

TOWNSHIP OF UPPER DEERFIELD

RESOLUTION 14-325

DIRECTING THE DISTRIBUTION OF THE TOWNSHIP OF UPPER DEERFIELD NET RETURNED SURPLUS FUNDS HELD IN TRUST BY THE ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

WHEREAS, the Township of Upper Deerfield, hereinafter referred to as MUNICIPALITY, participated as a member municipality of the Atlantic County Municipal Joint Insurance Fund, hereinafter referred to as FUND, for one or more of the following FUND fiscal years beginning January 1, 1998, January 1, 1999, January 1, 2000, January 1, 2001, January 1, 2002, January 1, 2003, January 1, 2004, January 1, 2005, January 1, 2006, January 1, 2007, January 1, 2008, January 1, 2009, January 1, 2010; and

WHEREAS, the FUND is a statutory filed municipal joint insurance fund as defined in N.J.A.C. 11:15-2.1 et seq.; and

WHEREAS, the MUNICIPALITY joined the FUND knowing that membership carries with it joint and several liability with all other member municipalities for each year of the MUNICIPALITY's membership; and

WHEREAS, the MUNICIPALITY understands that the FUND's Executive Committee are the only persons authorized in law to make decisions as to when and how much of any available statutory surplus will be released by the FUND; and

WHEREAS, the MUNICIPALITY understands that the FUND's Executive Committee are the only persons authorized in law to make decisions as to when and how much of any projected deficit will be declared as an additional assessment due to the FUND; and

WHEREAS, the MUNICIPALITY understands that Available Statutory Surplus is defined to be the amount of money in excess of the projected value of claims by line of coverage, plus an actuarially determined value for Incurred But Not Reported claims, subject to the surplus reserve calculations as defined in N.J.A.C. 11:15-4.6 et seq., and subject to review and approval by the Department of Banking and Insurance and Department of Community Affairs, State of New Jersey, prior to release by the Executive Committee of the FUND; and

WHEREAS, the MUNICIPALITY understands that it remains jointly and severally liable into perpetuity despite the earlier release of Available Statutory Surplus due to the possibility that a FUND year wherein a return of Statutory Surplus has been duly authorized could later be presented with a claim for which it could be responsible causing a demand for an additional assessment from each participating member municipality of that FUND year; and

WHEREAS, the MUNICIPALITY understands that it remains jointly and severally liable into perpetuity despite the earlier collection of an additional assessment due to the possibility that a FUND year wherein an additional assessment has been duly authorized could later be presented with a need for additional assessments from each participating member municipality of that FUND year, and

WHEREAS, the MUNICIPALITY understands that its options for directing the distribution of its net share of released Statutory Surplus to be as follows:

1. Direct the FUND to apply the MUNICIPALITY's share to the MUNICIPALITY's premium as a credit in the next FUND fiscal year (N.J.A.C. 11:15-4.21(e)),

2. Direct the FUND to issue a check to the MUNICIPALITY for the MUNICIPALITY's share,
3. Direct the FUND to apply the MUNICIPALITY's share to the FUND's Aggregate Excess Loss Contingency Fund (A.E.L.C.F.), which provides member municipalities with an available individual contingency balance for use in satisfying any possible need for a supplemental assessment for any year they were a member and an annual capacity to use all or a portion of a member municipality's available balance in offsetting future premiums, or
4. Direct the FUND to apportion the MUNICIPALITY's share as a stated dollar amount among options 1, 2 and 3 above such that the sum total of allocated dollars equals the amount of the Net Distribution available to the MUNICIPALITY as noted above.

NOW THEREFORE BE IT RESOLVED, that the MUNICIPALITY directs the FUND to distribute the MUNICIPALITY's share of its Net Distribution as follows (**check the boxes that apply**):

- Apply a portion of the amount as a credit to the MUNICIPALITY's next FUND Year premium.
- Apply a portion of the amount as a check to the MUNICIPALITY.
- Apply the full amount to the MUNICIPALITY's share of the FUND's Aggregate Excess Loss Contingency Fund (A.E.L.C.F.).

Designate the full amount as follows (Sum of below must equal full dividend amount):

- **Credit** \$ _____
- **Check** \$ _____ (**Requires voucher**)
- **A.E.L.C.F.** \$ 5,214 (**Requires Resolution**)

Moved By: Bruce Peterson

Seconded By: John O'Neill

VOTING

James Crilley
 John Daddario
 Bruce T. Peterson
 John T. O'Neill, Sr.
 Scott Smith

<u>In Favor</u>	<u>Against</u>	<u>Abstain</u>	<u>Absent</u>
X			
X			
X			
X			
			X

CERTIFICATION

I hereby certify that the foregoing is a true copy of Resolution adopted by the Township Committee of the Township of Upper Deerfield, in the County of Cumberland, at a meeting thereof held November 20, 2014.

 Roy J. Spoltore, Township Clerk