

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)

Financial Statements and Supplementary Information

For the Years Ended December 31, 2025 and 2024

(With Independent Auditor's Report Thereon)

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Table of Contents

	<u>PAGE:</u>
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
REQUIRED SUPPLEMENTARY INFORMATION, PART I:	
Management's Discussion and Analysis	7
BASIC FINANCIAL STATEMENTS:	
<u>Exhibit:</u>	
A-1 Statements of Net Position	12
A-2 Statements of Revenues, Expenses and Changes in Net Position	13
A-3 Statements of Cash Flows	14
Notes to the Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION, PART II:	
<u>Schedule:</u>	
I Reconciliation of Claims Liabilities by Fund	27
II Five-year Claims Development Information	28
SUPPLEMENTARY INFORMATION:	
<u>Exhibit:</u>	
B-1 Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2025	30
B-2 Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2024	31
B-3 Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2023	32
B-4 Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2022	33
B-5 Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2021	34
C-1 Fund Year Claims Analysis– Statutory Basis – Fund Year 2025	35
C-2 Fund Year Claims Analysis– Statutory Basis – Fund Year 2024	36
C-3 Fund Year Claims Analysis– Statutory Basis – Fund Year 2023	37
C-4 Fund Year Claims Analysis– Statutory Basis – Fund Year 2022	38
C-5 Fund Year Claims Analysis– Statutory Basis – Fund Year 2021	39
D-1 Program Summary – Fund Year 2025	40
D-2 Program Summary – Fund Year 2024	41
D-3 Program Summary – Fund Year 2023	42
D-4 Program Summary – Fund Year 2022	43
D-5 Program Summary – Fund Year 2021	44
GENERAL COMMENTS AND RECOMMENDATIONS:	
Comments and Recommendations	46

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Ocean County Insurance Fund Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Ocean County Insurance Fund Commission, a component unit of the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise the Ocean County Insurance Fund Commission's, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Ocean County Insurance Fund Commission, as of December 31, 2025, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Department of Banking and Insurance and 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 Ocean County Insurance Fund Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Ocean County Insurance Fund Commission as of and for the year ended December 31, 2024, before the restatement described in Note 9, were audited by other auditors whose report thereon, dated October 16, 2025 expressed an unmodified opinion on those financial statements.

Other Matter – Restatement of Prior Year Financial Statements

As described in Note 9, the Ocean County Insurance Fund Commission's 2024 financial statements have been restated to correct a misstatement related to (1) the allocation of cash and net position for fund years 2022 through 2024, and (2) the overstatement of investment income and claims administrative expenses and the related due to member – legacy claims payable liability in the Commission's legacy claims account. We audited the adjustments described in Note 9 that were applied to restate the 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 financial statements other than with respect to the adjustments described in Note 9 and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements taken as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Ocean County Insurance Fund 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 generally accepted auditing standards, *Government Auditing Standards*, and audit standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 Ocean County Insurance Fund 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 Ocean County Insurance Fund 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

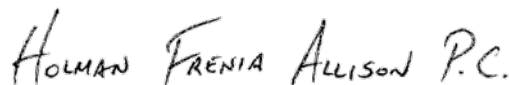
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility 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 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 Ocean County Insurance Fund Commission's basic financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 September 13, 2026, on our consideration of Ocean County Insurance Fund Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Ocean County Insurance Fund Commission's internal control over financial reporting and compliance.



HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

September 13, 2026
Lakewood, New Jersey

INDEPENDENT AUDITOR'S 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*

To the Board of County Commissioners of
Ocean County Insurance Fund Commission

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 Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of Ocean County Insurance Fund Commission, a component unit of the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise Ocean County Insurance Fund Commission's basic financial statements, and have issued our report thereon dated September 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ocean County Insurance Fund 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 Ocean County Insurance Fund Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Ocean County Insurance Fund 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 entity'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 material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

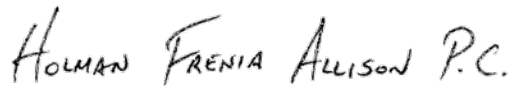
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ocean County Insurance Fund 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 Department of Banking and Insurance and 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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Holman Frenia Allison P.C." in a cursive, slightly slanted script.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

September 13, 2026
Lakewood, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION, PART I

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Management's Discussion and Analysis – Unaudited

This section of the annual financial report of the Ocean County Insurance Fund Commission, a component unit of the County of Ocean, State of New Jersey, (hereafter referred to as the "Commission") presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2025, 2024 and 2023. Please read it in conjunction with the basic financial statements, the notes to the financial statements, and supplementary information that follows this section.

Overview of the 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 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:

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.

Statements of Revenues, Expenses, and Changes in Net Position – These statements reflect the Commission's operating revenues and expenses, as well as non-operating revenues and expenses 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.

Statements of Cash Flows – The statements of cash flows are presented on the direct method of reporting, which reflects cash flows from operating, investing and non-capital financing activities. Cash collections and payments are reflected in the statements to arrive at the net increase or decrease in cash for the years then ended.

Error Correction of Prior Period Financial Statements

During 2025, management identified errors in the previously issued financial statements for the year ended December 31, 2024, relating to fund years 2022 through 2024, and to the due to member — legacy claims payable liability, related investment income, and claims administrative expenses in the Commission's legacy claims account. As a result, the 2024 financial statements presented herein for comparative purposes have been restated. The correction decreased net position as of December 31, 2024 by \$90,368 and decreased net position as of January 1, 2024 by \$174,871. See Note 9 to the financial statements for additional information.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Management's Discussion and Analysis – Unaudited (continued)

Financial Highlights

The following tables summarize the financial position and results of operations for the Commission as of and for the years ended December 31, 2025, 2024, and 2023:

SUMMARY OF STATEMENTS OF NET POSITION
December 31, 2025, 2024, and 2023

	2025	2024 (Restated)	2024 to 2025 Dollar (\$) Change	2024 to 2025 Percent (%) Change	2023	2023 to 2024 Dollar (\$) Change	2023 to 2024 Percent (%) Change
ASSETS							
Cash and cash equivalents	\$ 31,864,907	\$ 28,609,932	\$ 3,254,975	11.38%	\$ 24,539,472	\$ 4,070,460	16.59%
Accounts and other receivables	40,675	17,687	22,988	129.97%	5,291	12,396	234.28%
Investment in joint venture	1,364,789	691,386	673,403	97.40%	558,425	132,961	23.81%
Total assets	33,270,371	29,319,005	3,951,366	13.48%	25,103,188	4,215,817	16.79%
LIABILITIES							
Loss reserves, net	26,084,018	23,459,649	2,624,369	11.19%	20,474,257	2,985,392	14.58%
Other liabilities	3,296,801	4,593,702	(1,296,901)	(28.23%)	8,141,382	(3,547,680)	(43.58%)
Total liabilities	29,380,819	28,053,351	1,327,468	4.73%	28,615,639	(562,288)	(1.96%)
NET POSITION							
Unrestricted	\$ 3,889,552	\$ 1,265,654	\$ 2,623,898	207.32%	\$ (3,512,451)	\$ 4,778,105	136.03%

Total assets have grown steadily over the three-year period, increasing \$3,951,366, or 13.48%, from \$29,319,005 in 2024 to \$33,270,371 in 2025, following an increase of \$4,215,817, or 16.79%, from \$25,103,188 in 2023 to \$29,319,005 in 2024. This consistent growth was driven primarily by cash and cash equivalents, which rose \$3,254,975 (11.38%) in 2025 to \$31,864,907, after increasing \$4,070,460 (16.59%) in 2024. Accounts and other receivables also grew in both years, increasing \$22,988 (129.97%) in 2025 and \$12,396 (234.28%) in 2024, though these amounts remain a minor component of total assets. The investment in joint venture nearly doubled in 2025, increasing \$673,403 (97.40%) to \$1,364,789, building on a \$132,961 (23.81%) increase in 2024.

Total liabilities increased \$1,327,468, or 4.73%, to \$29,380,819 in 2025, reversing a \$562,288, or 1.96%, decrease to \$28,053,351 in 2024 (restated). Net loss reserves grew in both years, increasing \$2,624,369 (11.19%) in 2025 to \$26,084,018 and \$2,985,392 (14.58%) in 2024, reflecting continued growth in exposure and claims activity. In contrast, other liabilities declined in both periods — falling \$1,296,901 (28.23%) in 2025 to \$3,296,801, after a decrease of \$3,547,680 (43.58%) in 2024 (restated) — indicating ongoing settlement or reclassification of short-term obligations that has continued to offset growth in loss reserves, though the pace of decline slowed considerably in 2025.

Unrestricted net position has improved significantly over both periods, increasing \$2,623,898, or 207.32%, to \$3,889,552 in 2025, following an increase of \$4,778,105, or 136.03%, in 2024 (restated) that moved the Commission from a deficit of \$(3,512,451) in 2023 to a positive \$1,265,654. Together, these two years represent a sustained turnaround, with assets consistently growing faster than liabilities across the period, though the rate of improvement in 2025 was more moderate than the dramatic swing from deficit to surplus seen in 2024.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Management's Discussion and Analysis – Unaudited (continued)

SUMMARY OF STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024 (Restated)	2024 to 2025 Dollar (\$) Change	2024 to 2025 Percent (%) Change	2023	2023 to 2024 Dollar (\$) Change	2023 to 2024 Percent (%) Change
Operating revenue:							
Contributions	\$ 15,673,451	\$ 14,833,504	\$ 839,947	5.66%	\$ 13,894,482	\$ 939,022	6.76%
Total operating revenues	15,673,451	14,833,504	839,947	5.66%	13,894,482	939,022	6.76%
Operating expenses:							
Provision for claims and claims adjustment expense, net	9,796,312	6,634,019	3,162,293	47.67%	8,973,362	(2,339,343)	(26.07%)
Reinsurance premiums	4,468,056	4,164,429	303,627	7.29%	3,751,091	413,338	11.02%
Administration	575,538	472,712	102,826	21.75%	579,549	(106,837)	(18.43%)
Total operating expenses	14,839,906	11,271,160	3,568,746	31.66%	13,304,002	(2,032,842)	(15.28%)
Operating income	833,545	3,562,344	(2,728,799)	(76.60%)	590,480	2,971,864	503.30%
Non-operating revenues:							
Change in investment in joint venture	673,403	132,961	540,442	406.47%	(442,881)	575,842	130.02%
Investment income	1,116,950	1,257,671	(140,721)	(11.19%)	687,554	570,117	82.92%
New Jersey Counties Excess Joint Insurance Fund dividend	40,675	-	40,675	100.00%	-	-	0.00%
Total non-operating revenues	1,831,028	1,390,632	440,396	31.67%	244,673	1,145,959	468.36%
Other expenses:							
Member dividends	(40,675)	-	(40,675)	100.00%	-	-	0.00%
Total other expenses	(40,675)	-	(40,675)	100.00%	-	-	0.00%
Change in net position	\$ 2,623,898	\$ 4,952,976	\$ (2,329,078)	(47.02%)	\$ 835,153	\$ 4,117,823	493.06%

Operating Revenues

Total operating revenues increased in 2025 and 2024, rising \$839,947, or 5.66%, to \$15,673,451 in 2025, following an increase of \$939,022, or 6.76%, to \$14,833,504 in 2024. Growth in both periods was driven entirely by contributions, the Commission's sole source of operating revenue, reflecting steady, consistent expansion of the contribution base over the three-year period.

Operating Expenses

Total operating expenses moved in opposite directions across the two periods, increasing \$3,568,746, or 31.66%, to \$14,839,906 in 2025, after decreasing \$2,032,842, or 15.28%, to \$11,271,160 in 2024 (restated). This swing was driven primarily by the provision for claims and claims adjustment expense, net, which rose sharply by \$3,162,293 (47.67%) in 2025 to \$9,796,312, reversing a decline of \$2,339,343 (26.07%) in 2024 — indicating a return to higher claims activity or adverse loss development following a more favorable year. Reinsurance premiums increased consistently in both years, rising \$303,627 (7.29%) in 2025 and \$413,338 (11.02%) in 2024, in line with growth in the underlying exposure base. Administration expenses moved in opposite directions across the two periods, increasing \$102,826 (21.75%) in 2025, after decreasing \$106,837 (18.43%) in 2024 (restated).

Operating Income

As a result of these combined trends, operating income moved in opposite directions across the two years: it declined \$2,728,799, or 76.60%, to \$833,545 in 2025, after increasing sharply by \$2,971,864, or 503.30%, to \$3,562,344 in 2024 (restated). The 2025 decline reflects operating expenses growing far faster than revenues, while the strong 2024 result reflected the opposite dynamic — falling claims expense alongside rising contributions.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Management's Discussion and Analysis – Unaudited (continued)

Non-Operating Revenues

Non-operating revenues increased substantially in both periods, rising \$440,396, or 31.67%, to \$1,831,028 in 2025, following an increase of \$1,145,959, or 468.36%, to \$1,390,632 in 2024, as restated. The change in investment in joint venture was a key driver in both years, increasing \$540,442 (406.47%) in 2025 to \$673,403, after swinging \$575,842 (130.02%) from a loss of \$(442,881) in 2023 to a gain of \$132,961 in 2024. Investment income, by contrast, declined in 2025, falling \$140,721 (11.19%) to \$1,116,950, after increasing substantially by \$570,117 (82.92%) in 2024 (restated). A New Jersey Counties Excess Joint Insurance Fund dividend of \$40,675 was recognized for the first time in 2025, with no comparable amount in 2024 or 2023; this was fully offset by a matching member dividend expense, resulting in no net impact on the change in net position.

Change in Net Position

The overall change in net position decreased \$2,329,078, or 47.02%, to \$2,623,898 in 2025, following a substantial increase of \$4,117,823, or 493.06%, to \$4,952,976 in 2024, as restated, up from \$835,153 in 2023. While net position grew in all three years, the slowdown in 2025 was driven primarily by the decline in operating income, partially offset by continued strength in non-operating revenues — a contrast to 2024, when both operating and non-operating results contributed to the period's exceptional growth.

Economic Conditions

The future financial position of the Commission will be impacted by trends in medical costs, which affect workers and 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 Commission's 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 public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Commission, office located at 9 Campus Drive, Suite 216, Parsippany, New Jersey or by phone at (201) 881-7632.

BASIC FINANCIAL STATEMENTS

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Statements of Net Position
December 31, 2025 and 2024

	2025	2024 (Restated)
ASSETS		
Cash and cash equivalents	\$ 31,864,907	\$ 28,609,932
Accounts and other receivables:		
Contributions	-	17,687
New Jersey Counties Excess Joint Insurance Fund dividend receivable	40,675	-
Investment in joint venture	<u>1,364,789</u>	<u>691,386</u>
Total assets	<u>33,270,371</u>	<u>29,319,005</u>
LIABILITIES		
Loss reserves, net of discounts and excess recoverable		
(of \$2,969,514 and \$2,608,771 as of December 31, 2025 and 2024, respectively)	26,084,018	23,459,649
Due to member — legacy claims payable	2,823,875	4,424,168
Accounts and other payables	21,391	31,325
Dividends payable	40,675	-
Unearned revenue	500	-
Due to New Jersey Counties Excess Joint Insurance Fund	<u>410,360</u>	<u>138,209</u>
Total liabilities	<u>29,380,819</u>	<u>28,053,351</u>
NET POSITION		
Unrestricted	<u>3,889,552</u>	<u>1,265,654</u>
Total net position	<u>\$ 3,889,552</u>	<u>\$ 1,265,654</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024 (Restated)
Operating revenues:		
Contributions	\$ 15,673,451	\$ 14,833,504
Total operating revenues	<u>15,673,451</u>	<u>14,833,504</u>
Operating expenses:		
Provision for claims and claims adjustment expense, net	9,796,312	6,634,019
Excess insurance premiums	4,468,056	4,164,429
Administration	<u>575,538</u>	<u>472,712</u>
Total operating expenses	<u>14,839,906</u>	<u>11,271,160</u>
Operating income	833,545	3,562,344
Non-operating revenues:		
New Jersey Counties Excess Joint Insurance Fund dividend	40,675	-
Change in investment in joint venture	673,403	132,961
Investment income	<u>1,116,950</u>	<u>1,257,671</u>
Total non-operating revenues	<u>1,831,028</u>	<u>1,390,632</u>
Change in net position before other expenses	<u>2,664,573</u>	<u>4,952,976</u>
Other expenses:		
Member dividends	<u>(40,675)</u>	<u>-</u>
Total other expenses	<u>(40,675)</u>	<u>-</u>
Change in net position	2,623,898	4,952,976
Net position, January 1, unadjusted	<u>1,265,654</u>	<u>(3,512,451)</u>
Prior period adjustment	-	(174,871)
Net position, January 1, restated	<u>1,265,654</u>	<u>(3,687,322)</u>
Net position, December 31	<u><u>\$ 3,889,552</u></u>	<u><u>\$ 1,265,654</u></u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024 (Restated)
Cash flows from operating activities:		
Contributions collected	\$ 15,691,638	\$ 13,971,123
Benefits paid	(8,772,236)	(6,545,203)
Excess insurance premiums paid	(4,195,905)	(4,164,429)
Claims administration, administration and other contractual and non-contractual expenses paid	(585,472)	(448,702)
Net cash flows from operating activities	2,138,025	2,812,789
Cash flows from investing activities:		
Investment income	1,116,950	1,257,671
Net cash flows from investing activities	1,116,950	1,257,671
Net change in cash and cash equivalents	3,254,975	4,070,460
Cash and cash equivalents at the beginning of the period	28,609,932	24,539,472
Cash and cash equivalents at the end of the period	<u>\$ 31,864,907</u>	<u>\$ 28,609,932</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating income	\$ 833,545	\$ 3,562,344
Adjustments to reconcile operating income to net cash flows from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	17,687	(17,687)
(Increase) decrease in dividend receivable	(40,675)	-
(Increase) decrease in other assets	-	5,291
(Increase) decrease in loss reserves	2,624,369	2,985,392
(Increase) decrease in accounts and other payables	(9,934)	13,471
(Increase) decrease in due to member — legacy claims payable	(1,600,293)	(2,896,576)
(Increase) decrease in unearned revenue	500	(844,694)
(Increase) decrease in dividend payable	40,675	-
(Increase) decrease in due to NJCEJF	272,151	5,248
Net cash flows from operating activities	<u>\$ 2,138,025</u>	<u>\$ 2,812,789</u>
Supplemental disclosure — non-cash activity:		
Change in investment in joint venture	<u>\$ 673,403</u>	<u>\$ 132,961</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements

NOTE 1: NATURE OF OPERATIONS

Basis of Presentation

The financial statements of Ocean County Insurance Fund Commission, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") 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 Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Organization and Description of the Commission

On February 17, 2021, the Ocean County Insurance Fund Commission, a component unit of the County of Ocean, State of New Jersey (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 2025 and 2024, members of the Commission included the County of Ocean, Ocean County Utilities Authority, Ocean County Board of Social Services, Ocean County Library Commission, Ocean County Board of Health, and Ocean County Mosquito Extermination Commission.

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
- Property damage other than motor vehicles
- Automobile liability and damage
- Public officials liability/employment practices liability

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.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 1: NATURE OF OPERATIONS (continued)

Property and Casualty Insurance

The limits of Commission liability per occurrence for property and casualty coverages net of member entity deductibles for 2025 and 2024 were as follows:

	2025	2024
Property	\$ 250,000	\$ 250,000
General Liability	250,000	250,000
Auto	250,000	250,000
Workers' Compensation	750,000	750,000
Public Officials Liability/Employment Practices Liability	500,000	500,000

Coverage in excess of the Commission's retention limits is provided through the Commission's membership in the NJCEJIF.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Commission utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. 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. The most significant of the Commission's accounting policies are described below:

Reporting Entity

GASB Codification Section 2100, *Defining the Financial Reporting Entity* establishes standards to determine whether a governmental component unit should be included in the financial reporting entity.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The combined financial statements include all funds of the Commission over which the Commission exercises operating control.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Reporting Entity (continued)

There were no additional entities required to be included in the reporting entity under the criteria described above, in the current fiscal year. Furthermore, based on the criteria above, the Commission is a component unit of Ocean County, State of New Jersey.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and cash in banks and all highly liquid short-term 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.

Income Taxes

The Commission, as an instrumentality of the State of New Jersey and therefore a governmental entity, has determined itself to be a tax-exempt organization and not subject to either federal or state income taxes.

Annual Contributions

Annual contributions are based on loss funds as determined by the Commission's actuary and are received in three installments. 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.

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.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unpaid Claims Liabilities (continued)

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 appropriate modifiers of experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

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.

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, 2025 and 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 NJCEJIF as described in Note 4.

Subrogation

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

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.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

Management of the Commission has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

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.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines 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.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of positive changes in the Commission's investment in NJCEJIF. Operating expenses include expenses associated with the Commission's operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in NJCEJIF.

Rounding

Some schedules in the financial statements may have dollar differences due to rounding adjustments.

Reclassification

Certain amounts for the year ended December 31, 2024, have been reclassified to conform with presentation for the year ended December 31, 2025. The reclassification had no impact on previously recorded net position.

Subsequent Events

The Commission has evaluated subsequent events occurring after December 31, 2025 through the date of September 13, 2026, which is the date the financial statements were available to be issued.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 3: CASH AND CASH EQUIVALENTS

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.i* 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 government unit of which the local unit is a part or within which the government unit 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 GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit makes deposits with the State of New Jersey Cash Management Fund.

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 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.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 3: CASH AND CASH EQUIVALENTS (continued)

As of December 31, 2025 and 2024, cash and cash equivalents of the Commission consisted of the following:

	<u>2025</u>	<u>2024</u>
Checking and savings accounts	\$ 31,864,907	\$ 28,609,932
Total cash and cash equivalents	<u>\$ 31,864,907</u>	<u>\$ 28,609,932</u>

The bank balances as of December 31, 2025 and 2024 were \$32,145,501 and \$28,855,515 respectively. As of December 31, 2025 and 2024, \$250,000 was covered by federal depository insurance for each year and the remaining \$31,895,501 and \$28,605,515 was collateralized under GUDPA, respectively.

NOTE 4: MEMBERSHIP IN JOINT INSURANCE FUND

New Jersey Counties Excess Joint Insurance Fund

The Commission is a member of 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.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the NJCEJIF are elected. As a member of the NJCEJIF, the Fund could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJCEJIF were to be exhausted, members would become responsible for their respective shares of the NJCEJIF liabilities. NJCEJIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessments of the membership body. The Commission equity interest in the NJCEJIF was \$1,364,789 and \$691,386, respectively, at December 31, 2025 and 2024. Selected summarized financial information for the NJCEJIF as of December 31, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Total assets	<u>\$ 47,236,424</u>	<u>\$ 39,858,431</u>
Total liabilities	<u>\$ 28,369,860</u>	<u>\$ 27,884,976</u>
Net position	<u>\$ 18,866,564</u>	<u>\$ 11,973,455</u>
Total revenues	<u>\$ 44,640,431</u>	<u>\$ 43,035,053</u>
Total expenses	<u>\$ 37,247,323</u>	<u>\$ 41,739,422</u>
Change in net position	<u>\$ 7,393,108</u>	<u>\$ 1,295,631</u>
Return of Surplus	<u>\$ (500,000)</u>	<u>\$ -</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 4: MEMBERSHIP IN JOINT INSURANCE FUND (continued)

New Jersey Counties Excess Joint Insurance Fund (continued)

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 5: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represent a discounted estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of December 31, 2025 and 2024. The discounted reserve was calculated utilizing a three (3) percent discount as determined by the Commission. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Commission, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Commission's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of estimated recoveries from excess insurance, salvage, or subrogation. The following represents changes in the aggregate reserves for the Commission for the years ended December 31, 2025 and 2024 and for all open fund years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses, beginning of year for all fund years	\$ 23,459,649	\$ 20,474,257
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current period	9,780,331	8,493,068
Change in provision for insured events of prior years	15,981	(1,859,049)
Total incurred claims and claim adjustment expenses for all fund years	<u>9,796,312</u>	<u>6,634,019</u>
Payments, net of recoveries:		
Claims and claim adjustment expenses attributable to insured events of the current period	1,156,181	741,491
Claims and claim adjustment expenses attributable to insured events of prior years	6,015,762	2,907,136
Total payments for all fund years	<u>7,171,943</u>	<u>3,648,627</u>
Total unpaid claims and claim adjustment expenses, end of year for all fund years	<u>\$ 26,084,018</u>	<u>\$ 23,459,649</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 6: LEGACY CLAIMS PAYABLE

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, 2025 and 2024, the Commission had an outstanding legacy claims payable balance of \$2,823,875 and \$4,424,168 (as restated), respectively. See note 9 for additional information.

NOTE 7: RELATED-PARTY TRANSACTIONS

As disclosed in Note 4, the Commission is a member of the NJCEJIF and, accordingly, has an ownership interest in the NJCEJIF. Excess insurance premiums paid to the NJCEJIF for the years ended December 31, 2025 and 2024, were \$4,468,056 and \$4,164,429 respectively. The NJCEJIF is also due \$410,360 and \$138,209 as of December 31, 2025 and 2024, respectively, from the Commission for the reimbursement of property claim payments.

NOTE 8: CONTINGENCIES, RISKS, AND UNCERTAINTIES

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.

NOTE 9: ERROR CORRECTION

Nature of the Error

In connection with the audit of the financial statements for the year ended December 31, 2025, management identified that the previously issued financial statements of the Commission contained errors relating to (1) the allocation of cash and net position for fund years 2022 through 2024, and (2) an overstatement of investment income, overstatement of claims administrative expenses, and the related due to member – legacy claims payable liability in the Commission's legacy claims account.

These errors originated in fiscal years 2022 through 2024. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the Commission has corrected these errors, and the financial statements for the year ended December 31, 2024, presented herein as comparative information, have been restated.

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Notes to the Financial Statements (continued)

NOTE 9: ERROR CORRECTION (continued)

Periods Affected

The error affected the fiscal years ended December 31, 2022, 2023, and 2024. The cumulative effect of the error for periods prior to January 1, 2024, has been reported as a restatement of beginning net position for the earliest period presented.

Financial Statement Line Items Affected

The correction affected the following financial statement line items: due to member – legacy claims payable; investment income; administrative expenses; net cash flows provided by operating activities; cash flows provided by investing activities; and net position.

Effect on Beginning Net Position

The Commission is reported as a single enterprise fund reporting unit. The effect of the error correction on net position as of January 1, 2024, the beginning of the earliest period presented, is as follows:

	Amount
Net position, January 1, 2024, as previously reported	\$ (3,512,451)
Prior period adjustment	(174,871)
Net position, January 1, 2024, as restated	<u>\$ (3,687,322)</u>

Effect on Fiscal Year 2024 Financial Statements

Statement of Net Position /

**Statement of Revenues, Expenses, and Changes
in Net Position**

	As Previously Reported	Adjustment	As Restated
Due to member – legacy claims payable	\$ 4,333,800	\$ 90,368	\$ 4,424,168
Administrative expenses	590,403	(117,691)	472,712
Investment income	1,290,859	(33,188)	1,257,671
Change in net position	4,868,473	84,503	4,952,976
Net position, December 31, 2024	1,356,022	(90,368)	1,265,654

Statement of Cash Flows

Claims administration, administration, and other contractual and non-contractual expenses paid	(566,393)	117,691	(448,702)
Benefits paid	(6,460,700)	(84,503)	(6,545,203)
Net cash flows provided by operating activities	2,779,601	(33,188)	2,812,789
Cash flows from investing activities – investment income	1,290,859	(33,188)	1,257,671

REQUIRED SUPPLEMENTARY INFORMATION, PART II

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Reconciliation of Claims Liabilities by Fund

For the Years Ended December 31,											
	Property		General Liability		Automobile		Workers Compensation		Public Officer and Employment Practices		Total
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Unpaid claims and claim adjustment expenses at the beginning of the year	\$ 33,307	\$ 220,327	\$ 1,391,031	\$ 1,077,849	\$ 351,385	\$ 288,318	\$ 20,616,920	\$ 18,157,068	\$ 1,066,806	\$ 730,495	\$ 20,474,257
Incurred claims and claim adjustment expense:											
Provision for insured events of the current period	746,248	18,798	530,132	485,740	183,525	125,764	7,871,264	7,415,474	449,162	447,292	8,493,068
Increase (decrease) in provision for insured events of prior years	(8,219)	(186,683)	1,361,913	411,503	72,822	(3,634)	(1,081,137)	(1,969,254)	(329,398)	(110,981)	(1,859,049)
Total incurred claims and claim adjustment expenses	738,029	(167,885)	1,892,045	897,243	256,347	122,130	6,790,127	5,446,220	119,764	336,311	6,634,019
Payments:											
Claims and claim adjustment expenses attributable to insured events of the current period	264,838	13,887	67,317	30,365	18,357	12,037	805,469	685,202	-	-	741,491
Claims and claim adjustment expenses attributable to insured events of prior year	24,779	5,248	1,188,512	553,696	224,601	47,026	4,607,870	2,301,166	-	-	2,907,156
Total payments	289,617	19,135	1,225,829	584,061	243,158	59,063	5,413,339	2,986,368	-	-	3,648,627
Unpaid claims and claim adjustments expenses at the end of the year	\$ 481,719	\$ 33,307	\$ 2,057,247	\$ 1,391,031	\$ 364,774	\$ 351,385	\$ 21,993,708	\$ 20,616,920	\$ 1,186,570	\$ 1,066,806	\$ 23,459,649

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Five-year Claims Development Information

	For the Fiscal Periods Ended December 31,				
	2021	2022	2023	2024	2025
Required contribution and investment revenue:					
Earned	\$ 7,818,609	\$ 13,050,748	\$ 14,741,744	\$ 15,378,587	\$ 15,860,874
Ceded	1,667,376	2,887,070	3,751,092	4,164,428	4,468,056
Net earned	6,151,233	10,163,678	10,990,652	11,214,159	11,392,818
Unallocated expenses	136,733	403,653	476,181	472,447	575,535
Estimated claims and expenses, end of policy year:					
Incurred	6,499,008	8,861,926	7,898,158	8,493,068	9,780,331
Ceded	-	-	-	-	-
Net incurred	6,499,008	8,861,926	7,898,158	8,493,068	9,780,331
Net paid (cumulative) as of:					
End of policy year	1,013,408	1,176,845	979,432	741,491	1,156,181
One year later	2,845,593	3,274,944	1,585,197	2,237,513	-
Two years later	4,164,256	4,595,507	2,611,752	-	-
Three years later	5,145,063	7,022,784	-	-	-
Four years later	6,210,972	-	-	-	-
Re-estimated ceded claims and expenses	-	-	-	-	-
Net paid (cumulative) as of:					
End of policy year	6,499,008	8,861,926	7,898,158	8,493,068	9,780,331
One year later	11,057,602	10,170,437	6,253,712	8,297,567	-
Two years later	10,824,295	10,227,378	6,503,641	-	-
Three years later	10,552,751	11,281,388	-	-	-
Four years later	9,460,295	-	-	-	-
Increased/ (decreased) in estimated net incurred claims and expense from end of policy year	\$ 2,961,287	\$ 2,419,462	\$ (1,394,517)	\$ (195,501)	\$ -

SUPPLEMENTARY INFORMATION

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2025
For the period of January 1, 2025 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	NJCEJIF	Administration	Total
Underwriting income:								
Contributions	\$ 292,000	\$ 509,000	\$ 151,000	\$ 9,031,000	\$ 528,000	\$ 4,468,054	\$ 694,397	\$ 15,673,451
Other income	-	-	-	-	-	-	-	-
Total underwriting income	292,000	509,000	151,000	9,031,000	528,000	4,468,054	694,397	15,673,451
Incurred liabilities:								
Provision for claims and claims adjustment expense	746,248	530,132	183,525	7,871,264	449,162	-	-	9,780,331
Excess insurance premiums	-	-	-	-	-	4,468,056	-	4,468,056
Administration	-	-	-	-	-	-	575,535	575,535
Total incurred liabilities	746,248	530,132	183,525	7,871,264	449,162	4,468,056	575,535	14,823,922
Underwriting surplus (deficit)	(454,248)	(21,132)	(32,525)	1,159,736	78,838	(2)	118,862	849,529
Adjustments:								
Investment income	5,837	9,723	2,878	150,448	10,767	1,720	6,050	187,423
Transfers	-	-	-	-	-	-	-	-
Total adjustments	5,837	9,723	2,878	150,448	10,767	1,720	6,050	187,423
Surplus (deficit)	(448,411)	(11,409)	(29,647)	1,310,184	89,605	1,718	124,912	1,036,952
Return of surplus	-	-	-	-	-	-	-	-
Net surplus (deficit) before unallocated investment in joint venture	\$ (448,411)	\$ (11,409)	\$ (29,647)	\$ 1,310,184	\$ 89,605	\$ 1,718	\$ 124,912	1,036,952
Investment in joint venture								580,681
Net surplus (deficit) and allocated investment in joint venture								\$ 1,617,633

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2024
For the period of January 1, 2024 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	NICEJIF	Administration	Total
Underwriting income:								
Contributions	\$ 280,797	\$ 497,000	\$ 134,000	\$ 8,639,000	\$ 501,000	\$ 4,164,428	\$ 617,279	\$ 14,833,504
Other income	-	-	-	-	-	-	-	-
Total underwriting income	280,797	497,000	134,000	8,639,000	501,000	4,164,428	617,279	14,833,504
Incurred liabilities:								
Provision for claims and claims adjustment expense	9,948	735,299	150,675	7,001,501	400,144	-	-	8,297,567
Excess insurance premiums	-	-	-	-	-	4,164,428	-	4,164,428
Administration	-	-	-	-	-	-	472,447	472,447
Total incurred liabilities	9,948	735,299	150,675	7,001,501	400,144	4,164,428	472,447	12,934,442
Underwriting surplus (deficit)	270,849	(238,299)	(16,675)	1,637,499	100,856	-	144,832	1,899,062
Adjustments:								
Investment Income	16,897	28,553	7,818	450,274 ¹	31,652	4,254	5,634	545,083
Transfers	-	-	-	-	-	-	-	-
Total adjustments	16,897	28,553	7,818	450,274	31,652	4,254	5,634	545,083
Surplus (deficit)	287,746	(209,746)	(8,857)	2,087,773	132,508	4,254	150,466	2,444,145
Return of surplus	-	-	-	-	-	-	-	-
Net surplus (deficit) before unallocated investment in joint venture	\$ 287,746	\$ (209,746)	\$ (8,857)	\$ 2,087,773	\$ 132,508	\$ 4,254	\$ 150,466	2,444,145
Investment in joint venture								38,827
Net surplus (deficit) and allocated investment in joint venture								\$ 2,482,972

¹ Reflects a prior period restatement. See accompanying notes to the financial statements for additional information.

Supporting Detail — Prior Period Restatement

	As previously stated	Adjustment	Restated
Administrative expenses	\$ 590,139	\$ (117,692)	\$ 472,447
Investment income	\$ 202,290	\$ (33,188)	\$ 169,102

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2023
For the period of January 1, 2023 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	NICEJIF	Administration	Total
Underwriting income:								
Contributions	\$ 259,000	\$ 485,000	\$ 120,000	\$ 8,198,000	\$ 476,000	\$ 3,751,091	\$ 605,391	\$ 13,894,482
Other income	-	-	-	-	-	-	-	-
Total underwriting income	259,000	485,000	120,000	8,198,000	476,000	3,751,091	605,391	13,894,482
Incurred liabilities:								
Provision for claims and claims adjustment expense	6,710	1,169,658	64,210	5,117,024	146,039	-	-	6,503,641
Excess insurance premiums	-	-	-	-	-	3,751,092	-	3,751,092
Administration	-	-	-	-	-	-	476,181 ¹	476,181
Total incurred liabilities	6,710	1,169,658	64,210	5,117,024	146,039	3,751,092	476,181	10,730,914
Underwriting surplus (deficit)	252,290	(684,658)	55,790	3,080,976	329,961	(1)	129,210	3,163,568
Adjustments:								
Investment income	27,086	29,945	11,911	710,841 ¹	46,667	8,478	12,333	847,262
Transfers	-	-	-	-	-	-	-	-
Total adjustments	27,086	29,945	11,911	710,841	46,667	8,478	12,333	847,262
Surplus (deficit)	279,376	(654,713)	67,701	3,791,817	376,628	8,477	141,543	4,010,830
Return of surplus	-	-	-	-	-	-	-	-
Net surplus (deficit) before unallocated investment in joint venture	\$ 279,376	\$ (654,713)	\$ 67,701	\$ 3,791,817	\$ 376,628	\$ 8,477	\$ 141,543	4,010,830
Investment in joint venture								(308,110)
Net surplus (deficit) and allocated investment in joint venture								\$ 3,702,720

¹ Reflects a prior period restatement. See accompanying notes to the financial statements for additional information.

Supporting Detail — Prior Period Restatement

	As previously stated	Adjustment	Restated
Administrative expenses	\$ 581,160	\$ (104,979)	\$ 476,181
Investment income	\$ 467,370	\$ (20,515)	\$ 446,855

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2022
For the period of January 1, 2022 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	NICEJIF	Administration	Total
Underwriting income:								
Contributions	\$ 260,954	\$ 473,867	\$ 132,715	\$ 7,209,431	\$ 512,687	\$ 2,887,070	\$ 585,494	\$ 12,062,218
Other income	-	-	-	-	-	-	-	-
Total underwriting income	260,954	473,867	132,715	7,209,431	512,687	2,887,070	585,494	12,062,218
Incurred liabilities:								
Provision for claims and claims adjustment expense	160,526	1,387,942	276,022	9,280,581	176,317	-	-	11,281,388
Excess insurance premiums	-	-	-	-	-	2,887,070	-	2,887,070
Administration	-	-	-	-	-	-	403,653 ¹	403,653
Total incurred liabilities	160,526	1,387,942	276,022	9,280,581	176,317	2,887,070	403,653	14,572,111
Underwriting surplus (deficit)	100,428	(914,075)	(143,307)	(2,071,150)	336,370	-	181,841	(2,509,893)
Adjustments:								
Investment income	40,676	3,485	14,244	836,136 ¹	76,166	5	17,817	988,530
Transfers	-	-	-	-	-	-	-	-
Total adjustments	40,676	3,485	14,244	836,136	76,166	5	17,817	988,530
Surplus (deficit)	141,104	(910,590)	(129,063)	(1,235,014)	412,536	5	199,658	(1,521,363)
Return of surplus	-	-	-	-	-	-	-	-
Net surplus (deficit) before unallocated investment in joint venture	\$ 141,104	\$ (910,590)	\$ (129,063)	\$ (1,235,014)	\$ 412,536	\$ 5	\$ 199,658	(1,521,363)
Investment in joint venture								82,386
Net surplus (deficit) and allocated investment in joint venture								\$ (1,438,977)

¹ Reflects a prior period restatement. See accompanying notes to the financial statements for additional information.

Supporting Detail — Prior Period Restatement

	As previously stated	Adjustment	Restated
Administrative expenses	\$ 564,465	\$ (160,812)	\$ 403,653
Investment income	\$ 619,621	\$ (6,131)	\$ 613,490

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Operating Results Analysis – Statutory Basis – Fund Year 2021
For the period of February 17, 2021 (Date of Inception) to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	NICEJIF	Administration	Total
Underwriting income:								
Contributions	\$ 184,664	\$ 266,744	\$ 74,552	\$ 5,014,620	\$ 274,268	\$ 1,667,376	\$ 126,989	\$ 7,609,213
Other income	-	-	-	-	-	-	-	-
Total underwriting income	184,664	266,744	74,552	5,014,620	274,268	1,667,376	126,989	7,609,213
Incurred liabilities:								
Provision for claims and claims adjustment expense	-	402,205	133,249	8,909,933	14,908	-	-	9,460,295
Excess insurance premiums	-	-	-	-	-	1,667,376	-	1,667,376
Administration	-	-	-	-	-	-	136,733	136,733
Total incurred liabilities	-	402,205	133,249	8,909,933	14,908	1,667,376	136,733	11,264,404
Underwriting surplus (deficit)	184,664	(135,461)	(58,697)	(3,895,313)	259,360	-	(9,744)	(3,655,191)
Adjustments:								
Investment income	23,693	15,408	2,441	120,848	32,165	11,333	3,508	209,396
Transfers	-	-	-	-	-	-	-	-
Total adjustments	23,693	15,408	2,441	120,848	32,165	11,333	3,508	209,396
Surplus (deficit)	208,357	(120,053)	(56,256)	(3,774,465)	291,525	11,333	(6,236)	(3,445,795)
Return of surplus	-	-	-	-	-	-	-	-
Net surplus (deficit) before unallocated investment in joint venture	\$ 208,357	\$ (120,053)	\$ (56,256)	\$ (3,774,465)	\$ 291,525	\$ 11,333	\$ (6,236)	(3,445,795)
Investment in joint venture								971,005
Net surplus (deficit) and allocated investment in joint venture								\$ (2,474,790)

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Claims Analysis – Statutory Basis – Fund Year 2025
For the period of January 1, 2025 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	Total
Paid claims, net of recoveries	\$ 264,838	\$ 67,317	\$ 18,557	\$ 805,469	\$ -	\$ 1,156,181
Case reserves	496,399	109,203	52,715	1,204,928	253,968	2,117,213
IBNR reserves	1,000	389,951	124,518	6,773,266	230,461	7,519,196
Less: reserve discount	(15,989)	(36,339)	(12,265)	(912,399)	(35,267)	(1,012,259)
Subtotal	<u>746,248</u>	<u>530,132</u>	<u>183,525</u>	<u>7,871,264</u>	<u>449,162</u>	<u>9,780,331</u>
Excess insurance:						
Received	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited incurred claims	<u>\$ 746,248</u>	<u>\$ 530,132</u>	<u>\$ 183,525</u>	<u>\$ 7,871,264</u>	<u>\$ 449,162</u>	<u>\$ 9,780,331</u>
Number of claims	<u>15</u>	<u>178</u>	<u>40</u>	<u>215</u>	<u>10</u>	<u>458</u>
Average cost per claim	<u>\$ 49,750</u>	<u>\$ 2,978</u>	<u>\$ 4,588</u>	<u>\$ 36,611</u>	<u>\$ 44,916</u>	<u>\$ 21,354</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Claims Analysis – Statutory Basis – Fund Year 2024
For the period of January 1, 2024 to December 31, 2025

	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices	Total
Paid claims, net of recoveries	\$ 9,619	\$ 145,213	\$ 17,760	\$ 2,064,921	\$ -	\$ 2,237,513
Case reserves	338	467,427	79,873	1,418,282	139,369	2,105,289
IBNR reserves	-	157,383	61,245	4,155,056	284,321	4,658,005
Less: reserve discount	(9)	(34,724)	(8,203)	(636,758)	(23,546)	(703,240)
Subtotal	9,948	735,299	150,675	7,001,501	400,144	8,297,567
Excess insurance:						
Received	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Limited incurred claims	\$ 9,948	\$ 735,299	\$ 150,675	\$ 7,001,501	\$ 400,144	\$ 8,297,567
Number of claims	4	161	26	204	6	401
Average cost per claim	\$ 2,487	\$ 4,567	\$ 5,795	\$ 34,321	\$ 66,691	\$ 20,692

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Claims Analysis – Statutory Basis – Fund Year 2023
For the period of January 1, 2023 to December 31, 2025

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers'</u> <u>Compensation</u>	<u>Public Officials and</u> <u>Employment</u> <u>Practices</u>	<u>Total</u>
Paid claims, net of recoveries	\$ 6,710	\$ 667,918	\$ 7,716	\$ 1,929,408	\$ -	\$ 2,611,752
Case reserves	-	503,653	-	1,300,797	91,825	1,896,275
IBNR reserves	-	20,278	58,302	2,280,282	60,673	2,419,535
Less: reserve discount	-	(22,191)	(1,808)	(393,463)	(6,459)	(423,921)
Subtotal	<u>6,710</u>	<u>1,169,658</u>	<u>64,210</u>	<u>5,117,024</u>	<u>146,039</u>	<u>6,503,641</u>
Excess insurance:						
Received	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited incurred claims	<u>\$ 6,710</u>	<u>\$ 1,169,658</u>	<u>\$ 64,210</u>	<u>\$ 5,117,024</u>	<u>\$ 146,039</u>	<u>\$ 6,503,641</u>
Number of claims	<u>-</u>	<u>133</u>	<u>15</u>	<u>186</u>	<u>8</u>	<u>342</u>
Average cost per claim	<u>\$ -</u>	<u>\$ 8,794</u>	<u>\$ 4,281</u>	<u>\$ 27,511</u>	<u>\$ 18,255</u>	<u>\$ 19,016</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Claims Analysis – Statutory Basis – Fund Year 2022
For the period of January 1, 2022 to December 31, 2025

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers'</u> <u>Compensation</u>	<u>Public Officials and</u> <u>Employment</u> <u>Practices</u>	<u>Total</u>
Paid claims, net of recoveries	\$ 160,526	\$ 936,582	\$ 268,072	\$ 5,657,604	\$ -	\$ 7,022,784
Case reserves	-	456,205	-	2,519,289	171,537	3,147,031
IBNR reserves	-	8,500	8,137	1,534,814	9,993	1,561,444
Less: reserve discount	-	(13,345)	(187)	(431,126)	(5,213)	(449,871)
Subtotal	<u>160,526</u>	<u>1,387,942</u>	<u>276,022</u>	<u>9,280,581</u>	<u>176,317</u>	<u>11,281,388</u>
Excess insurance:						
Received	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited incurred claims	<u>\$ 160,526</u>	<u>\$ 1,387,942</u>	<u>\$ 276,022</u>	<u>\$ 9,280,581</u>	<u>\$ 176,317</u>	<u>\$ 11,281,388</u>
Number of claims	<u>1</u>	<u>214</u>	<u>33</u>	<u>355</u>	<u>6</u>	<u>609</u>
Average cost per claim	<u>\$ 160,526</u>	<u>\$ 6,486</u>	<u>\$ 8,364</u>	<u>\$ 26,142</u>	<u>\$ 29,386</u>	<u>\$ 18,524</u>

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Fund Year Claims Analysis – Statutory Basis – Fund Year 2021
For the period of February 17, 2021 (Date of Inception) to December 31, 2025

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers'</u> <u>Compensation</u>	<u>Public Officials and</u> <u>Employment</u> <u>Practices</u>	<u>Total</u>
Paid claims, net of recoveries	\$ -	\$ 350,959	\$ 130,801	\$ 5,729,212	\$ -	\$ 6,210,972
Case reserves	-	41,105	-	2,330,982	12,125	2,384,212
IBNR reserves	-	12,500	2,490	1,226,871	3,469	1,245,330
Less: reserve discount	-	(2,359)	(42)	(377,132)	(686)	(380,219)
Subtotal	-	402,205	133,249	8,909,933	14,908	9,460,295
Excess insurance:						
Received	-	-	-	-	-	-
Recoverable	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Limited incurred claims	\$ -	\$ 402,205	\$ 133,249	\$ 8,909,933	\$ 14,908	\$ 9,460,295
Number of claims	-	103	24	315	2	444
Average cost per claim	\$ -	\$ 3,905	\$ 5,552	\$ 28,286	\$ 7,454	\$ 21,307

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Program Summary – Fund Year 2025
For the period of January 1, 2025 to December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices
Limit(s)	\$ 260,000,000	\$ 22,000,000	\$ 22,000,000	Statutory	\$ 22,000,000
Fund retention	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 500,000
Excess insurer(s)	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National	NJCEJIF
Number of participants	5	5	5	6	5
Incurred liabilities (Schedule C-1)	\$ 746,248	\$ 530,132	\$ 183,525	\$ 7,871,264	\$ 449,162
Administrative expenses (1)	16,863	28,949	7,770	492,198	29,755
Total	<u>\$ 763,111</u>	<u>\$ 559,081</u>	<u>\$ 191,295</u>	<u>\$ 8,363,462</u>	<u>\$ 478,917</u>

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

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Program Summary – Fund Year 2024
For the period of January 1, 2024 to December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices
Limit(s)	\$ 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 insurer(s)	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National	NJCEJIF
Number of participants	2	2	2	2	2
Incurred liabilities (Schedule C-2)	\$ 9,948	\$ 735,299	\$ 150,675	\$ 7,001,501	\$ 400,144
Administrative expenses (1)	13,200	23,367	6,156	406,168	23,556
Total	<u>\$ 23,148</u>	<u>\$ 758,666</u>	<u>\$ 156,831</u>	<u>\$ 7,407,669</u>	<u>\$ 423,700</u>

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

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Program Summary – Fund Year 2023
For the period of January 1, 2023 to December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices
Limit(s)	\$ 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 insurer(s)	NJCEJIF Various Quota Share Insurers	NJCEJIF	NJCEJIF	NJCEJIF Safety National	NJCEJIF
Number of participants	2	2	2	2	2
Incurred liabilities (Schedule C-3)	\$ 6,710	\$ 1,169,658	\$ 64,210	\$ 5,117,024	\$ 146,039
Administrative expenses (1)	12,928	24,214	5,990	409,282	23,766
Total	<u>\$ 19,638</u>	<u>\$ 1,193,872</u>	<u>\$ 70,200</u>	<u>\$ 5,526,306</u>	<u>\$ 169,805</u>

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

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Program Summary – Fund Year 2022
For the period of January 1, 2022 to December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices
Limit(s)	\$ 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 insurer(s)	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 Safety National
Number of participants	2	2	2	2	2
Inurred liabilities (Schedule C-4)	\$ 160,526	\$ 1,387,942	\$ 276,022	\$ 9,280,581	\$ 176,317
Administrative expenses (1)	12,263	22,270	6,236	338,790	24,094
Total	<u>\$ 172,789</u>	<u>\$ 1,410,212</u>	<u>\$ 282,258</u>	<u>\$ 9,619,371</u>	<u>\$ 200,411</u>

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

OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Program Summary – Fund Year 2021
For the period of February 17, 2021 (Date of Inception) to December 31, 2025

	Coverages				
	Property	General Liability	Automobile	Workers' Compensation	Public Officials and Employment Practices
Limit(s)	\$ 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 insurer(s)	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
Number of participants	2	2	2	2	2
Incurred liabilities (Schedule C-5)	\$ -	\$ 402,205	\$ 133,249	\$ 8,909,933	\$ 14,908
Administrative expenses (1)	4,343	6,272	1,753	117,917	6,448
Total	<u>\$ 4,343</u>	<u>\$ 408,477</u>	<u>\$ 135,002</u>	<u>\$ 9,027,850</u>	

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

COMMENTS AND RECOMMENDATIONS
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OCEAN COUNTY INSURANCE FUND COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Comments and Recommendations
December 31, 2025

Current Year Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Banking and Insurance, Department of Community Affairs, State of New Jersey.

Financial Statement Findings:

None noted.

Prior Year Financial Statement Findings

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

Financial Statement Findings:

There were no prior year findings.