

Burlington County Municipal Joint Insurance Fund

ANNUAL REPORT

2021

BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND (BURLCO JIF)



**SUPERIOR
COVERAGE**

**CUTTING EDGE
PROGRAMS**

**FINANCIAL STABILITY
AND STRENGTH**

- Over \$11.7 million in Dividends Released To JIF Members
- Coverage Designed for Municipal Government
- Comprehensive In Person and Online Training
- Member Driven Decisions
- Strong Claims Management
- Professional Litigation Management
- Effective Risk Management
- Tailored Safety and Wellness Initiatives
- EPL/POL Helpline
- Cyber Risk Management Services
- Law Enforcement Risk Management Services



Serving South Jersey
Municipalities Since 1991

Visit our website at www.burlcojif.org

Burlington County
Municipal Joint
Insurance
Fund
Established in 1991
South Jersey Communities Securing Their Future

BURLCO JIF Member Municipalities

Bass River Township	Mt. Laurel Township
Beverly City	New Hanover Township
Bordentown City	North Hanover Township
Bordentown Township	Palmyra Borough
Chesterfield Township	Pemberton Borough
Delanco Township	Pemberton Township
Delran Township	Riverside Township
Edgewater Park Township	Shamong Township
Fieldsboro Borough	Southampton Township
Florence Township	Springfield Township
Hainesport Township	Tabernacle Township
Lumberton Township	Westampton Township
Mansfield Township	Woodland Township
Medford Township	Wrightstown Borough



**JIF Programs Reduce
Municipal Risk**



**Long Term Solutions
Save YOU Money**



**Provide Financial
Strength and Stability**

Message from the JIF Chairperson

It has been my privilege this year to act as the Fund Chair for the Burlington County Municipal Joint Insurance Fund. Despite the challenges presented by the COVID-19 pandemic, municipalities throughout Burlington County are truly benefitting from the excellent safety practices, care for injured employees and critical loss prevention and risk management programs that are the focus of the BURLCO JIF.

Formed on January 1, 1991, the BURLCO JIF's mission is to achieve savings and stability through comprehensive insurance, safety, and claims management programs dedicated to reducing public sector risk. The success of any organization is the commitment of the people involved, and one of the leading qualities of the BURLCO JIF is the level of involvement the organization promotes with their member municipalities. Fund Commissioners, Claims Coordinators, Safety Coordinators and Wellness Coordinators from each town are essential to the function of the JIF and they consistently bring the culture of safety and wellness into their workplace. We thank them all for their dedication to the success of this organization.

In addition, 2021 brought many new exposures and challenges. Over the last 18 months, municipalities have been tested by COVID-19, changes in legislation concerning cannabis, Sexual Abuse and Molestation (SAM) claims, the Firefighter Cancer Presumption law, as well as growing cyber threats. Luckily, we have the financial resources and experience to respond to these evolving exposures and continue to provide financial relief in the form of dividends to our members. In 2021, \$1,107,267 of dividends were returned to BURLCO JIF members. In total, \$11.71 million has been returned to BURLCO JIF members since inception. By design, your JIF allows for financial flexibility even when the unforeseen happens.

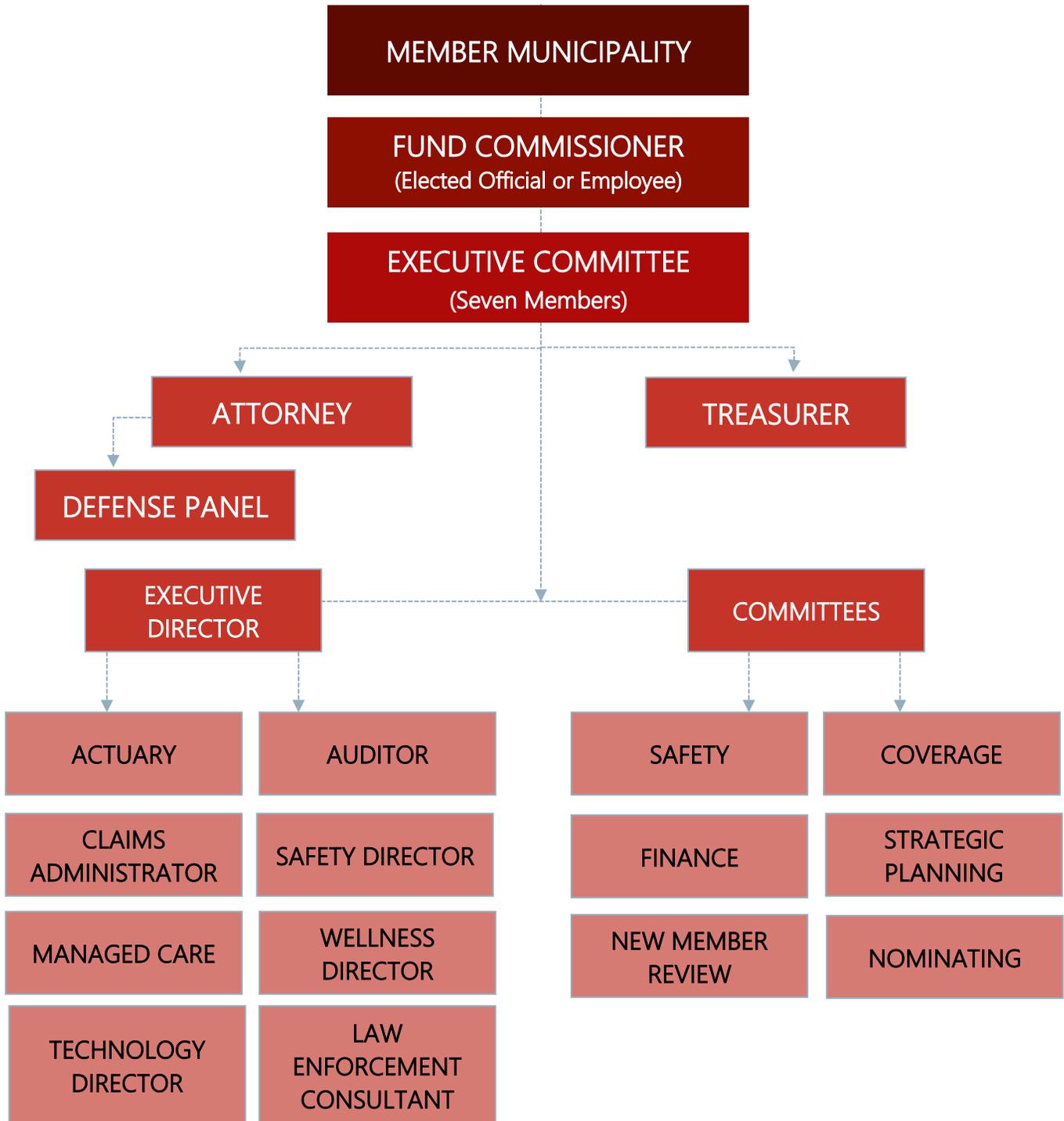
In conclusion, I thank you for the opportunity to serve as your chairperson in 2021. Your JIF had proven its resiliency throughout the last year by delivering programs to reduce municipal risk and providing long term solutions to save you money.

Glenn McMahon
Chesterfield Township
2021 BURLCO JIF Chairperson



JIF Organizational Structure

The success of the BURLCO JIF stems from collaboration among member municipalities. The Fund hires professionals including an Administrator, Safety Director and specially qualified claims attorneys to assist members in the daily operations of the JIF. Additional information is available at www.burlcojif.org.



JIF Resiliency: COVID-19

By design, your JIF allows for financial flexibility even when the unforeseen happens (i.e. COVID). Since the start of the pandemic, your JIF helped mitigate the risks created by COVID by distributing:

- ▶ Safety Director and JIF Solicitor Bulletins
- ▶ Solicitor Updates & MEL Helpline (ex: Employment Issues Related to COVID-19)
- ▶ Families First COVID Response Act (FFCRA) Employer Paid Leave Poster
- ▶ Important Directives from the NJ MEL

As of 10/31/21 the BURLCO JIF has received 908 COVID Claims with a total incurred value in excess of \$730,100.

Due to a unique risk sharing structure, the financial impact of these claims will be minimized.

- ▶ **COVID Claims** – As first responders became exposed to the disease, claims procedures were quickly established. Municipalities were advised to have all “exposures” reported immediately so that the source of the infection could be ascertained and treatment/quarantine protocols could be established. Your JIF also revised the claims intake process to coincide with Executive Orders & new legislation, and created protocols to respond to COVID claims in consultation with your Workers’ Comp Attorney.
- ▶ **Training** – Last year, social distancing requirements prevented us from holding in-person training events. The JIF quickly moved to webinars and other on-line training forums. Fortunately, the JIF through the [MEL Safety Institute \(MSI\)](#), had already implemented an on-line streaming platform called *MSI Now* that gave virtual access training opportunities months before COVID-19 hit. In-person seminars were replaced with webinars and attendance figures proved that the format was a success.
- ▶ **Safety and Risk Management** – J.A. Montgomery immediately prepared and distributed Bulletins and Memos with guidance for police, fire, and other emergency workers as well as for municipal administrators. The bulletins were an important source of information that members relied upon for guidance in these uncertain times. Our Loss Control Representatives kept in touch with members through conference calls and where possible in-person, socially distanced site visits.

Additional 2021 Challenges

2021 presented unique challenges to the Joint Insurance Fund. Most meetings, seminars, and trainings had moved to a virtual format, but safety and risk management did not take a break due to the pandemic!

nj Municipal Excess Liability Joint Fund

Insurance Costs Increasing

Risk management must begin with governing bodies taking an active part

Paul Tomasko, Mayor, Alpine Borough; Executive Board Member, NJLM; and Thomas Merchel, Manager and CFO, Moorestown; Chair, Municipal Excess Liability JIF

Insurance and related employee, liability and property claims, cost New Jersey government over \$1 billion each year. Unfortunately, claims are accelerating because of recent legislation and administrative decisions from Trenton.

- Require supervisors and crew leaders to discuss safety with employees at the start of each shift: Organizations where safety is discussed daily average less than half the frequency of accidents.
- Monitor PEOSHA compliance: Your JIF or insurer should periodically inspect your facilities and audit compliance with PEOSHA regulations. These audits should be included in the monthly risk management report to the governing body.

▶ **Recreational Marijuana**

Potential source of Police Liability claims due to varying levels of enforcement of the law. This

legislation may also become a future source of Land Use claims. Your JIF Professionals are monitoring the possible impact on employee and Land Use matters.

▶ **Impact of Statutory Changes**

Sexual Abuse and Molestation (SAM) Legislation:

This law extended the statute of limitations for civil actions by sexual abuse victims and Title 59 immunities cannot be used to defend these claims. Your JIF utilizes vetted JIF defense attorneys and provides strong litigation management, and provides training like the *Protection & Safe Treatment of Minors* Program.

Firefighters Cancer Presumption Legislation

This law applies to firefighters under the age of 75 with seven years of service suffering from fire-fighting related cancers. Your JIF provides local management of these claims.

▶ **Pension Offset**

Follows “Investigation” by the State Comptroller’s Office, where settlements for medical monitoring will no longer be granted. All pending Workers’ Compensation petitions for claims where the employee receives an Accidental Disability Pension will need to be settled by the Workers’ Compensation carrier. This results in greater costs for the JIFs.

▶ **Social Inflation**

Rising costs of insurance claims resulting from increasing litigation, broader definitions of liability, more plaintiff-friendly legal decisions, and larger compensatory jury awards. Social Inflation is a general feeling that someone “needs to pay” when there’s some kind of damage or injury sustained, regardless of negligence.

▶ **Hardening Insurance Market**

Rising costs for coverage across all industries due to natural disasters, police shootings and judicial decisions, and increased number of cyber-attacks. But even in a hard market, the MEL was able to restructure coverage to meet market demands while providing the most effective risk management solutions to our members, who rely on our expertise to protect the financial wellbeing of their municipalities.

JIF Leadership

2021 EXECUTIVE COMMITTEE

The Executive Committee serves as the Governing Body of the Fund with five elected Fund Commissioners serving along with the Chairperson and the Secretary of the Fund. During their terms of office, members of the Executive Committee shall exercise the full power and authority of the Fund Commissioners as expressly provided by the Fund's Bylaws.

Fund Chairperson: Glenn McMahon, Chesterfield Township

Fund Secretary: John Gural, Palmyra Borough

Executive Committee Member 1: Rich Wolbert, Beverly City

Executive Committee Member 2: Douglas Cramer, Tabernacle Township

Executive Committee Member 3: James Ingling, Wrightstown Borough

Executive Committee Member 4: Jerry Mascia, Mount Laurel Township

Executive Committee Member 5: Paula Kosko, Hainesport Township

Executive Committee Member Alternate 1: Grace Archer, Bordentown City

Executive Committee Member Alternate 2: Michael Theokas, Bordentown Township

Executive Committee Member Alternate 3: David Matchett, Shamong Township

Executive Committee Member Alternate 4: Steve Ent, Westampton Township

"Tabernacle and I came to the BURLCO JIF over 20 years ago because of the price, but we have stayed because of the service and support. The proactive approach to safety, liability exposures, cyber security and wellness have helped me as Administrator, successfully manage Tabernacle through the trials and tribulations of municipal life. The JIF's professionals and staff are always there to provide the support in good times and bad, in a personal manner that just can't be duplicated by a commercial insurance company. It is the original and most successful shared service in New Jersey."

Doug Cramer, Tabernacle Township Administrator
BURLCO JIF Fund Commissioner

Your Risk Management Team

FUND COMMISSIONER:

A member of the governing body or a municipal employee, the Fund Commissioners are responsible for the operation of the Fund in accordance with the Fund Bylaws and all applicable statutes and regulations. DUTIES:

- ▶ Liaison between municipality and Fund
- ▶ Attends all monthly meetings
- ▶ Serves on JIF boards and committees
- ▶ Monitors municipality's participation and protects interests

CLAIMS COORDINATOR:

Each member municipality in the Fund appoints a Claims Coordinator. It is the responsibility of the Claims Coordinator to oversee the reporting of claims within the municipality. DUTIES:

- ▶ Maintains claims forms and records
- ▶ Ensures all claims are promptly reported and monitored
- ▶ Relays information between municipality and claims adjusters
- ▶ Can help control the cost and outcome of claims

SAFETY COORDINATOR:

Appointed by the municipality to oversee the member's safety efforts and act as a liaison between the municipality, the JIF Safety Director and other outside agencies. DUTIES:

- ▶ Chairs Safety Committee & coordinates employee safety training
- ▶ Ensure the annual Safety Contract is signed and the Safety Committee develops meaningful safety improvement objectives
- ▶ Reviews and disseminates Safety Director Reports and Bulletins

WELLNESS COORDINATOR

The Wellness Coordinator acts as a liaison between the Wellness Director and municipality. DUTIES:

- ▶ Coordinates all Wellness activities in support of the program mission
- ▶ Posts and distributes Wellness materials provided by the Wellness Director

RISK MANAGEMENT CONSULTANT (RMC):

The RMC is an Insurance Professional that provides guidance to member municipalities. DUTIES:

- ▶ Consults members to customize risk management programs for specific needs and goals
- ▶ Understands local issues and helps members maximize JIF programs
- ▶ Places optional coverage outside the JIF

Fund Committees



COVERAGE COMMITTEE

- ▶ Serves as a focal point for discussion on issues pertaining to coverage, underwriting, and reinsurance
- ▶ Advises on coverage requirements, industry issues, the efficiency and clarity of the JIF in addressing areas of insurance outside of its normal purview, retention and reinsurance issues, and underwriting guidelines



FINANCE COMMITTEE

- ▶ Creates annual budget to fund claims and special programs
- ▶ Oversees the annual JIF audit
- ▶ Reviews financial position and recommends the return of surplus to members



NEW MEMBER REVIEW COMMITTEE

- ▶ Reviews applications from municipalities who wish to become members of the JIF for compliance with membership criteria including safety programs and risk factors

NOMINATING COMMITTEE



- ▶ Comprised of the Chairs of all standing Committees of the JIF, the two most recent past JIF Chairpersons still serving as a Fund Commissioner, and two members at large chosen by the sitting JIF Chair
- ▶ Reviews and nominates candidates for positions on the Executive Committee

SAFETY COMMITTEE



- ▶ Advises the Executive Committee on safety policies, performance of members, and member's results
- ▶ Works with the Safety Director to identify services which may be provided by the JIF to member municipalities in order to reduce the risks of accidents

STRATEGIC PLANNING COMMITTEE



- ▶ Serves as the focal point for communication between the Administrator, the Fund Commissioners, and other professionals regarding long range strategies which should be pursued to ensure the integrity, growth, and viability of the JIF

Message From the Executive Director

2021 has continued to provide the JIFs with many challenges. While I was hopeful that 2021 would be a return to normal, recovery from the pandemic has been slow and is likely to impact members well into 2022 and possibly 2023. The pandemic has had a major impact on our members in a higher number of Workers' Compensation claims, increased costs, changes in work routines, and meeting formats, as well as other factors at play that are resulting in higher than normal JIF budget increases in 2022.

In 2019, the Governor signed two pieces of legislation that are continuing to impact the JIF budgets. Sexual Abuse & Molestation legislation and an amendment to the Workers' Compensation statute make certain types of cancers that manifest in fire fighters compensable if they meet certain criteria. The JIF is potentially responsible for the costs of incidents that occurred many years ago. In addition, the NJ Division of Pensions issued a directive requiring all pending claim petitions for injured employees that are eligible for an accidental disability pension must be settled prior to the employee receiving their pension benefits. It is anticipated that this change alone will increase the overall JIF indemnity costs by more than 10%.

The JIF is also continuing to see an overall deterioration in the Title 59 immunities that the JIF uses to defend members against liability claims. This deterioration results from changes in legislation as noted above as well as judicial decisions. Social inflation, a general feeling that when someone is injured or hurt they deserve to be compensated even if there is no obvious liable party, is also impacting the JIF Budgets.

The JIF is also facing a "hard" worldwide insurance market. The second largest component of the JIF Budget is the costs of excess insurance policies. This includes coverage for catastrophic Workers' compensation, law enforcement, cyber, employment liability claims, and property losses. The Workers' Compensation insurance market is being driven by the pandemic, statutory & regulatory changes, and "re-openers" of Workers' Compensation claims from many years ago. Excess property costs are being driven by climate change and increased costs of building materials and labor.

What is clear is that the factors driving your JIF Budget are outside the control of our members. As a result, your JIF will continue to emphasize to members the need to control the risks and exposures while taking advantage of employee training through the MEL Safety Institute and the implementation of other risk management programs including the Employment Practices Liability and Cyber Risk Management Program.

It is important to recognize that the JIFs are in a strong financial position. The Annual JIF Budget is developed by the Fund Professionals in concert with the Finance Committee which is made up of mostly Municipal CFO's. The conservative nature of the Finance Committees over the years has resulted in the JIFs releasing a record amount of surplus this year, in excess of \$6.5 million, to help blunt the impact of the factors outlined above, while continuing to have the resources for future challenges.

I want to thank the Fund Commissioners, Fund Professionals, and the other municipally appointed JIF representatives for their ongoing efforts. Without these individuals, the JIF would not be in a position to withstand the current challenges and continue to have the strong program we have today.

Paul A. Forlenza, MGA
Risk Program Administrators (RPA)
2021 Executive Director for the BURLCO JIF



Financial Highlights

2021 FINANCIAL HIGHLIGHTS

- ▶ Overall JIF Budget increase of 1.89% (\$151,406) while maintaining all Member Benefits
- ▶ Re-insurance/Excess Insurance Budget increase of 4.97% (\$147,030)
- ▶ Continued use of the Renewal/Revaluation Program benefiting 7 members
- ▶ Continued use of the Retrospective Assessment Program for 3 members

2022 FINANCIAL VISION

- ▶ Overall JIF Budget increase of 8.49% (\$695,111) while maintaining all Member Benefits
- ▶ Loss Funding increase of 4.57% (\$154,266) inclusive of funding 25% Actuarial recommendation for additional perils (Fire Fighters' Cancer Presumption, WC Pension, Sexual Abuse and Molestation, and Title 59 Erosion) of \$106,500
- ▶ Re-insurance/Excess Insurance Budget increase of 13.06% (\$406,150)
- ▶ Continued use of the Renewal/Revaluation Program benefiting 2 members
- ▶ Continued use of the Retrospective Assessment Program for 2 members

OPERATING RESULTS SUMMARY: ALL FUND YEARS (1991 TO 9/30/21)



RETURN OF SURPLUS

The JIF's surplus release strategy is to create long term stability. A conservative approach allows us to achieve that goal.

\$11.7
MILLION



CASH POSITION

Our strong cash position can be attributed to member commitment to safety, risk management and claims management.

\$16.1
MILLION



NET CURRENT SURPLUS

JIF Members shared \$1,107,267 in dividends released in 2021.

\$10.2
MILLION

Financial Picture: Audit & Budget

As of 12/31/20, the BURLCO JIF's total assets decreased by -0.2% and its net position decreased by -8.9% over the prior year end following the release of \$894,031 in surplus and the accrual for the potential liability due under the MEL Retrospective Program. It is important to note that the Fund's operating expenses represent 11.5% of the total JIF budget. This is in comparison to other U.S. pools with a typical operating ratio of 20-25% and commercial insurers with operating expenses approaching 40%. As of 12/31/2020, the JIF had a cash balance in excess of \$13.8 million with an additional \$4.4 million in investments. Total assets exceed \$19 million. These figures are indicative of the Fund's financial strength and its ability to pay member claims well into the future.

<u>Net Position Summary</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>% Change</u>
Total Assets	\$19,624,849	\$19,666,663	-0.2%
Net Position - Unrestricted	\$10,887,867	\$11,946,041	-8.9%*

*Change in net position includes the release of \$894,031 in dividends

THE BUDGET: FIVE COMPONENTS

1. Loss Funds: The amount needed to pay claims within the JIF's SIR and is based upon historical claims and exposure trends and certified by the JIF Actuary.

2. Operations: Expenses related to the operation of the JIF. Operating Expenses are kept at a reasonable level under the watchful eye of the Finance Committee.

3. Member Benefits: Consists of member program benefit costs including Optional Safety Budget, Safety Incentive Program, EPL/Cyber Risk Management, Elected Officials Training, Wellness Incentive Program and the Technology Risk Management Program.

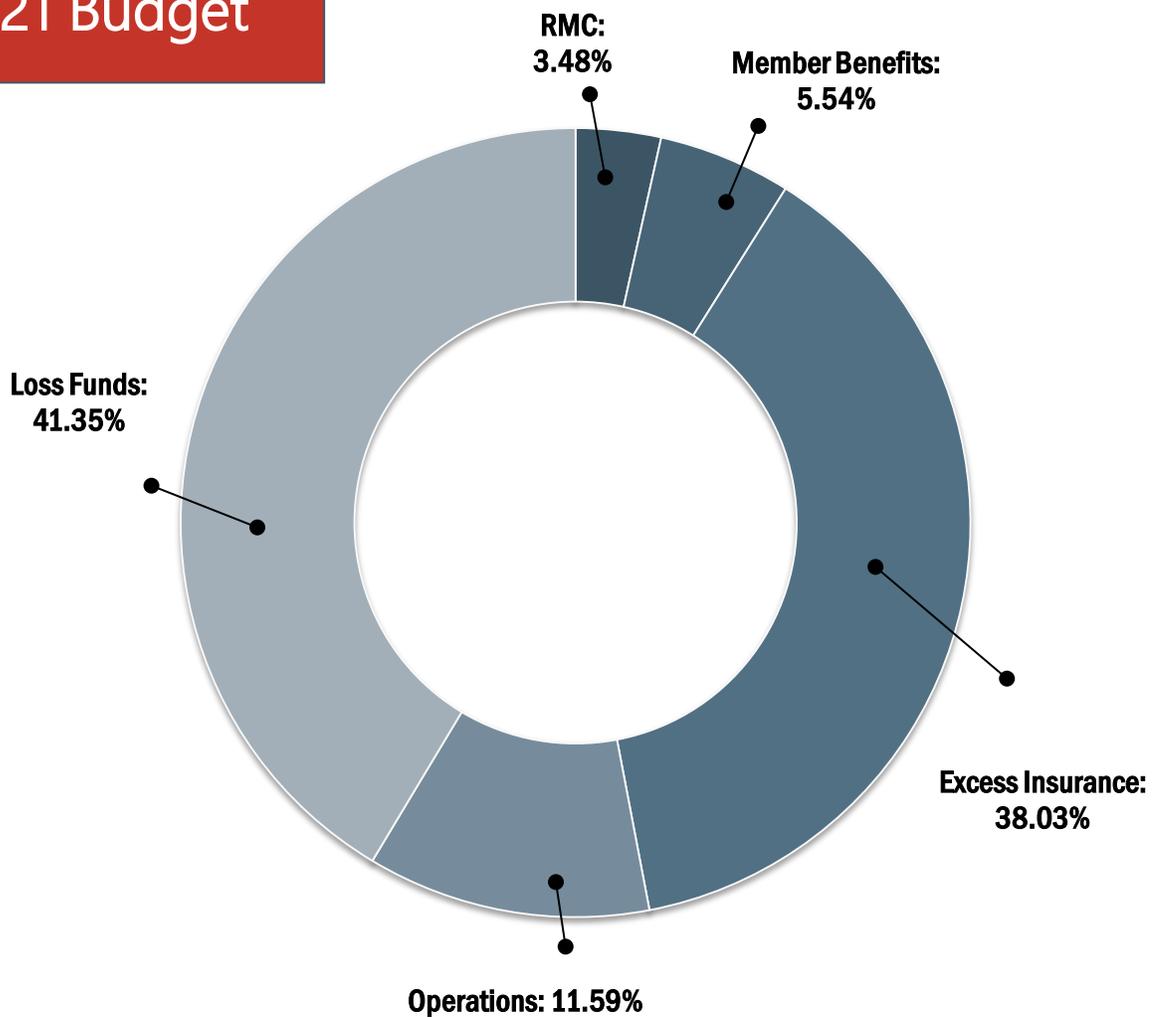
4. Excess Insurance Costs: Premiums paid for reinsurance or direct insurance purchases, and protects the JIF from catastrophic claims. Provides coverage through the membership in the Municipal Excess Liability Joint Insurance Fund (MEL) which uses the joint purchasing power of 19 NJ JIFs to negotiate the lowest possible rates. These costs also include coverage for Environmental Impairment Liability Coverage through the Fund's membership in the Environmental Risk Management Joint Insurance Fund (EJIF).

5. RMC Fees: Consists of Risk Management Consultant fees.

2021 Budget Highlights

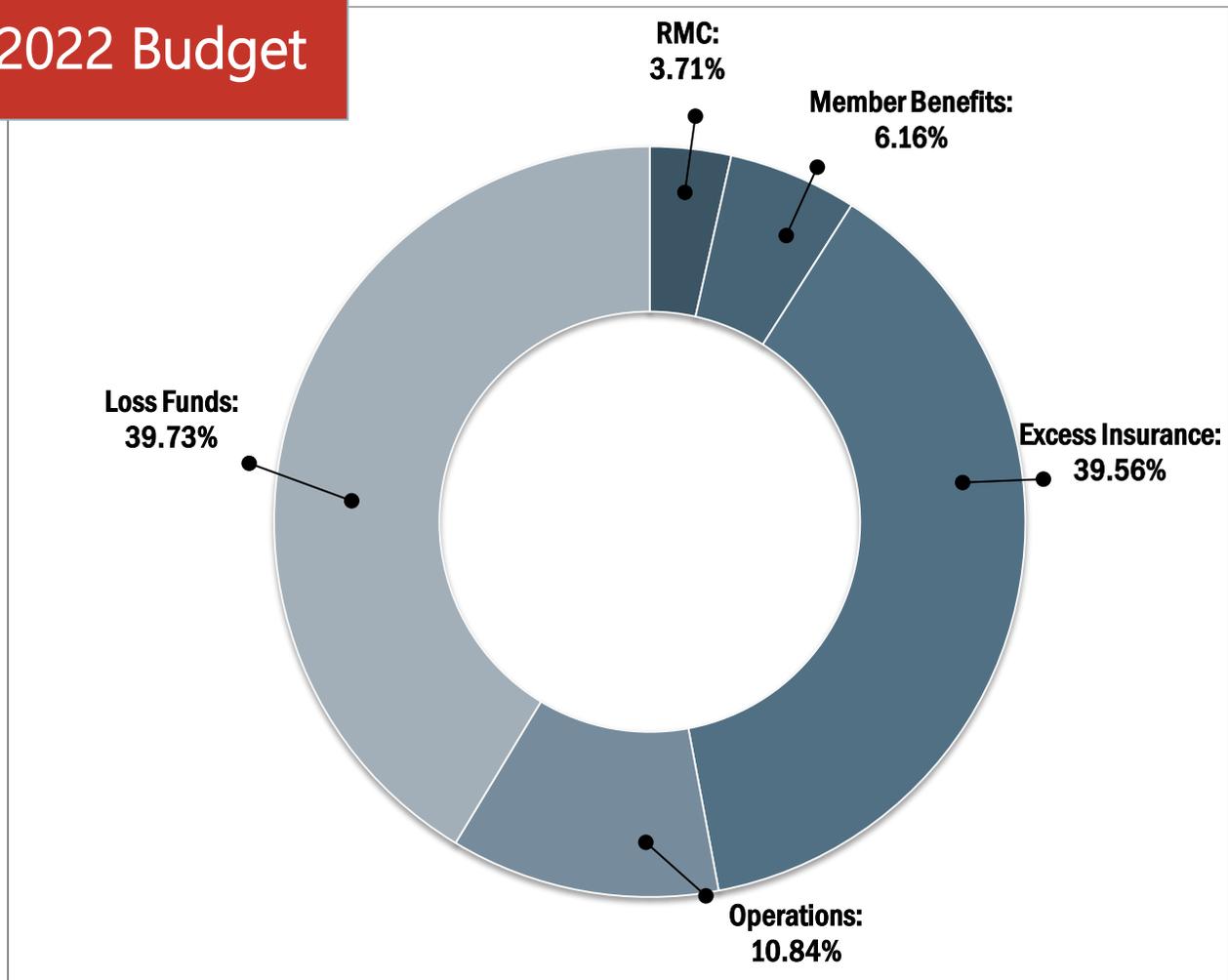
- ▶ The pie chart below demonstrates the efficiency of the JIF program
- ▶ A percentage of the JIF's budget pays for member claims within the JIF Self Insured Retention (SIR) of \$300,000 for Workers' Compensation and Liability and \$100,000 for property
- ▶ Once a claim exceeds the local JIF level, the financial responsibility falls to the Municipal Excess Liability Joint Insurance Fund (MEL)
- ▶ The chart below illustrates the allocation of member dollars to JIF expenses
- ▶ The JIF never relinquishes control over the claim; however, claims experts at the MEL level monitor the more challenging claims and provide guidance on their disposition

2021 Budget



2022 Budget & Strategy

2022 Budget



2022 VISION

Part of the BURLCO JIF's financial strength stems from member involvement. Member Benefits represent 6.16% of the overall Budget and provides funding for members' local safety, risk management, Technology risk management, Law Enforcement risk management and Wellness initiatives to better control their claims. JIF Loss Funds are decreasing slightly as a result of the members' positive claims development. While we continue to cope with COVID-19 this year, the JIF responded by releasing guidance to our members and providing coverage to employees affected. Overall, we will continue to assist our members in managing the risk associated with their operations through effective safety & risk management programs while managing claims when they occur. Following this simple process should result in continued positive performance well into the future.

Financials: Dividends and Recoveries

DIVIDENDS

The JIF is a not for profit public entity. Therefore, unspent funds are returned to the members with interest! **\$1,107,267 was returned in 2021. In total \$11.71 million* has been returned to current and former BURLCO JIF members since inception.** Below is the historical dividend distribution grand total for all years. Dividends are returned in direct proportion to a member's contribution.

MEMBER	TOTAL	MEMBER	TOTAL
Bass River Township	\$48,644	Mt. Laurel Township	\$1,003,633
Beverly City	\$463,653	North Hanover Township	\$59,179
Bordentown City	\$139,196	Palmyra Borough	\$58,314
Bordentown Township	\$116,782	Pemberton Borough	\$43,460
Chesterfield Township	\$116,186	Pemberton Township	\$150,057
Delanco Township	\$490,878	Riverside Township	\$867,660
Delran Township	\$1,236,346	Shamong Township	\$246,417
Edgewater Park Township	\$236,834	Southampton Township	\$224,721
Fieldsboro Township	\$213	Springfield Township	\$110,732
Florence Township	\$1,274,675	Tabernacle Township	\$119,125
Hainesport Township	\$362,409	Westampton Township	\$268,333
Lumberton Township	\$1,129,730	Woodland Township	\$20,113
Mansfield Township	\$496,423	Wrightstown Borough	\$18,801
Medford Township	\$2,276,347		

*Includes additional dividends issued directly to members by the MEL and the EJIF.

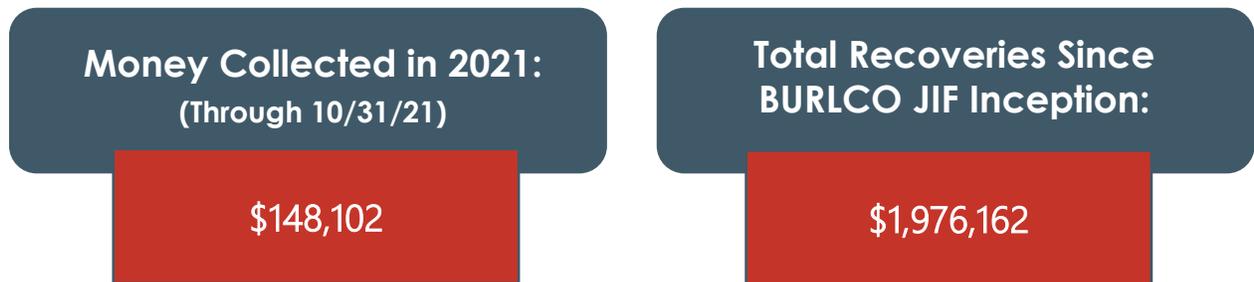
Subrogation

- ▶ Refers to an insurer seeking reimbursement from the person or entity legally responsible for a claim after the insurer has paid out money on behalf of its insured
- ▶ Includes any money paid out for property damage, medical costs, deductible amounts, diminished value, pain and suffering, loss of consortium, etc.
- ▶ When pursuing, it is important to properly identify possible contractors, manufacturers, installers, suppliers, designers, subcontractors, etc. who might be held liable for claims against the JIF
- ▶ The JIF recommends that each municipality retain purchasing records, invoices, manufacturer's recommendations, specifications, instructions, damaged equipment, change orders, etc. for prompt identification and notification of responsible parties
- ▶ Municipalities must also retain all contracts, Certificates of Insurance & Hold Harmless Agreements, so that the responsible party can also be placed directly on notice of the lien rights

EXAMPLE

A police vehicle is struck by another party and a police officer is injured. We seek reimbursement from the responsible party to recover monies paid for our vehicle damages and for the officer's injuries.

RECOVERIES



Results in Additional Savings for JIF Members!



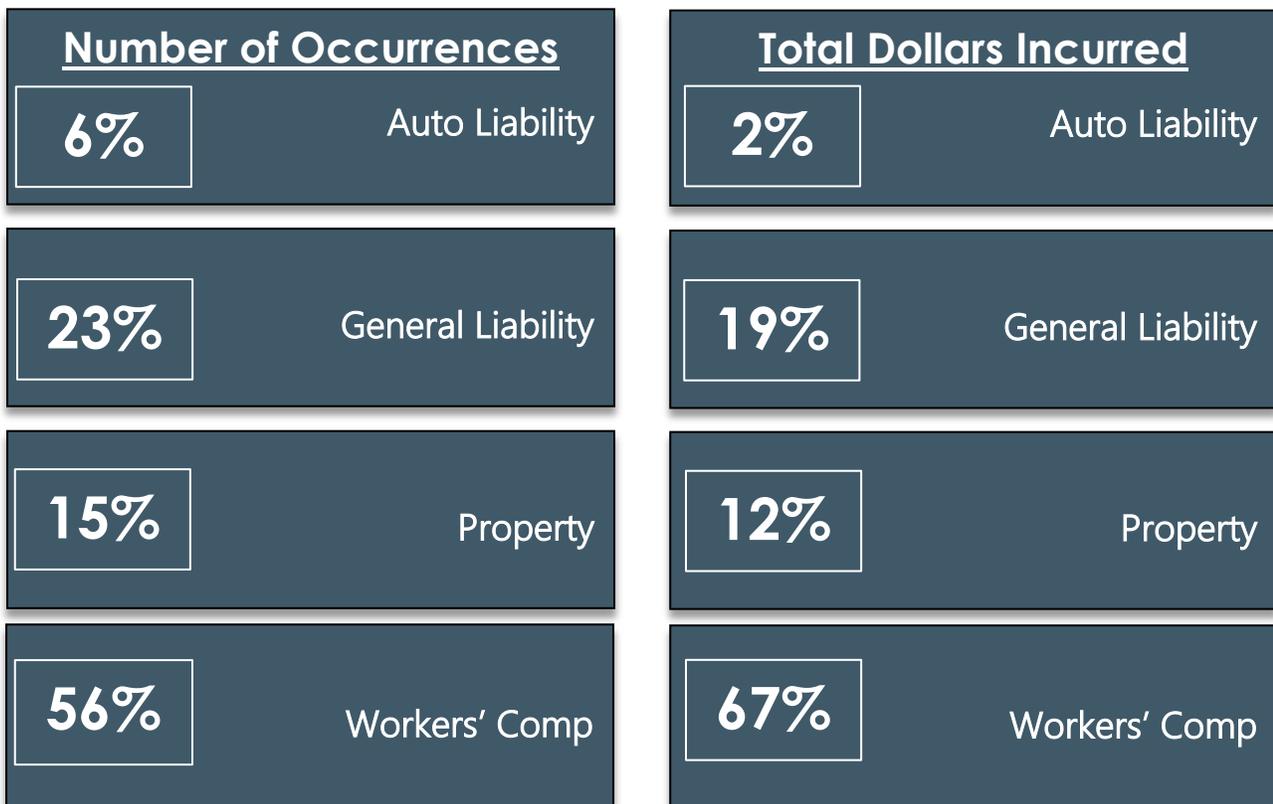
Claims Data

As illustrated below, 56% of the JIF's claims are Workers' Compensation, but they account for 67% of the JIF's claims dollars incurred. Upon joining the JIF, every member is required to appoint a Claims Coordinator who serves as a point of contact between the member and the JIF Claims Administrator. Special training, including the Claims Roadmaps are provided to the Claims Coordinator so that they are prepared to handle any claims situation that arises within their municipality.

The JIF Workers' Compensation Claims Adjusters are assigned a maximum of 150 indemnity files at any given time, allowing them to focus on working their files to achieve the best possible results.

The JIF also employs the services of the very best defense attorneys in South Jersey to defend the JIF's claims. Their knowledge of Workers' Compensation statutes and claims against public entities produces excellent results for the JIF and its members. Comprehensive Litigation Management Guidelines assure the JIF members that their claims are being defended in the most aggressive and cost-effective means possible.

CLAIMS BY LINE OF COVERAGE - FUND YEARS 2015-2020 (VALUED AS OF 9/30/21)



Managed Care

Medical and wage inflation significantly impact the JIF's Workers' Compensation costs, and the JIF must seek every possible way to control costs in this area. The JIF contracts with a managed care provider to assist in this endeavor. The JIF encourages all claims be reported within 3 days. Early reporting allows the JIF to better control the course of the claim from the very start to assure that the best possible medical treatment is provided.

A nurse case manager constantly monitors the course of medical treatment to make sure that essential services are delivered in a timely and cost efficient basis. Medical care is delivered through a PPO/EPO network of doctors who specialize in occupational injuries and agree to the Fund's rate schedule. **As of October 2021, 95% of medical services were delivered through the PPO/EPO network facilities, resulting in significant savings.**

Valued as of 10/31/21:

Claims Dollars Spent:

67%

Workers' compensation claims account for 67% of claims dollars expended over the past six years

BURLCO Average Days to Report*:

2.3 Days

The cost of a claim grows higher and higher for each day that it is not reported
**(Not COVID-19)*

In Network Providers Savings:

63%

Most medical services are delivered through network facilities, resulting in significant savings

TRANSITIONAL DUTY

On a final note, the JIF's members have wholeheartedly embraced transitional duty, allowing injured employees to return to work in a productive role while completing their final course of treatment. Dollars saved in disability payments, indemnity costs, and overtime costs can be measured in the hundreds of thousands of dollars.

Through October 2021, BURLCO members have used 72% of the Transitional Duty days available and saved \$142,082 by accommodating their employees.

AMONG THE HIGHEST IN THE STATE!

Technology Risk Services

CONTROLLING TECHNOLOGY RISKS

To combat the rise in cybersecurity threats, the JIF contracted services with Lou Romero of Secure Data Consulting Services in February 2019. As the JIF's Technology Risk Management Director, Lou helps members achieve compliance with the [MEL Cyber Risk Management Program](#). In addition, he performs the following duties:

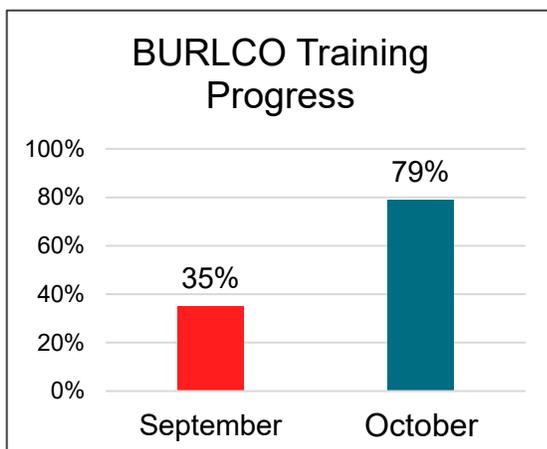
- ▶ Works with your Municipality's IT Professionals
- ▶ Triage Cyber Events
- ▶ Conducts Employee Training
- ▶ Manages Online Cyber Security Training Courses
- ▶ Provides Guidance on Best Practices to Reduce your Cyber Vulnerabilities
- ▶ Provides Day-To-Day Cyber Security Support to your Municipality

2021 – A YEAR IN REVIEW FROM LOU ROMERO

One thing we can all say about 2021, "We finally learned to use Zoom and other video conferencing tools!" 2021 also saw a surge in cyber-criminal activities targeting the municipal landscape, in particular VPN connections that don't use multifactor authentication. This summer we saw five different cyber-attacks on local municipalities in central New Jersey alone, and two of the five occurred on back-to-back days. The US is the number one target for cyber-attacks where nearly 60 million Americans have been affected by identity theft. As we look onto 2022, municipalities need to take a closer and serious look at the data they maintain to ensure they take the necessary precautions to safeguard it, especially those that are sensitive in nature.

CYBER SECURITY TRAINING

2021 posed an interesting but promising year for cyber awareness training. In the middle of the year, we hit a reporting roadblock with our prior vendor, which led to the pursuit of our new vendor, Wizer Inc. Wizer specializes in cybersecurity and data privacy employee awareness programs. In September, members assigned the "Cyber Security Awareness Training" course studied password best practices, tips to avoid malware, social media usage and much more. I'm happy to report that the new training platform has been well received by the JIF members and major progress has been made.



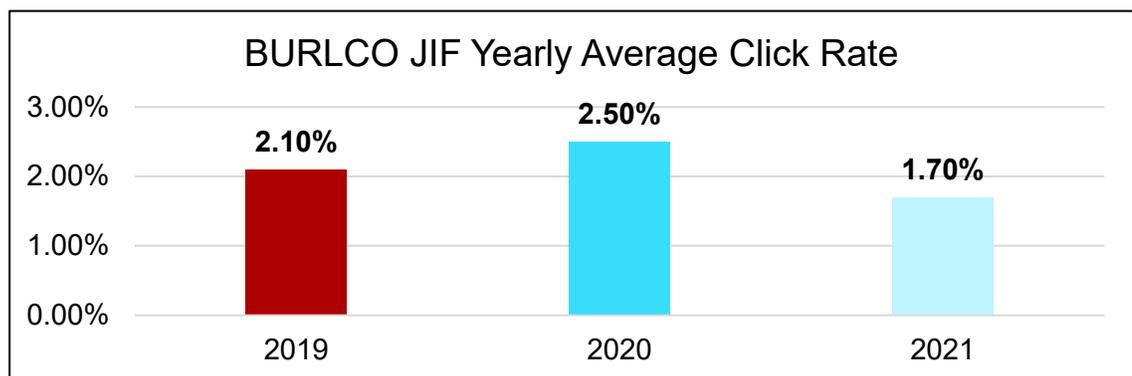
The availability of Cyber Insurance is becoming very restrictive, and insurers are cancelling coverage for entities that do not implement safeguards to protect themselves from cyber-attacks.

Technology Risk Services

Pivot Point Security provided Members with other technical services including Phishing Assessments and External Network Vulnerability Scanning

PHISHING EXERCISES

The BURLCO JIF continues to improve on the targeted phishing exercise with a Year-to-Date average click rate of 1.7%. Phishing training helps employees identify potential cyber threats via email. These simulated attacks mimic actual phishing attacks and teach users how to stay alert.



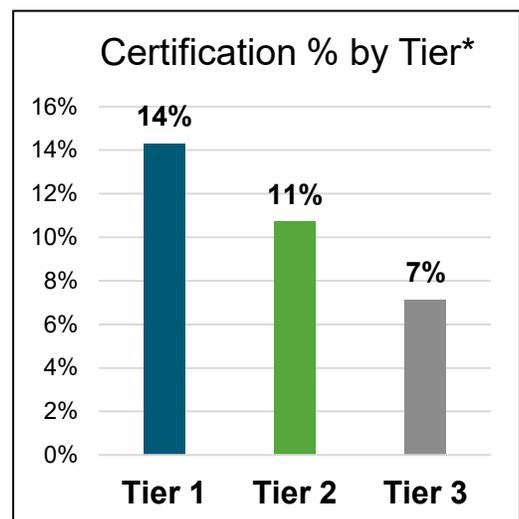
NETWORK VULNERABILITY SCANNING

Our member municipalities receive monthly vulnerability scan reports from Pivot Point Security which should be reviewed with their IT vendor to ensure any critical or high severity vulnerabilities are addressed. Vulnerability scan reports are also reviewed by the Technology Risk Services Director who will contact and alert the municipality of any critical or high severity vulnerability.

MEL'S CYBER RISK MANAGEMENT PROGRAM

2021 saw a facelift to the MEL's Cyber Risk Management Program introducing new requirements and a 3rd Tier. We are currently reaching out to your IT professionals to work with them and help you become compliant with the new program. The chart below represent the current status of the JIF as a whole. (*As of 10/31/21)

- Lou Romero, JIF Technology Risk Services Director



Spotlight on Safety

One of the most valuable benefits of membership in the Joint Insurance Fund is access to the many safety programs we offer. As a condition of membership, municipalities adopt a Safety Policy, establish active Safety Committees, investigate accidents, commit to conducting self-inspections, and participate in specialized training programs and seminars designed to reduce risk to employees and members of the public. No other insurance organization dedicates as much time, money, and effort to safety and risk management because every dollar not spent on accidents results in direct savings to members.

The JIF Safety Incentive Program ties all of these elements together by recognizing and rewarding members for engagement in these activities.

- ▶ **Safety Policy** – Adoption of a Safety Policy by the Governing Body shows a commitment from municipal leadership to the principles of safety and risk management.
- ▶ **Safety Committees** – Municipal Safety Committees meet on a regular basis to review accidents, address safety issues, assign responsibility for completion of tasks, and evaluate all aspects of the safety program. JIF safety professionals work with municipal safety committees and provide guidance where needed.
- ▶ **Accident Investigations** – We learn from our mistakes. Whenever an incident has resulted in injury to an employee or simply a “near miss” our supervisors are trained to conduct an accident investigation to determine the root cause of the incident. This review process is a valuable tool in determining whether additional training or safety equipment is needed for the tasks at hand.
- ▶ **Self-Inspections** – Rather than send representatives out to inspect municipal facilities and operations, the JIF trains managers, supervisors, and employees to look for hazards in the workplace and throughout the municipality. These inspections are documented and serve as valuable tools in addressing areas in need of improvement and defending negligence claims brought against the municipality.
- ▶ **Training** – The JIF offers dozens of training programs designed to address sources of accidents that have the potential to injure employees and members of the public. Classes and seminars are conducted in person, on-line, and through virtual platforms to allow the JIF to give access to employees through multiple venues.

The bottom line is that no other organization provides the comprehensive safety and risk management programs that are provided by the JIF. We provide the guidance and the tools necessary to create a safe working environment for staff and members of the public. And you can take that to the bank!

Spotlight on Safety

The BURLCO JIF provides essential safety programs that deliver savings and stability to every member. A strong commitment to safety and risk management is key to the JIF's success.

On Site Safety Training	Regional Training Seminars
PEOSH / OSHA Updates	Safety Director Bulletins
Safety Incentive Program (SIP)	Equipment and Facilities Safety Checklists
Member Consults	Law Enforcement Consults
Written Program Compliance/Model Policies	Driver Training Programs (S:ERVE)
Optional Safety Budget (OSB)	Job Safety Observations

MEL SAFETY INSTITUTE (MSI)

- ▶ **MSI LIVE:** MSI LIVE are live, instructor-led in-person classes and live, instructor-led webinars. These classroom and webinar offerings present an interactive experience for the learner that enhances the learning opportunity. Since they are live, interactive, and instructor-led, the MSI can offer continuing education credits for many municipal designations and certifications. Through 11/1/2021, 780 live training events occurred for this year.
- ▶ **MSI NOW:** MSI NOW are recorded videos and new streaming on-line classes that were introduced in June 2020. Through 11/1/2021, 861 MSI NOW training events occurred for this year.
- ▶ **MSI DVD:** MSI DVD is an extensive library of over 1,000 DVDs available through the MSI Administrator. The DVDs can be requested and held for 2 weeks so they can be shown at a convenient time. Through 11/1/2021, 11 DVD training events occurred for this year.
- ▶ **KWIK COURSE BRIEFINGS:** These short video briefings are designed to focus on one limited topic. These videos are a quick and effective way to add important information and best practices to your regular safety briefings. Examples below:

Asbestos Safety Overview	Fire Extinguisher Monthly Inspections
GHS Pictogram Review	Investigating Slip and Trip Injuries
OSHA Record Keeping	Safely Backing Work Vehicles
Voluntary Use of Respirators	Responsibilities of an RTK Coordinator
Confined Space Awareness	Mark Out Safety

Risk Management

EPL/POL Programs

Employment Practices Liability (EPL) Helpline • Model EPL/POL Policies & Procedures
Land Use Liability Training Booklet on JIF Website

Law Enforcement Risk Management Tools

Online Training • Law Enforcement Bulletins • Law Enforcement Risk Management Consultant
Police Chief Ad Hoc Committee • Police Accreditation Financial Incentives
MSI Law Enforcement Resources on [NJ MEL Website](#)

ORIGAMI

ORIGAMI is a private, customized exposure database management system for the JIF members to manage their exposure data to better control risks.

BURLCOJIF.ORG Website

Download monthly agenda packets and meeting minutes, access contact information, review JIF policies and procedures for various programs, request certificates of insurance, and obtain vouchers or other important documentation. [Visit the BURLCO.ORG Website here.](#)

Cyber

Cyber Hygiene Training • Phishing Exercises • System Vulnerability Scanning
Model Policies & Procedures • Prompt Breach Recovery Services

Wellness Incentive Program

Designed to assist members in meeting their own Wellness Objectives by providing financial reimbursement for wellness and health related items and programs geared toward reducing Workers' Compensation costs.

Additional Financial Tools

Optional Safety Budget (OSB) • Safety Incentive Programs (SIP) • EPL / Cyber Risk
Management Budget

Other Risk Management Tools

Model Indemnification & Hold Harmless Language Agreement
TULIP (Tenant User Liability Insurance Program) • Certificate of Insurance Guidelines
Model Municipal Facility Use Agreement

EPL/POL Programs

Sexual harassment, hostile work environment, and similar employment issues present a unique risk to public entities. Managers and supervisors must understand the critical role that they play in managing this area of risk. A strict “No Tolerance” policy must be established and understood by everyone in the organization. Fortunately policies and training that address these issues are abundantly available through your JIF:

MANAGERS AND SUPERVISORS TRAINING

978 JIF member employees participated in 20 online sessions focusing on harassment and discrimination, implicit bias, addressing employee complaints, the role and obligations as a manager, and the enforcement of municipal policies and procedures.

NON-SUPERVISORY EMPLOYEE AND VOLUNTEER TRAINING

Offered through the MEL Safety Institute (MSI), this effective anti-harassment program includes training on the right of each employee to a workplace free of harassment and each employee’s duty to respect the rights of all other employees.

PROTECTION & SAFE TREATMENT OF MINORS WEBINAR

This Webinar includes valuable information to assist member municipalities and their employees avoid potential liability resulting from a future claim of sexual abuse or molestation.

PROTECTING CHILDREN FOR EMPLOYEES AND VOLUNTEERS TRAINING

This on-line course designed for non-supervisory employees and volunteers discusses child abuse and the responsibilities of local government to protect children.

LAND USE TRAINING

In response to a growing number of Public Official Liability claims being brought against member municipalities due to the actions of their Land Use Board(s), the JIF developed a [Land Use Liability Training Booklet](#) that outlines some of the most common causes of Land Use litigation. Located under the EPL tab on the JIF website.

POLICE COMMAND STAFF TRAINING

Police Departments are involved in a high percentage of employment-related litigation, and this training offered is one of the required elements for the incentive under the MEL’s Employment Practices Liability (EPL) Plan of Risk Management program. Failure to attend training can lead to costly litigation and may result in higher co-pays and deductibles for EPL.

New EPL Policies

Members who have adopted the MEL's model employment practices risk control program are eligible for lower deductibles. These programs must be updated every two years to remain eligible. Required items for 2021 include the following:

- ▶ **Adopt and distribute updated Personnel Policies and Procedures Manual**
- ▶ **Complete the Managerial and Supervisory Training**
- ▶ **Complete Police Command Staff Training**
- ▶ **Offer Anti-Harassment training to all other personnel**
- ▶ **Adopt the Model Civil Rights resolution**
- ▶ **Distribute Conscientious Employee Protection Act notice to all personnel**
- ▶ **Adopt and distribute the Employee Handbook**
- ▶ **Review NJ MEL Helpline for Employment Practices**

Compliance with the program will result in lower deductibles, co-insurance and help prevent claims. [Click here for detailed information.](#)

Employment Practices Helpline



**Questions about employment issues?
Call the New MEL
Employment Practices Helpline**

The MEL Safety Institute is pleased to announce the establishment of a NEW MEL Employment Practices Helpline (EPL), a dedicated resource to guide members on employment related issues.

The MEL EPL Helpline is staffed by attorneys that specialize in New Jersey employment law and understand the MEL JIF System. The three law firms staffing the EPL Helpline are affiliated with local Joint Insurance Funds (JIF).

Who can use the EPL Helpline? MEL member municipalities will select and approve two individuals to use the Helpline.

What hours is the EPL Helpline available? The helpline will be staffed during normal business hours, 9 a.m. – 5 p.m. Voicemail can be left afterhours for a callback.

What kinds of issues can be addressed? Any employment related topics or policies and procedures related to issues such as:

- Hiring
- Termination
- Harassment
- Discrimination
- Promotion/Demotion
- And more...

What are the MEL EPL Helpline numbers? MEL members can choose to call any of the MEL EPL Helpline firms listed below.

MEL EPL HELPLINE:	MEL EPL HELPLINE:	MEL EPL HELPLINE:
732-583-7474	609-522-5599	973-334-1900
Julia Rowatt	Julia's Defense	Neil Serrano
Oliver Jacobbe Affari Jacobs LLC	The DeLore Law Firm	Dorey Serrano
665 State Route 14, Suite 203 Madison, NJ 07747015	1200 Pacific Avenue Westwood, New Jersey 07083	714 Main Street Boonton, NJ 07003

What happens after the call? The attorney will provide the member with transcript of the call that includes recommendations. If the issue is beyond the scope of the MEL EPL Helpline the attorney will provide direction to the member on where to get appropriate assistance. All calls are confidential.



Employment related liability claims continue to present themselves, triggering significant financial, reputational, and public relations concerns for our members. These claims include allegations of discrimination, sexual harassment, hostile workplace, and whistleblower retaliation. While your Joint Insurance Fund issues Model Employment Policies and Procedures, Employee Handbooks, and bi-annual seminars for managers and supervisors, issues arise that require immediate support.

The [Employment Practices Helpline](#) was created in March 2019 to specifically address this need. This dedicated resource guides members on employment related issues. Designated municipal officials can call 1 of 3 municipal attorneys with expertise in NJ Employment Law and receive guidance on issues ranging from the Family Medical Leave Act, the Americans with Disabilities Act, as well as Wage and Hour inquiries.

The purpose of the Helpline is to help members avoid pitfalls in addressing these issues that may result in costly litigation and reputational harm.

Total Calls Since Launch of Helpline in March of 2019: 187

Total calls in 2021: 55

Police Initiatives

Our JIF member Police Agencies face risks to their personal safety day in and day out. They are also increasingly under fire for alleged wrongdoing and face expensive claims. These claims are often in the form of costly litigation against municipalities, and can result in settlements in the millions of dollars. To help reduce the skyrocketing costs associated with police related injuries and lawsuits, the JIF offers valuable programs for our Police Agencies. The MSI Toolkit for Law enforcement offers valuable resources including videos, bulletins and training for our member Police Agencies. Additional services are listed below:

Law Enforcement Services	Officer Career Survival Training
Law Enforcement Messages	Risk Management Command Staff Training
Law Enforcement Alerts	Police Ad Hoc Meetings
Law Enforcement Risk Analysis	Video Briefs
First Line Supervisor Training	Police One Academy online training

In addition, the JIF has entered into a contract with Christopher Winter Sr. to provide Law Enforcement Risk Management Consulting Services to the JIF Member Police Agencies in 2022. Mr. Winters will be working to assure Police Agencies have the most up to date policies and training to reduce the liability exposure of our officers and their agencies.



ELIAS INSTITUTE OF PROFESSIONAL COACHING

Also in 2021, the Elias Institute of Professional Coaching partnered with our JIF Wellness Directors to host a Transformational Leadership & Crisis Response Pilot Program for our member Police Agencies.

This six week hybrid group coaching program enabled Police Agencies to review best practice leadership & professional development training. This training was designed to support senior level leaders in local and global crisis situations to build support upon peers, increase hardiness and resilience, and reduce trauma.

"I like the assessments. I thought they were very accurate and really appreciate how Dr. Elias uses our assessments each week for goal setting and building our leadership abilities. They are a great measure of where and how to improve as a leader. I didn't know what to expect when I joined the group and had no idea I would like it as much as I do!"

- Elias Training Participant

Wellness Initiatives

Comorbidity is a term heard much more frequently over the last several years than ever before. Having a comorbidity can alter the quality of life for a person bearing the burden of the many possible complications it can cause. By definition, a person is said to have comorbidities when two or more long-term chronic conditions exist at once or are successively occurring.

According to a study conducted by the National Council on Compensation Insurance, "The average cost of Workers' Compensation claims connected to a comorbid condition are almost twice as much as that of comparable claims that don't involve comorbidities."

Employee comorbidities have a tremendous impact on increased risk of on-the-job injury and absenteeism, requiring municipal leaders to remain vigilant in providing support and wellness resources to all employees. Encouraging employee self-care and promoting participation in the JIF Wellness Program, has had a positive influence on managing and reducing the risk of serious health conditions that can directly affect productivity and safety.

Another key focus of the JIF Wellness Program has been addressing the reduction and management of stress. Stress has been proven to profoundly harm our physical and mental wellbeing. The pressures of life can be overwhelming. Although stress can serve a useful biological purpose, too much of it can cause us a great deal of damage in the short and long term.

Chronic stress can lead to the following comorbid conditions, to name a few:

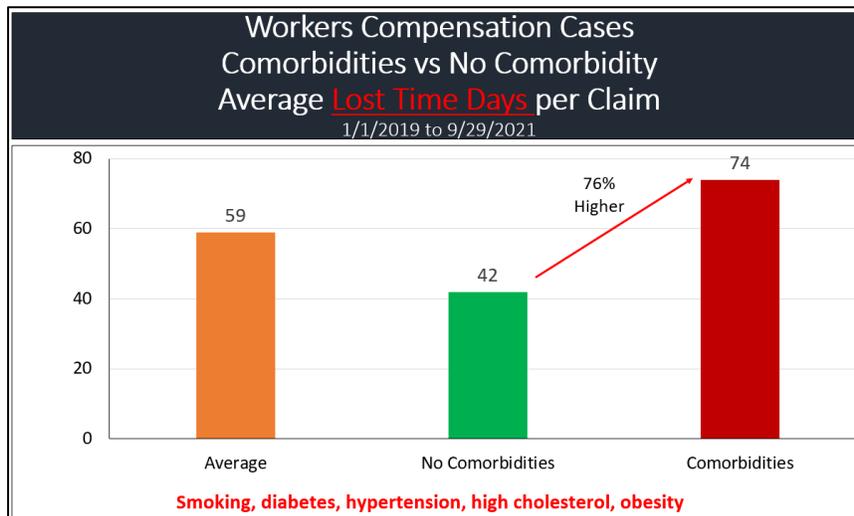
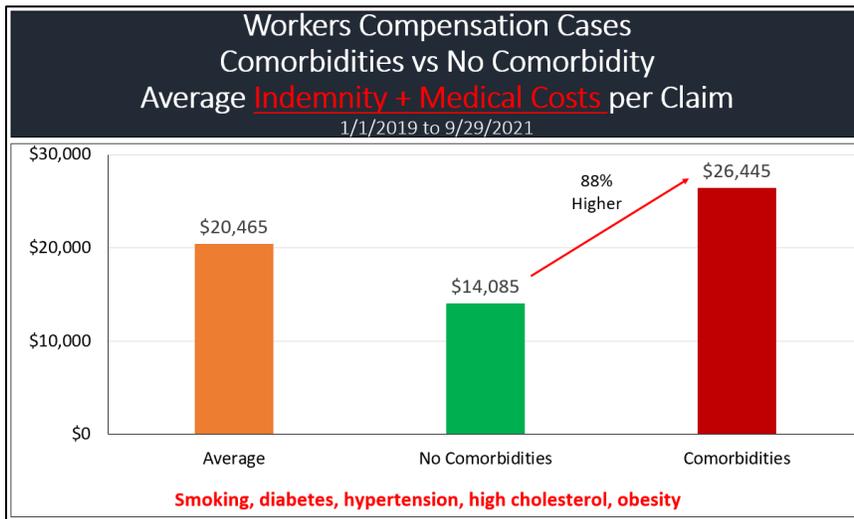
- ▶ Heart disease and diabetes
- ▶ Weakened immune system
- ▶ High blood pressure
- ▶ Obesity
- ▶ Depression and anxiety

It is therefore critical that we focus on wellness initiatives that address all aspects of employee's well-being: physical, mental and emotional. Creating a "culture of wellness" through our JIF Wellness Program will empower our employees to prevent, manage or even reverse chronic conditions through ongoing support and resources.

As I look forward to 2022, my objective is to reach more employees through a variety of wellness approaches aimed to cultivate further engagement by addressing the needs of the *whole* person. With your support, we will create this course of action together!

-Debby Schiffer, Your Wellness Director

The Cost of Comorbidities



Wellness Initiatives

NAVIGATING 2022:

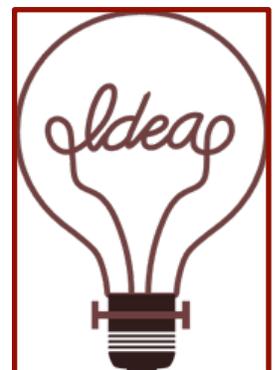
- ▶ Facilitate quarterly virtual group support for all municipal Wellness Coordinators enabling collaboration to identify wellness initiatives that motivate colleague engagement.
- ▶ Continue to share the Targeting Wellness Newsletter, periodic wellness workshops, educational handouts and presentations to all employees for their continued knowledge and increased awareness on making healthier lifestyle choices.
- ▶ Educate municipal employees on mental health to reduce stigma and encourage conversation. Continue promoting services offered through their Employee Assistance Program (EAP).
- ▶ Provide individual and group coaching to municipal employees interested in maximizing personal and professional potential and well-being.
- ▶ Identify new resources and vendors in the community who support our efforts in the promotion of wellness.
- ▶ Support Law Enforcement and other First Responders with the offering of a Transformational Leadership and Crisis Response Program tailored to their specific needs.
- ▶ Remain proactive in furthering my knowledge, skills and tools in order to continue offering new and innovative ideas for my municipalities based on the needs of their employees.



-Debby Schiffer, Your Wellness Director

IDEAS TO SHARE

Stretch Breaks	Lunch and Learns	Wellness Posters
_____	_____	_____
Educational Materials/Posters	Fresh Fruit vs. Unhealthy Snacks	Promote Walking Meetings
_____	_____	_____
Biometric Screenings	Ergonomics Training	Stress Management Techniques



Preferred Auto Repair Shop Program

The Joint Insurance Fund (Fund) provides vehicle physical damage coverage for municipal vehicles damaged by a covered loss and has contracted with Qual-Lynx (Claims Administrator) to provide claims adjustment services to member municipalities. Because these claims are paid with taxpayer dollars, the Fund has a financial responsibility to the taxpayers of member municipalities to ensure consistent application of best practices for vehicle repair facilities. Due to differences in methods of repair and labor rates seen between member-chosen repair facilities, we established the Vehicle Repair Facility Guidelines in an effort to ensure uniformity and fiscal responsibility.

If the member chooses a repair facility that meets the Guidelines herein, the standard \$1,000 deductible will apply. If a repair facility chosen by the member does not meet these Guidelines, the deductible will be increased to \$2,500. The determination as to whether the repair facility has met program Guidelines is made by the Claims Administrator with assistance, if necessary, from their approved Independent Damage Appraiser, the Fund Administrator, and Fund Solicitor. [Click here for more details.](#)

GOALS

To establish guidelines and procedures for a vehicle repair facility chosen by the member:

- To ensure that all repairs are completed promptly
- According to manufacturer recommendations
- To its pre-accident safety level condition
- In accordance with the "agreed price" for preliminary repairs completed by the approved Independent Damage Appraiser

BENEFITS

- Continued stewardship of taxpayer dollars
- Enhanced service to members by the repair facility
- Choice of shop remains with the member municipality
- Completion of all repairs so that manufacturer warranties will not be voided
- Shop is promptly paid directly by Claims Administrator less deductible when Guidelines are met

These Guidelines are intended to assure that the vehicles are repaired in accordance with industry standards and the Fund is paying exactly what is owed for the repairs of an insured vehicle damaged from a covered loss; not a dollar more and not a dollar less.

Mission Statement

We are an organization of municipalities united to achieve savings and stability through comprehensive insurance, safety, and claims management programs dedicated to reducing public sector risk.

**JIFs are the most successful example of interlocal cooperation
in the history of the state!**

Tailored To All Areas Of Your Municipality:

Police • Fire • EMT • DPW • Administration • Parks and Recreation • Elected Officials



JIF PROGRAM SNAPSHOT

OPTIONAL SAFETY BUDGET (OSB)

Yearly allowance to reimburse members for the purchase of safety related items that are not otherwise included in your municipality's budget. The allotment for each member is included in the monthly agenda packet. Members must claim or encumber these funds by November 30th.

BENEFIT TO MEMBERS

Monies to Purchase Safety Related Items & Training

ELECTED OFFICIALS TRAINING

Attendance at the Annual Elected Officials training seminars allow Elected Officials to become more familiar with the JIF and the risk management issues affecting the members. The MEL provides credit for each Elected Official that attends.

BENEFIT TO MEMBERS

MEL Liability or Workers Compensation Loss Funding Reduction

SAFETY INCENTIVE PROGRAM

Participation in the Annual Safety Incentive Program (SIP) encourages safe behavior by rewarding the town for completion of safety related activities. Earned awards money can be spent on items that will reward employees for their efforts to reduce workplace injuries and create a safer working environment.

BENEFIT TO MEMBERS

Meet Established Criteria
Earn Monies to Reward Employees or Purchase Safety Items

EPL TRAINING BUDGET

The Annual EPL Training Budget is a resource utilized to offset expenses related to employment practice liability. These expenses include employee training, legal costs, etc.

BENEFIT TO MEMBERS

Offset Employment Practice Related Expenses

EPL TRAINING

Bi-Annual training for Managers, Supervisors, and all other personnel, that assists members in complying with court mandated anti-harassment training

BENEFIT TO MEMBERS

Compliance with Court Mandated Training

DIVIDENDS

Every penny not spent on claims is returned to the Members with Interest! Members are eligible after four years as a Member. The dividend can be received in a check, applied to next year's premium, applied to aggregate excess loss contingency fund or combination of the above.

BENEFIT TO MEMBERS

Members enjoy savings as a result of their safety, Risk management & Claims Management efforts

MEL SAFETY INSTITUTE (MSI)

As a member of the MEL, JIF municipalities have an expansive list of training classes available to them to assist in meeting OSHA and State of NJ training requirements. In addition, non-mandated training to assist employees in identifying hazards and working safely in specialized fields is also available.

BENEFIT TO MEMBERS

Training Programs to stay within compliance

FUND PROFESSIONALS

Fund Administrator carries out policies and the day to day operations.

Claims Administrator is the management of claims and litigation for all lines of coverage on behalf of the JIF.

Managed Care Provider oversees the treatment to expedite the care of employees with a workers compensation claim.

Loss Control Services conducting complete safety and risk control training programs to help prevent losses.

Wellness Director assists in the implementation of Wellness Programs for employees.

Exposure Management Database to easily maintain information regarding property, vehicles and other exposures covered by the JIF and the MEL.

BENEFIT TO MEMBERS

Added Value Benefits to Members

DISCOVER THE POWER OF THE JIF.



Tens of millions of dividends returned to your community.
That's the power of the Municipal Joint Insurance Fund.

