

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND  
RESOLUTION #2021-26**

**RESOLUTION AUTHORIZING PAYMENT OF \$106,510 FROM THE BURLCO JIF MEL  
RETROSPECTIVE ACCOUNT IN ACCORDANCE WITH THE REQUIREMENTS OF  
THE NEW JERSEY MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
SURPLUS TRIGGER**

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

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

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

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

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

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

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

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

**WHEREAS**, the total obligation of the BURLCO JIF of the \$2,978,484 is \$106,510; and

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

**WHEREAS**, as of December 31, 2020, the MEL Retrospective Account had an unencumbered surplus balance of \$761,093; and

**WHEREAS**, it is the recommendation of the BURLCO JIF Finance Committee that the \$106,510 payment due from the BURLCO JIF to pay for its share of the MEL Trigger assessment be paid from the BURLCO JIF's MEL Retrospective Account.

**NOW THEREFORE BE IT RESOLVED** by the Burlington County Municipal Joint Insurance Fund that the Fund Administrator and Fund Treasurer is hereby authorized to make payment to the NJ MEL in the amount of \$106,510 from the BURLCO JIF MEL Retrospective Account to satisfy its obligation to the NJ MEL resulting from the MEL Surplus Trigger; and

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

This Resolution was duly adopted by the Burlington County Municipal Joint Insurance Fund at a public meeting held on June 15, 2021.

**BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND**

Attest:

  
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John Gural, Secretary

By:

  
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Glenn McMahon, Chairperson

Date: June 15, 2021