

TOWNSHIP OF FRANKLIN
R-46-17

**RESOLUTION AUTHORIZING THE MAYOR AND/OR HIS DESIGNEE TO
SIGN THE TRICO JIF CONTRACT FOR 2017 RETROSPECTIVE PROGRAM**

WHEREAS, the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund provides Insurance coverage to Franklin Township; and

WHEREAS, the TRICO JIF requires Franklin Township's participation and commitment to the Fund Year 2017 Retrospective Program; and

WHEREAS, Franklin Township has agreed to accept the policy endorsement for the Retrospective Program for 2017 with the understanding that a Retrospective Assessment may be due and owing to the Fund through December 31, 2021; and

NOW THEREFORE BE IT RESOLVED, the Mayor and/or his designee is authorized to sign the 2017 Retrospective Program Contract.

ADOPTED at a meeting of the Township Committee of the Township of Franklin held on February 9, 2017.

ATTEST:

TOWNSHIP OF FRANKLIN

Barbara Freijomil, Municipal Clerk

Donald Krevetski, Mayor

CERTIFICATION

I, Barbara Freijomil, Clerk of the Township of Franklin, in the County of Gloucester, do hereby certify that the foregoing Resolution was presented and duly adopted by the Township Committee at a meeting of the Franklin Township Committee held on February 9, 2017.

Barbara Freijomil, Municipal Clerk

**GLOUCESTER, SALEM CUMBERLAND
COUNTIES MUNICIPAL
JOINT INSURANCE FUND**
CONTRACT FOR 2017 RETROSPECTIVE PROGRAM

THIS AGREEMENT is made this 9th day of February, 2017, by and between the GLOUCESTER, SALEM CUMBERLAND COUNTIES MUNICIPAL JOINT INSURANCE FUND, hereinafter referred to as the "FUND", and **Franklin Township**, a municipality of the State of New Jersey, hereinafter referred to as "MEMBER MUNICIPALITY".

I. AGREEMENT TO ENTER THE RETROSPECTIVE PROGRAM

The FUND has offered to the MEMBER MUNICIPALITY a policy endorsement to enter into a Retrospective Program for the 2017 Fund Year and the MEMBER MUNICIPALITY has agreed to accept the policy endorsement for the Retrospective Program for 2017 with the understanding that a Retrospective Assessment may be due and owing to the Fund through December 31, 2021. (Six Months after the date the 2017 Fund Year is transferred to the Residual Claims Fund (RCF)). The MEMBER MUNICIPALITY understands and agrees that the Retrospective Program provides that the MEMBER MUNICIPALITY'S future assessments that are payable to the FUND will be determined based upon the MEMBER MUNICIPALITY'S future loss ratio performance. The MEMBER MUNICIPALITY also understands that the FUND has exclusive determination as to whether the MEMBER MUNICIPALITY will be offered the Retrospective program for future Fund Years. It is understood and agreed by the MEMBER MUNICIPALITY that they have had a negative impact on the Fund's surplus during the last six (6) years and are considered to be under assessed based on the Actuarial Rating by more than 15%, and this Program affords the MEMBER MUNICIPALITY the opportunity, through improved performance, to control their future assessments in accordance with the formulas set forth in this Contract and the Policy Endorsement.

II. CALCULATION OF RETROSPECTIVE ASSESSMENT

A.) In accordance with the FUND'S By-Laws, Plan of Risk Management, Cash Management Plan and Policies and Procedures, the MEMBER MUNICIPALITY shall pay to the FUND a total assessment for 2017 of **\$490,372** (minimum assessment) of which amount, the sum of **\$224,358** is allocated to loss funding to pay all claims within the FUND'S self insured retention for 2017.

B.) As of a valuation date of March 31, 2018 and every three (3) months thereafter, the FUND shall calculate the Retrospective Assessment. The Retrospective Assessment shall be the Minimum Assessment plus the amount that the "Limited Incurred Losses Retained by the FUND" for the MEMBER MUNICIPALITY exceeds **\$224,358** (minimum loss funding).

C.) "Limited Incurred Losses Retained by the Fund" shall be defined as the FUND'S financial responsibility for all claims incurred by the MEMBER MUNICIPALITY after all credits have been given for any excess insurance or subrogation receivable. The final computation of the Retrospective Assessment shall occur when the FUND transfers the 2017 Fund Year to the Municipal Excess Liability Residual Claims Fund on July 1, 2021.

D.) "Limited Incurred Losses Retained by the Fund" shall include: 1) losses paid and reserved; 2) allocated loss adjustment expenses; and 3) an actuarial computation for losses incurred but not yet reported (IBNR). This total shall be limited to the FUND'S retention.

E.) The maximum Retrospective Assessment to be paid by the MEMBER MUNICIPALITY for 2017 Fund Year shall be **\$510,149**.

F.) The difference between the minimum assessment and the maximum assessment of **\$19,777**, represents the additional loss funding to pay the claims incurred during the 2017 Fund Year by the MEMBER MUNICIPALITY.

III. PAYMENT OF RETROSPECTIVE ASSESSMENT

The FUND shall determine the amount of the MEMBER MUNICIPALITY'S Retrospective Assessment as set forth in Paragraph II (B) above. If it is determined that the MEMBER MUNICIPALITY owes the FUND a Retrospective Assessment, the amount shall be payable to the FUND within six (6) months of the FUND'S presentation of an invoice to the MEMBER MUNICIPALITY. If the FUND owes the MEMBER MUNICIPALITY a return assessment under this Contract, this amount shall be payable to the MEMBER MUNICIPALITY within six months after the conclusion of the Contract term.

IV. TERM OF CONTRACT

This Contract is for the 2017 Fund Year only, and the term of the Contract shall continue for a period of six (6) months after the date the Fund transfers the 2017 Fund Year to the Residual Claims Fund.

Therefore, the term of this Contract shall be for a period of five years (5) years, commencing on January 1, 2017 and ending on December 31, 2021.

V. FUTURE DIVIDENDS AND ASSESSMENTS

The MEMBER MUNICIPALITY shall be entitled to continue to receive FUND dividends and be required to pay Fund Additional Assessments during the term of this Contract. However, it is understood and agreed that should the MEMBER MUNICIPALITY fail to pay any Retrospective Assessment when the Retrospective Assessment is due to the FUND, the FUND may credit toward the past due Retrospective Assessment any and all dividends that are due and payable to the MEMBER MUNICIPALITY.

VI. CONSIDERATION

The promises made and the obligations assumed by each Party to this agreement are made and assumed in consideration of the promises made and the obligations assumed by the other Party to this agreement.

VII. NEW JERSEY LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

VIII. PARTIAL INVALIDITY

If any term, condition, or provision of this Agreement or the application thereof to any person or circumstances shall, at any time, or to any extent, be deemed invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which this Agreement is invalid or unenforceable, shall not be affected thereby, and each remaining term, condition, and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

IX. BINDING ON SUCCESSORS IN INTEREST

Except as otherwise provided in this Agreement, all agreements, terms, provisions, and conditions of this Agreement shall be binding on and inure to the benefit of the parties hereto, and/or their respective personal representatives, agents, employees, etc.

X. NO WAIVER

No inadvertent or incidental waiver of any term, provision, or condition contained in this Agreement, or any breach of any such term, provision, or condition shall constitute a waiver thereof by either party, or justify or authorize the non-observance on any other occasion of the same or any other term, provision or condition hereof by either party.

XI. CAPTIONS

The captions of the paragraphs of this instrument are solely for convenience and shall not be deemed part of this Agreement for the purpose of construing the meaning thereof or for any other purpose.

XII. ENTIRE AGREEMENT

This agreement contains the entire agreement of the parties hereto and may not be amended, modified, released or discharged in whole or in part, except by an instrument in writing signed by the parties hereto.

XIV. NOTICES

Notices under this agreement shall be sent to:

MEMBER MUNICIPALITY

Franklin Township
1571 Delsea Drive
Franklinville, NJ 08322

FUND

Paul J. Miola, CPCU, ARM
Executive Director
Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
P.O. Box 530
Marlton, NJ 08053

XV. SIGNATURES

By these signatures, the parties agree to all the terms, conditions and provisions of this Contract.

This Contract is dated this 9TH day of **February**, 2017.

**GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND**

BY: _____
FUND CHAIRPERSON

BY: _____
FUND SECRETARY

MEMBER MUNICIPALITY

BY: _____
MAYOR

BY: _____
TOWNSHIP CLERK