691,386 and \$558,425, respectively.

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the years ended December 31, 2024 and 2023, and for all open Fund years net of excess insurance recoveries:

	<u>2024</u>	<u>2023</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning	<u>\$ 20,474,257</u>	<u>\$ 15,897,090</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	8,493,068	7,898,158
Changes in provision for insured events of prior fund years	(1,859,049)	1,075,204
Total incurred claims and claims adjustment expenses all fund years	<u>6,634,019</u>	<u>8,973,362</u>
Payments (Net of Recoveries):		
Attributable to insured events of current fund year	741,491	979,432
Attributable to insured events of prior fund years	<u>2,907,136</u>	<u>3,416,763</u>
Total payments all fund years	<u>3,648,627</u>	<u>4,396,195</u>
Total unpaid claim and claim adjustment expenses all fund years - Ending	<u>\$ 23,459,649</u>	<u>\$ 20,474,257</u>

Note 6: MEMBERSHIP IN JOINT INSURANCE FUND

New Jersey Counties Excess Joint Insurance Fund

Effective March 1, 2021, the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund (the "NJCEJIF"). The NJCEJIF is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the NJCEJIF are elected.

As a member of the NJCEJIF, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJCEJIF were to be exhausted, members would become jointly and severally liable for the NJCEJIF's liabilities.

The NJCEJIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUND (CONT'D)

New Jersey Counties Excess Joint Insurance Fund (Cont'd)

Selected Financial Information

Selected summarized financial information for the NJCEJIF as of December 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Total Assets	<u>\$ 39,858,431</u>	<u>\$ 37,123,804</u>
Total Liabilities	<u>\$ 27,884,976</u>	<u>\$ 26,445,980</u>
Net Position	<u>\$ 11,973,455</u>	<u>\$ 10,677,824</u>
Total Revenue	<u>\$ 43,035,053</u>	<u>\$ 36,924,490</u>
Total Expenses	<u>\$ 41,739,422</u>	<u>\$ 41,118,890</u>
Change in Net Position	<u>\$ 1,295,631</u>	<u>\$ (4,744,400)</u>
Surplus Transfer	<u>\$ -</u>	<u>\$ 550,000</u>
Return of Surplus	<u>\$ -</u>	<u>\$ -</u>

Financial statements for the NJCEJIF are available at the office of the Commission's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

Note 7: RELATED-PARTY TRANSACTIONS

As disclosed in note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund and, accordingly has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2024 and 2023, were \$4,164,429 and \$3,751,091, respectively.

The NJCEJIF is also due \$138,209 and \$132,961 as of December 31, 2024 and 2023, respectively, from the Commission for the reimbursement of property claim payments.

Note 8: LEGACY CLAIMS ACCOUNT

As of January 1, 2022, the Commission entered into an agreement with Ocean County to review, process, and approve any and all open claims prior to April 1, 2021, on behalf of Ocean County. Ocean County agreed to fund and pay these legacy claims with an initial deposit into a separate checking account in the amount of \$8,247,517 with the intent to add additional funds as needed. As of December 31, 2024 and 2023, the Commission had an outstanding legacy claims payable balance of \$4,333,800 and \$7,145,873, respectively.

OCEAN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 9: CONTINGENCIES

Claims Activity - In the normal course of its operations, the Commission has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Fund, a number of these cases may possibly be settled for amounts in excess of the Commission's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

Workers' compensation claims continue to be affected due to the changes in the public employee pension plans that reduce the plans' contribution to total disability claims. The Fund's members are experiencing a lower rate of other employee accidents because of improved safety programs. Liability claims continue to be affected due to the New Jersey Tort Claims Act (NJTCA) where the statute of limitations for sexual molestation lawsuits and the reluctance of the NJ Court System to grant summary judgments when Title 59 immunities should apply. Property claims continue to be affected due to the increased frequency and severity of natural catastrophes.

The Commission continues to monitor these developments and will assess any material impact on the Commission's net position or results of operations in future reporting periods.

**OCEAN COUNTY INSURANCE FUND COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION**

OCEAN COUNTY INSURANCE FUND COMMISSION
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Total unpaid claims and claim adjustment expenses - Beginning	\$ 220,327	\$ 1,077,849	\$ 288,518	\$ 18,157,068	\$ 730,495	\$ 20,474,257
Incurred claims and claims adjustment expenses:						
Provision for insured events of current fund year	18,798	485,740	125,764	7,415,474	447,292	8,493,068
Changes in provision for insured events of prior fund years	(186,683)	411,503	(3,634)	(1,969,254)	(110,981)	(1,859,049)
Total incurred claims and claims adjustment expenses all fund years	(167,885)	897,243	122,130	5,446,220	336,311	6,634,019
Payments (Net of Recoveries):						
Attributable to insured events of current fund year	13,887	30,365	12,037	685,202		741,491
Attributable to insured events of prior fund years	5,248	553,696	47,026	2,301,166		2,907,136
Total payments all fund years	19,135	584,061	59,063	2,986,368	-	3,648,627
Total unpaid claims and claim adjustment expenses - Ending	\$ 33,307	\$ 1,391,031	\$ 351,585	\$ 20,616,920	\$ 1,066,806	\$ 23,459,649

OCEAN COUNTY INSURANCE FUND COMMISSION
FOUR-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2024

	Fund Year			
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Earned Required Contribution and Investment Revenue:				
Earned	\$ 7,796,327	\$ 12,788,528	\$ 14,456,849	\$ 15,078,284
Ceded	1,667,376	2,887,070	3,751,091	4,164,428
	<hr/>	<hr/>	<hr/>	<hr/>
	6,128,951	9,901,458	10,705,758	10,913,856
Unallocated Expenses	<hr/>	<hr/>	<hr/>	<hr/>
	136,733	564,465	581,160	590,139
Estimated Claims and Expenses, End of Policy Year:				
Incurred	6,499,008	8,861,926	7,898,158	8,493,068
Ceded	6,710			
	<hr/>	<hr/>	<hr/>	<hr/>
Net Incurred	6,492,298	8,861,926	7,898,158	8,493,068
Paid (Cumulative) as of:				
End of Policy Year	1,013,408	1,176,845	979,432	741,491
One Year Later	2,845,593	3,274,944	1,585,197	
Two Years Later	4,164,256	4,595,507		
Three Years Later	5,145,063			
	<hr/>	<hr/>	<hr/>	<hr/>
Reestimated Incurred Claims and Expenses:				
End of Policy Year	6,499,008	8,861,926	7,898,158	8,493,068
One Year Later	11,057,602	10,170,437	6,253,712	
Two Years Later	10,824,295	10,227,378		
Three Years Later	10,552,751			
	<hr/>	<hr/>	<hr/>	<hr/>
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,060,453	\$ 1,365,452	\$ (1,644,446)	\$ -

**OCEAN COUNTY INSURANCE FUND COMMISSION
SUPPLEMENTARY INFORMATION**

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2024 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024

<u>Coverages and Other Accounts</u>									
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>		<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 280,797	\$ 497,000	\$ 134,000	\$ 8,639,000	\$ 501,000	\$ 4,164,428	\$ 617,279	\$ 14,833,504	
Incurred Liabilities:									
Claims Expenses	18,798	485,740	125,764	7,415,474	447,292		4,164,428	590,139	8,493,068
Total Liabilities	18,798	485,740	125,764	7,415,474	447,292	4,164,428	590,139	13,247,635	
Underwriting Surplus	261,999	11,260	8,236	1,223,526	53,708	-	27,140	1,585,869	
Adjustments:									
Investment Income	6,682	11,864	3,229	202,290	12,367	4,226	4,122	244,780	
Gross Surplus	268,681	23,124	11,465	1,425,816	66,075	4,226	31,262	1,830,649	
Return of Surplus									-
Net Surplus									
Before Unallocated Investment	\$ 268,681	\$ 23,124	\$ 11,465	\$ 1,425,816	\$ 66,075	\$ 4,226	\$ 31,262	1,830,649	
Investment in Joint Venture									181,680
Net Surplus									\$ 2,012,329

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2024

<u>Coverages and Other Accounts</u>									
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>		<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 259,000	\$ 485,000	\$ 120,000	\$ 8,198,000	\$ 476,000	\$ 3,751,091	\$ 605,391	\$ 13,894,482	
Incurred Liabilities:									
Claims Expenses	6,710	653,934	93,500	5,263,933	235,635	3,751,092	581,160	6,253,712	4,332,252
Total Liabilities	6,710	653,934	93,500	5,263,933	235,635	3,751,092	581,160	10,585,964	
Underwriting Surplus (Deficit)	252,290	(168,934)	26,500	2,934,067	240,365	(1)	24,231	3,308,518	
Adjustments:									
Investment Income	16,737	23,900	7,418	467,370	27,648	8,171	11,123	562,367	
Gross Surplus (Deficit)	269,027	(145,034)	33,918	3,401,437	268,013	8,170	35,354	3,870,885	
Return of Surplus									-
Net Surplus (Deficit)									
Before Unallocated Investment	\$ 269,027	\$ (145,034)	\$ 33,918	\$ 3,401,437	\$ 268,013	\$ 8,170	\$ 35,354	3,870,885	
Investment in Joint Venture									(460,985)
Net Surplus									\$ 3,409,900

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024

<u>Coverages and Other Accounts</u>									
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>		<u>Total</u>
Underwriting Income:									
Regular Contributions	\$ 260,954	\$ 473,867	\$ 132,715	\$ 7,209,431	\$ 512,687	\$ 2,887,070	\$ 585,494	\$ 12,062,218	
Incurred Liabilities:									
Claims Expenses	159,895	759,227	189,922	8,754,835	363,499		2,887,070	564,465	10,227,378
Total Liabilities	159,895	759,227	189,922	8,754,835	363,499	2,887,070	564,465		3,451,535
Underwriting Surplus (Deficit)	101,059	(285,360)	(57,207)	(1,545,404)	149,188		-	21,029	(1,616,695)
Adjustments:									
Investment Income	27,323	3,485	11,822	619,621	51,190	5	12,864		726,310
Gross Surplus (Deficit)	128,382	(281,875)	(45,385)	(925,783)	200,378	5	33,893		(890,385)
Return of Surplus									-
Net Surplus (Deficit)									
Before Unallocated Investment	\$ 128,382	\$ (281,875)	\$ (45,385)	\$ (925,783)	\$ 200,378	5	\$ 33,893		(890,385)
Investment in Joint Venture									110,307
Net Deficit									\$ (780,078)

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD FEBRUARY 17, 2021 (DATE OF INCEPTION) TO DECEMBER 31, 2024

<u>Coverages and Other Accounts</u>								
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>NJCEJIF</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:								
Regular Contributions	\$ 184,664	\$ 266,744	\$ 74,552	\$ 5,014,620	\$ 274,268	\$ 1,667,376	\$ 126,989	\$ 7,609,213
Incurred Liabilities:								
Claims Expenses		434,290	142,148	9,955,933	20,380		1,667,376	10,552,751
							136,733	1,804,109
Total Liabilities	-	434,290	142,148	9,955,933	20,380	1,667,376	136,733	12,356,860
Underwriting Surplus (Deficit)	184,664	(167,546)	(67,596)	(4,941,313)	253,888		(9,744)	(4,747,647)
Adjustments:								
Investment Income	16,156	15,408	2,099	118,015	21,986	10,923	2,527	187,114
Gross Surplus (Deficit)	200,820	(152,138)	(65,497)	(4,823,298)	275,874	10,923	(7,217)	(4,560,533)
Return of Surplus								-
Net Surplus (Deficit)								
Before Unallocated Investment	\$ 200,820	\$ (152,138)	\$ (65,497)	\$ (4,823,298)	\$ 275,874	\$ 10,923	\$ (7,217)	\$ (4,560,533)
Investment in Joint Venture								860,384
Net Deficit								\$ (3,700,149)

Schedule B-5

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF LEGACY CLAIMS ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024

Investment Income	<u>\$ 414,016</u>
Net Statutory Surplus	<u>\$ 414,016</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2024 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 13,887	\$ 30,365	\$ 12,037	\$ 685,202	\$ 158,585	\$ 741,491
Case Reserves	4,065	154,827	14,547	985,480	158,585	1,317,504
IBNR Reserves	1,000	335,393	107,416	6,549,694	322,935	7,316,438
Reserve Discount	(154)	(34,845)	(8,236)	(804,902)	(34,228)	(882,365)
Subtotal	18,798	485,740	125,764	7,415,474	447,292.00	8,493,068
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 18,798	\$ 485,740	\$ 125,764	\$ 7,415,474	\$ 447,292	\$ 8,493,068
Number of Claims	3	132	23	196	4	358
Average Cost Per Claim	\$ 6,266	\$ 3,680	\$ 5,468	\$ 37,834	\$ 111,823	\$ 23,724

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2024

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 6,710	\$ 217,144	\$ 7,716	\$ 1,353,627	\$ 68,849	\$ 1,585,197
Case Reserves		333,378	2,487	1,252,238	68,849	1,656,952
IBNR Reserves		129,623	88,215	3,130,497	180,925	3,529,260
Reserve Discount		(26,211)	(4,918)	(472,429)	(14,139)	(517,697)
Subtotal	6,710	653,934	93,500	5,263,933	235,635.00	6,253,712
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 6,710	\$ 653,934	\$ 93,500	\$ 5,263,933	\$ 235,635	\$ 6,253,712
Number of Claims	1	119	6	15	183	324
Average Cost Per Claim	\$ 6,710	\$ 5,495	\$ 15,583	\$ 350,929	\$ 1,288	\$ 19,302

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 131,499	\$ 357,906	\$ 49,195	\$ 4,056,907	\$ 354,906	\$ 4,595,507
Case Reserves	29,434	409,740	110,385	3,240,478	25,276	4,144,943
IBNR Reserves		10,000	35,182	2,014,997		2,085,455
Reserve Discount	(1,038)	(18,419)	(4,840)	(557,547)	(16,683)	(598,527)
Subtotal	159,895	759,227	189,922	8,754,835	363,499	10,227,378
Excess Insurance Received Recoverable						-
Subtotal	-	-	-	-	-	-
Limited Incurred Claims	\$ 159,895	\$ 759,227	\$ 189,922	\$ 8,754,835	\$ 363,499	\$ 10,227,378
Number of Claims	4	204	33	332	3	576
Average Cost Per Claim	\$ 39,974	\$ 3,722	\$ 5,755	\$ 26,370	\$ 121,166	\$ 17,756

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 CLAIMS ANALYSIS
FOR THE PERIOD FEBRUARY 17, 2021 (DATE OF INCEPTION) TO DECEMBER 31, 2024

Coverages

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Public Officials & Employment Practices</u>	<u>Total</u>
Paid Claims (Net of Recoveries)		\$ 336,745	\$ 130,801	\$ 4,677,517	\$ 11,838	\$ 5,145,063
Case Reserves		78,196		3,879,701		3,969,735
IBNR Reserves		22,470	11,650	2,004,821	9,194	2,048,135
Reserve Discount		(3,121)	(303)	(606,106)	(652)	(610,182)
Subtotal		\$ -	434,290	142,148	9,955,933	20,380
Excess Insurance Received Recoverable						-
Subtotal		-	-	-	-	-
Limited Incurred Claims		\$ -	\$ 434,290	\$ 142,148	\$ 9,955,933	\$ 20,380
Number of Claims			102	24	271	1
Average Cost Per Claim		\$ -	\$ 4,258	\$ 5,923	\$ 36,738	\$ 20,380
						26,514

**OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2024 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024**

		<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>		<u>Public Officials & Employment Practices</u>
Limits	\$260,000,000	\$21,500,000	\$21,500,000	STATUTORY		\$21,500,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$750,000		\$500,000
Excess Insurers	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National		NJCEJIF
Number of Participants	2	2	2	2		2
Incurred Liabilities:						
Claims (Schedule C-1)	\$ 18,798	\$ 485,740	\$ 125,764	\$ 7,415,474		\$ 447,292
Administrative Expenses (1)	\$ 16,486	\$ 29,179	\$ 7,867	\$ 507,194		\$ 29,414
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
	\$ 35,284	\$ 514,919	\$ 133,631	\$ 7,922,668		\$ 476,706

(1) Allocated on the basis of assessments and transfers by coverage.

**OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2023 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2024**

		<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>		<u>Public Officials & Employment Practices</u>
Limits	\$260,000,000	\$21,500,000	\$21,500,000	STATUTORY		\$21,500,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$750,000		\$500,000
Excess Insurers	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National		NJCEJIF
Number of Participants	2	2	2	2		2
Incurred Liabilities:						
Claims (Schedule C-2)	\$ 6,710	\$ 653,934	\$ 93,500	\$ 5,263,933		\$ 235,635
Administrative Expenses (1)	\$ 15,781	\$ 29,552	\$ 7,312	\$ 499,512		\$ 29,003
	<hr/> <u>\$ 22,491</u>	<hr/> <u>\$ 683,486</u>	<hr/> <u>\$ 100,812</u>	<hr/> <u>\$ 5,763,445</u>		<hr/> <u>\$ 264,638</u>

(1) Allocated on the basis of assessments and transfers by coverage.

**OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2022 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31, 2024**

	<u>Coverages</u>					Public Officials & Employment Practices
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>		
Limits	\$260,000,000	\$21,500,000	\$21,500,000	STATUTORY		\$21,500,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$750,000		\$500,000
Excess Insurers	NJCEJIF Various Quota Share Insurers	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Safety National Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Safety National
Number of Participants	2	2	2	2	2	2
Incurred Liabilities:						
Claims (Schedule C-3)	\$ 159,895	\$ 759,227	\$ 189,922	\$ 8,754,835	\$ 363,499	
Administrative Expenses (1)	17,148	31,140	8,721	473,764		33,691
	<hr/> <u>\$ 177,043</u>	<hr/> <u>\$ 790,367</u>	<hr/> <u>\$ 198,643</u>	<hr/> <u>\$ 9,228,599</u>	<hr/> <u>\$ 397,190</u>	

(1) Allocated on the basis of assessments and transfers by coverage.

OCEAN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2021 PROGRAM SUMMARY
FOR THE PERIOD FEBRUARY 17, 2021 (DATE OF INCEPTION) TO DECEMBER 31, 2024

	<u>Coverages</u>					Public Officials & Employment Practices
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	<u>Workers' Compensation</u>		
Limits	\$260,000,000	\$20,250,000	\$20,250,000	STATUTORY		\$20,500,000
Fund Retention	\$250,000	\$250,000	\$250,000	\$750,000		\$500,000
Excess Insurers	NJCEJIF Zurich Mitsui Sumitomo Velocity Starr	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Safety National Old Republic	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Safety National	NJCEJIF The Princeton Excess Surplus Lines Ins. Co Safety National
Number of Participants	2	2	2	2	2	2
Incurred Liabilities:						
Claims (Schedule C-4)	\$ -	\$ 434,290	\$ 142,148	\$ 9,955,933	\$ 20,380	
Administrative Expenses (1)	\$ 4,342	\$ 6,272	\$ 1,753	\$ 117,916	\$ 6,449	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,342	\$ 440,562	\$ 143,901	\$ 10,073,849	\$ 26,829	

(1) Allocated on the basis of assessments and transfers by coverage.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Accountants
& Consultants

Dennis J. Skalkowski

Dennis J. Skalkowski
Certified Public Accountant