New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

May 30, 2023

VIA ELECTRONIC MAIL ONLY at:
paulbdalnoky4@gmail.com
opra+request-43379-4339b79e@requests.opramachine.com
Paul Dalnoky

Re: OPRA Request; NJSIG No. 97
OPRA Request; NJSIG No. 98

Dear Paul Dalnoky:

The official Records Custodian of the New Jersey Schools Insurance Group ("NJSIG"), Jill Deitch, Esq., received your recent Open Public Records Act ("OPRA") requests, which are detailed below:

OPRA Request; NJSIG No. 97

The official Records Custodian of the New Jersey Schools Insurance Group ("NJSIG"), Jill Deitch, Esq., received your OPRA request on May 20, 2023. This response to your request is being provided to you on the seventh business day. On May 20, 2023, you requested the following items:

> Dear New Jersey Schools Insurance Group,
> This is a request for public records made under OPRA and the common law right of access. I am not required to fill out an official form. Please acknowledge receipt of this message.
> Records requested: 1. Any document in any form whatever, which would reflect any cost benefit analysis performed with regard to any or all of the pending cases captioned Dalnoky v Pinelands Regional School District. 2. With regard to the above cases, any document in any form whatever reflecting a maximum amount of legal fees and disbursements authorized in defending these cases.

Yours faithfully,
Paul Dalnoky

Please deliver records electronically via email to the below UNIQUE address for all replies to this request:
opra+request-43379-4339b79e@requests.opramachine.com

Is JDeitch@njsig.org the wrong address for OPRA requests to New Jersey Schools Insurance Group? If so, please contact us using this form:
https://opramachine.com/change_request/new?body=njsig
Disclaimer: This message and any reply that you make will be published on the internet. Our privacy and copyright policies:
https://opramachine.com/help/officers

View this OPRA request & responses online:
https://opramachine.com/request/cost_benefit_analysis

Please note that in some cases publication of requests and responses will be delayed.

If you find this service useful as an OPRA custodian, please ask your web manager to link to us from your organisation's website.

OPRA Request; NJSIG No. 98

The official Records Custodian of the New Jersey Schools Insurance Group ("NJSIG"), Jill Deitch, Esq., received your OPRA request on May 22, 2023. This response to your request is being provided to you on the sixth business day. On May 22, 2023, you requested the following items:

> Hello. At the close of your 8/24/22 letter you write: "If you have any questions, feel free to contact me." Well I do have a question, two actually:
> Why would you spend more taxpayers' money in legal fees to defend a case than settle at an early stage? and, as I pose in a recent OPRA, Is

there any limit on what you will spend on legal fees rather than settlement?
Thank you.

With respect to the first part of the first request, OPRA Request NJSIG No. 97, which requests "Any document in any form whatever, which would reflect any cost benefit analysis performed with regard to any or all of the pending cases captioned Dalnoky v Pinelands Regional School District," this request is an invalid request for information in that it fails to seek identifiable government records. Because this request fails to identify the specific government records sought and would force NJSIG to "undertake a subjective analysis to understand the nature of the request," the request is invalid under OPRA. Paff v. Galloway Tp., 229 N.J. 340, 355 (2017). See also MAG Entertainment, LLC v. Division of Alcoholic Beverage Control, 375 N.J. Super. 534, 546 (App. Div. 2005); Bent v. Stafford Police Department, 381 N.J. Super. 30, 37 (App. Div. 2005); New Jersey Builders Association v. New Jersey Council on Affordable Housing, 390 N.J. Super. 166, 180 (App. Div. 2007).

Furthermore, although this information is not required as part of this OPRA response, it is noted that any claim relating to "any or all of the pending cases captioned Dalnoky v Pinelands Regional School District," is administered by Summit Risk Services, 120 Gibraltar Road, Suite 210, Horsham, Pennsylvania, 19044.

With respect to the second part of the first request, OPRA Request NJSIG No. 97, which requests "any document in any form whatever reflecting a maximum amount of legal fees and disbursements authorized in defending these cases," this request is likewise an invalid request for information in that it fails to seek identifiable government records. Because this request fails to identify the specific government records sought and would force NJSIG to "undertake a subjective analysis to understand the nature of the request," the request is invalid under OPRA. Paff v. Galloway Tp., 229 N.J. 340, 355 (2017). See also MAG Entertainment, LLC v. Division of Alcoholic Beverage Control, 375 N.J. Super. 534, 546 (App. Div. 2005); Bent v. Stafford Police Department, 381 N.J. Super. 30, 37 (App. Div. 2005); New Jersey Builders Association v. New Jersey Council on Affordable Housing, 390 N.J. Super. 166, 180 (App. Div. 2007).

Furthermore, although this information is not required as part of this OPRA response, it is noted that any claim relating to "any or all of the pending cases captioned Dalnoky v Pinelands Regional School District," is administered by Summit Risk Services, 120 Gibraltar Road, Suite 210, Horsham, Pennsylvania, 19044. NJSIG

completely reinsurers the Errors and Omissions (E&O)/School Board Leader Liability (SBLL) line of coverage. NJSIG does not administer these claims internally.

Notwithstanding the foregoing objection, and without waiving the same, NJSIG construes your request as seeking documents outlining NJSIG's internal claims procedures. As such, the following documents are being provided to you: New Jersey Schools Insurance Group Plan of Risk Management 2022-2023, which outlined claims standards of performance for all lines. These records, bates stamped NJSIG OPRA 97-0001 through NJSIG OPRA 97-0022, are being provided to you and appear to be responsive to your request.

These records are being transmitted to you via e-mail, per your request. There is no cost associated with this response.

With respect to the second request, OPRA Request; NJSIG No. 98, which requests: "Why would you spend more taxpayers' money in legal fees to defend a case than settle at an early stage? and, as I pose in a recent OPRA, Is there any limit on what you will spend on legal fees rather than settlement?," this request is an invalid request for information in that it fails to seek identifiable government records. Because this request fails to identify the specific government records sought and would force NJSIG to "undertake a subjective analysis to understand the nature of the request," the request is invalid under OPRA. Paff v. Galloway Tp., 229 N.J. 340, 355 (2017). See also MAG Entertainment, LLC v. Division of Alcoholic Beverage Control, 375 N.J. Super. 534, 546 (App. Div. 2005); Bent v. Stafford Police Department, 381 N.J. Super. 30, 37 (App. Div. 2005); New Jersey Builders Association v. New Jersey Council on Affordable Housing, 390 N.J. Super. 166, 180 (App. Div. 2007).

If your request for access to a government record has been denied or unfilled within the seven (7) business days required by law, you have a right to challenge the decision by NJSIG to deny access. At your option, you may either institute a proceeding in the Superior Court of New Jersey or file a complaint with the Government Records Council ("GRC") by completing the Denial of Access Complaint Form. You may contact the GRC by toll-free telephone at 866-850-0511, by mail at P.O. Box 819, Trenton, NJ 08625, by e-mail at Government.Records@dca.nj.gov, or at their web site at www.nj.gov/grc. The GRC can also answer other questions about the law. All questions regarding complaints filed in Superior Court should be directed to the Court Clerk in your County.

If you have any questions, feel free to contact me.

Sincerely yours,

s/ Jill Deitch
Jill Deitch, Esq.
Executive Director

/JD
Enc.

New Jersey Schools Insurance Group

PLAN OF RISK MANAGEMENT

2022-2023

TABLE OF CONTENTS

TABLE OF CONTENTS Continued

NEW JERSEY SCHOOLS INSURANCE GROUP

PLAN OF RISK MANAGEMENT

The mission of New Jersey Schools Insurance Group ("NJSIG"), a public school insurance pool, is to ensure the availability of insurance to New Jersey public schools by offering the best coverage at the lowest possible cost while providing risk management education, training and services.

I. INTRODUCTION

NJSIG is a school board insurance group, also known as a joint insurance fund, formed under the provisions of N.J.S.A. 18A:18B-1, et. seq. NJSIG's membership is comprised of public schools. NJSIG commenced operations in October 1983.

NJSIG's objectives include the following:

A. Providing eligible public schools with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures;

B. Maintaining proactive safety and loss prevention programs specific to issues inherent in public schools;

C. Aggressively evaluating, defending and/or settling claims made against members which fall within the defined coverages afforded through NJSIG;

D. Maintaining a responsible funding posture in an effort to ensure long-term financial security for NJSIG and, by extension, the membership.

II. COVERAGE PROVIDED, LIMITS OF LIABILITY, SELF-INSURED RETENTIONS AND DEDUCTIBLES

A. GENERAL

NJSIG offers coverage to its members through one or more of the following vehicles:

- Pooled self-insurance
- Excess insurance
- Reinsurance
- Individual contracts

NJSIG offers its members the following coverages:

1. Workers' Compensation and Employers Liability
2. Automobile Liability
3. General Liability
4. Property
5. Equipment Breakdown
6. Automobile Physical Damage
7. School Leaders Errors and Omissions Liability
8. Crime
9. Electronic Data Processing
10. Excess Liability
11. Supplemental Indemnity
12. Cyber Liability and Breach Response
13. Environmental Liability

The specific limits of coverages afforded by NJSIG incorporate individual member deductibles, funded self-insured retentions and various jointly purchased conventional and excess/reinsurance policies. Unless specifically stated to the contrary, limits shown in the following sections shall be considered to be inclusive of applicable pooled self-insured retention.

NJSIG also provides for aggregate excess insurance where applicable.

B. PROPERTY

1.	Limit of liability	$500,000,000 per occurrence pool-wide
2.	NJSIG self-insured retention (SIR)	$1,000,000 per occurrence
3.	Member deductible	$1,000 to $50,000
4.	Perils included	See policies "Appendix A"

C. EQUIPMENT BREAKDOWN

1.	Limit of liability	$100,000,000 per accident
2.	NJSIG self-insured retention	$0
3.	Member deductible	12 hours/$25,000
4.	Policy conditions	Refer to specific policy language

D. COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY

1.	Limit of liability	Between $1,000,000 and $31,000,000 per occurrence Communicable disease outbreak: $1,000,000 per occurrence; and, $9,000,000 pool-wide annual aggregate limit shared with general liability, auto liability and school board leader liability Sexual abuse: Named Insured's (member) selected general liability limit, up to a maximum of $15,000,000 per occurrence; $15,000,000 per Named Insured (member) annual aggregate limit; and $27,000,000 pool-wide annual aggregate limit
2.	NJSIG self-insured retention (SIR):	$1,000,000 per occurrence
3.	Member deductible	Liability options $0-$50,000 except $1,000 employee benefits
4.	Insuring agreement	Provides coverage for bodily injury, property damage and personal injury liability arising out of the business activities of the member. See specific policy language

E. WORKERS' COMPENSATION

1.	Limits of liability:	
	(a) Workers' Compensation	Statutory
	(b) Employers Liability	$3,000,000 per occurrence

2.	NJSIG specific self-insured retention	
	(a) Workers' Compensation	$1,000,000
	(b) Employers Liability	$1,000,000
3.	Member deductible	None

F. SCHOOL LEADERS ERRORS & OMISSIONS LIABILITY

1.	Coverage A	Limits of liability between $1,000,000 and $31,000,000 per occurrence/aggregate, per member. Limit chosen by district may be subject to retroactive dates. Refer to specific policy language Communicable disease outbreak: $1,000,000 per occurrence for, and $9,000,000 pool-wide annual aggregate limit shared with general liability, auto liability and school board leader liability
2.	Coverage B	$100,000/$300,000 or $50,000/$150,000
3.	Member deductible	Between $5,000 to $250,000 Coverage A and B
4.	Insuring agreements	Refer to specific policy language
5.	NJSIG self-insured retention	$0

G. REINSURANCE

1. NJSIG may purchase reinsurance or excess insurance, which is subject to the terms and conditions of the specific excess or reinsurance carrier agreements. NJSIG purchased reinsurance for the following:

   (a) Property: NJSIG cedes 100% net loss per occurrence in excess of $1,000,000 to a maximum of $500,000,000.

   (b) Comprehensive General Liability and Automobile Liability: NJSIG cedes 100% net loss per occurrence in excess of $1,000,000.

   (c) Workers' Compensation and Employers Liability: NJSIG places excess statutory limits of liability and employers' liability in excess of $1,000,000 per occurrence.

2. The cost of reinsurance is variable depending on member exposure. The final number will be determined by audit at year-end. Based upon known exposures the total reinsurance cost is estimated to be $43,000,000.

H. CYBER LIABILITY AND BREACH RESPONSE

1.	Limits of liability	$10,000,000 pool-wide aggregate limit shared among all members per policy period, no matter number of members, no matter number of claims $2,000,000 per member aggregate per policy period, no matter number of claims $2,000,000 limit per claim, no matter number of coverage parts implicated Various coverage sub-limits apply per member and in the annual aggregate
2.	Insuring agreements	Beazley Insurance Company, Beazley InfoSec Form; refer to specific policy language
3.	Member deductible	$250,000, $50,000, or $25,000, after reimbursement by NJSIG: The individual Beazley Insurance Company member retention remains at $500,000 per claim made. However, NJSIG will reimburse members for a portion of their Beazley retention based on the following schedule: a. Member total revenues that are less than $100,000,000: i. Per claim standard deductible: $250,000 ii. Per claim deductible only if the member satisfies the Minimum Cyber Security Controls criteria as defined in the "NJSIG Cyber Liability Fund Memorandum of Coverage" approved by the NJSIG Board of Trustees: $25,000 b. Member total revenues that are

		greater than or equal to $100,000,000: i. Per claim standard deductible: $250,000 ii. Per claim deductible only if the member satisfies the Minimum Cyber Security Controls criteria as defined in the "NJSIG Cyber Liability Fund Memorandum of Coverage" approved by the NJSIG Board of Trustees: $50,000
5.	NJSIG self-insured retention	$500,000

III. OPERATIONAL PHILOSOPHY

A. SUB-FUNDS

NJSIG organized the state into seven (7) predominately geographical groups known as sub-funds. NJSIG assigns each member district to one of these seven (7) sub-funds, based on their geographical location. Each sub-fund is individually analyzed and priced by NJSIG's actuary for workers' compensation based on that particular sub-fund's loss experience, size and premium volume.

One of the main benefits of sub-fund membership is the sub-fund deviation (discount) on the workers' compensation line of coverage, which is determined on an annual basis by NJSIG's independent actuaries. Only NJSIG members who make a three-year membership commitment to NJSIG are entitled to a sub-fund deviation on the workers' compensation line of coverage.

There is also an eighth group consisting of non-geographical members. NJSIG members that make less than a three-year commitment to join NJSIG are assigned to this group and are not entitled to a sub-fund deviation or discount. However, NJSIG members in this group are permitted to attend any and all meetings/trainings provided by the seven geographical sub-funds.

Continued membership in a sub-fund is predicated on members meeting the minimum standards of participation and maintaining the required loss profile as defined by the Standards of Participation outlined herein.

These sub-funds have no decision making authority relative to the operation of NJSIG. Sub-fund governing documents do not supersede any governing documents of NJSIG.

Each of the seven geographical sub-funds has a sub-fund administrator hired by NJSIG. Sub-fund administrators are insurance brokers with demonstrated school board risk management expertise. Sub-fund administrators provide NJSIG members with safety programs and trainings, as well as loss control and risk management advice,

tailored to each sub-fund's geographical location. Sub-fund administrators enter into written contracts with NJSIG outlining their duties and fees.

Members may be removed from a sub-fund if they do not meet the Standards of Participation outlined herein.

B. CONTRIBUTION

1. Each year, the actuary shall compute the probable net cost for the upcoming year by line of coverage.

2. The annual contribution of each member shall be its share of the probable net cost for the upcoming year based upon exposures, loss portfolio and experience modifiers.

3. A member's right to continue membership in a particular sub-fund for the full term of its commitment is contingent upon meeting the Standards of Participation outlined herein.

4. The calculation of contribution for each member shall be based on the overall annual budget. Contribution may be modified to reflect the loss history or underwriting data of the individual member.

5. NJSIG's Board of Trustees votes and approves the budget at least one (1) month prior to the beginning of the next fiscal year.

6. The annual contribution shall be paid in one (1) installment, except Workers' Compensation, where members may request up to a maximum of twelve (12) monthly installments.

C. BROKERS

Members are required to retain the services of a broker. Service expectations of brokers include, but are not limited to the following:

1. The broker retained must be licensed by the State of New Jersey.

2. The broker shall be paid commission by NJSIG as defined in the standard Broker Commission policy, NJSIG Policy 8010.

3. The broker's specific responsibilities shall include but not be limited to:

   (a) Continuous evaluation of the member's exposures, losses, policies and risk portfolio.

   (b) Expert knowledge and guidance with respect to coverages, limits and deductibles applicable to the member's individual exposures.

(c) Preparation and completion of reports, applications, statements of values, schedules and other required underwriting documentation to obtain coverage terms.

(d) Review of member's insurance costs in preparation of the member's insurance budget.

(e) Review of the member's loss experience, engineering reports and participation in the member's safety committee meetings.

(f) Advise NJSIG's Safety and Risk Control department of specific and necessary trainings required by a member based on review of losses and exposures as well as frequency and trending concerns.

(g) Assist and guide in the claims process, as necessary.

(h) Attend their member's respective sub-fund meetings including annual trainings.

(i) Attend NJSIG's annual broker's meeting.

4. The broker shall be a New Jersey licensed Property/Casualty Insurance Producer who has demonstrated and provided proof of prior experience in the management of public entity insurance risks. The broker shall maintain at least a $5,000,000 per claim errors & omissions insurance limit and provide evidence of coverage to NJSIG prior to binding. Brokers earning less than $30,000 of annual NJSIG commission may request an annual exemption for the $5,000,000 errors and omissions insurance minimum requirement. Such requests must be submitted to the Underwriting Manager in writing 60 days prior to renewal.

D. CLAIMS RESPONSE AND RESERVING

1. CLAIM DEPARTMENT STATEMENT

(a) Customer Service

NJSIG is committed to partnering with members to provide extraordinary claim service.

(b) Quality Services

Departmental procedures have been developed and are continuously updated to meet the present and future needs of members.

IV. STANDARDS OF PERFORMANCE

A. GENERAL LIABILITY/AUTOMOBILE LIABILITY

1. Coverages

   Claims will be promptly reviewed for coverage. If there is a question concerning coverage, the issue(s) will be documented and reviewed. If issues of coverage remain, the matter will be referred to coverage counsel with a request for a timely determination. Excess and/or reinsurance carriers will be informed as required. Upon determination of coverage, any remaining questions or issues will be documented and communicated with a reservation of rights letter.

2. Initial Technical Processing

   New losses are assigned promptly, reserved and entered into the claim system within one business day of receipt. Appropriate matters are centrally index to cross reference prior claims. An acknowledgement letter is sent to the member when the file is set up, with a copy to the broker.

3. Member/Claimant Contact

   (a) All members must be contacted within two business days of assignment.

   (b) All claimants will be contacted within two business days of assignment. If verbal contact is not made, written correspondence will follow.

4. Investigation

   (a) Investigation of claims will be guided by the adjuster assigned, Claims Supervisor or Claims Manager.

5. Reporting and Communication

   (a) The claim file will be documented detailing all significant developments. Correspondence will be addressed and answered timely, as necessary.

   (b) Reserves outside of the adjuster's authority will be reviewed and approved by a Claims Supervisor, Claims Manager and/or Chief Legal Officer.

   (c) Claims that are catastrophic losses or that meet the criteria under any reinsurance or excess reporting guidelines, shall be reported to the reinsurer/excess carrier immediately.

   (d) All files are reviewed on a periodic and as needed basis by the claims adjuster and Claims Supervisor.

6. Recovery/Subrogation/Contribution

(a) Claims with subrogation recovery and/or contribution potential shall be recognized, investigated and in some cases referral to subrogation counsel to pursue recovery.

(b) If recovery, subrogation and/or contribution is to be waived or compromised, it must be approved by the Claims Manager or Claims Supervisor.

7. General

(a) NJSIG's Safety and Risk Control department will be notified as to conditions which may require corrective measures. NJSIG's Safety and Risk Control department will contact the broker of record and member and ensure the condition is given appropriate attention.

(b) For all physical damage automobile losses, the vehicle must be inspected by an independent auto appraiser within five business days of assignment and concluded within ten business days. If damages are less than $2,000, two estimates may be reviewed by the claims adjuster in lieu of a physical inspection.

(c) Centers for Medicare and Medicaid Services (CMS) reporting shall be complied with in all cases involving bodily injury.

B. WORKERS' COMPENSATION

1. Coverages

Claims will be promptly reviewed for coverage. If there is a question concerning coverage, the issue(s) will be documented and reviewed. If issues of coverage remain, the matter will be referred to coverage counsel with a request for a timely determination. Excess and/or reinsurance carriers will be informed as required. Upon determination of coverage, any remaining questions or issues will be documented and communicated.

2. Initial Technical Processing

New losses are assigned promptly, reserved and entered into the claims system within one business day of receipt. Appropriate matters are centrally indexed to cross reference prior claims. An acknowledgement letter is sent to the member when the file is set up, with a copy to the broker.

3. Member/Claimant Contact

All members and claimants must be contacted within two business days of assignment for lost time cases.

4. Investigation

   (a) The claimant should be interviewed or a statement obtained for all claims involving questionable and/or serious exposure when appropriate.

   (b) A detailed investigation shall be conducted for all claims commensurate with the potential exposure.

5. Reporting and Communication

   (a) The claim file will be documented detailing all significant developments. Correspondence will be addressed and answered timely, as necessary.

   (b) Reserves outside of the adjuster's authority will be reviewed and approved by a Claims Supervisor, Claims Manager and /or Chief Legal Officer.

   (c) Claims that are 50% of NJSIG's retention, catastrophic losses or that meet the criteria under any reinsurance or excess reporting guidelines shall be reported to the reinsurer/excess carrier immediately.

   (d) All files are reviewed on a periodic and as needed basis by the claims adjuster and Claims Supervisor.

6. Recovery/Subrogation/Contribution

   (a) Claims with subrogation recovery and/or contribution potential shall be recognized, investigated and in some cases referral to subrogation counsel to pursue recovery.

   (b) If recovery, subrogation and/or contribution is to be waived or compromised, it must be approved by the Claims Manager or Claims Supervisor.

7. General

   (a) NJSIG's Safety and Risk Control department will be notified as to conditions which may require corrective measures. NJSIG's Safety and Risk Control department will contact the member and ensure the condition is given appropriate attention.

   (b) Compensability analysis shall be in accordance with New Jersey law.

   (c) Initial indemnity payment on all lost time cases shall occur within twenty-one (21) business days of receipt of loss unless where

extenuating circumstances may exist.

(d) Medical bills should be processed/paid within ten (10) business days of receipt unless where extenuating circumstances may exist.

(e) Lost wages and permanency claims are to be properly calculated based on current New Jersey law and disability chart. The disability chart is updated by the State of New Jersey annually.

(f) Physician contact and treatment control is completed based on the treatment plan established by the claims adjuster along with the managed care provider.

(g) Centers for Medicare and Medicaid Services (CMS) reporting shall be complied with in all cases involving bodily injury. The First Report of Injury (FROI) and the Subsequent Report of Injury (SROI) are complied with in accordance with New Jersey law.

C. PROPERTY

1. Coverage

Claims will be promptly reviewed for coverage. If there is a question concerning coverage, the issue(s) will be documented and reviewed. If issues of coverage remain, the matter will be referred to coverage counsel with a request for a timely determination. Excess and/or reinsurance carriers will be informed as required. Upon determination of coverage any questions or issues will be documented and communicated.

2. Initial Technical Processing

New claims are assigned promptly, reserved and entered into the claims system within one business day of receipt. Appropriate matters are centrally indexed to cross-reference prior claims. An acknowledgement letter is sent to the Member when the file is set up, with a copy to the broker.

3. Member Contact

All members must be contacted within two (2) business days of assignment. If verbal contact is not made, written correspondence will be sent.

4. Investigation

A NJSIG claims adjuster, along with a designated property appraiser, if necessary, will be assigned to verify damages, cause of loss and provide an appraisal/estimate for needed repair or replacement. If a physical inspection is necessary, it will be completed within three (3) business days of assignment. If no inspection is warranted, receipts, purchase orders, or other substantiated

documentation will be obtained to verify and pay the loss. All claims with significant subrogation potential will be assigned to subrogation counsel, as necessary.

5. Reporting and Communication

   (a) The claim file will be documented detailing all significant developments. Correspondence will be addressed and answered timely, as necessary.

   (b) Reserves outside of the adjuster's authority will be reviewed and approved by a Claims Supervisor, Claims Manager and/or Chief Legal Officer.

   (c) Catastrophic losses or that meet the criteria under reinsurance or excess reporting guidelines shall be reported to the reinsurer/excess carrier immediately.

   (d) All claims are reviewed on periodic and as needed bases by the claims adjuster and Claims Supervisor.

6. Recovery/Subrogation

   (a) Claims with subrogation recovery and/or contribution potential shall be identified, investigated and documented.

   (b) If subrogation, recovery and/or contribution is to be waived or compromised, it must be approved by the Claims Manager or Claims Supervisor.

7. General

   (a) NJSIG's Safety and Risk Control department will be notified of conditions which may require corrective measures. NJSIG's Safety and Risk Control department will contact the broker of record and member and ensure the condition is given appropriate attention.

   (b) A notarized proof of loss will be required on all property claims. The proof of loss must be signed and notarized by the school business administrator.

D. PRODUCTIVITY/PENDING STANDARDS

1. The number of claims per adjuster shall be determined by the adjuster's Claims Supervisor and Claims Manager.

2. The goal is for all claims adjusters to close one file for every file that is opened.

E. LEGAL CLAIM HANDLING

1. Counsel Billing

   Counsel bills must be submitted for each matter, adhering to NJSIG's litigation guidelines. Itemized bills should contain a description of each charged activity, date of service and time allocated for each activity. The bills must indicate total time spent and total charges. The claims adjuster is expected to audit each bill and communicate with counsel on questionable charges.

2. Legal Handling

   Counsel should perform only legal work. Investigative activities should be conducted by the claims adjuster. The claims adjuster and counsel should work together to determine who is appropriate to handle negotiations, if appropriate. All negotiations shall be documented in the file and confirmation of that authority shall be provided to counsel.

F. CLAIM PAYMENT PROCEDURES

1. Once a medical, legal, or service bill is verified, the claims adjuster shall highlight the amount to be paid. The claims adjuster shall initial the bill, date it, indicate the payment and coverage type, and forward it to the bill processor for payment. The bill processor must verify the payment. Bills are to be paid within ten (10) calendar days of receipt, unless further clarification is necessary.

G. INCOMING/OUTGOING CORRESPONDENCE

1. All incoming mail is date stamped on the same day it is received and tasked to the respective claim adjuster. Prior to close of business, the claims adjuster will process the task and determine if it is a priority or scheduled activity for a later date.

2. Any correspondence without an addressee or claim number will be brought to the attention of a Claims Supervisor for further action.

H. OUTSIDE INDEPENDENT ADJUSTERS ASSIGNMENTS

1. The NJSIG claims adjuster maintains control of any investigation. Should the services of an independent appraiser or adjuster become necessary, their activities and direction are guided by the NJSIG claims adjuster.

I. REPORTING GUIDELINES WORKERS' COMPENSATION

A summary report will be completed within ten (10) business days by the claims adjuster. The contents of that report shall include:

1. Occurrence/accident description

2. Compensability acceptance/denial – if denied explanation
3. Injury
4. Subrogation
5. Action plan
6. Reserve

The above information shall be added to the claims file. This information should be brief with an explanation in each category.

J. REPORTING GUIDELINES - GENERAL LIABILITY/AUTOMOBILE LIABILITY

A summary report will be completed within fifteen (15) business days by the claims adjuster. The contents of that report shall include:

1. Description of loss/occurrence
2. Liability
3. Damages
4. Action plan
5. Reserve

The above information shall be added to the claims file. This information should be brief with an explanation in each category.

K. REPORTING GUIDELINES - PROPERTY

A summary report will be completed within fifteen (15) business days by the claims adjuster. The contents of that report shall include:

1. Description of loss/occurrence
2. Coverages
3. Scope of damages
4. Action plan
5. Reserve

The above information shall be added to the claims file. This information should be brief with an explanation in each category.

L. REHABILITATION GUIDELINES - ADMINISTRATIVE CONTROLS

1. The following criteria shall be used when a claim is to be referred for medical rehabilitation.

   (a) The following injuries are to be <u>immediately</u> referred for medical

rehabilitation:

- Spinal cord injuries
- Serious head injuries
- Amputations
- Severe burn
- Crush injuries
- Heart Problems
- Stress-related disorders
- Serious eye injuries
- Complex regional pain syndrome (RSD)

(b) Other possible referrals for medical rehabilitation, post initial injury, could include:

- Herniated disc
- Multiple fractures
- Exacerbation of pre-existing condition
- Exacerbation of congenital condition
- Extensive over-treatment for a soft tissue injury

V. GENERAL COMMENTS

A. DISCRETIONARY SETTLEMENT AND TRIAL AUTHORITY

Workers' Compensation Claims

NJSIG will pay workers' compensation medical and wage loss benefits when such payments are appropriate.

The following authority levels will apply:

Settlement Authority	
Up to $60,000	Claims Representative and Senior Claims Representative
Up to $75,000	Claims Examiner
Up to $100,000	Claims Supervisor
Up to $200,000	Claims Manager
Up to $300,000	Claims Manager and Chief Legal Officer
$300,001 and above	Board of Trustees

The Claims Manager shall have discretion to adjust any individual's authority under

$200,000. A Claims Supervisor shall have the discretion to adjust any individual's authority under $75,000. As to the settlement of claims falling within the Board of Trustees' authority level, such claims shall be presented to the Board, prior to settlement, in executive session, pursuant to N.J.S.A. 10:4-12(7). Should any member of the Board oppose the authority requested, a motion to return to public session shall be made so the matter can be put to a vote.

Personal Injury Protection, Medical, Wage Loss, Third-Party Property Damage, and Personal Injury Claims

NJSIG will pay personal injury protection, medical, wage loss, third-party property damage, personal injury and/or other benefits when such payments are appropriate.

The following authority levels will apply:

Settlement Authority

Up to $60,000	Claims Representative and Senior Claims Representative
Up to $75,000	Claims Examiner
Up to $100,000	Claims Supervisor
Up to $200,000	Claims Manager
Up to $300,000	Claims Manager and Chief Legal Officer
$300,001 and above	Board of Trustees

The Claims Manager shall have discretion to adjust any individual's authority under $200,000. A Claims Supervisor shall have the discretion to adjust any individual's authority under $75,000. As to the settlement of claims falling within the Board of Trustees' authority level, such claims shall be presented to the Board, prior to settlement, in executive session, pursuant to N.J.S.A. 10:4-12(7). Should any member of the Board oppose the authority requested, a motion to return to public session shall be made so the matter can be put to a vote.

First-Party Property Damage Claims

NJSIG will pay first-party claims for property damage when such payments are appropriate.

The following authority levels apply:

Settlement Authority

Up to $60,000	Claims Representative and Senior Claims

	Representative
Up to $75,000	Claims Examiner
Up to $100,000	Claims Supervisor
Up to $200,000	Claims Manager
Up to $300,000	Claims Manager and Chief Legal Officer
$300,001 and above	Board of Trustees

The Claims Manager shall have discretion to adjust any individual's authority under $200,000. A Claims Supervisor shall have the discretion to adjust any individual's authority under $75,000. As to the settlement of claims falling within the Board of Trustees' authority level, such claims shall be presented to the Board, prior to settlement, in executive session, pursuant to N.J.S.A. 10:4-12(7). Should any member of the Board oppose the authority requested, a motion to return to public session shall be made so the matter can be put to a vote.

All matters scheduled for trial shall be presented to the Board of Trustees, prior to trial, in executive session, pursuant to N.J.S.A. 10:4-12(7). Should any member of the Board oppose the requested trial authority, a motion to return to public session shall be made so the matter can be put to a vote.

B. CLAIMS COMMITTEE

NJSIG shall establish a Claims Committee. This committee shall be comprised of the Claims Manager, Chief Legal Officer, and up to three Board of Trustee members. The Claims Committee shall have authority to approve claims, provided that the amount is recommended by both the Claims Manager and the Chief Legal Officer. All three Trustee participants will be notified of any such meetings, however, only one Trustee is required to participate in order to extend settlement authority, in addition to the Claims Manager and the Chief Legal Officer. Agreement by a majority of attendees, along with the recommendation of the Claims Manager and Chief Legal Officer, shall be sufficient to establish claim settlement value.

C. FINANCIAL MANAGEMENT

All actuarial, investment and banking functions of NJSIG are outlined in NJSIG's policies, cash management plan, procedures and bylaws.

D. SAFETY AND LOSS PREVENTION

In an effort to identify and prevent loss, NJSIG will implement safety and risk control programs and procedures intended to reduce and eliminate conditions or practices which may lead to loss.

E. STANDARDS OF PARTICIPATION

The following are the eligibility requirements for new or continued membership as approved by the Board of Trustees:

1. Members' claims history, policies and risk management philosophies should demonstrate safety performance and initiatives consistent with NJSIG's requirements.

2. Members must provide access to all member-owned or leased property for safety inspection and evaluation by NJSIG's Safety and Risk Control staff to ensure that all members meet or continue to meet safety standards.

3. Members are strongly encouraged to establish and maintain Safety Committees and actively participate in NJSIG-sponsored safety programs and trainings.

4. Any member with a loss ratio above 80% on any single line of coverage shall be evaluated by NJSIG's Safety and Risk Control staff, who will assist the member in establishing an active Safety Committee and in maintaining recurring Safety Committee meetings. All such members shall also be required to participate in all safety programs and trainings offered by NJSIG.

5. Members must be in compliance with all Federal and New Jersey statutes governing the operations of public schools and the accompanying regulations.

6. Members must promptly pay all contributions or other obligations arising out of or related to membership in NJSIG.

7. Members must actively participate in all NJSIG-directed meetings, programs and activities to ensure the continued successful operation of NJSIG.

8. Members must provide NJSIG with a properly executed resolution of participation, substantially in the form approved by NJSIG, and a properly executed indemnity and trust agreement, substantially in the form approved by NJSIG.

NJSIG will notify its members of any concerns as to the eligibility requirements outlined above. In each case, NJSIG will work with the members to address and correct any concerns. Continued participation with safety and loss control programs, as guided by NJSIG's Safety and Risk Control team, will be required to remain eligible for membership in NJSIG. Should a member fail to work with NJSIG in addressing any eligibility concern, NJSIG may seek termination of membership as outlined in the NJSIG Bylaws.