

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

ANNUAL STATEMENT FOR THE PERIOD ENDED JUNE 30, 2014

New Jersey Department of Insurance Joint Insurance Fund Code: SBF2

Joint Insurance Fund Name: Burlington County Insurance Pool Joint Insurance Fund

Street Address: _____ Mail Address: 6000 Sagemore Drive, Suite 6203

P.O. Bo 530
Marlton, NJ 08053

Primary location of books and records: 6000 Sagemore Drive, Suite 6203
Marlton, NJ 08053

Statement Contact Person: Brad Hoffman Phone No. (856) 446-9132

BOARD OF TRUSTEES

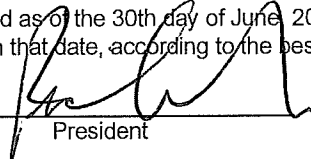
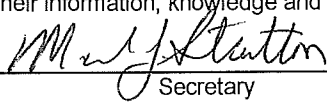
President Richard J. Kaz, Jr. Barbara Godfrey
Vice-President Robert F. Wachter, Jr. Joanne E. Clement
Secretary Mark Stratton Cindy McClain
James H. Hager Kaltheen Huder
Thomas J. Fanuka

BOARD OF TRUSTEES ALTERNATES

Lynn Shugars _____
Beth Ann Coleman _____

State of New Jersey
County of _____

Richard J. Kaz, Jr. (President), Mark Stratton (Secretary), of the Burlington County Insurance Pool Joint Insurance Fund being duly sworn, each for him/herself deposes and says that they are the above described executive committee members of the said joint insurance fund and that on the 30th day of June, 2014 all of the herein described assets were the absolute property of the said joint insurance fund, free and clear from any liens or claims thereon, except as herein stated and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said joint insurance fund as of the 30th day of June, 2014, and of its income and deductions therefrom for the fiscal year ended on that date, according to the best of their information, knowledge and belief respectively.

 _____
President
 _____
Secretary

- (a) Is this an original filing Yes No
- (b) If no,
 - (i) State the amendment number _____
 - (ii) Date filed _____
 - (iii) Number of pages attached _____

Subscribed and sworn to before me the _____ day of _____ 20____

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Burlington County Insurance Pool
Joint Insurance Fund
P.O. Box 530
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Report on the Financial Statements

We have audited the accompanying financial statements of the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") as of and for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Trustees
Burlington County Insurance Pool
Joint Insurance Fund

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Burlington County Insurance Pool Joint Insurance Fund as of June 30, 2014 and 2013 and the changes in its financial position and its cash flows for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Insurance Pool Joint Insurance Fund's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements and are presented for purposes of additional analysis. The accompanying supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Burlington County Insurance Pool
Joint Insurance Fund

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2014 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fund's internal control over financial reporting and compliance.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
December 22, 2014

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Burlington County Insurance Pool
Joint Insurance Fund
P.O. Box 530
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collective comprise the Fund's basic financial statements, and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Burlington County Insurance Pool
Joint Insurance Fund

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards, audit requirements as prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
December 22, 2014

Burlington County Insurance Pool Joint Insurance Fund

Management's Discussion and Analysis

This section of the annual financial report of the Fund presents a discussion and analysis of the financial performance of the Fund for the fiscal years ended June 30, 2014, 2013 and 2012. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Fund's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of the Fund is to provide property and casualty insurance coverage for school districts that are members of the Fund. The Fund maintains separate enterprise funds by incurred years and line of coverage. The basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Comparative Statements of Net Position – This statement presents information reflecting the Fund's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities.

Comparative Statements of Revenues, Expenses, and Changes in Net Position – This statement reflects the Fund's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other insurance company.

Comparative Statements of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Financial Highlights

The following tables summarize the Net Position and results of operations for the Fund as of and for the fiscal years ended June 30, 2014, 2013 and 2012.

Net Position Summary	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>2013 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Assets					
Cash & Cash Equivalents	\$26,575,939	\$25,902,275	\$24,916,802	\$ 673,664	2.6%
Other Assets	1,246,729	867,401	1,114,140	379,328	43.7%
Total Assets	27,822,668	26,769,676	26,030,942	1,052,992	3.9%
Liabilities & Net Position					
Liabilities					
Loss Reserves	10,167,305	9,284,997	8,962,303	882,308	9.5%
Other Liabilities & Reserves	7,956,923	7,425,006	7,167,120	531,917	7.2%
Total Liabilities	18,124,228	16,710,003	16,129,423	1,414,225	8.5%
Net Position - Unrestricted	\$ 9,698,440	\$10,059,673	\$ 9,901,519	\$ (361,233)	-3.6%

Net Position decreased by 3.6% to \$9,698,440, due to a 9.5% increase in loss reserves and a 7.2% increase in other liabilities. The increase in other liabilities was related an increase of \$536,337 of the accrued provision for SPELL aggregate excess insurance contributions.

Statement of Revenues, Expenses, and Changes In Net Position Summary	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>2013 to 2014 Change</u>	
				<u>Amount</u>	<u>Percentage</u>
Operating Revenue					
Regular Contributions & Other Income	\$10,984,859	\$10,484,715	\$ 9,120,982	\$ 500,144	4.8%
Operating Expenses					
Net Claims and Claims Adjustment Expenses	4,779,056	3,895,256	3,765,440	883,800	22.7%
Reinsurance & Group Insurance Premiums - Paid Assessments	3,718,343	3,992,123	3,124,423	(273,780)	-6.9%
Change in Provisions for SPELL Aggregate Excess Insurance Contribution	536,337	223,604	166,272	312,733	139.9%
Professional & Contractual Services	1,373,846	1,321,470	1,221,513	52,376	4.0%
Total Operating Expenses	10,407,582	9,432,453	8,277,648	975,129	10.3%
Operating Income	577,277	1,052,262	843,334	(474,985)	-45.1%
Investment Income	61,490	105,892	143,508	(44,402)	-41.9%
Return of Surplus	(1,000,000)	(1,000,000)	(1,225,000)	-	0.0%
Change In Net Position	\$ (361,233)	\$ 158,154	\$ (238,158)	\$ (519,387)	328.4%

Financial Highlights Continued

The Fund's overall Budget increase for the 2013-2014 Fund Year was a 4.8% increase over the 2012-2013 Fund Year. The increases were driven by loss experience development and overall exposure increases within the fund membership.

The Fund reports a deficit for the 2013-2014, 2010-2011, 2009-2010 and 2002-2003 fund years. The 2013-2014 deficit is caused by current ultimate loss projections for property, general liability, automobile liability and school board legal costs exceeding actuarial expectations. The 2010-2011 deficit is caused by current ultimate loss projections for property, general liability, and workers' compensation costs exceeding actuarial expectations. The 2009-2010 deficit is caused by current ultimate loss projections for potential insurance costs exceeding actuarial expectations. The ultimate liability to the applicable fund years is capped as a result of aggregate excess liability insurance protection.

The Fund authorized a surplus return of \$1,000,000 to its members. The Fund is taking a prudent approach toward surplus distribution in recognition of lower investment income and diminished present results in the more recent fund years.

Economic Conditions

Investment Income continues to decline, stemming from the sharp decline in the interest rate being offered to the Fund. The Fund regularly monitors investment maturities in reference to liabilities and market conditions.

Reinsurance costs in the United States remain stable, although premium levels do appear to be leveling off in some market segments as carrier results begin to deteriorate slightly and signs of a hardening market are developing. Workers' compensation costs continue to be influenced by medical inflation and increased indemnity awards. Generally, extended periods of economic recession are accompanied by deterioration in overall workers' compensation loss experience. Employment practice exposures are always a material concern and exposures continue to grow as a result of the development and expansion of laws in this area. The Fund monitors these economic conditions and continues an emphasis on employer & employee training to reduce accidents and claims.

Contacting the Fund's Management

This financial report is designed to provide the Burlington County Insurance Pool Joint Insurance Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Burlington County Insurance Pool Joint Insurance Fund office located at 6000 Sagamore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 26,575,939	\$ 25,902,275
Excess Insurance Receivable	<u>1,246,729</u>	<u>867,401</u>
Total Assets	<u>27,822,668</u>	<u>26,769,676</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	104,086	98,558
Provision for SPELL Aggregate Excess Insurance Contribution	2,845,554	2,309,217
Accrued Interest on Surplus Distributions	643,364	638,548
Authorized Return of Surplus	3,896,632	3,925,326
Claims Payable	59,590	59,590
Unearned Contributions	<u>407,697</u>	<u>393,767</u>
Total Liabilities	<u>7,956,923</u>	<u>7,425,006</u>
Reserves:		
Claims:		
Case Reserves	8,808,242	8,492,709
IBNR Reserves	<u>3,262,285</u>	<u>3,169,975</u>
	12,070,527	11,662,684
Provision for Excess Insurance Recoverable:		
Provision for Specific Excess Insurance Recoverable	(1,524,855)	(2,136,163)
Provision for Aggregate Excess Insurance Recoverable	<u>(378,367)</u>	<u>(241,524)</u>
Net Reserves	<u>10,167,305</u>	<u>9,284,997</u>
Total Liabilities and Reserves	<u>18,124,228</u>	<u>16,710,003</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 9,698,440</u>	<u>\$ 10,059,673</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating Revenue:		
Regular Contributions	\$ 10,984,859	\$ 10,484,715
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	4,779,056	3,895,256
Insurance Premiums:		
Paid Assessments	3,718,343	3,992,123
Change in Provisions for SPELL		
Aggregate Excess Insurance Contribution	536,337	223,604
Administrative Expenses:		
Actuarial Fees	23,460	23,000
Auditing Fees	19,938	19,740
Claims Administration	248,560	248,560
Contingency		21,949.00
Fidelity Bonds	1,113	1,113
Fund Administration	568,362	551,808
Legal Fees	78,000	76,000
Miscellaneous Expenses	4,383	3,140
Postage & Printing	1,630	1,637
Prima Conference	3,307	1,748
Recording Secretary	1,200	1,200
Right To Know Training	8,803	9,638
Risk Management Consultants	170,824	165,523
Safety Consultant	92,767	90,948
Safety Incentive Program	86,500	50,500
State of the Fund Dinner	14,269	13,415
Training Fees	36,230	27,051
Treasurer Fee	14,500	14,500
Total Operating Expenses	<u>10,407,582</u>	<u>9,432,453</u>
Operating Income	577,277	1,052,262
Non-Operating Revenue:		
Investment Income	<u>61,490</u>	<u>105,892</u>
Change in Net Position	638,767	1,158,154
Net Position, Beginning of Year	<u>10,059,673</u>	<u>9,901,519</u>
	10,698,440	11,059,673
Distributions to Members	<u>1,000,000</u>	<u>1,000,000</u>
Net Position, End of Year	<u>\$ 9,698,440</u>	<u>\$ 10,059,673</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Receipts from Regular Contributions	\$ 10,984,859	\$ 10,484,715
Payments for Claim Payments	(4,276,076)	(3,266,233)
Payments for Insurance Premiums	(3,704,413)	(3,976,978)
Payments to Professionals and Suppliers	<u>(1,368,318)</u>	<u>(1,325,797)</u>
Net Cash Flows Provided By Operating Activities	<u>1,636,052</u>	<u>1,915,707</u>
Cash Flows From Investing Activities:		
Investment Income	<u>61,490</u>	<u>105,892</u>
Net Cash Flows Provided By Investing Activities	<u>61,490</u>	<u>105,892</u>
Cash Flows From Noncapital Financing Activities:		
Distributions to Members	(1,028,694)	(1,046,786)
Adjustments to Reconcile Noncapital Financing Activities to		
Net Cash Used In Noncapital Financing Activities:		
Increase in Accrued Interest on Surplus Distributions	<u>4,816</u>	<u>10,660</u>
Net Cash Used In Noncapital Financing Activities	<u>(1,023,878)</u>	<u>(1,036,126)</u>
Net Increase in Cash and Cash Equivalents	673,664	985,473
Cash and Cash Equivalents, Beginning of Year	<u>25,902,275</u>	<u>24,916,802</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,575,939</u>	<u>\$ 25,902,275</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 577,277	1,052,262
Adjustments to Reconcile Operating Income to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Excess Insurance Receivable	(379,328)	246,739
Accrued Expenses	5,528	(4,327)
Accrued Insurance	536,337	223,604
Claims Payable		59,590
Unearned Contributions	13,930	15,145
Claims Reserves	<u>882,308</u>	<u>322,694</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 1,636,052</u>	<u>\$ 1,915,707</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

The Burlington County Insurance Pool was formed on July 1, 1984 in accordance with P.L. 1983, C.108, entitled "An Act Concerning Board of Education Insurance", and supplementing Chapter 18B of Title 18A of the New Jersey Statutes. The initial participating Boards of Education established the Fund for the purpose of securing significant savings in insurance cost as well as providing stability in coverage. From July 1, 1984 to July 31, 1993 the Fund provided only workers' compensation coverage to its members. Effective August 1, 1993, the Fund expanded to all lines of coverage, forming the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") under provisions of N.J.S.A. 18A: 18B1-10. The Fund is operated in accordance with regulations of the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Board of Trustees of the Fund may approve the membership of any New Jersey School Board by a majority vote or may terminate any member by a majority vote, after proper notice has been given. Approval of participation is granted for a minimum of one plan period and a maximum of three plan periods at a time.

During the fiscal year ended June 30, 2014, members of the Fund included the following Boards of Education: Burlington City, Clementon Borough, Collingswood Borough, Delanco Township, Eastampton Township, Eastern Camden County Regional High School District, Evesham Township, Haddon Heights Borough, Haddon Township, Haddonfield Borough, Hopewell Valley Regional School District, Lenape Regional High School District, Lindenwold Borough, Lumberton Township, Magnolia Borough, Medford Lakes Borough, Medford Township, Mercer County Special Services School District, Merchantville Borough, Mercer County Vo-Tech School District, Moorestown Township, Mount Ephraim Borough, Mount Holly Township, Mount Laurel Township, Northern Burlington County Regional School District, Princeton Regional High School District, Riverside Township, Shamong Township, Southampton Township, Springfield Township, Tabernacle Township, Voorhees Township, Westampton Township, and Woodlynne Borough.

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund offers the following coverages to its members:

- Property (including Crime, Inland Marine and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers' Compensation
- Educators Legal Liability
- Boiler and Machinery (Group Purchase)
- Pollution/Environmental Legal Liability (Group Purchase)
- Student Accident Insurance (Group Purchase)

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant policies followed by the Burlington County Insurance Pool Joint Insurance Fund (the "Fund") in the preparation of the accompanying financial statements:

Component Unit

In evaluating how to define the Fund for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria the Fund has no component units and is not includable in any other reporting entity.

Basis of Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Accounting (Cont'd)

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. Member Assessments are recognized as revenue at the time of assessment.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governments units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Additionally, the Fund has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Annual Contributions

Annual contributions, as determined by the Fund's Board of Trustees, are due within 30 days of the due date fixed by the Board of Trustees, but not later than February 1. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Supplemental Contributions

The Board of Trustees shall by majority vote levy upon the participants additional assessments whenever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Investment Income Allocation

Interest accruals and interest payments on cash instruments, net of investment management fees and unrealized gains and losses on the market value of investments are allocated every month based upon each line of coverage share of opening cash and investment balances.

Unpaid Claims Liabilities

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage's such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are reflected in reserves and cumulative expenses in the periods being reported upon.

A. **Reported Claims Case Reserves**

Case reserves include estimated unpaid claims cost for both future payments of losses and related allocated claim adjustment expenses as reported by the service agent, Qual-Lynx, Inc.

B. **Claims Incurred But Not Reported (IBNR) Reserve**

In order to recognize claims incurred but not reported, a reserve is calculated by the Fund's actuary, The Actuarial Advantage, Inc.

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Fund plus claims incurred but not yet reported and unknown loss events that are expected to become claims. The liabilities for claims and related adjustment expenses are evaluated using Fund and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through June 30, 2014. These liabilities are subject to variability between estimated ultimate losses determined as described and the actual experience as it emerges, including the impact of future changes in claim severity and frequency and other factors.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unpaid Claims Liabilities (Cont'd)

Management believes that the liabilities for unpaid claims are adequate. The estimates are reviewed periodically and as adjustments to these liabilities become necessary, such adjustments are reflected in current operations.

Specific/Aggregate Excess Insurance

Specific Excess Insurance - The Fund records each claim at the estimated ultimate cost of settlement even if the costs should exceed the Fund's specific claim self-insured retention level.

Aggregate Excess Insurance - The Fund seeks to limit its exposure to loss in the aggregate by ceding reinsurance to excess carriers under excess coverage insurance contracts in the event that the accumulation of dollars spent within the Fund's retention reaches a predetermined value or attachment point.

Although the excess carrier is liable to the Fund for the amounts insured, the Fund remains liable to its insured's for the full amount of the policies written whether or not the excess carrier meets its obligations to the Fund. Failure of the excess carrier to honor its obligations could result in losses to the Fund. The Fund's Insurance Broker evaluates the financial condition of the excess carrier and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the excess carrier to minimize the Fund's exposure to significant losses from excess carrier insolvencies.

Losses ceded to excess carriers for the fiscal years ended June 30, 2014 and 2013 amounted to \$971,109 and \$516,428, respectively.

Fund Transfers

All fund transfers are recognized at the time actual transfers take place.

Intertrust fund transfers may be conducted by the fund at any time. Intertrust fund transfers require prior approval of the Department of Banking and Insurance and may be conducted only where each member participates in each and every loss retention fund account during that fund year.

The Commissioner of the Department of Banking and Insurance shall waive the full participation requirement provided the Fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.

Interyear fund transfers require prior approval of the Department of Banking and Insurance. The Fund may seek approval from the Commissioner to make interyear fund transfers at any time from a claims or loss retention trust account from any year which has been completed for at least twenty-four months. The interyear fund transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21. The membership for each fiscal year involving interyear transfers must be identical between fiscal years.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Transfers (Cont'd)

The Commissioner of the Department of Banking and Insurance shall waive the identical membership requirement provided the fund demonstrates to the Department that it maintains records of each members pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

Subrogation

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

Return of Surplus/Dividends

Refunds (dividends) are recognized upon authorization by the Fund's Trustees. Any moneys for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year may be declared to be refundable by the Fund not less than twenty-four months after the end of the fiscal year. The initial and any subsequent refund for any year from a Claim or Loss Retention Account may be in any amount subject to the limitation that after the transfer, the remaining net current surplus must equal or exceed the surplus retention requirement outlined in N.J.A.C. 11:15-4.21.

A full and final refund of net current surplus will not be allowed until all case reserves and all unpaid claim reserves are closed.

A refund for any fiscal year shall be paid only in proportion to the member's participation (percentage of contribution to all contributions) to the fund for such year.

Payment of a refund on a previous year shall not be contingent on the members' continued membership in the fund after that year.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations and appointed officials pursuant to written fee guidelines submitted and approved by a majority of the Delegates/Board of Trustees. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code.

Net Position

In accordance with the provisions of the Governmental Accounting Standards Board Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", the Fund has classified its net position as unrestricted. This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets" and includes net position that may be allocated for specific purposes by the Board.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from member contributions. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits might not be recovered. Although the Fund does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fund in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fund relative to the happening of a future condition. If the Fund had any such funds, they would be shown as Uninsured and Uncollateralized.

Of the Fund's bank balance of \$25,525,440 as of June 30, 2014, \$1,250,000 was insured while \$24,275,440 was collateralized under GUDPA.

Of the Fund's bank balance of \$25,525,440 as of June 30, 2013, \$1,250,000 was insured while \$24,275,440 was collateralized under GUDPA.

New Jersey Cash Management Fund

During the year, the Fund participated in the New Jersey Cash Management Fund. The Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2014 and 2013 the Fund's deposits with the New Jersey Cash Management Fund was \$639,910 and \$639,512, respectively.

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 4: GROUP PURCHASE ACCOUNT

The Fund offers additional coverage to its members for Boiler and Machinery and Pollution/Environmental Legal Liability. The assessments and premium expenses for these coverage's are treated as pass-through items in the Group Purchase Account.

Note 5: PROVISION FOR EXCESS INSURANCE RECOVERABLE

The provision for excess insurance recoverable is the estimated amount of claims recoverable under the Fund's excess insurance contracts. This provision is subject to the variability between the estimated ultimate net cost of claims incurred and the actual loss experience as claims develop.

The provision at June 30, 2014 represents the aggregate claim reserves in excess of the Fund's self-insured retention limits under the excess insurance contracts.

Note 6: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Fund establishes a liability for both reported and unreported insured events, which includes estimates of future payments of losses and related allocated claim adjustment expenses.

The following represents changes in those aggregate undiscounted reported and unreported liabilities for the fiscal years ended June 30, 2014 and 2013 and for all open Fund years net of excess insurance recoveries:

	<u>2014</u>	<u>2013</u>
Total unpaid claims and claim adjustment expenses all Fund years-beginning of year	\$ 9,284,997	\$ 8,962,303
Incurred claims and claim adjustment expenses		
Provision for insured events of current fund year	6,034,999	4,723,205
Changes in provision for insured events of prior fund years	<u>(1,255,943)</u>	<u>(827,945)</u>
Total incurred claims and claim adjustment expenses all Fund years	<u>14,064,053</u>	<u>12,857,563</u>
Payments:		
Claims and claim adjustment expenses:		
Attributable to insured events of current fund year	1,941,788	1,677,862
Attributable to insured events of prior fund years	<u>1,954,960</u>	<u>1,894,704</u>
Total Payments all Fund years	<u>3,896,748</u>	<u>3,572,566</u>
Total unpaid claims and claim adjustment expenses all Fund years - end of year	<u><u>\$10,167,305</u></u>	<u><u>\$ 9,284,997</u></u>

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND (SPELL)

Effective July 1, 2001, the Fund joined the School Pool for Excess Liability Limits (SPELL). The SPELL is a joint insurance fund formed to provide excess coverage for member school funds. Each member appoints two delegates to represent their respective joint insurance fund for the purpose of creating a governing body from which the board of trustees of the SPELL is elected.

The Fund could be subject to supplemental assessments in the event of deficiencies in the loss funds of the SPELL. If the assets of the SPELL were to be exhausted, its members would become jointly and severely liable for the SPELL's liabilities.

The SPELL can declare and refund surplus to its members upon approval of the State of New Jersey Department of Banking and Insurance.

The SPELL has recorded loss reserves resulting in deficits of \$4,565,056 and \$3,025,632 in its combined loss funds for all years as of June 30, 2014 and 2013, respectively. Accordingly, the Fund has recorded liabilities for accrued insurance in the combined amounts of \$2,845,554 and \$2,309,217 as of June 30, 2014 and 2013, respectively, which represents the Fund's respective share of the SPELL's deficit.

The liabilities have been expensed to the related Fund years as follows:

<u>Fund Year</u>	<u>As of June 30th</u>	
	<u>2014</u>	<u>2013</u>
2002	\$ 206,633	\$ 166,290
2003	141,910	96,995
2005	365,824	264,332
2006	189,854	111,659
2008	128,442	71,897
2009	364,407	331,107
2010	1,409,679	1,266,937
2012	38,805	
	\$ 2,845,554	\$ 2,309,217

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 8: RETURN OF SURPLUS

The Board of Trustees approved a surplus distribution in the amount of \$1,000,000 for the fiscal years ended June 30, 2014 and 2013, respectively. The surplus distribution has been expensed to the related Fund years as follows:

<u>Fund Year</u>	<u>As of June 30th</u>	
	<u>2014</u>	<u>2013</u>
1995		\$ 100,000
1996	\$ 100,000	100,000
1997	100,000	100,000
1998	100,000	100,000
1999	100,000	100,000
2005	100,000	100,000
2006	100,000	100,000
2007	100,000	100,000
2008	100,000	100,000
2009	200,000	100,000
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

BURLINGTON COUNTY INSURANCE POOL
JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Educators Legal Liability</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses - Beginning of Year	\$ (194,749)	\$ 1,971,060	\$ 87,989	\$ 6,442,677	\$ 978,020	\$ 9,284,997
Incurrd claims and claims adjustment expenses:						
Provision for insured events of current fund year	780,637	963,749	64,571	3,695,980	530,062	6,034,999
Changes in provision for insured events of prior fund years	89,401	(70,730)	(31,965)	(844,835)	(397,814)	(1,255,943)
Total incurred claims and claims adjustment expenses all Fund years	675,289	2,864,079	120,595	9,293,822	1,110,268	14,064,053
Payments (Net of Recoveries):						
Claims and claims adjustment expenses:						
Attributable to insured events of current fund year	793,441	10,517	6,829	1,126,285	4,716	1,941,788
Attributable to insured events of prior fund years	(238,499)	552,935	3,770	1,428,818	207,936	1,954,960
Total payments all Fund years	554,942	563,452	10,599	2,555,103	212,652	3,896,748
Total unpaid claim and claim adjustment expenses - End of Year	\$ 120,347	\$ 2,300,627	\$ 109,996	\$ 6,738,719	\$ 897,616	\$ 10,167,305

BURLINGTON COUNTY INSURANCE POOL JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF JUNE 30, 2014

	Policy Period Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Earned Requirement and Investment Revenue:										
Earned	\$ 8,900,155	\$ 9,191,954	\$ 8,654,676	\$ 9,253,711	\$ 9,113,349	\$ 8,250,343	\$ 8,549,848	\$ 9,151,761	\$ 10,512,047	\$ 10,997,295
Ceded	2,385,670	2,330,478	2,243,434	2,525,909	2,794,921	3,912,613	2,866,092	3,163,228	3,545,416	3,718,342
	6,514,485	6,861,476	6,411,242	6,727,802	6,318,428	4,337,730	5,683,756	5,988,533	6,966,631	7,278,953
Unallocated Expenses	751,499	859,661	888,397	977,173	989,546	1,041,232	1,129,043	1,217,316	1,336,278	1,287,701
Estimated Claims and Expenses, End of Policy Year:										
Incurred	4,848,618	4,190,524	5,178,950	5,182,956	5,095,582	4,720,000	5,898,479	4,828,842	5,317,605	6,034,999
Ceded	143,619	525	748,950	700,000	16,000	5,000	928,478	130,342	594,400	791,446
Net Incurred	4,704,999	4,189,999	4,430,000	4,482,956	5,079,582	4,715,000	4,970,001	4,698,500	4,723,205	5,243,553
Paid (Cumulative) as of:										
End of Policy Year	1,758,481	1,216,124	1,680,240	1,308,051	1,324,850	1,380,407	1,665,514	1,461,814	1,677,862	1,941,788
One Year Later	2,708,212	2,347,885	2,556,186	2,274,341	2,369,979	2,403,261	3,285,040	2,249,691	2,826,495	
Two Years Later	2,978,801	2,838,546	3,148,332	2,832,498	3,155,865	2,806,082	3,893,984	2,421,086		
Three Years Later	3,244,922	3,229,706	3,885,314	3,223,838	3,465,093	3,096,003	4,551,286			
Four Years Later	3,432,341	3,466,189	4,169,546	8,318,020	3,748,259	3,551,977				
Five Years Later	3,594,707	3,581,416	4,372,633	8,432,329	3,870,221					
Six Years Later	3,619,037	3,626,303	4,415,229	8,554,030						
Seven Years Later	3,817,091	3,689,402	4,461,786							
Eight Years Later	3,912,039	3,729,158								
Nine Years Later	3,997,051									
Reestimated Ceded Claims and Expenses	131,269	55,655	1,185,155	4,847,123	374,901	319,625	823,835	220,317	389,052	791,446
Reestimated Incurred Claims and Expenses:										
End of Policy Year	4,704,999	4,189,999	4,430,000	4,482,956	5,079,582	4,715,000	4,970,001	4,698,500	4,723,205	5,243,553
One Year Later	4,250,000	4,495,500	4,481,896	4,310,295	4,655,001	4,368,500	4,970,000	4,102,722	4,636,389	
Two Years Later	4,255,000	4,330,479	4,090,770	4,298,120	4,579,480	4,124,547	4,970,593	3,283,265		
Three Years Later	3,945,305	3,968,132	3,896,272	4,038,118	4,238,529	3,985,402	4,970,003			
Four Years Later	3,751,278	4,072,096	3,728,736	4,139,310	4,084,174	3,842,661				
Five Years Later	3,857,682	3,969,211	3,513,500	4,187,256	4,149,599					
Six Years Later	3,898,849	3,902,568	3,455,345	4,071,257						
Seven Years Later	3,851,349	3,881,325	3,450,346							
Eight Years Later	3,873,849	3,851,325								
Nine Years Later	3,849,504									
Increase (Decrease) in Estimated Incurred Claims and Expenses from End of Policy Year	\$ (855,495)	\$ (338,674)	\$ (979,654)	\$ (411,699)	\$ (929,863)	\$ (872,339)	\$ 2	\$ (1,415,235)	\$ (86,816)	\$ -