

CAMDEN COUNTY INSURANCE FUND COMMISSION
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011



CAMDEN COUNTY INSURANCE FUND COMMISSION

TABLE OF CONTENTS

Page No.

Independent Auditors' Report	1
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	4
Management's Discussion and Analysis	6

Financial Statements

Exhibit A-1	Comparative Statements of Net Position	9
Exhibit A-2	Comparative Statements of Revenues, Expenses and Changes in Net Position	10
Exhibit A-3	Comparative Statements of Cash Flows	11
	Notes to Financial Statements	12

Required Supplementary Information

Schedule 1	Reconciliation of Claims Liabilities by Fund	22
Schedule 2	Three-Year Claims Development Information	23

Supplementary Information

Schedule B-1a	Statement of 2012 Fund Year Account Operating Results Analysis	25
Schedule B-1b	Statement of 2011 Fund Year Account Operating Results Analysis	26
Schedule B-1c	Statement of 2010 Fund Year Account Operating Results Analysis	27
Schedule B-2a	Statement of 2012 Fund Year Claims Analysis	28
Schedule B-2b	Statement of 2011 Fund Year Claims Analysis	29
Schedule B-2c	Statement of 2010 Fund Year Claims Analysis	30
Schedule B-3a	Statements of 2012 Fund Year Program Summary	31
Schedule B-3b	Statements of 2011 Fund Year Program Summary	32
Schedule B-3c	Statements of 2010 Fund Year Program Summary	33

Schedule of Findings and Recommendations

Schedule of Findings and Recommendations	35
Schedule of Financial Statement Findings	35
Summary Schedule of Prior Year Audit Findings as Prepared by Management Appreciation	35

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Camden County Insurance Fund Commission
9 Campus Drive
Suite 16
Parsippany, NJ 07054

Report on the Financial Statements

We have audited the accompanying financial statements of the Camden County Insurance Fund Commission (the "Commission") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Commission'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 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.

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 Camden County Insurance Fund Commission as of December 31, 2012 and 2011 and the results of its operations and cash flows for the 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 Camden County Insurance Fund Commission's basic financial statements taken as a whole. The information included in the Supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the 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 Commissioners
Camden County Insurance Fund Commission

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 25, 2013 on our consideration of the Commission'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 and should be considered in assessing the results of our audit.

Respectfully Submitted,



Bowman & Company LLP
Certified Public Accountants
& Consultants

Woodbury, New Jersey
July 25, 2013

**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**

Board of Commissioners
Camden County Insurance Fund Commission
9 Campus Drive
Suite 16
Parsippany, NJ 07054

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 Division of Local Government Services, Department of Community Affairs of the State of New Jersey, the financial statements of the Camden County Insurance Fund Commission (the “Commission”) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collective comprise the Commission’s basic financial statements, and have issued our report thereon dated July 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission'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 Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission'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 Commissioners
Camden County Insurance Fund Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 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 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
July 25, 2013

CAMDEN COUNTY INSURANCE FUND COMMISSION

Management's Discussion and Analysis

This section of the annual financial report of the Commission presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2012 and 2011. Please read it in conjunction with the basic financial statements that follow this section.

Overview of Basic Financial Statements

The Commission'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 Commission is to provide property and casualty insurance coverage for Camden County Proper and its' inter-agencies that are members of the Commission. The Commission 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 Revenue, 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 Commission as of and for the years ended December 31, 2012 and 2011.

Summary Statements of Net Position	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>2012 to 2011 Change</u>	
			<u>Amount</u>	<u>Percentage</u>
Assets				
Cash & Cash Equivalents	\$3,907,592	\$2,991,923	\$ 915,669	30.6%
Investments in Joint Ventures	1,079,636	594,188	485,448	81.7%
Other Assets	<u>1,116,539</u>	<u>148,359</u>	<u>968,180</u>	<u>652.6%</u>
Total Assets	<u>6,103,767</u>	<u>3,734,470</u>	<u>2,369,297</u>	<u>63.4%</u>
Liabilities & Net Position				
Liabilities				
Loss Reserves	4,524,075	3,440,323	1,083,752	31.5%
Other Liabilities & Reserves	<u>58,942</u>	<u>99,433</u>	<u>(40,491)</u>	<u>-40.7%</u>
Total Liabilities	<u>4,583,017</u>	<u>3,539,756</u>	<u>1,043,261</u>	<u>29.5%</u>
Net Position	<u>\$1,520,750</u>	<u>\$ 194,714</u>	<u>\$1,326,036</u>	<u>681.0%</u>

Summary Statements of Revenue, Expenses, and Changes in Net Position	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>2012 to 2011 Change</u>	
			<u>Amount</u>	<u>Percentage</u>
Operating Revenue				
Regular Contributions	<u>\$7,795,767</u>	<u>\$7,174,032</u>	<u>\$ 621,735</u>	<u>8.7%</u>
Operating Expenses:				
Provision for Claims and Claims Expense	2,242,652	2,767,876	(525,224)	-19.0%
Insurance Premiums	4,261,935	3,952,287	309,648	7.8%
Administrative and Operating	<u>476,840</u>	<u>467,310</u>	<u>9,530</u>	<u>2.0%</u>
Total Operating Expenses	6,981,427	7,187,473	(206,046)	-2.9%
Operating Income (Loss)	814,340	(13,441)	827,781	6158.6%
Investment Income	26,248	25,818	430	1.7%
Change in Investment in Joint Venture	<u>485,448</u>	<u>465,429</u>	<u>20,019</u>	<u>4.3%</u>
Change In Net Positon	<u>\$1,326,036</u>	<u>\$ 477,806</u>	<u>\$ 848,230</u>	<u>177.5%</u>

Financial Highlights Continued

On January 21, 2010, the Camden County Board of Chosen Freeholders adopted a resolution which authorized the establishment of the Camden County Insurance Fund Commission. The Commission was established under N.J.S.A. 40A:10-6 which authorizes a governing body of any local unit to establish an Insurance Commission for the purposes provided by law. This was based on the County's determination that cost savings and efficiencies can be achieved if the County Proper and its inter-agencies share the cost of insurance, claim management and services, a safety and loss control program and consolidation of insurance policies.

The Camden County Insurance Fund Commission's total assets at the end of the third year of operations were \$6,103,767, and total liabilities were \$4,583,017 resulting in a surplus in unrestricted net position of \$1,520,750. The Investment in Joint Ventures represents the Commission's share of net assets in the New Jersey Counties Excess Joint Insurance Fund.

Insurance premiums represent the assessment paid to the New Jersey Counties Excess Joint Insurance Fund were \$4,261,935. That Fund is a cost sharing excess fund that assumes risk on behalf of the Commission and the other members of that Fund, the Gloucester County Insurance Fund Commission and the Union County Insurance Fund Commission.

In 2012, investment income was \$26,248 due to the low interest rate environment which limited the ability of the Fund to earn investment income during this reporting period.

Economic Conditions

The future financial position of the Commission will be impacted by trends in medical costs which affect workers compensation costs. The Commission will attempt to offset these trends by reducing accident frequency and severity, and by streamlining claims processing and management.

Contacting the Fund's Management

This financial report is designed to provide the Camden County Insurance Fund Commission members and the Division of Local Government Services, Department of Community Affairs of the State of New Jersey with a general overview of the Commission's finances and to demonstrate the Commission'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 Camden County Insurance Fund Commission office located at 9 Campus Drive, Suite 16, Parsippany, New Jersey 07054 or by phone at (201) 881-7632.

CAMDEN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,907,592	\$ 2,991,923
Investment in Joint Venture	1,079,636	594,188
Contributions Receivable	37,565	-
Due from CEL	29,457	-
Reimbursements Receivable	<u>1,049,517</u>	<u>148,359</u>
	<u>6,103,767</u>	<u>3,734,470</u>
 <u>LIABILITIES AND RESERVES</u>		
Liabilities:		
Accrued Administrative Expenses	15,116	8,093
Advanced Premiums	-	8,400
Claims Payable	27,304	29,529
Workers' Comp Salary Continuation Claims Payable	-	49,510
Due from Member	5,034	-
Excess Insurance Payable	<u>11,488</u>	<u>3,901</u>
Total Liabilities	<u>58,942</u>	<u>99,433</u>
Claims Reserves:		
Case Reserves	2,572,145	1,871,369
IBNR Reserves	<u>1,951,930</u>	<u>1,568,954</u>
Total Reserves	<u>4,524,075</u>	<u>3,440,323</u>
Total Liabilities and Reserves	<u>4,583,017</u>	<u>3,539,756</u>
 <u>NET POSITION</u>		
Unrestricted	<u>\$ 1,520,750</u>	<u>\$ 194,714</u>

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

CAMDEN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating Revenue:		
Regular Contributions	\$ 7,795,767	\$ 7,174,032
Total Operating Revenue	<u>7,795,767</u>	<u>7,174,032</u>
Operating Expenses:		
Provision for Claims and Claims Adjustment Expenses	2,242,652	2,767,876
Premium for Excess Insurance	4,261,935	3,952,287
Administrative Expenses:		
Actuary	7,586	7,500
Auditor	18,909	16,537
Claims Administrator	223,500	217,171
Fund Administrator	218,539	213,984
Miscellaneous Expenses	2,415	6,319
Risk Management Consultants	5,891	5,799
Total Operating Expenses	<u>6,981,427</u>	<u>7,187,473</u>
Operating Income (Loss)	<u>814,340</u>	<u>(13,441)</u>
Non-Operating Revenue:		
Change in Investment in Joint Venture	485,448	465,429
Investment Income	26,248	25,818
Total Non-Operating Revenue	<u>511,696</u>	<u>491,247</u>
Change in Net Position	1,326,036	477,806
Net Position - Beginning of Year	<u>194,714</u>	<u>(283,092)</u>
Net Position - End of Year	<u>\$ 1,520,750</u>	<u>\$ 194,714</u>

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

CAMDEN COUNTY INSURANCE FUND COMMISSION
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Cash Flows From Operating Activities:		
Regular Contributions	\$ 7,720,345	\$ 9,047,671
Claim Payments	(2,106,759)	(1,564,980)
Insurance Premiums	(4,254,348)	(4,228,833)
Payments to Professionals and Suppliers	<u>(469,817)</u>	<u>(549,307)</u>
Net Cash Flows Provided By Operating Activities	<u>889,421</u>	<u>2,704,551</u>
Cash Flows From Investing Activities:		
Investment Income	<u>26,248</u>	<u>25,818</u>
Net Cash Flows Provided By Investing Activities	<u>26,248</u>	<u>25,818</u>
Net Increase in Cash and Cash Equivalents	915,669	2,730,369
Cash and Cash Equivalents - Beginning of Year	<u>2,991,923</u>	<u>261,554</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,907,592</u>	<u>\$ 2,991,923</u>
Reconciliation of Operating Income to		
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 814,340	\$ (13,441)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided By Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(37,565)	1,865,239
CEL Receivable	(29,457)	-
Reimbursements Receivable	(901,158)	(43,464)
Accrued Administrative Expenses	7,023	(81,997)
Claims Payable	(2,225)	(33,301)
Advanced Premiums	(8,400)	8,400
Workers' Comp Salary Continuation Claims Payable	(49,510)	(68,575)
Due from Member	5,034	-
Excess Insurance Payable	7,587	(276,546)
Claims Reserves	<u>1,083,752</u>	<u>1,348,236</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 889,421</u>	<u>\$ 2,704,551</u>
Supplemental Disclosure - Noncash Activity:		
Change in Investment in Joint Venture	<u>\$ 485,448</u>	<u>\$ 465,429</u>

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

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1: ORGANIZATION AND DESCRIPTION OF THE COMMISSION

On January 21, 2010 the Camden County Insurance Fund Commission (the "Commission") was formed in accordance with P.L. 1992, C.51, entitled "An Act Concerning Insurance Funds for Local Units of Government", and supplementing Chapter 10 of Title 40A:10-6. The Commission is operated in accordance with regulations of the Division of Local Government Services of the Department of Community and Urban Affairs for the purpose of securing significant savings in insurance cost as well as providing stability in coverage.

The Board of Commissioners of the Commission may approve subsequent membership by a majority vote of the commissioners or may terminate any member by a majority vote, after proper notice has been given. Early terminations require prior approval by the Commissioners.

During 2012, members of the Commission included the Camden County, Camden County College, Camden County Board of Social Services, Camden County Utility Authority, Camden County Health Services, Camden County Pollution Control Financing Authority, and Camden County Improvement Authority.

All members' assessments, including a reserve for contingencies, are based on annual actuarial assumptions determined by the Commission's Actuary. The Commissioners may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission offers the following primary insurance coverage to its members:

- Workers' Compensation including Employers' Liability.
- General Liability other than motor vehicles.
- Property damage other than motor vehicles.
- Automobile Liability and damage.

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the Commission offers the following ancillary insurance coverage to its members:

- Public Officials Liability/School Board Legal/Employment Practices Liability
- Crime
- Pollution Liability
- Medical Professional Liability
- Employed Lawyers Liability

The Commission provides coverage on a self-insured basis and secures excess insurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant policies followed by the Camden County Insurance Fund Commission (the "Commission") in the preparation of the accompanying financial statements:

Reporting Entity-Component Unit

The Commission has determined that there were no additional entities required to be included in the reporting entity under the criteria described in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14. In addition, the Commission is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The financial statements of the Commission 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 - Revenue is recorded on the accrual basis. 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.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Cash, Cash Equivalents and Investments (Cont'd)

Additionally, the Commission 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 are based on loss funds as determined by the Commission's actuary and are received in three installments. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different. All past due contributions bear interest at the rate established annually by the Fund Commissioners.

Supplemental Assessments

The Executive Committee shall by majority vote levy upon the participating county agencies additional assessments wherever needed to supplement the Commission's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Commission's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Interest Income Allocation

Interest income was allocated based on the ratio of monthly average invested cash balances by line of coverage to the total amount invested applied to interest income credited for the month.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Unpaid Claims Liabilities

The Commission establishes property and casualty 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 coverages 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, Inservco, Inc.

B. Claims Incurred But Not Reported (IBNR) Reserve

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

Case and IBNR Reserves represent the estimated liability on expected future development on claims already reported to the Commission 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 Commission and industry data, case basis evaluations and other statistical analyses, and represent estimates of the ultimate net cost of all losses incurred through December 31, 2012. 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 cumulative operations

Excess Coverage

Coverage in excess of the Commission's self insured retention limit is provided through the Commission's membership in the New Jersey Counties Excess Joint Insurance Fund as described in Note 6.

Subrogation

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

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

Refunds

As per Article VIII of the Commission's Rules and Regulations, any monies for a Fund year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the Commission. A refund for any fiscal year shall be paid only in proportion to the member's participation in the Commission for such year. Payment of a refund shall not be contingent on the member's continued membership in the Commission. The Commission may apply a refund to any arrearage owed by the member to the Commission. Otherwise, at the option of the member, the refund may be retained by the Commission and applied towards the member's next annual contribution.

Administrative Expenses

Administrative expenses are comprised mainly of compensation for services rendered by servicing organizations submitted and approved by a majority of the Fund Commissioners. In instances where invoices have not been submitted for specific periods, the maximum allowable contract amount has been accrued.

Income Taxes

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

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 and positive changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Operating expenses include expenses associated with the fund operations, including claims expense, insurance and administrative expenses. Non-operating expenses include negative changes in the Commission's investment in the New Jersey Counties Excess Joint Insurance Fund.

Use of Estimates

Management of the Commission has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

New Accounting Standards Adopted

During the year ended December 31, 2012, the Commission adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

Issued in November 2010, the objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements and Interpretations
- Accounting Principles Board Opinions
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

Implementation of this statement had no material impact on the Commission's 2012 financial statements.

Note 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission 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 Commission 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 Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 3: CASH AND CASH EQUIVALENTS (CONT'D)

Of the Commission's bank balance of \$4,064,111 as of December 31, 2012, \$250,000 was insured while \$3,814,111 was collateralized under GUDPA.

Of the Commission's bank balance of \$3,161,286 as of December 31, 2011, \$250,000 was insured while \$2,911,286 was collateralized under GUDPA.

Note 4: INVESTMENT IN JOINT VENTURE

As discussed in Note 6, the Commission is a member of the New Jersey Counties Excess Joint Insurance Fund (the "CEL"). The CEL is carrying the individual fund year surplus as unrestricted net assets on the Statement of Net Assets. The allocations of those funds attributed to the CEL's individual members are based on the member's percentage of assessments. The Commission's allocated share of surplus as of December 31, 2012 and 2011 was \$1,079,636 and \$594,188, respectively.

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 5: CHANGES IN UNPAID CLAIMS LIABILITIES

As discussed in Note 2, the Commission 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 Fund during 2012 for all open Fund years net of excess insurance recoveries:

	<u>2012</u>	<u>2011</u>
Total unpaid claim and claim adjustment expenses all Fund years - Beginning of Year	\$ 3,440,323	\$ 2,092,087
Incurred claims and claims adjustment expenses:		
Provision for insured events of current fund year	2,308,983	2,796,533
Changes in provision for insured events of prior fund years	<u>(66,329)</u>	<u>(28,657)</u>
Total incurred claims and claims adjustment expenses all Fund years	<u>5,682,977</u>	<u>4,859,963</u>
Payments (Net of Recoveries):		
Claims and claim adjustments expenses:		
Attributable to insured events of current fund year	255,146	679,535
Attributable to insured events of prior fund years	<u>903,756</u>	<u>740,105</u>
Total Payments all Fund years	<u>1,158,902</u>	<u>1,419,640</u>
Total unpaid claim and claim adjustment expenses all Fund years - End of Year	<u>\$ 4,524,075</u>	<u>\$ 3,440,323</u>

CAMDEN COUNTY INSURANCE FUND COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 6: MEMBERSHIP IN JOINT INSURANCE FUNDS

New Jersey Counties Excess Joint Insurance Fund

Effective March 1, 2010 the Commission became a member of the New Jersey Counties Excess Joint Insurance Fund (the "CEL"). The CEL is a risk-sharing public entity risk pool that is a self-administered group of county insurance fund commissions established for the purpose of providing excess insurance coverage to participating members. Each member appoints an official to represent their respective insurance fund commission for the purpose of creating a governing body from which officers for the CEL are elected.

As a member of the CEL, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the CEL were to be exhausted, members would become jointly and severally liable for the CEL's liabilities.

The CEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership for that fund year.

Selected Financial Information

Selected, summarized financial information for the New Jersey Counties Excess Joint Insurance Fund as of December 31, 2012 is as follows:

Total Assets	<u><u>\$ 6,868,168</u></u>
Total Liabilities	<u><u>\$ 4,658,409</u></u>
Net Position	<u><u>\$ 2,209,759</u></u>
Total Revenue	<u><u>\$ 10,940,056</u></u>
Total Expenses	<u><u>\$ 9,801,667</u></u>
Change in Net Position	<u><u>\$ 1,138,389</u></u>
Surplus Returned	<u><u>\$ -</u></u>

Financial statements for the New Jersey Counties Excess Joint Insurance Fund are available at the office of the Fund's Executive Director:

PERMA
9 Campus Drive, Suite 16
Parsippany, NJ 07054
201-881-7632

CAMDEN COUNTY INSURANCE FUND COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 2012

CAMDEN COUNTY INSURANCE FUND COMMISSION
 RECONCILIATION OF CLAIMS LIABILITIES BY FUND
 FOR THE PERIOD JANUARY 21, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2012

	Property	General Liability	Automobile	Workers' Compensation	Total
Total unpaid claims and claim adjustment expenses - beginning of year	\$ 9,366	\$ 1,113,582	\$ 112,445	\$ 2,204,930	\$ 3,440,323
Incurring claims and claims adjustment expenses:					
Provision for insured events of current Fund year	29,568	465,375	119,756	1,694,284	2,308,983
Changes in provision for insured events of prior Fund years	(4,154)	(49,270)	(7,656)	(5,249)	(66,329)
Total incurred claims and claims adjustment expenses all Fund years	34,780	1,529,687	224,545	3,893,965	5,682,977
Payments:					
Claims and claims adjustment expenses:					
Attributable to insured events of current Fund year	230	30,442	1,295	255,146	255,146
Attributable to insured events of prior Fund years				871,789	903,756
Total payments all Fund years	230	30,442	1,295	1,126,935	1,158,902
Total unpaid claims and claim adjustment expenses - end of year	\$ 34,550	\$ 1,499,245	\$ 223,250	\$ 2,767,030	\$ 4,524,075

CAMDEN COUNTY INSURANCE FUND COMMISSION
THREE-YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF DECEMBER 31, 2012

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Earned Required Contribution and Investment Revenue:			
Earned	\$ 5,392,756	\$ 7,174,032	\$ 7,795,767
Ceded	2,771,983	3,952,287	4,261,935
	<hr/> 2,620,773	<hr/> 3,221,745	<hr/> 3,533,832
Unallocated Expenses	<hr/> 415,355	<hr/> 458,379	<hr/> 472,205
Estimated Claims and Expenses, End of Policy Year:			
Incurred	2,626,200	2,796,533	2,308,983
Ceded			
Net Incurred	<hr/> 2,626,200	<hr/> 2,796,533	<hr/> 2,308,983
Paid (Cumulative) as of:			
End of Policy Year	534,113	679,535	255,146
One Year Later	1,274,218	1,264,505	
Two Years Later	1,593,002		
Reestimated Incurred Claims and Expenses:			
End of Policy Year	2,626,200	2,796,533	2,308,983
One Year Later	2,597,543	2,682,830	
Two Years Later	<hr/> 2,644,915		
Change in Estimated Incurred Claims and Expenses from End of Policy Year	<hr/> <hr/> \$ 18,715	<hr/> <hr/> \$ (113,703)	<hr/> <hr/> \$ -

CAMDEN COUNTY INSURANCE FUND COMMISSION

SUPPLEMENTARY INFORMATION

AS OF DECEMBER 31, 2012

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2012 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 68,108	\$ 700,360	\$ 190,391	\$ 2,015,620	\$ 4,261,935	\$ 559,353	\$ 7,795,767
Incurred Liabilities:							
Claims	29,568	465,375	119,756	1,694,284	4,261,935	472,205	2,308,983
Expenses							4,734,140
Total Liabilities	29,568	465,375	119,756	1,694,284	4,261,935	472,205	7,043,123
Underwriting Surplus	38,540	234,985	70,635	321,336	-	87,148	752,644
Adjustments:							
Investment Income	266	2,740	749	4,436	-	891	9,082
Permanent Transfers							-
Total Adjustments	266	2,740	749	4,436		891	9,082
Gross Surplus	38,806	237,725	71,384	325,772	-	88,039	761,726
Return of Surplus							-
Net Surplus	\$ 38,806	\$ 237,725	\$ 71,384	\$ 325,772	\$ -	\$ 88,039	\$ 761,726
Before Unallocated Investment							
Investment in Joint Venture							348,698
Net Surplus							\$ 1,110,424

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2011 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2012

Coverages and Other Accounts

	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 63,356	\$ 615,095	\$ 167,664	\$ 1,856,496	\$ 3,952,287	\$ 519,134	\$ 7,174,032
Incurring Liabilities:							
Claims	33,320	678,382	84,568	1,886,560	3,952,287	463,016	2,682,830
Expenses							4,415,303
Total Liabilities	33,320	678,382	84,568	1,886,560	3,952,287	463,016	7,098,133
Underwriting Surplus (Deficit)	30,036	(63,287)	83,096	(30,064)	-	56,118	75,899
Adjustments:							
Investment Income	410	7,195	1,969	12,304	24	1,243	23,145
Permanent Transfers							-
Total Adjustments	410	7,195	1,969	12,304	24	1,243	23,145
Gross Surplus (Deficit)	30,446	(56,092)	85,065	(17,760)	24	57,361	99,044
Return of Surplus							-
Net Surplus (Deficit)	\$ 30,446	\$ (56,092)	\$ 85,065	\$ (17,760)	\$ 24	\$ 57,361	\$ 99,044
Before Unallocated Investment							
Investment in Joint Venture							382,450
Net Surplus							\$ 481,494

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2010 ACCOUNT OPERATING RESULTS ANALYSIS
FOR THE PERIOD JANUARY 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2012

	<u>Coverages and Other Accounts</u>						
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>CEL</u>	<u>Expense & Contingency</u>	<u>Total</u>
Underwriting Income:							
Regular Contributions	\$ 41,724	\$ 485,231	\$ 135,280	\$ 1,534,766	\$ 2,771,983	\$ 416,405	\$ 5,385,389
Incurring Liabilities:							
Claims	54,931	394,111	20,982	2,174,891	2,771,983	415,354	2,644,915
Expenses							3,187,337
Total Liabilities	54,931	394,111	20,982	2,174,891	2,771,983	415,354	5,832,252
Underwriting Surplus (Deficit)	(13,207)	91,120	114,298	(640,125)	-	1,051	(446,863)
Adjustments:							
Investment Income	232	8,607	2,531	12,842	424	2,571	27,207
Permanent Transfers							-
Total Adjustments	232	8,607	2,531	12,842	424	2,571	27,207
Gross Surplus (Deficit)	(12,975)	99,727	116,829	(627,283)	424	3,622	(419,656)
Return of Surplus							-
Net Surplus (Deficit)							
Before Unallocated Investment	\$ (12,975)	\$ 99,727	\$ 116,829	\$ (627,283)	\$ 424	\$ 3,622	\$ (419,656)
Investment in Joint Venture							348,488
Net Deficit							\$ (71,168)

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2012 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ -	\$ -	\$ -	\$ 255,146	\$ 255,146
Case Reserves		71,212	50,100	643,430	764,742
Reserve Discount	(432)	(44,625)	(10,244)	(104,007)	(159,308)
IBNR Reserves	30,000	438,788	79,900	899,715	1,448,403
Subtotal	29,568	465,375	119,756	1,694,284	2,308,983
Excess Insurance Received Recoverable					-
Subtotal	-	-	-	-	-
Limited Incurred Claims	\$ 29,568	\$ 465,375	\$ 119,756	\$ 1,694,284	\$ 2,308,983
Number of Claims		128	8	180	316
Average Cost Per Claim		\$ 3,636	\$ 14,970	\$ 9,413	\$ 7,307

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2011 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2012

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 33,320	\$ 29,215	\$ 1,525	\$ 1,200,445	\$ 1,264,505
Case Reserves		461,648	52,500	619,013	1,133,161
Reserve Discount		(46,617)	(5,432)	(49,032)	(101,081)
IBNR Reserves		234,136	35,975	116,134	386,245
Subtotal	<u>33,320</u>	<u>678,382</u>	<u>84,568</u>	<u>1,886,560</u>	<u>2,682,830</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 33,320</u>	<u>\$ 678,382</u>	<u>\$ 84,568</u>	<u>\$ 1,886,560</u>	<u>\$ 2,682,830</u>
Number of Claims	<u>3</u>	<u>200</u>	<u>7</u>	<u>208</u>	<u>418</u>
Average Cost Per Claim	<u>\$ 11,107</u>	<u>\$ 3,392</u>	<u>\$ 12,081</u>	<u>\$ 9,070</u>	<u>\$ 6,418</u>

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2010 CLAIMS ANALYSIS
FOR THE PERIOD JANUARY 1, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2012

	<u>Coverages</u>				
	<u>Property</u>	<u>General Liability</u>	<u>Automobile</u>	<u>Workers' Compensation</u>	<u>Total</u>
Paid Claims (Net of Recoveries)	\$ 49,949	\$ 9,408	\$ 531	\$ 1,533,114	\$ 1,593,002
Case Reserves	5,000	351,532	14,500	630,580	1,001,612
Reserve Discount	(18)	(20,888)	(1,018)	(45,057)	(66,981)
IBNR Reserves		54,059	6,969	56,254	117,282
Subtotal	<u>54,931</u>	<u>394,111</u>	<u>20,982</u>	<u>2,174,891</u>	<u>2,644,915</u>
Excess Insurance Received Recoverable					-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Limited Incurred Claims	<u>\$ 54,931</u>	<u>\$ 394,111</u>	<u>\$ 20,982</u>	<u>\$ 2,174,891</u>	<u>\$ 2,644,915</u>
Number of Claims	<u>2</u>	<u>143</u>	<u>12</u>	<u>175</u>	<u>332</u>
Average Cost Per Claim	<u>\$ 27,466</u>	<u>\$ 2,756</u>	<u>\$ 1,749</u>	<u>\$ 12,428</u>	<u>\$ 7,967</u>

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2012 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

	<u>Coverages</u>			<u>Workers Compensation</u>
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:				
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	7	7	7	7
Incurred Liabilities:				
Claims (Schedule B-1a)	\$29,568	\$465,375	\$119,756	\$1,694,284
Administrative Expenses (1)	10,812	111,184	30,225	319,984
	<u>\$40,380</u>	<u>\$576,559</u>	<u>\$149,981</u>	<u>\$2,014,268</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2011 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2012

	<u>Coverages</u>			<u>Workers Compensation</u>
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:				
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	7	7	7	7
Incurred Liabilities:				
Claims (Schedule B-1a)	\$33,320	\$678,382	\$84,568	\$1,886,560
Administrative Expenses (1)	10,854	105,379	28,724	318,058
	<u>\$44,174</u>	<u>\$783,761</u>	<u>\$113,292</u>	<u>\$2,204,618</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

CAMDEN COUNTY INSURANCE FUND COMMISSION
STATEMENT OF FUND YEAR 2010 PROGRAM SUMMARY
FOR THE PERIOD JANUARY 21, 2010 (DATE OF INCEPTION) TO DECEMBER 31, 2012

	<u>Coverages</u>			<u>Workers Compensation</u>
	<u>Property</u>	<u>General Liability</u>	<u>Auto</u>	
Limits	\$260,000,000	\$20,750,000	\$20,750,000	STATUTORY
Fund Retention:				
Camden County Proper & CCBOS	Retains First \$100,000	\$250,000	\$250,000	\$250,000
CCC	\$100,000	\$250,000	\$250,000	\$0
CCHSC	Retains First \$100,000	\$250,000	\$250,000	Retains First \$750,000
CCMUA	\$100,000	\$250,000	\$250,000	Retains First \$750,000
CCPCFA & CCIA	\$100,000	\$250,000	\$250,000	\$250,000
Excess Insurers				
	Lexington RSUI	CEL Star	CEL Star	CEL Star
Number of Participants	6	6	6	6
Incurred Liabilities:				
Claims (Schedule B-1b)	\$54,931	\$394,111	\$20,982	\$2,174,891
Administrative Expenses (1)	7,888	91,736	25,575	290,156
	<u>\$62,819</u>	<u>\$485,847</u>	<u>\$46,557</u>	<u>\$2,465,047</u>

(1) Allocated on the basis of assessments and transfers by coverage to total net of Property account insurance premiums.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs of the State of New Jersey.

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AS PREPARED BY MANAGEMENT

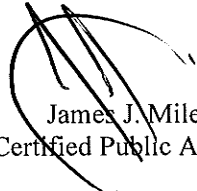
This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no findings in the prior year.

APPRECIATION

We express our appreciation for the assistance provided to us during our audit.

Respectfully submitted,
BOWMAN & COMPANY LLP



James J. Miles, Jr.
Certified Public Accountant