

**SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2014 AND 2013**

ANNUAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

New Jersey Department of Insurance Joint Insurance Fund Code: SBJIF-

Joint Insurance Fund Name: School Pool For Excess Liability Limits
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

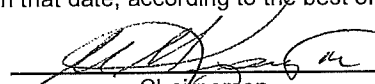
Chairperson Edgar S. Keepers Richard J. Kaz, Jr.
Vice-Chairperson Thomas J. Fanuka Margaret F. Meehan
Secretary Kathy Bechtel _____
Joseph Smurlo _____

BOARD OF TRUSTEES ALTERNATES

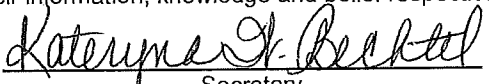
Frank Onorato Donna Contrevo
Charles Muller John Recchinti
Craig Wilkie _____
Michael Mados _____

State of New Jersey
County of _____

Edgar S. Keepers (Chairperson), Kathy Bechtel (Secretary), of the School Pool For Excess Liability Limits 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 year ended on that date, according to the best of their information, knowledge and belief respectively.



Chairperson



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
School Pool For Excess Liability
Limits 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 School Pool For Excess Liability Limits 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
School Pool For Excess Liability
Limits 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 School Pool For Excess Liability Limits 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 School Pool For Excess Liability Limits 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
School Pool For Excess Liability
Limits 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
School Pool For Excess Liability
Limits 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 School Pool For Excess Liability Limits 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 collectively 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
School Pool For Excess Liability
Limits 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

School Pool For Excess Liability Limits 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	6/30/2014	6/30/2013	6/30/2012	2013 to 2014 Change	
				Amount	Percentage
Assets					
Cash & Cash Equivalents	\$ 2,172,484	\$ 1,854,727	\$ 1,885,327	\$ 317,757	17.1%
Other Assets	4,922,880	3,198,876	3,343,886	1,724,004	53.9%
Total Assets	7,095,364	5,053,603	5,229,213	2,041,761	40.4%
Liabilities & Net Position					
Liabilities					
Loss Reserves	3,988,822	2,929,824	3,001,545	1,058,998	36.1%
Other Liabilities	1,330,479	848,339	1,163,801	482,140	56.8%
Total Liabilities	5,319,301	3,778,163	4,165,346	1,541,138	40.8%
Net Position, Unrestricted	\$ 1,776,063	\$ 1,275,440	\$ 1,063,867	\$ 500,623	39.3%

Net Position increased by 39.3%, to \$1,776,063 primarily due a 53.9% increase of Excess Insurance Receivable and Prospective Supplemental Contributions due from members.

Statement of Revenues, Expenses, and Changes In Net Position Summary	6/30/2014	6/30/2013	6/30/2012	2013 to 2014 Change	
				Amount	Percentage
Operating Revenue					
Regular Contributions & Other Income	\$ 8,964,704	\$ 6,847,038	\$ 6,337,054	\$ 2,117,666	30.9%
Operating Expenses					
Net Claims and Claims Adjustment					
Expenses (Recoveries)	1,073,597	(46,596)	(9,484)	1,120,193	2404.1%
Reinsurance & Group Insurance					
Premiums	6,770,118	6,092,164	5,668,003	677,954	11.1%
Professional & Contractual Services	628,266	596,781	654,471	31,485	5.3%
Total Operating Expenses	8,471,981	6,642,349	6,312,990	1,829,632	27.5%
Operating Income	492,723	204,689	24,064	288,034	140.7%
Investment Income	7,900	6,884	14,899	1,016	14.8%
Change In Net Position	\$ 500,623	\$ 211,573	\$ 38,963	\$ 289,050	-136.6%

Financial Highlights Continued

During the year, the Fund continued in its long-term success in controlling administrative and operating costs. Overall increases in total premiums reflect exposure increases within the fund membership.

The Fund saw a 21.6% increase in the Fund's overall Budget. Group Insurance Costs are driving the increase at an increase of 76.8% over the 2012-2013 fund year.

The Fund reports an overall surplus position as well as each individual Fund Year.

Economic Conditions

Investment Income increased slightly over the 2012-2013 fund year stemming from better market conditions both in the realized gains and in the unrealized losses. 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 School Pool for Excess Liability Limits 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 School Pool for Excess Liability Limits at the Fund office located 6000 Sagemore Drive, Suite 6203, Marlton, New Jersey 08053 or by phone at (856) 446-9132.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 2,172,484	\$ 1,854,727
Excess Insurance Receivable	357,824	173,244
Prospective Supplemental Contributions	<u>4,565,056</u>	<u>3,025,632</u>
Total Assets	<u>7,095,364</u>	<u>5,053,603</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Claims Payable	991,523	792,344
Accrued Expenses	68,313	55,995
Contribution Overpayment Due To Member	3,035	
Unearned Revenue	<u>267,608</u>	
Total Liabilities	<u>1,330,479</u>	<u>848,339</u>
Claims Reserves:		
Case Reserves	<u>5,372,136</u>	<u>4,180,769</u>
	5,372,136	4,180,769
Provision for Excess Insurance Recoverable	<u>(1,383,314)</u>	<u>(1,250,945)</u>
Net Claims Reserves	<u>3,988,822</u>	<u>2,929,824</u>
Total Liabilities and Reserves	<u>5,319,301</u>	<u>3,778,163</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 1,776,063</u>	<u>\$ 1,275,440</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 7,425,280	\$ 6,897,610
Prospective Supplemental Change	<u>1,539,424</u>	<u>(50,572)</u>
Total Operating Revenue	<u>8,964,704</u>	<u>6,847,038</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Recoveries	1,073,597	(46,596)
Insurance Premiums	6,770,118	6,092,164
Administrative Expenses:		
Actuary	6,120	6,000
Attorney	4,941	4,455
Auditor	11,424	11,200
Contingency	26,062	495
Extranet Provider	30,720	30,720
Fund Administrator	4,992	4,992
General Ledger Management	15,480	15,300
Marketing	13,540	16,343
Miscellaneous and Other Expenses	4,673	10,948
PRIMA Conference	7,205	6,749
Property Appraisals	55,983	55,383
Treasurer	7,320	7,200
Underwriting Manager / Broker	<u>439,806</u>	<u>426,996</u>
Total Operating Expenses	<u>8,471,981</u>	<u>6,642,349</u>
Operating Income	492,723	204,689
Non-Operating Revenue:		
Investment Income	<u>7,900</u>	<u>6,884</u>
Change in Net Position	500,623	211,573
Net Position, Beginning of Year	<u>1,275,440</u>	<u>1,063,867</u>
Net Position, End of Year	<u>\$ 1,776,063</u>	<u>\$ 1,275,440</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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	\$ 7,695,923	\$ 6,897,610
Payments for Claim Payments		(248,379)
Payments for Insurance Premiums	(6,762,583)	(6,093,664)
Payments to Professionals and Suppliers	(623,483)	(593,051)
	<u>309,857</u>	<u>(37,484)</u>
Net Cash Flows Provided By (Used In) Operating Activities		
Cash Flows From Investing Activities:		
Investment Income	<u>7,900</u>	<u>6,884</u>
Net Increase (Decrease) in Cash and Cash Equivalents	317,757	(30,600)
Cash and Cash Equivalents, Beginning of Year	<u>1,854,727</u>	<u>1,885,327</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,172,484</u>	<u>\$ 1,854,727</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income	\$ 492,723	\$ 204,689
Adjustments to Reconcile Operating Income to		
Net Cash Used In Operating Activities:		
Changes in Assets and Liabilities:		
Excess Insurance Receivable	(184,580)	94,438
Prospective Supplemental Contributions	(1,539,424)	50,572
Claims Payable	199,179	(317,692)
Accrued Expenses	12,318	2,230
Contribution Overpayment Due To Member	3,035	
Unearned Revenue	267,608	
Claims Reserves	<u>1,058,998</u>	<u>(71,721)</u>
Net Cash Flows Provided By (Used In) Operating Activities	<u>\$ 309,857</u>	<u>\$ (37,484)</u>

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

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE FUND

The School Pool For Excess Liability Limits Joint Insurance Fund (SPELL), was formed on July 1, 2001 in accordance with P.L. 1983, C.108, entitled "An Act Concerning Board of Education Insurance", under the provisions of N.J.S.A. 18A: 18B1-10. The Fund is operated in accordance with regulations of the New Jersey Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The board of trustees and owner group delegates of the Fund may approve the membership of any New Jersey School Board Group by a two-thirds vote or may terminate any member by a two-thirds vote, after proper notice has been given. Approval of participation is granted for a specific term of three years.

During the fiscal year ended June 30, 2014, members of the Fund included the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund, Burlington County Insurance Pool Joint Insurance Fund, the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund and the Suburban Essex Joint Insurance Fund.

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 provides the following excess coverages to its members:

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

The Fund also provides aggregate excess insurance to its members. Each member's annual attachment point is set at the total of its current budgeted accumulated loss funding for specific retention plus an additional ten percent. The Fund maintains an aggregate excess loss contingency trust fund for losses in excess of the Fund's budgeted specific loss trust funds. Funding of the aggregate excess loss contingency trust fund is determined according to the Fund's bylaws.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the School Pool For Excess Liability Limits Joint Insurance Fund (the "Fund") in the preparation of the accompanying financial statements:

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Interest Income Allocation

Interest accruals, 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 Reserve loss calculations 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.

Management believes that the liabilities for unpaid claims above 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.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Specific/Aggregate Excess Insurance (Cont'd)

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.

Aggregate Excess Insurance - The SPELL secured \$2,000,000 of commercial aggregate coverage above the combined budgeted loss funds and unfunded risk windows of the SPELL and its four (4) owner groups effective July 1, 2004, thus significantly reducing the likelihood of potential supplemental liabilities to each group.

The SPELL has the flexibility to manage the allocation strategy for "shared" aggregate losses to minimize and/or eliminate the remaining exposure to potential supplemental liabilities. With the addition of commercial aggregate protection in 2003-2004, the loss funding was structured to maximize savings under the law of large numbers theory. The SPELL and each owner group have a specific level of total funding responsibility (attachment point) that they have the flexibility of managing with or without an unfunded risk window.

The ultimate incurred losses of the SPELL and each owner group are limited to each entities specific attachment point. Aggregate loss development of the SPELL and each owner group beyond their applicable attachment point is shared across all groups, eroding any available loss fund surpluses as measured at a point in time. The combined funding responsibility of the SPELL and its owner groups for 2013-2014 and 2012-2013 is \$15,549,900 and \$15,162,758, respectively.

The aggregation of losses up to the required combined funding level are allocated on a shared basis to erode all available budgeted loss funds before attaching to the \$2,000,000 commercial aggregate coverage.

An individual owner group may experience a reduction to available 2013-2014 budget surplus as a result of "shared" aggregate loss allocation strategy, but the owner group's ultimate liability would not exceed their respective initial level of total funding responsibility.

The Fund ceded \$250,504 and \$92,772 of losses to excess carriers during the fiscal years ended June 30, 2014 and 2013, 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.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

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

Fund Transfers (Cont'd)

Interyear fund transfers require thirty days prior written notification to 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. 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 member's 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

In the event of any payment by the Fund, the rights of recovery of the member group on whose behalf the payment was made shall be subrogated to the rights of the Fund. 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 of 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 no 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 members' 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.

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.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
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 and on investments in debt securities.

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) and the National Credit Union Share Insurance Fund (NCUSIF). Public funds owned by the Fund in excess of FDIC and NCUSIF 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 \$2,195,896 as of June 30, 2014, \$1,000,000 was insured while \$1,195,896 was collateralized under GUDPA.

Of the Fund's bank balance of \$2,692,879 as of June 30, 2013, \$750,000 was insured while \$1,942,879 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. The Fund's deposits with the New Jersey Cash Management Fund were \$3,462 and \$3,460 at June 30, 2014 and 2013, respectively.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
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 Legal Liability. The assessments and premium expense for these coverages are treated as pass-through items in the Group Purchase Account.

Note 5: 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 claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 3,722,168	\$ 4,111,581
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	-	-
Changes in provision for insured events of prior fund years	<u>1,073,597</u>	<u>(46,596)</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>4,795,765</u>	<u>4,064,985</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	-	-
Attributable to insured events of prior fund years	<u>(184,580)</u>	<u>342,817</u>
Total Payments all Fund years	<u>(184,580)</u>	<u>342,817</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 4,980,345</u>	<u>\$ 3,722,168</u>
Analysis of Balance		
Claims Payable	\$ 991,523	\$ 792,344
Claims Reserves (Net)	<u>3,988,822</u>	<u>2,929,824</u>
	<u>\$ 4,980,345</u>	<u>\$ 3,722,168</u>

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: PROSPECTIVE SUPPLEMENTAL CONTRIBUTIONS

As of June 30, 2014, the Fund has recorded loss reserves resulting in a \$4,565,056 deficit in its loss funds for all fund years. Should the reserves develop into actual paid claims, the Fund has calculated that the members will be assessed supplemental contributions as follows:

Fund Year June 30, 2002

Atlantic & Cape May Counties Association of Business Officials JIF	\$ 95,623
Burlington County Insurance Pool JIF	206,633
Gloucester, Cumberland, Salem School Districts JIF	55,322
Suburban Essex Municipal JIF	8,793
	366,371

Fund Year June 30, 2003

Atlantic & Cape May Counties Association of Business Officials JIF	65,671
Burlington County Insurance Pool JIF	141,910
Gloucester, Cumberland, Salem School Districts JIF	37,994
Suburban Essex Municipal JIF	6,039
	251,614

Fund Year June 30, 2005

Burlington County Insurance Pool JIF	365,824
Gloucester, Cumberland, Salem School Districts JIF	87,740
Suburban Essex Municipal JIF	68,712
	522,276

Fund Year June 30, 2006

Burlington County Insurance Pool JIF	189,854
Gloucester, Cumberland, Salem School Districts JIF	107,062
Suburban Essex Municipal JIF	48,607
	345,523

Fund Year June 30, 2008

Burlington County Insurance Pool JIF	128,442
Gloucester, Cumberland, Salem School Districts JIF	9,274
	137,716

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 6: PROSPECTIVE SUPPLEMENTAL CONTRIBUTIONS (CONT'D)

Fund Year June 30, 2009	
Burlington County Insurance Pool JIF	\$ 364,407
Gloucester, Cumberland, Salem School Districts JIF	163,732
Suburban Essex Municipal JIF	<u>48,733</u>
	<u>576,872</u>
Fund Year June 30, 2010	
Burlington County Insurance Pool JIF	1,409,679
Gloucester, Cumberland, Salem School Districts JIF	95,694
Suburban Essex Municipal JIF	<u>139,167</u>
	<u>1,644,540</u>
Fund Year June 30, 2011	
Gloucester, Cumberland, Salem School Districts JIF	154,504
Suburban Essex Municipal JIF	<u>42,686</u>
	<u>197,190</u>
Fund Year June 30, 2012	
Atlantic & Cape May Counties Association of Business Officials JIF	17,658
Burlington County Insurance Pool JIF	38,805
Suburban Essex Municipal JIF	<u>7,391</u>
	<u>63,854</u>
Fund Year June 30, 2014	
Atlantic & Cape May Counties Association of Business Officials JIF	401,483
Suburban Essex Municipal JIF	<u>57,617</u>
	<u>459,100</u>
Total Prospective Supplemental Contribution as of June 30, 2014	<u><u>\$ 4,565,056</u></u>
Summary by Member	
Atlantic & Cape May Counties Association of Business Officials JIF	\$ 580,435
Burlington County Insurance Pool JIF	2,845,554
Gloucester, Cumberland, Salem School Districts JIF	711,322
Suburban Essex Municipal JIF	<u>427,745</u>
	<u><u>\$ 4,565,056</u></u>

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS

Note 7: 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 of claim reserves in excess of the Fund's self-insured retention limits under the excess insurance contracts.

SCHOOL POOL FOR EXCESS LIABILITY LIMITS
JOINT INSURANCE FUND
REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL POOL FOR EXCESS LIABILITY LIMITS 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>Educator's Legal Liability</u>	<u>Aggregate Excess Loss Fund</u>	<u>Total</u>
Total unpaid claim and claim adjustment expenses (recoveries) - Beginning of Year:	\$	10	\$ 249	\$ -	\$ 112,933	\$ 1,557	\$ 3,607,419	\$ 3,722,168
Incurrd claims and claims adjustment expenses (recoveries):								
Provision for insured events of current fund year					3,200		1,070,397	1,073,597
Changes in provision for insured events of prior fund years								-
Total incurred claims and claims adjustment expenses (recoveries) all Fund years		10	249	-	116,133	1,557	4,677,816	4,795,765
Payments:								
Claims and Claims Adjustment Payments (Recoveries):								
Attributable to insured events of current fund year					(184,580)			(184,580)
Attributable to insured events of prior fund years					(184,580)			(184,580)
Total payments all Fund years		-		-	(184,580)		-	(184,580)
Total unpaid claim and claim adjustment expenses - End of Year	\$	10	\$ 249	\$ -	\$ 300,713	\$ 1,557	\$ 4,677,816	\$ 4,980,345
Analysis of Balance:								
Claims Payable								991,523
Claim Reserves (Net)								3,988,822
								<u>\$ 4,980,345</u>

SCHOOL POOL FOR EXCESS LIABILITY LIMITS JOINT INSURANCE FUND
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF JUNE 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Earned Required Contribution and Investment Revenue:										
Earned	\$ 4,301,411	\$ 4,704,659	\$ 4,634,667	\$ 5,264,045	\$ 6,027,639	\$ 7,185,928	\$ 6,438,778	\$ 6,419,840	\$ 6,898,340	\$ 7,883,497
Ceded	3,232,360	3,712,494	3,837,024	4,532,940	4,822,556	4,908,165	5,596,309	5,672,503	6,089,948	6,767,834
Net Earned	1,069,051	992,165	797,643	731,105	1,205,083	2,277,763	842,469	747,337	808,392	1,115,663
Unallocated Expenses	441,944	541,578	456,476	515,971	550,637	565,836	586,087	654,489	615,729	609,316
Estimated Claims and Expenses, End of Policy Year:										
Incurred	1,193,200	780,026	562,947	253,794	802,114	537,340	524,486	-	-	459,100
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	1,193,200	780,026	562,947	253,794	802,114	537,340	524,486	-	-	459,100
Paid (Cumulative) as of:										
End of Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
Reestimated Net Incurred Claims and Expenses:										
End of Policy Year	1,193,200	780,026	562,947	253,794	802,114	537,340	524,486	-	-	459,100
One Year Later	697,492	638,020	69,142	190,284	62,614	883,840	425,000	-	-	-
Two Years Later	652,463	576,755	73,413	696,321	372,635	1,129,060	-	-	-	-
Three Years Later	673,365	532,756	-	113,540	315,006	1,381,758	-	63,854	-	-
Four Years Later	485,648	400,645	-	45,254	506,006	1,644,540	-	-	-	-
Five Years Later	394,883	263,639	-	77,299	576,872	-	-	-	-	-
Six Years Later	441,010	205,546	-	137,716	-	-	-	-	-	-
Seven Years Later	388,206	345,523	-	-	-	-	-	-	-	-
Eight Years Later	522,276	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year	\$ (670,924)	\$ (434,503)	\$ (562,947)	\$ 116,078	\$ 225,242	\$ (1,107,200)	\$ 327,296	\$ (63,854)	\$ -	\$ -