

Morris Essex Insurance Group
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021
Westwood, New Jersey

MORRIS ESSEX INSURANCE GROUP
TABLE OF CONTENTS
JUNE 30, 2021

<u>INTRODUCTORY SECTION</u> (Unaudited)	Page
Letter of Transmittal	1
Roster of Officers and Professionals	3
Organizational Chart	4
Membership Listing	5
 <u>FINANCIAL SECTION</u>	 6
Independent Auditors' Report	7-9
Management's Discussion and Analysis	10-11
 <u>Basic Financial Statements:</u>	 12
Statement of Net Position	13
Statement of Revenue, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	16-22
 <u>Required Supplementary Information:</u>	 23
Reconciliation of Claims Liabilities by Fund	24
Ten-Year Claims Development Information	25
 <u>Supplementary Data</u> (Unaudited)	 26
Historical Operating Results Analysis (Schedule A)	27
Historical Balance Sheet (Schedule B)	28
Fund Year Operating Results Analysis (Schedule C)	29-65
Fund Year Account Operating Results Analysis (Schedule D)	66-102
Fund Year Claims Analysis (Schedule E)	103-139
Fund Year Expense Analysis (Schedule F)	140-176
Program Summary (Schedule G)	177
Analysis of Cash and Investments	178
Analysis of Assessments Receivable	179
Analysis of Expenses Payable	179
 <u>Report Pursuant to Government Auditing Standards:</u>	 180
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	181-182
 <u>STATISTICAL SECTION</u> (Unaudited)	 183
Schedule of Net Position by Component	184
Schedule of Change in Net Position	185
Member Growth Analysis - by Fund Year	186
Reported Claim Activity - by Fund Year	187
Reported Loss History - by Fund Year	188

Morris Essex Insurance Group

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***44 Bergen Street
PO Box 270
Westwood, NJ 07675***

November 16, 2021

Board of Trustees
Morris Essex Insurance Group
Westwood, New Jersey

Dear Board of Trustees:

The Comprehensive Annual Financial Report (“CAFR”) of the Morris Essex Insurance Group (the “Pool”) for the fiscal year ended June 30, 2021 is hereby respectfully submitted. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Pool. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the basic financial statement and results of the operations of the Pool as measured by the financial activity of its various membership years; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Pool's financial affairs have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section contains this transmittal letter, a list of the Pool's members, a list of the Pool's officers and an organizational chart. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the Pool's financial position and operating results and supplementary schedules. State schedules are provided pursuant to the specifications of the New Jersey Department of Banking and Insurance, which along with the Department of Community Affairs, exercises regulatory control over the Pool. The statistical section includes selected data covering the last ten years that the Pool has been operational.

The Pool was formed under State statutes which authorize local government entities to pool resources to obtain low-cost insurance coverage. Specifically, the Pool is a public entity risk sharing pool in which school districts have joined together to administer a program of self funding and reinsurance to provide protection to members primarily in the area of workers' compensation coverage. Activities performed by the Pool include contracting for claims management, actuarial services, financial management and reporting, and general administration of the entity.

Financial Management and Control

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and necessarily include amounts based upon reliable estimates and judgments. The Pool's books are maintained on a full accrual basis. A summary of significant accounting policies is discussed in more detail in the notes to the financial statements found in the financial section.

Board of Trustees
Morris Essex Insurance Group
Page 2
November 16, 2021

Internal Control Structure

The Pool's accounting system is organized so that each membership year, and line of coverage within each year, can be evaluated separately. The assets, liabilities, revenue and expenses of each year and line of coverage are maintained separately on a full accrual basis. This practice is necessary because the composition of the Pool's membership could vary from year to year.

The Pool's management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable assurance that these objectives are being met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control decisions are made within the above framework. Management believes that the Pool's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Investment Management

Pool investments are made in accordance with the Local Fiscal Affairs Law and the Pool's Cash and Investment Management Plan. Investments for the year were limited to deposits in banks covered by the Governmental Unit Depository Protection Act, money market accounts and deposits in the New Jersey Cash Management Fund, which is administered by the State of New Jersey's Division of Investments for the Pool. In planning and executing investments, the Pool emphasizes liquidity and safety. After these objectives are met, the Pool seeks to optimize investment income.

Independent Audit

Nisivoccia LLP, independent accountants, provides an independent, objective review of the fairness of the Pool's reported financial position and results of operations. Their audit includes procedures they deem necessary to express an opinion as to the fairness of the financial statements. Their independent auditors' report is included in the financial section of this report.

Acknowledgments

Our sincere appreciation is expressed to the members of the Pool's Board of Trustees for the leadership they provided in the Pool's financial reporting.

Respectfully submitted,

Debra C. Ginetto

Debra C Ginetto, Executive Director

Jonathan Rheinhardt

Jonathan Rheinhardt, Treasurer

MORRIS ESSEX INSURANCE GROUP
ROSTER OF OFFICERS AND PROFESSIONALS
JUNE 30, 2021

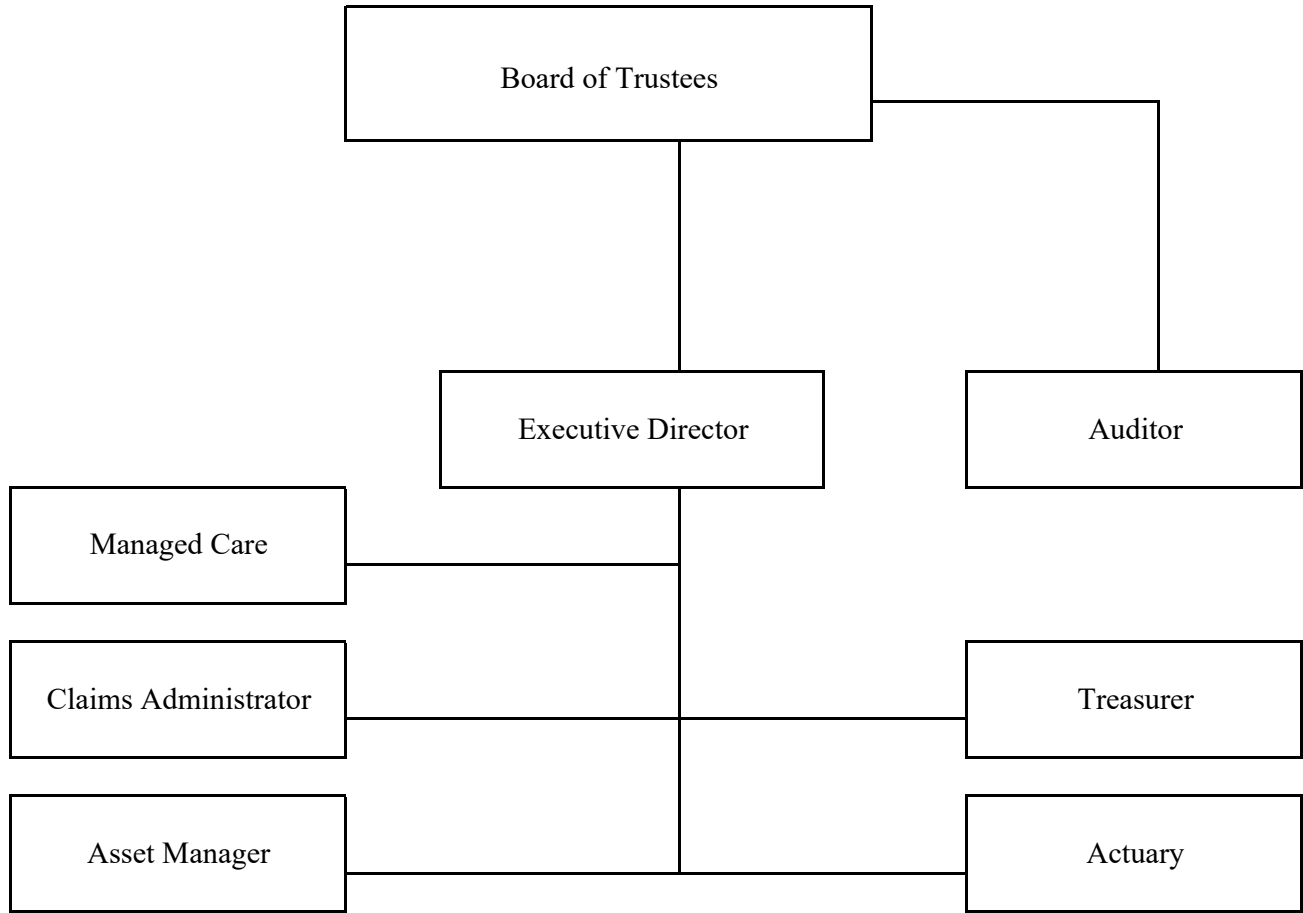
Members of the Board of Trustees

Michael Halik, Chairperson	North Caldwell Board of Education
Vacant, Vice Chair	
Liz George, Trustee	Washington Township Board of Education
Catarina Bilotta, Trustee	Morris County Educational Services Commission
L.Douglas Pechanec, Trustee	West Morris Regional Board of Education
Melissa Kida, Secretary	West Essex Regional Board of Education
Vanessa Wolsky, Trustee	Hanover Township Board of Education
Carolina Rodriguez, Trustee	Mine Hill Board of Education

Debra C. Ginetto Burton Agency, Inc.	Executive Director
Jonathan Rheinhardt	Treasurer
Nisivoccia LLP	Auditor
O'Neil Consulting Services	Actuary
Inservco, Inc.	Claims Administrator, Safety Management
First MCO	Managed Care
John R. Tort, Jr.	Attorney
Willis	Broker

Morris Essex Insurance Group

ORGANIZATIONAL CHART



MORRIS ESSEX INSURANCE GROUP
MEMBERSHIP LISTING
JUNE 30, 2021

Member School District

Hanover Township Board of Education
 Morris County Educational Services Commission
 North Caldwell Board of Education
 Washington Township Board of Education
 West Morris Regional Board of Education
 West Essex Regional Board of Education
 Mine Hill Board of Education

Long Hill Board of Education
 Madison Board of Education
 Mount Arlington Board of Education
 Mountain Lakes Board of Education
 Roseland Board of Education
 Verona Board of Education
 Morris County School of Technology
 Dover Board of Education

Trustees

Vanessa Wolsky
 Catarina Bilotta
 Michael Halik
 Liz George
 L. Douglas Pechanec
 Melissa Kida
 Carolina Rodriguez

Representatives

Dan Borgo
 Danielle Mancuso
 Steven E. McHugh Sr.
 Alex Ferreira
 Gordon Gibbs
 Jorge Cruz
 Mr. James Rollo
 Raymond Slamb

FINANCIAL SECTION



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Independent Member
BKR International

Independent Auditors' Report

Board of Trustees
Morris Essex Insurance Group
Westwood, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Morris Essex Insurance Group (the "Pool") as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Pool'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.

Auditor's 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, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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.

Board of Trustees
Morris Essex Insurance Group
Westwood, New Jersey
Page 2

Basis for Qualified Opinions

As permitted by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, we did not extend our audit to the reserves and underlying actuarial assumptions for Incurred But Not Reported (“IBNR”) reserve amounts, since they are prepared by the Pool's actuary.

Qualified Opinions

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinions* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Pool as of June 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the fiscal years then ended in accordance 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 the accompanying Comparative Reconciliation of Claims Liabilities by Fund and Ten-Year Claims Development Information Schedules 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pool’s basic financial statements. The introductory section, supplementary data, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, supplementary data, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Trustees
Morris Essex Insurance Group
Westwood, New Jersey
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Fund's 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 Pool's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 16, 2021

Nisivoccia LLP

Morris Essex Insurance Group Management's Discussion and Analysis

This section of the annual financial report of the Pool presents a discussion and analysis of the financial performance of the Pool for the fiscal years ended June 30, 2021 and June 30, 2020. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Pool'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 Pool is to administer a program of self funding and reinsurance to provide protection to members primarily in the area of workers' compensation coverage. The Pool internally 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:

Statement of Net Position – This statement presents information reflecting the Pool's assets, liabilities, deferred outflows and inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

Statement of Revenue, Expenses, and Changes in Net Position – This statement reflects the Pool'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.

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

Financial Highlights

The following tables summarize the financial position and results of operations for the Pool as of and for the fiscal years ended June 30, 2021, 2020 and 2019.

Summary Statement of Net Position

	2021	2020	Increase/ (Decrease) 2020/2021	2019	Increase/ (Decrease) 2019/2020
Assets:					
Cash and Cash Equivalents	\$ 12,008,711	\$ 11,737,917	\$ 270,794	\$ 11,050,491	\$ 687,426
Other Assets	15,855	65,037	(49,182)	120,691	(55,654)
Total Assets	12,024,566	11,802,954	221,612	11,171,182	631,772
Liabilities:					
Loss Reserves	3,043,649	3,027,067	16,582	3,116,855	(89,788)
Other Liabilities	371,283	295,912	75,371	268,441	27,471
Total Liabilities	3,414,932	3,322,979	91,953	3,385,296	(62,317)
Net Position - Unrestricted	\$ 8,609,634	\$ 8,479,975	\$ 129,659	\$ 7,785,886	\$ 694,089

Summary Statement of Revenue, Expenses, and Changes in Net Position

	2021	2020	Increase/ (Decrease) 2020/2021	2019	Increase/ (Decrease) 2019/2020
Operating Revenue:					
Assessments and Other Income	\$ 3,743,740	\$ 3,780,905	\$ (37,165)	\$ 3,656,258	\$ 124,647
Operating Expenses:					
Provision for Claims and Claim Adjustment Expense	787,922	622,690	165,232	1,386,234	(763,544)
Insurance Premiums	1,427,252	1,284,181	143,071	1,256,894	27,287
Professional and Contractual Services	388,579	387,649	930	318,417	69,232
Total Operating Expenses	2,603,753	2,294,520	309,233	2,961,545	(667,025)
Operating Income	1,139,987	1,486,385	(346,398)	694,713	791,672
Investment Income	71,420	232,786	(161,366)	321,067	(88,281)
Member Dividends	(1,081,748)	(1,025,082)	(56,666)	(1,026,731)	1,649
Change in Net Position	<u>\$ 129,659</u>	<u>\$ 694,089</u>	<u>\$ (564,430)</u>	<u>\$ (10,951)</u>	<u>\$ 705,040</u>

Net Position increased \$129,659 primarily due to the assessments and other income exceeding current year operating expenses and member dividends.

Economic Conditions

The Pool will continue to monitor its claims and work with its members via the safety program to minimize the number and severity of claims.

Contacting the Pool's Financial Management

This financial report is designed to provide the Pool's members, oversight entities and creditors with a general overview of the Pool's finances and to demonstrate the Pool's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director's Office, 44 Bergen Street, PO Box 270, Westwood, New Jersey 07675.

BASIC FINANCIAL STATEMENTS

MORRIS ESSEX INSURANCE GROUP
STATEMENT OF NET POSITION

	June 30,	
	2021	2020
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 12,008,711	\$ 11,737,917
Assessments Receivable	15,855	65,037
Total Assets	12,024,566	11,802,954
 <u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors	27,394	26,490
Accrued Expenses- Other Governments	70,000	70,000
Member Dividends	273,889	199,422
Loss Reserves	3,043,649	3,027,067
Total Liabilities	3,414,932	3,322,979
 <u>NET POSITION:</u>		
Unrestricted	8,609,634	8,479,975
Total Net Position	\$ 8,609,634	\$ 8,479,975

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS ESSEX INSURANCE GROUP
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended June 30,	
	2021	2020
Operating Revenue:		
Assessments from Participating School Districts	\$ 3,743,740	\$ 3,780,905
Total Operating Revenue	<u>3,743,740</u>	<u>3,780,905</u>
Operating Expenses:		
Provisions for Claims and Claim Adjustment Expense	787,922	622,690
Insurance Premiums	1,427,252	1,284,181
Professional Fees	188,472	185,007
Administrative Expenses	6,762	6,822
Claims Administrative Fees	193,345	195,820
Total Operating Expenses	<u>2,603,753</u>	<u>2,294,520</u>
Operating Income	1,139,987	1,486,385
Non-Operating Revenue:		
Investment Income	<u>71,420</u>	<u>232,786</u>
Change in Net Position before Other Revenue, Expenses, Gains, Losses and Transfers	1,211,407	1,719,171
Member Dividends	<u>(1,081,748)</u>	<u>(1,025,082)</u>
Change in Net Position	129,659	694,089
Net Position - Beginning of Year	<u>8,479,975</u>	<u>7,785,886</u>
Net Position - End of Year	<u>\$ 8,609,634</u>	<u>\$ 8,479,975</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS ESSEX INSURANCE GROUP
STATEMENT OF CASH FLOWS

	<u>Fiscal Year Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Assessments Collected	\$ 3,792,922	\$ 3,735,055
Insurance Premiums Paid	(1,427,252)	(1,284,181)
Claims Paid	(771,340)	(712,478)
General and Administrative Expenses Paid	(387,675)	(286,145)
	<u>1,206,655</u>	<u>1,452,251</u>
Cash Flows from Investing Activities:		
Interest and Dividends on Investments	71,420	232,786
	<u>71,420</u>	<u>232,786</u>
Cash Flows from Noncapital Financing Activities:		
Member Dividends	(1,007,281)	(997,611)
	<u>(1,007,281)</u>	<u>(997,611)</u>
Net Increase in Cash and Cash Equivalents	270,794	687,426
Cash and Cash Equivalents - Beginning of Year	11,737,917	11,050,491
Cash and Cash Equivalents - End of Year	<u>\$ 12,008,711</u>	<u>\$ 11,737,917</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 1,139,987	\$ 1,486,385
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease/(Increase) in Assessment Receivable	49,182	(45,850)
Decrease in Reinsurance Receivable		101,504
Increase in Accounts Payable	904	
Increase/(Decrease) in Loss Reserves	16,582	(89,788)
Net Cash Provided by Operating Activities	<u>\$ 1,206,655</u>	<u>\$ 1,452,251</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: NATURE OF OPERATIONS

The Morris Essex Insurance Group (the "Pool") was created on February 9, 1984, in accordance with P.L. 1983, C.1372, entitled "An act concerning joint insurance funds for local units of government, and supplementing Chapter 18B of Title 18A of the New Jersey statutes." The Pool is both an insured and self-administered workers' compensation liability pool established for the purpose of providing low-cost insurance coverage for the member school districts. At June 30, 2021, the Pool had 16 members.

The Board of Trustees or the participating school districts may amend or terminate the Pool by a two-thirds vote. Upon termination, the Pool shall pay to the participants all benefits and net position they are entitled to receive except for an amount set aside as a "Termination Reserve Fund". After all claims are satisfied, the remaining funds will also be distributed to the participants. Any New Jersey school board may apply in writing for membership provided it agrees to comply with the standards for membership as established by the Pool. A member may terminate participation in the Pool upon giving thirty days written notice to the Trustees or Administrator, however, the member shall remain liable for any unpaid assessments which shall have accrued prior to its termination.

Pool members are subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would be responsible for the Pool's liabilities. The Pool considers anticipated investment income when determining if a deficiency exists.

The Executive Director/Administrator is responsible for the overall administration of the Pool. Fees paid to the Executive Director encompass all administrative duties. Accordingly, the Pool does not maintain any fixed assets or incur any payroll expense.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the Pool's accounting policies are described below.

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Reporting Entity (Cont'd)

entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The combined financial statements include all funds of the Pool over which the Pool exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Pool is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Pool utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Pool utilizes total economic resources as their measurement focus. Operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the Pool. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenue, such as subsidies and investment earnings, results from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Pool gives or receives value without directly receiving or giving equal value in exchange, generally do not occur, with the exception of investment earnings.

Investments

The Pool generally reports investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participant at the measurement date. The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level I inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Income Taxes

The Pool is a tax-exempt organization and not subject to either federal or state income taxes.

Assessments

The assessments of the participating school districts are determined and certified by the Trustees with assistance from the Pool's actuary.

The by-laws also provide that should the Trustees find the payments received by the Pool are deficient, based on an opinion from the Pool's Administrator, additional assessments may be levied.

Unpaid Claims Liabilities

The Pool establishes claims liabilities based on estimates of the ultimate cost of claims 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. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Unpaid Claims Liabilities (Cont'd)

deducted from the liability for unpaid claims. 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 workers compensation. 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. The Pool does not discount estimated claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Amounts shown as negative loss reserves in Note 3, if any, represent payments to the claims servicing agent in excess of claims paid and case reserves on the Pool's loss runs. These amounts, if any, are shown on the balance sheet as accounts receivable.

In accordance with practices prescribed or permitted by the Departments of Community Affairs and Banking and Insurance, State of New Jersey, the audit procedures were not extended to the underlying actuarial assumptions for Incurred But Not Reported (IBNR) Reserve amounts since they are prepared by the Pool's Actuary.

Reinsurance

The Pool uses reinsurance agreements to reduce its exposure to large losses on certain types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Pool as direct insurer of the risks reinsured. The Pool does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Reinsurance premiums amounted to \$243,079 and \$231,472 for the years ended June 30, 2021 and 2020, respectively. There were no amounts deducted from claims liabilities for reinsurance for the years ended June 30, 2021 and 2020.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30, 2021. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Pool, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Pool's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The unpaid losses are stated net of any recoveries from excess-loss insurance.

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(Continued)

NOTE 3: LOSS RESERVES (Cont'd)

The Pool has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Pool has not received notices or reports of losses. Loss reserves, at June 30, 2021 and 2020, which have been estimated by the Pool's Actuary and Servicing Agent, are as follows:

	<u>2021</u>	<u>2020</u>
Case Reserves	\$ 1,527,524	\$ 1,325,394
Imprest Account Reconciliation	25,832	
Losses Incurred but not Reported (Unaudited)	<u>1,490,293</u>	<u>1,701,673</u>
Total Loss Reserves	<u>\$ 3,043,649</u>	<u>\$ 3,027,067</u>

The following represents changes in the aggregate reserves for the Fund:

	<u>2021</u>	<u>2020</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	<u>\$ 3,027,067</u>	<u>\$ 3,116,855</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	1,149,999	900,000
(Decrease)/Increase in Provision for Insured Events of Prior Years	<u>(362,077)</u>	<u>(277,310)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>787,922</u>	<u>622,690</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	356,733	363,993
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>414,607</u>	<u>348,485</u>
Total Payments	<u>771,340</u>	<u>712,478</u>
Total Unpaid Claims and Claim Adjustment Expenses, End of Year	<u>\$ 3,043,649</u>	<u>\$ 3,027,067</u>

A contingent liability exists with respect to reinsurance coverage which would become an actual liability in the event the reinsuring company might be unable to meet its obligations to the Pool under existing reinsurance agreements.

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Pool classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

The GASB requires disclosure of the level of custodial credit risk assumed by the Pool in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Pool ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Pool limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk – The Pool's policy with respect to custodial credit risk requires that the Pool ensures that Pool's cash and cash equivalents are only deposited in financial institutions in which New Jersey insurance funds are permitted to invest their cash and cash equivalents.

Deposits:

New Jersey statutes requires that the Pool deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. The Pool is also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Pool to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
 (Continued)

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments (Cont'd):

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.); ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

MORRIS ESSEX INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(Continued)

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments (Cont'd):

As of June 30, 2021 and 2020, cash and cash equivalents of the Morris Essex Insurance Group consisted of the following:

	<u>2021</u>	<u>2020</u>
Checking	\$ 11,934,266	\$ 11,663,518
New Jersey Cash Management	<u>74,445</u>	<u>74,399</u>
	<u>\$ 12,008,711</u>	<u>\$ 11,737,917</u>

The carrying amount of the Pool's cash at June 30, 2021 was \$12,008,711 and the bank balance was \$13,071,715. The carrying amount of the Pool's cash at June 30, 2020 was \$11,737,917 and the bank balance was \$12,380,907. The New Jersey Cash Management funds are unregistered and uninsured.

NOTE 5: NET POSITION

The State of New Jersey has no statutory minimum net position requirements.

NOTE 6: CONTINGENT LIABILITIES

In the normal course of its operations, the Pool has a number of lawsuits filed by claimants in various stages. Although estimated loss reserves have been established by the Pool, a number of these cases may possibly be settled for amounts in excess of the Pool's loss reserves. No provision for these contingencies has been included in the financial statements since the amounts are not reasonably estimable.

NOTE 7: RELATIONSHIP WITH STATE SCHEDULES

The information in the Pool's financial statements differs from the State Schedules listed in the supplementary data section as Schedules A through F. Specifically, these unaudited Schedules present historical information from the inception of each fund year.

NOTE 8: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the Pool's normal financial operations. Though the impact on the Pool's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue. Also, there may be additional operating expenses not planned for or expected at the time of the adoption of the Pool's 2021-22 budget related to COVID-19.

Additionally, the Pool's cash flow may be affected by the timing of the collection of the Pool's member assessments.

REQUIRED SUPPLEMENTARY INFORMATION

MORRIS ESSEX INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2021

	<u>Worker's Compensation</u>	
	<u>2021</u>	<u>2020</u>
Unpaid Claims and Claim Adjustment Expenses at Beginning of Year	<u>\$ 3,027,067</u>	<u>\$ 3,116,855</u>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	1,149,999	900,000
Increase/(Decrease) in Provision for Insured Events of Prior Years	<u>(362,077)</u>	<u>(277,310)</u>
Total Incurred Claims and Claim Adjustment Expenses	<u>787,922</u>	<u>622,690</u>
Payments:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	356,733	363,993
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Years	<u>414,607</u>	<u>348,485</u>
Total Payments	<u>771,340</u>	<u>712,478</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	<u><u>\$ 3,043,649</u></u>	<u><u>\$ 3,027,067</u></u>

MORRIS ESSEX INSURANCE GROUP
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

	Fiscal Period Ended June 30, 2021 and Policy Period Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Required contribution and investment revenue:										
Earned	\$ 2,891,477	\$ 3,083,958	\$ 3,122,733	\$ 3,347,310	\$ 3,478,533	\$ 3,393,518	\$ 3,692,342	\$ 3,721,244	\$ 3,813,525	\$ 3,750,882
Ceded	753,914	792,575	830,209	906,797	965,656	1,029,929	1,183,997	1,256,894	1,284,181	1,427,252
Net Earned	2,137,563	2,291,383	2,292,524	2,440,513	2,512,877	2,363,589	2,508,345	2,464,350	2,529,344	2,323,630
Unallocated expenses	328,194	336,493	364,768	353,829	363,085	321,056	319,945	325,417	388,147	388,081
Estimated claims and expenses, end of policy year										
Incurred	1,100,225	1,100,001	900,000	850,000	950,000	1,050,000	999,999	1,200,079	900,000	1,149,999
Ceded										
Net Incurred	1,100,225	1,100,001	900,000	850,000	950,000	1,050,000	999,999	1,200,079	900,000	1,149,999
Net paid (cumulative) as of:										
End of policy year	203,607	189,762	243,363	187,243	299,601	241,707	411,192	286,787	363,993	356,733
One year later	402,756	458,914	433,196	457,771	479,778	542,048	584,779	465,546	408,364	
Two years later	477,330	498,237	492,878	523,761	510,270	614,316	606,053	508,911		
Three years later	517,051	525,715	567,534	557,324	542,112	638,486	688,719			
Four years later	540,141	561,733	737,718	524,019	592,706	729,071				
Five years later	573,933	569,621	752,181	574,492	619,106					
Six years later	579,722	596,204	760,373	649,413						
Seven years later	655,701	603,468	777,114							
Eight years later	656,748	603,468								
Nine years later	665,254									
Reestimated ceded claims and expenses										
Reestimated net incurred claims and expenses:										
End of policy year	1,100,225	1,100,001	900,000	850,000	950,000	1,050,000	999,999	1,200,079	900,000	1,149,999
One year later	1,100,223	900,000	900,000	849,965	950,000	1,050,000	1,200,009	1,000,079	849,999	
Two years later	950,225	900,000	900,000	849,965	825,000	1,050,000	1,199,931	850,000		
Three years later	875,225	800,000	950,000	924,965	790,000	1,050,000	1,200,000			
Four years later	775,225	750,001	876,250	924,965	790,000	1,050,000				
Five years later	725,225	750,000	851,417	824,965	790,000					
Six years later	700,226	700,000	851,250	725,000						
Seven years later	700,225	700,000	850,000							
Eight years later	681,748	700,000								
Nine years later	703,529									
Increase/(decrease) in estimated net incurred claims and expense from end of policy year	\$ (418,477)	\$ (400,001)	\$ (50,000)	\$ (125,000)	\$ (160,000)	\$ -0-	\$ 200,001	\$ (350,079)	\$ (50,001)	\$ -0-

SUPPLEMENTARY DATA

MORRIS ESSEX INSURANCE GROUP
HISTORICAL OPERATING RESULTS ANALYSIS
FUND YEAR - 1985 TO 2021
JUNE 30, 2021
(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 66,199,011		
Supplemental Contributions	1,288,442		
Other Income (except investments)	12,091		
Total Income			\$ 67,499,544
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	22,567,634		
Case Reserves	1,527,524		
Imprest Account Reconciliation	25,832		
IBNR Reserve	1,490,293		
Subtotal		\$ 25,611,283	
Less Excess Insurance:			
Received	347,014		
Receivable			
Recoverable			
Subtotal		347,014	
Limited Incurred Claims (claims-excess)		25,264,269	
<u>Expenses:</u>			
Excess Insurance Premiums	14,230,356		
Administrative	6,640,358		
Subtotal Expenses		20,870,714	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>46,134,983</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			21,364,561
4. <u>Investment Income (Earned)</u>			<u>4,052,604</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			25,417,165
6. <u>Return of Surplus:</u>			
Paid	16,533,642		
Authorized and Unpaid	273,889		
Subtotal Return of Surplus			<u>16,807,531</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 8,609,634</u>

MORRIS ESSEX INSURANCE GROUP
HISTORICAL BALANCE SHEET
FUND YEAR - 1985 TO 2021
JUNE 30, 2021
(Unaudited)

1. <u>Assets:</u>				
	Cash and Investments (1)	\$ 12,008,711		
			\$ 12,008,711	
	<u>Receivables (1):</u>			
	Excess Insurance			
	Assessments	15,855		
	Other			
	Total Receivables		15,855	
	Prepaid Expenses (1)			
	Other Assets (1)			
	<u>Total Assets</u>			\$ 12,024,566
2. <u>Liabilities:</u>				
	<u>Claims:</u>			
	Case Reserves	1,527,524		
	Imprest Account Reconciliation	25,832		
	IBNR Reserve (2)	1,490,293		
	Subtotal Claims		3,043,649	
	<u>Expenses (unpaid) (1):</u>			
	Excess Insurance			
	Administrative	97,394		
	Subtotal Expenses		97,394	
	<u>Other Liabilities:</u>			
	Unearned Contributions			
	Authorized Return of Surplus	273,889		
	Miscellaneous (1)			
	Subtotal		273,889	
	<u>Total Liabilities</u>			3,414,932
	NET CURRENT SURPLUS/(DEFICIT) = 1-2			\$ 8,609,634

Note: (1) Schedule attached itemizing these categories

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS
FUND YEAR - 1985
JUNE 30, 2021
(Unaudited)

1.	<u>Underwriting Income:</u>		
	Regular Contributions (earned)	\$ 306,235	
	Supplemental Contributions	15,777	
	Other Income (except investments)	250	
	Total Income		\$ 322,262
2.	<u>Incurred Liabilities:</u>		
	<u>Claims:</u>		
	Paid	180,539	
	Case Reserves		
	Imprest Account		
	IBNR Reserve		
	Subtotal		\$ 180,539
	Less Excess Insurance:		
	Received		
	Receivable		
	Recoverable		
	Subtotal		
	Limited Incurred Claims (claims-excess)		180,539
	<u>Expenses:</u>		
	Excess Insurance Premiums	29,452	
	Administrative	34,767	
	Subtotal Expenses		64,219
	<u>Total Incurred Liabilities (limited claims and expenses)</u>		<u>244,758</u>
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>		77,504
4.	<u>Investment Income (Earned)</u>		<u>30,436</u>
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>		107,940
6.	<u>Return of Surplus:</u>		
	Paid	105,565	
	Authorized and Unpaid	2,087	
	Subtotal Return of Surplus		<u>107,652</u>
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>		<u>\$ 288</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1986

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	329,572	
Supplemental Contributions		119,404	
Other Income (except investments)		8,513	
Total Income		<u>8,513</u>	\$ 457,489
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		473,900	
Case Reserves			
Imprest Account		31,473	
IBNR Reserve			
Subtotal		<u>473,900</u>	\$ 505,373
Less Excess Insurance:			
Received		247,021	
Receivable			
Recoverable			
Subtotal		<u>247,021</u>	
Limited Incurred Claims (claims-excess)			<u>258,352</u>
<u>Expenses:</u>			
Excess Insurance Premiums		34,108	
Administrative		38,428	
Subtotal Expenses		<u>72,536</u>	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>330,888</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			126,601
4. <u>Investment Income (Earned)</u>			<u>54,928</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			181,529
6. <u>Return of Surplus:</u>			
Paid		211,833	
Authorized and Unpaid		1,169	
Subtotal Return of Surplus		<u>1,169</u>	<u>213,002</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ (31,473)</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1987

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	338,387	
Supplemental Contributions			
Other Income (except investments)		203	
Total Income		<u> </u>	\$ 338,590
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		140,513	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		<u> </u>	\$ 140,513
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal		<u> </u>	
Limited Incurred Claims (claims-excess)			<u>140,513</u>
<u>Expenses:</u>			
Excess Insurance Premiums		57,286	
Administrative		42,552	
Subtotal Expenses		<u> </u>	99,838
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>240,351</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			98,239
4. <u>Investment Income (Earned)</u>			<u>77,356</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			175,595
6. <u>Return of Surplus:</u>			
Paid		175,492	
Authorized and Unpaid		26	
Subtotal Return of Surplus		<u> </u>	<u>175,518</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 77</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1988

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 355,774		
Supplemental Contributions	9,657		
Other Income (except investments)			
Total Income			\$ 365,431
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	251,743		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 251,743	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		251,743	
<u>Expenses:</u>			
Excess Insurance Premiums	50,500		
Administrative	45,169		
Subtotal Expenses		95,669	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>347,412</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			18,019
4. <u>Investment Income (Earned)</u>			<u>32,900</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			50,919
6. <u>Return of Surplus:</u>			
Paid	50,843		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>50,843</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 76</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1989

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	456,450	
Supplemental Contributions		349,440	
Other Income (except investments)			
Total Income			\$ 805,890
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		850,270	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			\$ 850,270
Less Excess Insurance:			
Received		99,993	
Receivable			
Recoverable			
Subtotal			99,993
Limited Incurred Claims (claims-excess)			750,277
<u>Expenses:</u>			
Excess Insurance Premiums		38,900	
Administrative		55,935	
Subtotal Expenses			94,835
<u>Total Incurred Liabilities (limited claims and expenses)</u>			845,112
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(39,222)
4. <u>Investment Income (Earned)</u>			62,437
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			23,215
6. <u>Return of Surplus:</u>			
Paid		23,215	
Authorized and Unpaid			
Subtotal Return of Surplus			23,215
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ -0-

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1990

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	475,966	
Supplemental Contributions		12,974	
Other Income (except investments)			
Total Income			\$ 488,940
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		409,145	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			\$ 409,145
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			409,145
<u>Expenses:</u>			
Excess Insurance Premiums		36,400	
Administrative		53,310	
Subtotal Expenses			89,710
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>498,855</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(9,915)
4. <u>Investment Income (Earned)</u>			<u>67,939</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			58,024
6. <u>Return of Surplus:</u>			
Paid		57,945	
Authorized and Unpaid			
Subtotal Return of Surplus			<u>57,945</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 79</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1991

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 558,830		
Supplemental Contributions	57,718		
Other Income (except investments)			
Total Income			\$ 616,548
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	505,124		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 505,124	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		505,124	
<u>Expenses:</u>			
Excess Insurance Premiums	33,250		
Administrative	53,655		
Subtotal Expenses		86,905	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			592,029
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			24,519
4. <u>Investment Income (Earned)</u>			63,653
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			88,172
6. <u>Return of Surplus:</u>			
Paid	87,955		
Authorized and Unpaid			
Subtotal Return of Surplus			87,955
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 217

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1992

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	610,792	
Supplemental Contributions		89,381	
Other Income (except investments)			
Total Income			\$ 700,173
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		617,186	
Case Reserves		27,500	
Imprest Account			
IBNR Reserve			
Subtotal			\$ 644,686
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			644,686
<u>Expenses:</u>			
Excess Insurance Premiums		31,225	
Administrative		50,930	
Subtotal Expenses			82,155
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>726,841</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			(26,668)
4. <u>Investment Income (Earned)</u>			<u>56,388</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			29,720
6. <u>Return of Surplus:</u>			
Paid		13,723	
Authorized and Unpaid			
Subtotal Return of Surplus			<u>13,723</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 15,997</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1993

JUNE 30, 2021

(Unaudited)

1.	<u>Underwriting Income:</u>			
	Regular Contributions (earned)	\$ 673,101		
	Supplemental Contributions	218,843		
	Other Income (except investments)			
	Total Income			\$ 891,944
2.	<u>Incurred Liabilities:</u>			
	<u>Claims:</u>			
	Paid	691,278		
	Case Reserves			
	Imprest Account			
	IBNR Reserve			
	Subtotal		\$ 691,278	
	Less Excess Insurance:			
	Received			
	Receivable			
	Recoverable			
	Subtotal			
	Limited Incurred Claims (claims-excess)		691,278	
	<u>Expenses:</u>			
	Excess Insurance Premiums	36,262		
	Administrative	52,432		
	Subtotal Expenses		88,694	
	<u>Total Incurred Liabilities (limited claims and expenses)</u>		779,972	
3.	<u>Underwriting Surplus/(Deficit) = 1-2</u>			111,972
4.	<u>Investment Income (Earned)</u>			54,639
5.	<u>Gross Operating Surplus/(Deficit) = 3+4</u>			166,611
6.	<u>Return of Surplus:</u>			
	Paid	166,291		
	Authorized and Unpaid			
	Subtotal Return of Surplus		166,291	
7.	<u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 320

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1994

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$	965,362	
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 965,362
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid		421,547	
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal			\$ 421,547
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			421,547
<u>Expenses:</u>			
Excess Insurance Premiums		40,208	
Administrative		53,877	
Subtotal Expenses			94,085
<u>Total Incurred Liabilities (limited claims and expenses)</u>			515,632
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			449,730
4. <u>Investment Income (Earned)</u>			183,833
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			633,563
6. <u>Return of Surplus:</u>			
Paid		632,940	
Authorized and Unpaid			
Subtotal Return of Surplus			632,940
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 623

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1995

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,030,747		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,030,747
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	398,532		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 398,532	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		398,532	
<u>Expenses:</u>			
Excess Insurance Premiums			
Administrative	90,187		
Subtotal Expenses		90,187	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>488,719</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			542,028
4. <u>Investment Income (Earned)</u>			<u>294,628</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			836,656
6. <u>Return of Surplus:</u>			
Paid	835,664		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>835,664</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 992</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1996

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,247,462		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,247,462
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	595,079		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 595,079	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		595,079	
<u>Expenses:</u>			
Excess Insurance Premiums	34,547		
Administrative	58,620		
Subtotal Expenses		93,167	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			688,246
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			559,216
4. <u>Investment Income (Earned)</u>			358,795
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			918,011
6. <u>Return of Surplus:</u>			
Paid	915,213		
Authorized and Unpaid			
Subtotal Return of Surplus			915,213
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 2,798

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1997

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,296,706		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,296,706
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	461,496		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 461,496	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		461,496	
<u>Expenses:</u>			
Excess Insurance Premiums	39,221		
Administrative	96,249		
Subtotal Expenses		135,470	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>596,966</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			699,740
4. <u>Investment Income (Earned)</u>			<u>252,971</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			952,711
6. <u>Return of Surplus:</u>			
Paid	950,433		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>950,433</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 2,278</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1998

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,252,191		
Supplemental Contributions	101,493		
Other Income (except investments)			
Total Income			\$ 1,353,684
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	682,121		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 682,121	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		682,121	
<u>Expenses:</u>			
Excess Insurance Premiums	41,215		
Administrative	104,763		
Subtotal Expenses		145,978	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			828,099
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			525,585
4. <u>Investment Income (Earned)</u>			316,317
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			841,902
6. <u>Return of Surplus:</u>			
Paid	830,641		
Authorized and Unpaid			
Subtotal Return of Surplus			830,641
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 11,261

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1999

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,181,598		
Supplemental Contributions	27,958		
Other Income (except investments)			
Total Income			\$ 1,209,556
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	551,946		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 551,946	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		551,946	
<u>Expenses:</u>			
Excess Insurance Premiums	43,452		
Administrative	100,728		
Subtotal Expenses		144,180	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			696,126
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			513,430
4. <u>Investment Income (Earned)</u>			178,526
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			691,956
6. <u>Return of Surplus:</u>			
Paid	646,669		
Authorized and Unpaid			
Subtotal Return of Surplus			646,669
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 45,287

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2000

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,183,247		
Supplemental Contributions	3,644		
Other Income (except investments)			
Total Income			\$ 1,186,891
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	547,794		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 547,794	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		547,794	
<u>Expenses:</u>			
Excess Insurance Premiums	44,524		
Administrative	106,906		
Subtotal Expenses		151,430	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			699,224
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			487,667
4. <u>Investment Income (Earned)</u>			172,557
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			660,224
6. <u>Return of Surplus:</u>			
Paid	633,470		
Authorized and Unpaid			
Subtotal Return of Surplus			633,470
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 26,754

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2001

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,175,003		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,175,003
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	312,416		
Case Reserves			
Imprest Account			
IBNR Reserve			
Subtotal		\$ 312,416	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		312,416	
<u>Expenses:</u>			
Excess Insurance Premiums	48,668		
Administrative	195,055		
Subtotal Expenses		243,723	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			556,139
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			618,864
4. <u>Investment Income (Earned)</u>			171,887
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			790,751
6. <u>Return of Surplus:</u>			
Paid	775,217		
Authorized and Unpaid			
Subtotal Return of Surplus			775,217
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 15,534

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2002

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,210,637		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,210,637
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	632,304		
Case Reserves			
Imprest Account			
IBNR Reserve	5,000		
Subtotal		\$ 637,304	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		637,304	
<u>Expenses:</u>			
Excess Insurance Premiums	68,189		
Administrative	132,246		
Subtotal Expenses		200,435	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>837,739</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			372,898
4. <u>Investment Income (Earned)</u>			<u>99,887</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			472,785
6. <u>Return of Surplus:</u>			
Paid	454,033		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>454,033</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 18,752</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2003

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,301,636		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,301,636
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	612,667		
Case Reserves	35,194		
Imprest Account			
IBNR Reserve	2,500		
Subtotal		\$ 650,361	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		650,361	
<u>Expenses:</u>			
Excess Insurance Premiums	144,910		
Administrative	137,155		
Subtotal Expenses		282,065	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>932,426</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			369,210
4. <u>Investment Income (Earned)</u>			<u>99,523</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			468,733
6. <u>Return of Surplus:</u>			
Paid	454,998		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>454,998</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 13,735</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2004

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,417,951		
Supplemental Contributions	26,731		
Other Income (except investments)			
Total Income			\$ 1,444,682
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,003,906		
Case Reserves			
Imprest Account			
IBNR Reserve	2,500		
Subtotal		\$ 1,006,406	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,006,406	
<u>Expenses:</u>			
Excess Insurance Premiums	172,021		
Administrative	143,137		
Subtotal Expenses		315,158	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>1,321,564</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			123,118
4. <u>Investment Income (Earned)</u>			<u>75,635</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			198,753
6. <u>Return of Surplus:</u>			
Paid	182,180		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>182,180</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 16,573</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2005

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,463,891		
Supplemental Contributions	72,366		
Other Income (except investments)			
Total Income			\$ 1,536,257
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,092,637		
Case Reserves			
Imprest Account			
IBNR Reserve	2,500		
Subtotal			\$ 1,095,137
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			1,095,137
<u>Expenses:</u>			
Excess Insurance Premiums	164,260		
Administrative	151,033		
Subtotal Expenses			315,293
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>1,410,430</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			125,827
4. <u>Investment Income (Earned)</u>			<u>43,111</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			168,938
6. <u>Return of Surplus:</u>			
Paid	145,550		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>145,550</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 23,388</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2006

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,740,803		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,740,803
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	543,811		
Case Reserves			
Imprest Account			
IBNR Reserve	2,500		
Subtotal		\$ 546,311	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		546,311	
<u>Expenses:</u>			
Excess Insurance Premiums	162,854		
Administrative	162,863		
Subtotal Expenses		325,717	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			872,028
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			868,775
4. <u>Investment Income (Earned)</u>			182,966
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,051,741
6. <u>Return of Surplus:</u>			
Paid	989,615		
Authorized and Unpaid			
Subtotal Return of Surplus			989,615
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 62,126

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2007

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,952,898		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 1,952,898
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	846,126		
Case Reserves			
Imprest Account	1		
IBNR Reserve	2,500		
Subtotal		\$ 848,627	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		848,627	
<u>Expenses:</u>			
Excess Insurance Premiums	176,724		
Administrative	171,249		
Subtotal Expenses		347,973	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>1,196,600</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			756,298
4. <u>Investment Income (Earned)</u>			<u>121,240</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			877,538
6. <u>Return of Surplus:</u>			
Paid	772,546		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>772,546</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 104,992</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2008

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 1,969,623		
Supplemental Contributions	30,003		
Other Income (except investments)			
Total Income			\$ 1,999,626
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	956,076		
Case Reserves	16,329		
Imprest Account	(359)		
IBNR Reserve	13,970		
Subtotal		\$ 986,016	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		986,016	
<u>Expenses:</u>			
Excess Insurance Premiums	209,826		
Administrative	172,923		
Subtotal Expenses		382,749	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>1,368,765</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			630,861
4. <u>Investment Income (Earned)</u>			<u>68,845</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			699,706
6. <u>Return of Surplus:</u>			
Paid	563,703		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>563,703</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 136,003</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2009

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,577,324		
Supplemental Contributions	70,836		
Other Income (except investments)			
Total Income			\$ 2,648,160
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,111,052		
Case Reserves	18,500		
Imprest Account	(1,180)		
IBNR Reserve	15,000		
Subtotal		\$ 1,143,372	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,143,372	
<u>Expenses:</u>			
Excess Insurance Premiums	634,703		
Administrative	200,880		
Subtotal Expenses		835,583	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			1,978,955
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			669,205
4. <u>Investment Income (Earned)</u>			45,695
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			714,900
6. <u>Return of Surplus:</u>			
Paid	562,180		
Authorized and Unpaid			
Subtotal Return of Surplus			562,180
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 152,720

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2010

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,715,501		
Supplemental Contributions	82,217		
Other Income (except investments)			
Total Income			\$ 2,797,718
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	1,015,219		
Case Reserves			
Imprest Account	(2,971)		
IBNR Reserve	5,000		
Subtotal			\$ 1,017,248
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)			1,017,248
<u>Expenses:</u>			
Excess Insurance Premiums	689,935		
Administrative	320,763		
Subtotal Expenses			1,010,698
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>2,027,946</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			769,772
4. <u>Investment Income (Earned)</u>			<u>48,640</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			818,412
6. <u>Return of Surplus:</u>			
Paid	655,615		
Authorized and Unpaid			
Subtotal Return of Surplus			<u>655,615</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 162,797</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2011

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,876,606		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,876,606
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	657,054		
Case Reserves			
Imprest Account	318		
IBNR Reserve	5,000		
Subtotal		\$ 662,372	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		662,372	
<u>Expenses:</u>			
Excess Insurance Premiums	736,312		
Administrative	325,531		
Subtotal Expenses		1,061,843	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			1,724,215
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,152,391
4. <u>Investment Income (Earned)</u>			76,068
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,228,459
6. <u>Return of Surplus:</u>			
Paid	904,144		
Authorized and Unpaid			
Subtotal Return of Surplus			904,144
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 324,315

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2012

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,822,785		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,822,785
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	665,254		
Case Reserves	23,500		
Imprest Account	(225)		
IBNR Reserve	15,000		
Subtotal		\$ 703,529	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		703,529	
<u>Expenses:</u>			
Excess Insurance Premiums	753,914		
Administrative	328,194		
Subtotal Expenses		1,082,108	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			1,785,637
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,037,148
4. <u>Investment Income (Earned)</u>			68,692
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,105,840
6. <u>Return of Surplus:</u>			
Paid	803,638		
Authorized and Unpaid			
Subtotal Return of Surplus			803,638
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 302,202

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2013

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 2,999,683		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 2,999,683
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	603,468		
Case Reserves	90,300		
Imprest Account			
IBNR Reserve	6,232		
Subtotal		\$ 700,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		700,000	
<u>Expenses:</u>			
Excess Insurance Premiums	792,575		
Administrative	336,493		
Subtotal Expenses		1,129,068	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>1,829,068</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,170,615
4. <u>Investment Income (Earned)</u>			<u>84,275</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,254,890
6. <u>Return of Surplus:</u>			
Paid	790,272		
Authorized and Unpaid	45,098		
Subtotal Return of Surplus			<u>835,370</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 419,520</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2014

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,040,880		
Supplemental Contributions			
Other Income (except investments)	1,250		
Total Income			\$ 3,042,130
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	777,114		
Case Reserves	43,944		
Imprest Account	(1,250)		
IBNR Reserve	30,192		
Subtotal		\$ 850,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		850,000	
<u>Expenses:</u>			
Excess Insurance Premiums	830,209		
Administrative	364,768		
Subtotal Expenses		1,194,977	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>2,044,977</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			997,153
4. <u>Investment Income (Earned)</u>			<u>81,853</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,079,006
6. <u>Return of Surplus:</u>			
Paid	610,873		
Authorized and Unpaid	42,281		
Subtotal Return of Surplus			<u>653,154</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 425,852</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2015

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,242,193		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,242,193
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	649,413		
Case Reserves	2,578		
Imprest Account	35		
IBNR Reserve	72,974		
Subtotal		\$ 725,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		725,000	
<u>Expenses:</u>			
Excess Insurance Premiums	906,797		
Administrative	353,829		
Subtotal Expenses		1,260,626	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			1,985,626
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,256,567
4. <u>Investment Income (Earned)</u>			105,117
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,361,684
6. <u>Return of Surplus:</u>			
Paid	599,259		
Authorized and Unpaid	40,735		
Subtotal Return of Surplus			639,994
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 721,690

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2016

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,356,514		
Supplemental Contributions			
Other Income (except investments)	1,875		
Total Income			\$ 3,358,389
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	619,106		
Case Reserves	76,416		
Imprest Account			
IBNR Reserve	94,478		
Subtotal		\$ 790,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		790,000	
<u>Expenses:</u>			
Excess Insurance Premiums	965,656		
Administrative	363,085		
Subtotal Expenses		1,328,741	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>2,118,741</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,239,648
4. <u>Investment Income (Earned)</u>			<u>122,019</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,361,667
6. <u>Return of Surplus:</u>			
Paid	544,417		
Authorized and Unpaid	40,555		
Subtotal Return of Surplus			<u>584,972</u>
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 776,695</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2017

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,294,574		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,294,574
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	729,071		
Case Reserves	149,877		
Imprest Account			
IBNR Reserve	171,052		
Subtotal		\$ 1,050,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,050,000	
<u>Expenses:</u>			
Excess Insurance Premiums	1,029,929		
Administrative	321,056		
Subtotal Expenses		1,350,985	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			2,400,985
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			893,589
4. <u>Investment Income (Earned)</u>			98,944
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			992,533
6. <u>Return of Surplus:</u>			
Paid	287,844		
Authorized and Unpaid	27,471		
Subtotal Return of Surplus			315,315
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 677,218

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2018

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,597,186		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,597,186
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	688,719		
Case Reserves	350,189		
Imprest Account	69		
IBNR Reserve	161,023		
Subtotal		\$ 1,200,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,200,000	
<u>Expenses:</u>			
Excess Insurance Premiums	1,183,997		
Administrative	319,945		
Subtotal Expenses		1,503,942	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			2,703,942
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			893,244
4. <u>Investment Income (Earned)</u>			95,156
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			988,400
6. <u>Return of Surplus:</u>			
Paid	99,666		
Authorized and Unpaid	74,467		
Subtotal Return of Surplus			174,133
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 814,267

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2019

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,656,258		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,656,258
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	508,911		
Case Reserves	88,481		
Imprest Account	(79)		
IBNR Reserve	252,687		
Subtotal		\$ 850,000	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		850,000	
<u>Expenses:</u>			
Excess Insurance Premiums	1,256,894		
Administrative	325,417		
Subtotal Expenses		1,582,311	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			2,432,311
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,223,947
4. <u>Investment Income (Earned)</u>			64,986
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,288,933
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 1,288,933

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2020

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,780,905		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,780,905
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	408,364		
Case Reserves	162,212		
Imprest Account			
IBNR Reserve	279,423		
Subtotal		\$ 849,999	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		849,999	
<u>Expenses:</u>			
Excess Insurance Premiums	1,284,181		
Administrative	388,147		
Subtotal Expenses		1,672,328	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			<u>2,522,327</u>
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			1,258,578
4. <u>Investment Income (Earned)</u>			<u>32,620</u>
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			1,291,198
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			<u>\$ 1,291,198</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 2021

JUNE 30, 2021

(Unaudited)

1. <u>Underwriting Income:</u>			
Regular Contributions (earned)	\$ 3,743,740		
Supplemental Contributions			
Other Income (except investments)			
Total Income			\$ 3,743,740
2. <u>Incurred Liabilities:</u>			
<u>Claims:</u>			
Paid	356,733		
Case Reserves	442,504		
Imprest Account			
IBNR Reserve	350,762		
Subtotal		\$ 1,149,999	
Less Excess Insurance:			
Received			
Receivable			
Recoverable			
Subtotal			
Limited Incurred Claims (claims-excess)		1,149,999	
<u>Expenses:</u>			
Excess Insurance Premiums	1,427,252		
Administrative	388,081		
Subtotal Expenses		1,815,333	
<u>Total Incurred Liabilities (limited claims and expenses)</u>			2,965,332
3. <u>Underwriting Surplus/(Deficit) = 1-2</u>			778,408
4. <u>Investment Income (Earned)</u>			7,142
5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>			785,550
6. <u>Return of Surplus:</u>			
Paid			
Authorized and Unpaid			
Subtotal Return of Surplus			
7. <u>Net Current Surplus/(Deficit) = 5-6</u>			\$ 785,550

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1985

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 306,235		\$ 306,235
Supplemental Contributions	15,777		15,777
Other Income (except investments)	250		250
Total Income	<u>322,262</u>		<u>322,262</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	180,539		180,539
Expenses	29,452	\$ 34,767	64,219
Total Liabilities	<u>209,991</u>	<u>34,767</u>	<u>244,758</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>112,271</u>	<u>(34,767)</u>	<u>77,504</u>
4. <u>Adjustments</u>			
Investment Income	731	29,705	30,436
Transfers	(6,370)	6,370	
Total Adjustments	<u>(5,639)</u>	<u>36,075</u>	<u>30,436</u>
5. Gross Operating Surplus	<u>106,632</u>	<u>1,308</u>	<u>107,940</u>
6. Return of Surplus	<u>106,632</u>	<u>1,020</u>	<u>107,652</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 288</u>	<u>\$ 288</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1986

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 329,572		\$ 329,572
Supplemental Contributions	119,404		119,404
Other Income (except investments)	8,513		8,513
Total Income	<u>457,489</u>		<u>457,489</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	258,352		258,352
Expenses	34,108	\$ 38,428	72,536
Total Liabilities	<u>292,460</u>	<u>38,428</u>	<u>330,888</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>165,029</u>	<u>(38,428)</u>	<u>126,601</u>
4. <u>Adjustments</u>			
Investment Income	2,577	52,351	54,928
Transfers			
Total Adjustments	<u>2,577</u>	<u>52,351</u>	<u>54,928</u>
5. Gross Operating Surplus	<u>167,606</u>	<u>13,923</u>	<u>181,529</u>
6. Return of Surplus	<u>199,079</u>	<u>13,923</u>	<u>213,002</u>
7. Net Current Surplus	<u>\$ (31,473)</u>	<u>\$ -0-</u>	<u>\$ (31,473)</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1987

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 338,387		\$ 338,387
Supplemental Contributions			
Other Income (except investments)	203		203
Total Income	<u>338,590</u>		<u>338,590</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	140,513		140,513
Expenses	57,286	\$ 42,552	99,838
Total Liabilities	<u>197,799</u>	<u>42,552</u>	<u>240,351</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>140,791</u>	<u>(42,552)</u>	<u>98,239</u>
4. <u>Adjustments</u>			
Investment Income	17	77,339	77,356
Transfers	33,246	(33,246)	
Total Adjustments	<u>33,263</u>	<u>44,093</u>	<u>77,356</u>
5. Gross Operating Surplus	<u>174,054</u>	<u>1,541</u>	<u>175,595</u>
6. Return of Surplus	<u>174,054</u>	<u>1,464</u>	<u>175,518</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 77</u>	<u>\$ 77</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1988

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 355,774		\$ 355,774
Supplemental Contributions	9,657		9,657
Other Income (except investments)			
Total Income	<u>365,431</u>		<u>365,431</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	251,743		251,743
Expenses	50,500	\$ 45,169	95,669
Total Liabilities	<u>302,243</u>	<u>45,169</u>	<u>347,412</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>63,188</u>	<u>(45,169)</u>	<u>18,019</u>
4. <u>Adjustments</u>			
Investment Income	17	32,883	32,900
Transfers	(12,547)	12,547	
Total Adjustments	<u>(12,530)</u>	<u>45,430</u>	<u>32,900</u>
5. Gross Operating Surplus	<u>50,658</u>	<u>261</u>	<u>50,919</u>
6. Return of Surplus	<u>50,658</u>	<u>185</u>	<u>50,843</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 76</u>	<u>\$ 76</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1989

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 456,450		\$ 456,450
Supplemental Contributions	349,427	\$ 13	349,440
Other Income (except investments)			
Total Income	<u>805,877</u>	<u>13</u>	<u>805,890</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	750,277		750,277
Expenses	38,900	55,935	94,835
Total Liabilities	<u>789,177</u>	<u>55,935</u>	<u>845,112</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>16,700</u>	<u>(55,922)</u>	<u>(39,222)</u>
4. <u>Adjustments</u>			
Investment Income		62,437	62,437
Transfers	7,382	(7,382)	
Total Adjustments	<u>7,382</u>	<u>55,055</u>	<u>62,437</u>
5. Gross Operating Surplus	<u>24,082</u>	<u>(867)</u>	<u>23,215</u>
6. Return of Surplus	<u>24,082</u>	<u>(867)</u>	<u>23,215</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1990

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 475,966		\$ 475,966
Supplemental Contributions	12,974		12,974
Other Income (except investments)			
Total Income	<u>488,940</u>		<u>488,940</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	409,145		409,145
Expenses	36,400	\$ 53,310	89,710
Total Liabilities	<u>445,545</u>	<u>53,310</u>	<u>498,855</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>43,395</u>	<u>(53,310)</u>	<u>(9,915)</u>
4. <u>Adjustments</u>			
Investment Income	17	67,922	67,939
Transfers	12,910	(12,910)	
Total Adjustments	<u>12,927</u>	<u>55,012</u>	<u>67,939</u>
5. Gross Operating Surplus	<u>56,322</u>	<u>1,702</u>	<u>58,024</u>
6. Return of Surplus	<u>56,322</u>	<u>1,623</u>	<u>57,945</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 79</u>	<u>\$ 79</u>

Schedule D

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1991

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 558,830		\$ 558,830
Supplemental Contributions	57,718		57,718
Other Income (except investments)			
Total Income	<u>616,548</u>		<u>616,548</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	505,124		505,124
Expenses	33,250	\$ 53,655	86,905
Total Liabilities	<u>538,374</u>	<u>53,655</u>	<u>592,029</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>78,174</u>	<u>(53,655)</u>	<u>24,519</u>
4. <u>Adjustments</u>			
Investment Income	47	63,606	63,653
Transfers	1,005	(1,005)	
Total Adjustments	<u>1,052</u>	<u>62,601</u>	<u>63,653</u>
5. Gross Operating Surplus	<u>79,226</u>	<u>8,946</u>	<u>88,172</u>
6. Return of Surplus	<u>79,226</u>	<u>8,729</u>	<u>87,955</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 217</u>	<u>\$ 217</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1992

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 610,792		\$ 610,792
Supplemental Contributions	89,381		89,381
Other Income (except investments)			
Total Income	<u>700,173</u>		<u>700,173</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	644,686		644,686
Expenses	31,225	\$ 50,930	82,155
Total Liabilities	<u>675,911</u>	<u>50,930</u>	<u>726,841</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>24,262</u>	<u>(50,930)</u>	<u>(26,668)</u>
4. <u>Adjustments</u>			
Investment Income	842	55,546	56,388
Transfers	2,638	(2,638)	
Total Adjustments	<u>3,480</u>	<u>52,908</u>	<u>56,388</u>
5. Gross Operating Surplus	<u>27,742</u>	<u>1,978</u>	<u>29,720</u>
6. Return of Surplus	<u>11,886</u>	<u>1,837</u>	<u>13,723</u>
7. Net Current Surplus	<u>\$ 15,856</u>	<u>\$ 141</u>	<u>\$ 15,997</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1993

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 673,101		\$ 673,101
Supplemental Contributions	218,843		218,843
Other Income (except investments)			
Total Income	<u>891,944</u>		<u>891,944</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	691,278		691,278
Expenses	36,262	\$ 52,432	88,694
Total Liabilities	<u>727,540</u>	<u>52,432</u>	<u>779,972</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>164,404</u>	<u>(52,432)</u>	<u>111,972</u>
4. <u>Adjustments</u>			
Investment Income	72	54,567	54,639
Transfers			
Total Adjustments	<u>72</u>	<u>54,567</u>	<u>54,639</u>
5. Gross Operating Surplus	<u>164,476</u>	<u>2,135</u>	<u>166,611</u>
6. Return of Surplus	<u>164,476</u>	<u>1,815</u>	<u>166,291</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 320</u>	<u>\$ 320</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1994

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 965,362		\$ 965,362
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>965,362</u>		<u>965,362</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	421,547		421,547
Expenses	40,208	\$ 53,877	94,085
Total Liabilities	<u>461,755</u>	<u>53,877</u>	<u>515,632</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>503,607</u>	<u>(53,877)</u>	<u>449,730</u>
4. <u>Adjustments</u>			
Investment Income	133	183,700	183,833
Transfers	103,244	(103,244)	
Total Adjustments	<u>103,377</u>	<u>80,456</u>	<u>183,833</u>
5. Gross Operating Surplus	<u>606,984</u>	<u>26,579</u>	<u>633,563</u>
6. Return of Surplus	<u>606,984</u>	<u>25,956</u>	<u>632,940</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 623</u>	<u>\$ 623</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1995

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,030,747		\$ 1,030,747
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,030,747</u>		<u>1,030,747</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	398,532		398,532
Expenses		\$ 90,187	90,187
Total Liabilities	<u>398,532</u>	<u>90,187</u>	<u>488,719</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>632,215</u>	<u>(90,187)</u>	<u>542,028</u>
4. <u>Adjustments</u>			
Investment Income	210	294,418	294,628
Transfers	158,629	(158,629)	
Total Adjustments	<u>158,839</u>	<u>135,789</u>	<u>294,628</u>
5. Gross Operating Surplus	<u>791,054</u>	<u>45,602</u>	<u>836,656</u>
6. Return of Surplus	<u>791,054</u>	<u>44,610</u>	<u>835,664</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 992</u>	<u>\$ 992</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1996

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,247,462		\$ 1,247,462
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,247,462</u>		<u>1,247,462</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	595,079		595,079
Expenses	34,547	\$ 58,620	93,167
Total Liabilities	<u>629,626</u>	<u>58,620</u>	<u>688,246</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>617,836</u>	<u>(58,620)</u>	<u>559,216</u>
4. <u>Adjustments</u>			
Investment Income	787	358,008	358,795
Transfers	210,855	(210,855)	
Total Adjustments	<u>211,642</u>	<u>147,153</u>	<u>358,795</u>
5. Gross Operating Surplus	<u>829,478</u>	<u>88,533</u>	<u>918,011</u>
6. Return of Surplus	<u>829,478</u>	<u>85,735</u>	<u>915,213</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 2,798</u>	<u>\$ 2,798</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1997

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,296,706		\$ 1,296,706
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,296,706</u>		<u>1,296,706</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	461,496		461,496
Expenses	39,221	\$ 96,249	135,470
Total Liabilities	<u>500,717</u>	<u>96,249</u>	<u>596,966</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>795,989</u>	<u>(96,249)</u>	<u>699,740</u>
4. <u>Adjustments</u>			
Investment Income	3,861	249,110	252,971
Transfers	35,547	(35,547)	
Total Adjustments	<u>39,408</u>	<u>213,563</u>	<u>252,971</u>
5. Gross Operating Surplus	<u>835,397</u>	<u>117,314</u>	<u>952,711</u>
6. Return of Surplus	<u>835,397</u>	<u>115,036</u>	<u>950,433</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 2,278</u>	<u>\$ 2,278</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1998

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,252,191		\$ 1,252,191
Supplemental Contributions	101,493		101,493
Other Income (except investments)			
Total Income	<u>1,353,684</u>		<u>1,353,684</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	682,121		682,121
Expenses	41,215	\$ 104,763	145,978
Total Liabilities	<u>723,336</u>	<u>104,763</u>	<u>828,099</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>630,348</u>	<u>(104,763)</u>	<u>525,585</u>
4. <u>Adjustments</u>			
Investment Income	2,323	313,994	316,317
Transfers	125,657	(125,657)	
Total Adjustments	<u>127,980</u>	<u>188,337</u>	<u>316,317</u>
5. Gross Operating Surplus	<u>758,328</u>	<u>83,574</u>	<u>841,902</u>
6. Return of Surplus	<u>758,328</u>	<u>72,313</u>	<u>830,641</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 11,261</u>	<u>\$ 11,261</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1999

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,181,598		\$ 1,181,598
Supplemental Contributions	15,012	\$ 12,946	27,958
Other Income (except investments)			
Total Income	<u>1,196,610</u>	<u>12,946</u>	<u>1,209,556</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	551,946		551,946
Expenses	43,452	100,728	144,180
Total Liabilities	<u>595,398</u>	<u>100,728</u>	<u>696,126</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>601,212</u>	<u>(87,782)</u>	<u>513,430</u>
4. <u>Adjustments</u>			
Investment Income	59,965	118,561	178,526
Transfers			
Total Adjustments	<u>59,965</u>	<u>118,561</u>	<u>178,526</u>
5. Gross Operating Surplus	<u>661,177</u>	<u>30,779</u>	<u>691,956</u>
6. Return of Surplus	<u>617,902</u>	<u>28,767</u>	<u>646,669</u>
7. Net Current Surplus	<u>\$ 43,275</u>	<u>\$ 2,012</u>	<u>\$ 45,287</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2000

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,183,247		\$ 1,183,247
Supplemental Contributions	3,644		3,644
Other Income (except investments)			
Total Income	<u>1,186,891</u>		<u>1,186,891</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	547,794		547,794
Expenses	44,524	\$ 106,906	151,430
Total Liabilities	<u>592,318</u>	<u>106,906</u>	<u>699,224</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>594,573</u>	<u>(106,906)</u>	<u>487,667</u>
4. <u>Adjustments</u>			
Investment Income	1,786	170,771	172,557
Transfers	30,315	(30,315)	
Total Adjustments	<u>32,101</u>	<u>140,456</u>	<u>172,557</u>
5. Gross Operating Surplus	<u>626,674</u>	<u>33,550</u>	<u>660,224</u>
6. Return of Surplus	<u>605,306</u>	<u>28,164</u>	<u>633,470</u>
7. Net Current Surplus	<u>\$ 21,368</u>	<u>\$ 5,386</u>	<u>\$ 26,754</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2001
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,175,003		\$ 1,175,003
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,175,003</u>		<u>1,175,003</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	312,416		312,416
Expenses	48,668	\$ 195,055	243,723
Total Liabilities	<u>361,084</u>	<u>195,055</u>	<u>556,139</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>813,919</u>	<u>(195,055)</u>	<u>618,864</u>
4. <u>Adjustments</u>			
Investment Income	2,809	169,078	171,887
Transfers	(84,459)	84,459	
Total Adjustments	<u>(81,650)</u>	<u>253,537</u>	<u>171,887</u>
5. Gross Operating Surplus	<u>732,269</u>	<u>58,482</u>	<u>790,751</u>
6. Return of Surplus	<u>732,269</u>	<u>42,948</u>	<u>775,217</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 15,534</u>	<u>\$ 15,534</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2002

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,210,637		\$ 1,210,637
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,210,637</u>		<u>1,210,637</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	637,304		637,304
Expenses	68,189	\$ 132,246	200,435
Total Liabilities	<u>705,493</u>	<u>132,246</u>	<u>837,739</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>505,144</u>	<u>(132,246)</u>	<u>372,898</u>
4. <u>Adjustments</u>			
Investment Income	4,725	95,162	99,887
Transfers	(84,444)	84,444	
Total Adjustments	<u>(79,719)</u>	<u>179,606</u>	<u>99,887</u>
5. Gross Operating Surplus	<u>425,425</u>	<u>47,360</u>	<u>472,785</u>
6. Return of Surplus	<u>425,425</u>	<u>28,608</u>	<u>454,033</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 18,752</u>	<u>\$ 18,752</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2003

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,301,636		\$ 1,301,636
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,301,636</u>		<u>1,301,636</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	650,361		650,361
Expenses	144,910	\$ 137,155	282,065
Total Liabilities	<u>795,271</u>	<u>137,155</u>	<u>932,426</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>506,365</u>	<u>(137,155)</u>	<u>369,210</u>
4. <u>Adjustments</u>			
Investment Income	5,479	94,044	99,523
Transfers	(104,090)	104,090	
Total Adjustments	<u>(98,611)</u>	<u>198,134</u>	<u>99,523</u>
5. Gross Operating Surplus	<u>407,754</u>	<u>60,979</u>	<u>468,733</u>
6. Return of Surplus	<u>407,754</u>	<u>47,244</u>	<u>454,998</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 13,735</u>	<u>\$ 13,735</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2004
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,417,951		\$ 1,417,951
Supplemental Contributions	26,731		26,731
Other Income (except investments)			
Total Income	<u>1,444,682</u>		<u>1,444,682</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	1,006,406		1,006,406
Expenses	172,021	\$ 143,137	315,158
Total Liabilities	<u>1,178,427</u>	<u>143,137</u>	<u>1,321,564</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>266,255</u>	<u>(143,137)</u>	<u>123,118</u>
4. <u>Adjustments</u>			
Investment Income	2,468	73,167	75,635
Transfers	(108,060)	108,060	
Total Adjustments	<u>(105,592)</u>	<u>181,227</u>	<u>75,635</u>
5. Gross Operating Surplus	<u>160,663</u>	<u>38,090</u>	<u>198,753</u>
6. Return of Surplus	<u>160,663</u>	<u>21,517</u>	<u>182,180</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 16,573</u>	<u>\$ 16,573</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2005

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,414,260	\$ 49,631	\$ 1,463,891
Supplemental Contributions		72,366	72,366
Other Income (except investments)			
Total Income	<u>1,414,260</u>	<u>121,997</u>	<u>1,536,257</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	1,095,137		1,095,137
Expenses	164,260	151,033	315,293
Total Liabilities	<u>1,259,397</u>	<u>151,033</u>	<u>1,410,430</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>154,863</u>	<u>(29,036)</u>	<u>125,827</u>
4. <u>Adjustments</u>			
Investment Income	4,548	38,563	43,111
Transfers			
Total Adjustments	<u>4,548</u>	<u>38,563</u>	<u>43,111</u>
5. Gross Operating Surplus	<u>159,411</u>	<u>9,527</u>	<u>168,938</u>
6. Return of Surplus	<u>143,234</u>	<u>2,316</u>	<u>145,550</u>
7. Net Current Surplus	<u>\$ 16,177</u>	<u>\$ 7,211</u>	<u>\$ 23,388</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2006

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,392,642	\$ 348,161	\$ 1,740,803
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,392,642</u>	<u>348,161</u>	<u>1,740,803</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	546,311		546,311
Expenses	162,854	162,863	325,717
Total Liabilities	<u>709,165</u>	<u>162,863</u>	<u>872,028</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>683,477</u>	<u>185,298</u>	<u>868,775</u>
4. <u>Adjustments</u>			
Investment Income	10,512	172,454	182,966
Transfers			
Total Adjustments	<u>10,512</u>	<u>172,454</u>	<u>182,966</u>
5. Gross Operating Surplus	<u>693,989</u>	<u>357,752</u>	<u>1,051,741</u>
6. Return of Surplus	<u>693,989</u>	<u>295,626</u>	<u>989,615</u>
7. Net Current Surplus	<u>\$ -0-</u>	<u>\$ 62,126</u>	<u>\$ 62,126</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2007

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,562,318	\$ 390,580	\$ 1,952,898
Supplemental Contributions			
Other Income (except investments)			
Total Income	<u>1,562,318</u>	<u>390,580</u>	<u>1,952,898</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	848,627		848,627
Expenses	176,724	171,249	347,973
Total Liabilities	<u>1,025,351</u>	<u>171,249</u>	<u>1,196,600</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>536,967</u>	<u>219,331</u>	<u>756,298</u>
4. <u>Adjustments</u>			
Investment Income	11,912	109,328	121,240
Transfers			
Total Adjustments	<u>11,912</u>	<u>109,328</u>	<u>121,240</u>
5. Gross Operating Surplus	<u>548,879</u>	<u>328,659</u>	<u>877,538</u>
6. Return of Surplus	<u>480,740</u>	<u>291,806</u>	<u>772,546</u>
7. Net Current Surplus	<u>\$ 68,139</u>	<u>\$ 36,853</u>	<u>\$ 104,992</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 2008

JUNE 30, 2021

(Unaudited)

	<u>Coverages and Other Accounts</u>		<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>			
Regular Contributions (earned)	\$ 1,575,698	\$ 393,925	\$ 1,969,623
Supplemental Contributions	30,003		30,003
Other Income (except investments)			
Total Income	<u>1,605,701</u>	<u>393,925</u>	<u>1,999,626</u>
2. <u>Incurred Liabilities</u>			
Claims (limited incurred)	986,016		986,016
Expenses	209,826	172,923	382,749
Total Liabilities	<u>1,195,842</u>	<u>172,923</u>	<u>1,368,765</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>409,859</u>	<u>221,002</u>	<u>630,861</u>
4. <u>Adjustments</u>			
Investment Income	27,178	41,667	68,845
Transfers	29,722	(29,722)	
Total Adjustments	<u>56,900</u>	<u>11,945</u>	<u>68,845</u>
5. Gross Operating Surplus	<u>466,759</u>	<u>232,947</u>	<u>699,706</u>
6. Return of Surplus	<u>364,309</u>	<u>199,394</u>	<u>563,703</u>
7. Net Current Surplus	<u>\$ 102,450</u>	<u>\$ 33,553</u>	<u>\$ 136,003</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2009
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 1,556,471	\$ 505,388	\$ 515,465	\$ 2,577,324
Supplemental Contributions	70,836			70,836
Other Income (except investments)				
Total Income	<u>1,627,307</u>	<u>505,388</u>	<u>515,465</u>	<u>2,648,160</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	1,143,372			1,143,372
Expenses	<u>153,381</u>	<u>481,322</u>	<u>200,880</u>	<u>835,583</u>
Total Liabilities	<u>1,296,753</u>	<u>481,322</u>	<u>200,880</u>	<u>1,978,955</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>330,554</u>	<u>24,066</u>	<u>314,585</u>	<u>669,205</u>
4. <u>Adjustments</u>				
Investment Income	28,399	1,105	16,191	45,695
Transfers	<u>24,066</u>	<u>(24,066)</u>		
Total Adjustments	<u>52,465</u>	<u>(22,961)</u>	<u>16,191</u>	<u>45,695</u>
5. Gross Operating Surplus	<u>383,019</u>	<u>1,105</u>	<u>330,776</u>	<u>714,900</u>
6. Return of Surplus	<u>376,069</u>		<u>186,111</u>	<u>562,180</u>
7. Net Current Surplus	<u>\$ 6,950</u>	<u>\$ 1,105</u>	<u>\$ 144,665</u>	<u>\$ 152,720</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2010
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 1,755,472	\$ 521,160	\$ 438,869	\$ 2,715,501
Supplemental Contributions	82,217			82,217
Other Income (except investments)				
Total Income	<u>1,837,689</u>	<u>521,160</u>	<u>438,869</u>	<u>2,797,718</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	1,017,248			1,017,248
Expenses	196,592	493,343	320,763	1,010,698
Total Liabilities	<u>1,213,840</u>	<u>493,343</u>	<u>320,763</u>	<u>2,027,946</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>623,849</u>	<u>27,817</u>	<u>118,106</u>	<u>769,772</u>
4. <u>Adjustments</u>				
Investment Income	23,717	986	23,937	48,640
Transfers	27,817	(27,817)		
Total Adjustments	<u>51,534</u>	<u>(26,831)</u>	<u>23,937</u>	<u>48,640</u>
5. Gross Operating Surplus	<u>675,383</u>	<u>986</u>	<u>142,043</u>	<u>818,412</u>
6. Return of Surplus	<u>655,615</u>			<u>655,615</u>
7. Net Current Surplus	<u>\$ 19,768</u>	<u>\$ 986</u>	<u>\$ 142,043</u>	<u>\$ 162,797</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2011
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 1,865,143	\$ 538,463	\$ 473,000	\$ 2,876,606
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>1,865,143</u>	<u>538,463</u>	<u>473,000</u>	<u>2,876,606</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	662,372			662,372
Expenses	<u>223,492</u>	<u>512,820</u>	<u>325,531</u>	<u>1,061,843</u>
Total Liabilities	<u>885,864</u>	<u>512,820</u>	<u>325,531</u>	<u>1,724,215</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>979,279</u>	<u>25,643</u>	<u>147,469</u>	<u>1,152,391</u>
4. <u>Adjustments</u>				
Investment Income	48,684	2,268	25,116	76,068
Transfers	<u>25,643</u>	<u>(25,643)</u>		
Total Adjustments	<u>74,327</u>	<u>(23,375)</u>	<u>25,116</u>	<u>76,068</u>
5. Gross Operating Surplus	<u>1,053,606</u>	<u>2,268</u>	<u>172,585</u>	<u>1,228,459</u>
6. Return of Surplus	<u>904,144</u>			<u>904,144</u>
7. Net Current Surplus	<u>\$ 149,462</u>	<u>\$ 2,268</u>	<u>\$ 172,585</u>	<u>\$ 324,315</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2012
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,161,767	\$ 358,493	\$ 302,525	\$ 2,822,785
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,161,767</u>	<u>358,493</u>	<u>302,525</u>	<u>2,822,785</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	703,529			703,529
Expenses	<u>229,115</u>	<u>524,799</u>	<u>328,194</u>	<u>1,082,108</u>
Total Liabilities	<u>932,644</u>	<u>524,799</u>	<u>328,194</u>	<u>1,785,637</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,229,123</u>	<u>(166,306)</u>	<u>(25,669)</u>	<u>1,037,148</u>
4. <u>Adjustments</u>				
Investment Income	52,517	1,686	14,489	68,692
Transfers	<u>(190,140)</u>	<u>166,799</u>	<u>23,341</u>	
Total Adjustments	<u>(137,623)</u>	<u>168,485</u>	<u>37,830</u>	<u>68,692</u>
5. Gross Operating Surplus	<u>1,091,500</u>	<u>2,179</u>	<u>12,161</u>	<u>1,105,840</u>
6. Return of Surplus	<u>803,638</u>			<u>803,638</u>
7. Net Current Surplus	<u>\$ 287,862</u>	<u>\$ 2,179</u>	<u>\$ 12,161</u>	<u>\$ 302,202</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2013
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,109,380	\$ 588,610	\$ 301,693	\$ 2,999,683
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,109,380</u>	<u>588,610</u>	<u>301,693</u>	<u>2,999,683</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	700,000			700,000
Expenses	<u>232,584</u>	<u>559,991</u>	<u>336,493</u>	<u>1,129,068</u>
Total Liabilities	<u>932,584</u>	<u>559,991</u>	<u>336,493</u>	<u>1,829,068</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,176,796</u>	<u>28,619</u>	<u>(34,800)</u>	<u>1,170,615</u>
4. <u>Adjustments</u>				
Investment Income	67,044	3,443	13,788	84,275
Transfers	<u>(229,740)</u>	<u>(32,062)</u>	<u>261,802</u>	
Total Adjustments	<u>(162,696)</u>	<u>(28,619)</u>	<u>275,590</u>	<u>84,275</u>
5. Gross Operating Surplus	<u>1,014,100</u>		<u>240,790</u>	<u>1,254,890</u>
6. Return of Surplus	<u>835,370</u>			<u>835,370</u>
7. Net Current Surplus	<u>\$ 178,730</u>	<u>\$ -0-</u>	<u>\$ 240,790</u>	<u>\$ 419,520</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2014
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,112,696	\$ 626,491	\$ 301,693	\$ 3,040,880
Supplemental Contributions				
Other Income (except investments)	1,250			1,250
Total Income	<u>2,113,946</u>	<u>626,491</u>	<u>301,693</u>	<u>3,042,130</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	850,000			850,000
Expenses	233,550	596,659	364,768	1,194,977
Total Liabilities	<u>1,083,550</u>	<u>596,659</u>	<u>364,768</u>	<u>2,044,977</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,030,396</u>	<u>29,832</u>	<u>(63,075)</u>	<u>997,153</u>
4. <u>Adjustments</u>				
Investment Income	69,415	3,675	8,763	81,853
Transfers	(30,501)	(31,683)	62,184	
Total Adjustments	<u>38,914</u>	<u>(28,008)</u>	<u>70,947</u>	<u>81,853</u>
5. Gross Operating Surplus	<u>1,069,310</u>	<u>1,824</u>	<u>7,872</u>	<u>1,079,006</u>
6. Return of Surplus	<u>653,154</u>			<u>653,154</u>
7. Net Current Surplus	<u>\$ 416,156</u>	<u>\$ 1,824</u>	<u>\$ 7,872</u>	<u>\$ 425,852</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2015
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,260,268	\$ 672,203	\$ 309,722	\$ 3,242,193
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,260,268</u>	<u>672,203</u>	<u>309,722</u>	<u>3,242,193</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	725,000			725,000
Expenses	<u>265,062</u>	<u>641,735</u>	<u>353,829</u>	<u>1,260,626</u>
Total Liabilities	<u>990,062</u>	<u>641,735</u>	<u>353,829</u>	<u>1,985,626</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,270,206</u>	<u>30,468</u>	<u>(44,107)</u>	<u>1,256,567</u>
4. <u>Adjustments</u>				
Investment Income	89,706	4,037	11,374	105,117
Transfers	<u>(10,910)</u>	<u>(32,327)</u>	<u>43,237</u>	
Total Adjustments	<u>78,796</u>	<u>(28,290)</u>	<u>54,611</u>	<u>105,117</u>
5. Gross Operating Surplus	<u>1,349,002</u>	<u>2,178</u>	<u>10,504</u>	<u>1,361,684</u>
6. Return of Surplus	<u>639,994</u>			<u>639,994</u>
7. Net Current Surplus	<u>\$ 709,008</u>	<u>\$ 2,178</u>	<u>\$ 10,504</u>	<u>\$ 721,690</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2016
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,319,357	\$ 688,160	\$ 348,997	\$ 3,356,514
Supplemental Contributions				
Other Income (except investments)	1,875			1,875
Total Income	<u>2,321,232</u>	<u>688,160</u>	<u>348,997</u>	<u>3,358,389</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	790,000			790,000
Expenses	274,886	690,770	363,085	1,328,741
Total Liabilities	<u>1,064,886</u>	<u>690,770</u>	<u>363,085</u>	<u>2,118,741</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,256,346</u>	<u>(2,610)</u>	<u>(14,088)</u>	<u>1,239,648</u>
4. <u>Adjustments</u>				
Investment Income	106,622	751	14,646	122,019
Transfers	(22,420)	1,859	20,561	
Total Adjustments	<u>84,202</u>	<u>2,610</u>	<u>35,207</u>	<u>122,019</u>
5. Gross Operating Surplus	<u>1,340,548</u>		<u>21,119</u>	<u>1,361,667</u>
6. Return of Surplus	<u>584,972</u>			<u>584,972</u>
7. Net Current Surplus	<u>\$ 755,576</u>	<u>\$ -0-</u>	<u>\$ 21,119</u>	<u>\$ 776,695</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2017
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,215,755	\$ 759,026	\$ 319,793	\$ 3,294,574
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,215,755</u>	<u>759,026</u>	<u>319,793</u>	<u>3,294,574</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	1,050,000			1,050,000
Expenses	<u>270,903</u>	<u>759,026</u>	<u>321,056</u>	<u>1,350,985</u>
Total Liabilities	<u>1,320,903</u>	<u>759,026</u>	<u>321,056</u>	<u>2,400,985</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>894,852</u>		<u>(1,263)</u>	<u>893,589</u>
4. <u>Adjustments</u>				
Investment Income	85,687		13,257	98,944
Transfers				
Total Adjustments	<u>85,687</u>		<u>13,257</u>	<u>98,944</u>
5. Gross Operating Surplus	<u>980,539</u>		<u>11,994</u>	<u>992,533</u>
6. Return of Surplus	<u>315,315</u>			<u>315,315</u>
7. Net Current Surplus	<u>\$ 665,224</u>	<u>\$ -0-</u>	<u>\$ 11,994</u>	<u>\$ 677,218</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2018
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,315,214	\$ 951,701	\$ 330,271	\$ 3,597,186
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,315,214</u>	<u>951,701</u>	<u>330,271</u>	<u>3,597,186</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	1,200,000			1,200,000
Expenses	<u>230,707</u>	<u>953,290</u>	<u>319,945</u>	<u>1,503,942</u>
Total Liabilities	<u>1,430,707</u>	<u>953,290</u>	<u>319,945</u>	<u>2,703,942</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>884,507</u>	<u>(1,589)</u>	<u>10,326</u>	<u>893,244</u>
4. <u>Adjustments</u>				
Investment Income	83,277		11,879	95,156
Transfers	<u>(1,589)</u>	<u>1,589</u>		
Total Adjustments	<u>81,688</u>	<u>1,589</u>	<u>11,879</u>	<u>95,156</u>
5. Gross Operating Surplus	<u>966,195</u>		<u>22,205</u>	<u>988,400</u>
6. Return of Surplus	<u>174,133</u>			<u>174,133</u>
7. Net Current Surplus	<u>\$ 792,062</u>	<u>\$ -0-</u>	<u>\$ 22,205</u>	<u>\$ 814,267</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2019
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,306,018	\$ 1,018,171	\$ 332,069	\$ 3,656,258
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,306,018</u>	<u>1,018,171</u>	<u>332,069</u>	<u>3,656,258</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	850,000			850,000
Expenses	<u>238,723</u>	<u>1,018,171</u>	<u>325,417</u>	<u>1,582,311</u>
Total Liabilities	<u>1,088,723</u>	<u>1,018,171</u>	<u>325,417</u>	<u>2,432,311</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,217,295</u>		<u>6,652</u>	<u>1,223,947</u>
4. <u>Adjustments</u>				
Investment Income	56,773		8,213	64,986
Transfers				
Total Adjustments	<u>56,773</u>		<u>8,213</u>	<u>64,986</u>
5. Gross Operating Surplus	<u>1,274,068</u>		<u>14,865</u>	<u>1,288,933</u>
6. Return of Surplus				
7. Net Current Surplus	<u>\$ 1,274,068</u>	<u>\$ -0-</u>	<u>\$ 14,865</u>	<u>\$ 1,288,933</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2020
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,356,830	\$ 1,052,709	\$ 371,366	\$ 3,780,905
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,356,830</u>	<u>1,052,709</u>	<u>371,366</u>	<u>3,780,905</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	849,999			849,999
Expenses	<u>231,472</u>	<u>1,052,709</u>	<u>388,147</u>	<u>1,672,328</u>
Total Liabilities	<u>1,081,471</u>	<u>1,052,709</u>	<u>388,147</u>	<u>2,522,327</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>1,275,359</u>		<u>(16,781)</u>	<u>1,258,578</u>
4. <u>Adjustments</u>				
Investment Income	28,197		4,423	32,620
Transfers				
Total Adjustments	<u>28,197</u>		<u>4,423</u>	<u>32,620</u>
5. Gross Operating Surplus	<u>1,303,556</u>		<u>(12,358)</u>	<u>1,291,198</u>
6. Return of Surplus				
7. Net Current Surplus	<u>\$ 1,303,556</u>	<u>\$ -0-</u>	<u>\$ (12,358)</u>	<u>\$ 1,291,198</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS
FUND YEAR - 2021
JUNE 30, 2021
(Unaudited)

	<u>Coverages and Other Accounts</u>			<u>Total</u>
	<u>Worker's Compensation Insurance</u>	<u>Liability</u>	<u>General and Administrative</u>	
1. <u>Underwriting Income</u>				
Regular Contributions (earned)	\$ 2,194,409	\$ 1,184,173	\$ 365,158	\$ 3,743,740
Supplemental Contributions				
Other Income (except investments)				
Total Income	<u>2,194,409</u>	<u>1,184,173</u>	<u>365,158</u>	<u>3,743,740</u>
2. <u>Incurred Liabilities</u>				
Claims (limited incurred)	1,149,999			1,149,999
Expenses	<u>243,079</u>	<u>1,184,173</u>	<u>388,081</u>	<u>1,815,333</u>
Total Liabilities	<u>1,393,078</u>	<u>1,184,173</u>	<u>388,081</u>	<u>2,965,332</u>
3. <u>Underwriting Surplus/(Deficit)</u>	<u>801,331</u>		<u>(22,923)</u>	<u>778,408</u>
4. <u>Adjustments</u>				
Investment Income	6,123		1,019	7,142
Transfers				
Total Adjustments	<u>6,123</u>		<u>1,019</u>	<u>7,142</u>
5. Gross Operating Surplus	<u>807,454</u>		<u>(21,904)</u>	<u>785,550</u>
6. Return of Surplus				
7. Net Current Surplus	<u>\$ 807,454</u>	<u>\$ -0-</u>	<u>\$ (21,904)</u>	<u>\$ 785,550</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1985
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 180,539
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>180,539</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>180,539</u>
Number of Claims	252
Cost/Claim	<u>\$ 716</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1986
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 473,900
Case Reserves	
Imprest Account	31,473
IBNR Reserve	
Subtotal	<u>505,373</u>
Excess Insurance	
Received	247,021
Receivable	
Recoverable	
Subtotal	<u>247,021</u>
Incurred Claims	<u>258,352</u>
Number of Claims	252
Cost/Claim	<u>\$ 1,025</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1987
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 140,513
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>140,513</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>140,513</u>
Number of Claims	265
Cost/Claim	<u>\$ 530</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1988JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 251,743
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>251,743</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>251,743</u>
Number of Claims	204
Cost/Claim	<u>\$ 1,234</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1989JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 850,270
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>850,270</u>
Excess Insurance	
Received	99,993
Receivable	
Recoverable	
Subtotal	<u>99,993</u>
Incurred Claims	<u>750,277</u>
Number of Claims	262
Cost/Claim	<u>\$ 2,864</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS

FUND YEAR - 1990

JUNE 30, 2021

(Unaudited)

	Coverage Worker's Compensation Insurance
Paid Claims	\$ 409,145
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	409,145
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	
Incurred Claims	409,145
Number of Claims	286
Cost/Claim	\$ 1,431

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1991JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 505,124
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>505,124</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>505,124</u>
Number of Claims	252
Cost/Claim	<u>\$ 2,004</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 1992
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 617,186
Case Reserves	27,500
Imprest Account	
IBNR Reserve	
Subtotal	<u>644,686</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>644,686</u>
Number of Claims	253
Cost/Claim	<u>\$ 2,548</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1993JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 691,278
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>691,278</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>691,278</u>
Number of Claims	281
Cost/Claim	<u>\$ 2,460</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1994JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 421,547
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>421,547</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>421,547</u>
Number of Claims	288
Cost/Claim	<u>\$ 1,464</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1995JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 398,532
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>398,532</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>398,532</u>
Number of Claims	287
Cost/Claim	<u>\$ 1,389</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1996JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 595,079
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>595,079</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>595,079</u>
Number of Claims	283
Cost/Claim	<u>\$ 2,103</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1997JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 461,496
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>461,496</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>461,496</u>
Number of Claims	269
Cost/Claim	<u>\$ 1,716</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1998JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 682,121
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>682,121</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>682,121</u>
Number of Claims	259
Cost/Claim	<u>\$ 2,634</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 1999JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 551,946
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>551,946</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>551,946</u>
Number of Claims	278
Cost/Claim	<u>\$ 1,985</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2000
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 547,794
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>547,794</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>547,794</u>
Number of Claims	264
Cost/Claim	<u>\$ 2,075</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2001JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 312,416
Case Reserves	
Imprest Account	
IBNR Reserve	
Subtotal	<u>312,416</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>312,416</u>
Number of Claims	283
Cost/Claim	<u>\$ 1,104</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2002
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 632,304
Case Reserves	
Imprest Account	
IBNR Reserve	5,000
Subtotal	<u>637,304</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>637,304</u>
Number of Claims	273
Cost/Claim	<u>\$ 2,334</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2003
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 612,667
Case Reserves	35,194
Imprest Account	
IBNR Reserve	2,500
Subtotal	<u>650,361</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>650,361</u>
Number of Claims	265
Cost/Claim	<u>\$ 2,454</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2004
JUNE 30, 2021
(Unaudited)

	Coverage Worker's Compensation Insurance
Paid Claims	\$ 1,003,906
Case Reserves	
Imprest Account	
IBNR Reserve	2,500
Subtotal	1,006,406
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	
Incurred Claims	1,006,406
Number of Claims	237
Cost/Claim	\$ 4,246

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2005
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 1,092,637
Case Reserves	
Imprest Account	
IBNR Reserve	2,500
Subtotal	<u>1,095,137</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,095,137</u>
Number of Claims	272
Cost/Claim	<u>\$ 4,026</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2006JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 543,811
Case Reserves	
Imprest Account	
IBNR Reserve	2,500
Subtotal	<u>546,311</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>546,311</u>
Number of Claims	258
Cost/Claim	<u>\$ 2,117</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2007JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 846,126
Case Reserves	
Imprest Account	1
IBNR Reserve	2,500
Subtotal	<u>848,627</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>848,627</u>
Number of Claims	238
Cost/Claim	<u>\$ 3,566</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2008JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 956,076
Case Reserves	16,329
Imprest Account	(359)
IBNR Reserve	13,970
Subtotal	<u>986,016</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>986,016</u>
Number of Claims	261
Cost/Claim	<u>\$ 3,778</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2009JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 1,111,052
Case Reserves	18,500
Imprest Account	(1,180)
IBNR Reserve	15,000
Subtotal	<u>1,143,372</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,143,372</u>
Number of Claims	276
Cost/Claim	<u>\$ 4,143</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2010JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 1,015,219
Case Reserves	
Imprest Account	(2,971)
IBNR Reserve	5,000
Subtotal	<u>1,017,248</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,017,248</u>
Number of Claims	256
Cost/Claim	<u>\$ 3,974</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2011
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 657,054
Case Reserves	
Imprest Account	318
IBNR Reserve	5,000
Subtotal	<u>662,372</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>662,372</u>
Number of Claims	258
Cost/Claim	<u>\$ 2,567</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2012
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 665,254
Case Reserves	23,500
Imprest Account	(225)
IBNR Reserve	15,000
Subtotal	<u>703,529</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>703,529</u>
Number of Claims	229
Cost/Claim	<u>\$ 3,072</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2013
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 603,468
Case Reserves	90,300
Imprest Account	
IBNR Reserve	6,232
Subtotal	<u>700,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>700,000</u>
Number of Claims	234
Cost/Claim	<u>\$ 2,991</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2014JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 777,114
Case Reserves	43,944
Imprest Account	(1,250)
IBNR Reserve	30,192
Subtotal	<u>850,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>850,000</u>
Number of Claims	212
Cost/Claim	<u>\$ 4,009</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2015
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 649,413
Case Reserves	2,578
Imprest Account	35
IBNR Reserve	72,974
Subtotal	<u>725,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>725,000</u>
Number of Claims	171
Cost/Claim	<u>\$ 4,240</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2016JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 619,106
Case Reserves	76,416
Imprest Account	
IBNR Reserve	94,478
Subtotal	<u>790,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>790,000</u>
Number of Claims	180
Cost/Claim	<u>\$ 4,389</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2017
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 729,071
Case Reserves	149,877
Imprest Account	
IBNR Reserve	171,052
Subtotal	<u>1,050,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,050,000</u>
Number of Claims	179
Cost/Claim	<u>\$ 5,866</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2018
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 688,719
Case Reserves	350,189
Imprest Account	69
IBNR Reserve	161,023
Subtotal	<u>1,200,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,200,000</u>
Number of Claims	192
Cost/Claim	<u>\$ 6,250</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2019
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 508,911
Case Reserves	88,481
Imprest Account	(79)
IBNR Reserve	252,687
Subtotal	<u>850,000</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>850,000</u>
Number of Claims	191
Cost/Claim	<u>\$ 4,450</u>

Schedule E

MORRIS ESSEX INSURANCE GROUP
FUND YEAR CLAIMS ANALYSIS
FUND YEAR - 2020
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 408,364
Case Reserves	162,212
Imprest Account	
IBNR Reserve	279,423
Subtotal	<u>849,999</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>849,999</u>
Number of Claims	124
Cost/Claim	<u>\$ 6,855</u>

Schedule E

MORRIS ESSEX INSURANCE GROUPFUND YEAR CLAIMS ANALYSISFUND YEAR - 2021JUNE 30, 2021

(Unaudited)

	<u>Coverage</u> <u>Worker's</u> <u>Compensation</u> <u>Insurance</u>
Paid Claims	\$ 356,733
Case Reserves	442,504
Imprest Account	
IBNR Reserve	350,762
Subtotal	<u>1,149,999</u>
Excess Insurance	
Received	
Receivable	
Recoverable	
Subtotal	<u> </u>
Incurred Claims	<u>1,149,999</u>
Number of Claims	108
Cost/Claim	<u>\$ 10,648</u>

Schedule F

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1985

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 29,452		\$ 29,452
Subtotal Excess	<u>29,452</u>		<u>29,452</u>
2. <u>Administrative Expenses</u>			
Administrator	26,724		26,724
Workers' Compensation Audit			
Treasurer			
Other (itemize)			
Audit	2,000		2,000
Consultants	4,000		4,000
Actuary			
Bank Investment Fees	1,631		1,631
Miscellaneous	412		412
Subtotal Administrative	<u>34,767</u>		<u>34,767</u>
Total Expenses = 1+2	<u>\$ 64,219</u>	<u>\$ -0-</u>	<u>\$ 64,219</u>

Schedule F

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1986

JUNE 30, 2021

(Unaudited)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 34,108		\$ 34,108
Subtotal Excess	34,108		34,108
2. <u>Administrative Expenses</u>			
Administrator	29,235		29,235
Workers' Compensation Audit			
Treasurer			
Other (itemize)			
Audit	2,000		2,000
Consultants	4,230		4,230
Actuary			
Bank Investment Fees	2,085		2,085
Miscellaneous	878		878
Subtotal Administrative	38,428		38,428
Total Expenses = 1+2	\$ 72,536	\$ -0-	\$ 72,536

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1987JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 57,286		\$ 57,286
Subtotal Excess	<u>57,286</u>		<u>57,286</u>
2. <u>Administrative Expenses</u>			
Administrator	32,400		32,400
Workers' Compensation Audit			
Treasurer			
Other (itemize)			
Audit	2,500		2,500
Consultants	4,230		4,230
Actuary			
Bank Investment Fees	2,601		2,601
Miscellaneous	821		821
Subtotal Administrative	<u>42,552</u>		<u>42,552</u>
Total Expenses = 1+2	<u>\$ 99,838</u>	<u>\$ -0-</u>	<u>\$ 99,838</u>

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1988JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 50,500		\$ 50,500
Subtotal Excess	<u>50,500</u>		<u>50,500</u>
2. <u>Administrative Expenses</u>			
Administrator	35,000		35,000
Workers' Compensation Audit			
Treasurer	1,136		1,136
Other (itemize)			
Audit	2,500		2,500
Consultants	3,290		3,290
Actuary			
Bank Investment Fees	2,861		2,861
Miscellaneous	382		382
Subtotal Administrative	<u>45,169</u>		<u>45,169</u>
Total Expenses = 1+2	<u>\$ 95,669</u>	<u>\$ -0-</u>	<u>\$ 95,669</u>

Schedule F

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1989

JUNE 30, 2021

(Unaudited)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 38,900		\$ 38,900
Subtotal Excess	38,900		38,900
2. <u>Administrative Expenses</u>			
Administrator	40,000		40,000
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	3,000		3,000
Consultants	3,525		3,525
Actuary			
Bank Investment Fees	2,864		2,864
Miscellaneous	3,546		3,546
Subtotal Administrative	55,935		55,935
Total Expenses = 1+2	\$ 94,835	\$ -0-	\$ 94,835

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1990JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 36,400		\$ 36,400
Subtotal Excess	<u>36,400</u>		<u>36,400</u>
2. <u>Administrative Expenses</u>			
Administrator	40,000		40,000
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	3,000		3,000
Consultants	3,525		3,525
Actuary			
Bank Investment Fees	2,981		2,981
Miscellaneous	804		804
Subtotal Administrative	<u>53,310</u>		<u>53,310</u>
Total Expenses = 1+2	<u>\$ 89,710</u>	<u>\$ -0-</u>	<u>\$ 89,710</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1991

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 33,250		\$ 33,250
Subtotal Excess	<u>33,250</u>		<u>33,250</u>
2. <u>Administrative Expenses</u>			
Administrator	40,000		40,000
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	3,500		3,500
Consultants	3,528		3,528
Actuary			
Bank Investment Fees			
Miscellaneous	3,627		3,627
Subtotal Administrative	<u>53,655</u>		<u>53,655</u>
Total Expenses = 1+2	<u>\$ 86,905</u>	<u>\$ -0-</u>	<u>\$ 86,905</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1992

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 31,225		\$ 31,225
Subtotal Excess	<u>31,225</u>		<u>31,225</u>
2. <u>Administrative Expenses</u>			
Administrator	31,250		31,250
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	3,500		3,500
Consultants	4,500		4,500
Actuary	5,000		5,000
Administrative Fee	3,254		3,254
Bank Investment Fees			
Miscellaneous	426		426
Subtotal Administrative	<u>50,930</u>		<u>50,930</u>
Total Expenses = 1+2	<u>\$ 82,155</u>	<u>\$ -0-</u>	<u>\$ 82,155</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1993JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 36,262		\$ 36,262
Subtotal Excess	<u>36,262</u>		<u>36,262</u>
2. <u>Administrative Expenses</u>			
Administrator	32,251		32,251
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	4,000		4,000
Consultants	4,500		4,500
Actuary	5,000		5,000
Administrative Fee	2,892		2,892
Bank Investment Fees			
Miscellaneous	789		789
Subtotal Administrative	<u>52,432</u>		<u>52,432</u>
Total Expenses = 1+2	<u>\$ 88,694</u>	<u>\$ -0-</u>	<u>\$ 88,694</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1994

JUNE 30, 2021

(Unaudited)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 40,208		\$ 40,208
Subtotal Excess	40,208		40,208
2. <u>Administrative Expenses</u>			
Administrator	33,251		33,251
Workers' Compensation Audit			
Treasurer	3,000		3,000
Other (itemize)			
Audit	4,000		4,000
Consultants	4,500		4,500
Actuary	5,000		5,000
Administrative Fee	3,563		3,563
Bank Investment Fees			
Miscellaneous	563		563
Subtotal Administrative	53,877		53,877
Total Expenses = 1+2	\$ 94,085	\$ -0-	\$ 94,085

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS
FUND YEAR - 1995
JUNE 30, 2021
(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance			
Subtotal Excess			
2. <u>Administrative Expenses</u>			
Administrator			
Workers' Compensation Audit			
Treasurer			
Other (itemize)			
Audit			
Consultants			
Actuary			
Bank Investment Fees			
Miscellaneous	\$ 90,187		\$ 90,187
Subtotal Administrative	<u>90,187</u>		<u>90,187</u>
Total Expenses = 1+2	<u>\$ 90,187</u>	<u>\$ -0-</u>	<u>\$ 90,187</u>

Note - Prior year report does not provide the detailed information needed to complete this schedule.

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1996JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 34,547		\$ 34,547
Subtotal Excess	<u>34,547</u>		<u>34,547</u>
2. <u>Administrative Expenses</u>			
Administrator	33,979		33,979
Workers' Compensation Audit	1,539		1,539
Treasurer	4,000		4,000
Other (itemize)			
Audit	4,500		4,500
Consultants	4,500		4,500
Actuary	5,000		5,000
Bank Investment Fees	4,590		4,590
Miscellaneous	512		512
Subtotal Administrative	<u>58,620</u>		<u>58,620</u>
Total Expenses = 1+2	<u>\$ 93,167</u>	<u>\$ -0-</u>	<u>\$ 93,167</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 1997

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 39,221		\$ 39,221
Subtotal Excess	<u>39,221</u>		<u>39,221</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	36,356		36,356
Executive Director	31,084		31,084
Treasurer	5,500		5,500
Other (itemize)			
Audit	7,000		7,000
Safety Management Services	3,434		3,434
Actuary	5,000		5,000
Bank Investment Fees	7,667		7,667
Miscellaneous	208		208
Subtotal Administrative	<u>96,249</u>		<u>96,249</u>
Total Expenses = 1+2	<u>\$ 135,470</u>	<u>\$ -0-</u>	<u>\$ 135,470</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1998JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 41,215		\$ 41,215
Subtotal Excess	<u>41,215</u>		<u>41,215</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	40,446		40,446
Executive Director	30,541		30,541
Treasurer	6,000		6,000
Other (itemize)			
Audit	7,000		7,000
Safety Management Services	7,420		7,420
Actuary	5,000		5,000
Bank Investment Fees	7,980		7,980
Miscellaneous	376		376
Subtotal Administrative	<u>104,763</u>		<u>104,763</u>
Total Expenses = 1+2	<u>\$ 145,978</u>	<u>\$ -0-</u>	<u>\$ 145,978</u>

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1999JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 43,452		\$ 43,452
Subtotal Excess	<u>43,452</u>		<u>43,452</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	42,000		42,000
Executive Director	27,738		27,738
Treasurer	8,000		8,000
Other (itemize)			
Audit	7,000		7,000
Safety Management Services	6,870		6,870
Actuary	6,410		6,410
Bank Investment Fees	2,418		2,418
Miscellaneous	292		292
Subtotal Administrative	<u>100,728</u>		<u>100,728</u>
Total Expenses = 1+2	<u>\$ 144,180</u>	<u>\$ -0-</u>	<u>\$ 144,180</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2000

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 44,524		\$ 44,524
Subtotal Excess	<u>44,524</u>		<u>44,524</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	44,000		44,000
Executive Director	29,000		29,000
Treasurer	10,000		10,000
Other (itemize)			
Audit	7,000		7,000
Safety Management Services	8,000		8,000
Actuary	5,500		5,500
Bank Investment Fees	3,000		3,000
Miscellaneous	406		406
Subtotal Administrative	<u>106,906</u>		<u>106,906</u>
Total Expenses = 1+2	<u>\$ 151,430</u>	<u>\$ -0-</u>	<u>\$ 151,430</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2001

JUNE 30, 2021

(Unaudited)

	Paid	Unpaid	Total
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 48,668		\$ 48,668
Subtotal Excess	48,668		48,668
2. <u>Administrative Expenses</u>			
Claims Administrative Services	45,760		45,760
Executive Director	34,000		34,000
Treasurer	10,000		10,000
Other (itemize)			
Audit	81,144		81,144
Safety Management Services	9,000		9,000
Actuary	11,000		11,000
Bank Investment Fees	3,000		3,000
Miscellaneous	1,151		1,151
Subtotal Administrative	195,055		195,055
Total Expenses = 1+2	\$ 243,723	\$ -0-	\$ 243,723

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2002JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 68,189		\$ 68,189
Subtotal Excess	<u>68,189</u>		<u>68,189</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	47,823		47,823
Executive Director	35,360		35,360
Treasurer	11,050		11,050
Other (itemize)			
Audit	18,500		18,500
Safety Management Services	8,752		8,752
Actuary	6,568		6,568
Bank Investment Fees	3,000		3,000
Miscellaneous	1,193		1,193
Subtotal Administrative	<u>132,246</u>		<u>132,246</u>
Total Expenses = 1+2	<u>\$ 200,435</u>	<u>\$ -0-</u>	<u>\$ 200,435</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2003JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 144,910		\$ 144,910
Subtotal Excess	<u>144,910</u>		<u>144,910</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	48,537		48,537
Executive Director	38,260		38,260
Treasurer	10,800		10,800
Other (itemize)			
Audit	19,250		19,250
Safety Management Services	9,902		9,902
Actuary	5,500		5,500
Bank Investment Fees	3,517		3,517
Miscellaneous	1,389		1,389
Subtotal Administrative	<u>137,155</u>		<u>137,155</u>
Total Expenses = 1+2	<u>\$ 282,065</u>	<u>\$ -0-</u>	<u>\$ 282,065</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2004JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 172,021		\$ 172,021
Subtotal Excess	<u>172,021</u>		<u>172,021</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	51,575		51,575
Executive Director	40,000		40,000
Treasurer	13,000		13,000
Other (itemize)			
Audit	18,018		18,018
Safety Management Services	9,915		9,915
Actuary	5,750		5,750
Miscellaneous	4,879		4,879
Subtotal Administrative	<u>143,137</u>		<u>143,137</u>
Total Expenses = 1+2	<u>\$ 315,158</u>	<u>\$ -0-</u>	<u>\$ 315,158</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2005

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 164,260		\$ 164,260
Subtotal Excess	<u>164,260</u>		<u>164,260</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	54,988		54,988
Executive Director	42,000		42,000
Treasurer	13,400		13,400
Other (itemize)			
Audit	19,568		19,568
Safety Management Services	13,334		13,334
Actuary	5,500		5,500
Miscellaneous	2,243		2,243
Subtotal Administrative	<u>151,033</u>		<u>151,033</u>
Total Expenses = 1+2	<u>\$ 315,293</u>	<u>\$ -0-</u>	<u>\$ 315,293</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2006

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 162,854		\$ 162,854
Subtotal Excess	<u>162,854</u>		<u>162,854</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	64,140		64,140
Executive Director	46,000		46,000
Treasurer	13,400		13,400
Other (itemize)			
Audit	20,068		20,068
Safety Management Services	7,005		7,005
Actuary	6,400		6,400
Miscellaneous	5,850		5,850
Subtotal Administrative	<u>162,863</u>		<u>162,863</u>
Total Expenses = 1+2	<u>\$ 325,717</u>	<u>\$ -0-</u>	<u>\$ 325,717</u>

Schedule F

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2007

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 176,724		\$ 176,724
Subtotal Excess	<u>176,724</u>		<u>176,724</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	63,932		63,932
Executive Director	49,638		49,638
Treasurer	13,400		13,400
Other (itemize)			
Audit	20,568		20,568
Safety Management Services	14,711		14,711
Actuary	6,000		6,000
Miscellaneous	3,000		3,000
Subtotal Administrative	<u>171,249</u>		<u>171,249</u>
Total Expenses = 1+2	<u>\$ 347,973</u>	<u>\$ -0-</u>	<u>\$ 347,973</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2008

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Reinsurance	\$ 209,826		\$ 209,826
Subtotal Excess	<u>209,826</u>		<u>209,826</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	58,877		58,877
Executive Director	48,000		48,000
Treasurer	13,400		13,400
Other (itemize)			
Audit	24,568		24,568
Safety Management Services	15,300		15,300
Actuary	6,100		6,100
Miscellaneous	6,678		6,678
Subtotal Administrative	<u>172,923</u>		<u>172,923</u>
Total Expenses = 1+2	<u>\$ 382,749</u>	<u>\$ -0-</u>	<u>\$ 382,749</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2009JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 481,322		\$ 481,322
Reinsurance	153,381		153,381
Subtotal Excess	<u>634,703</u>		<u>634,703</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	61,232		61,232
Executive Director	48,960		48,960
Treasurer	11,492		11,492
Other (itemize)			
Audit	24,569		24,569
Safety Management Services	18,235		18,235
Actuary	6,400		6,400
Risk Management Fee	24,066		24,066
Miscellaneous	5,926		5,926
Subtotal Administrative	<u>200,880</u>		<u>200,880</u>
Total Expenses = 1+2	<u>\$ 835,583</u>	<u>\$ -0-</u>	<u>\$ 835,583</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2010JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 493,343		\$ 493,343
Reinsurance	196,592		196,592
Subtotal Excess	<u>689,935</u>		<u>689,935</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	173,682		173,682
Executive Director	50,184		50,184
Treasurer	14,009		14,009
Other (itemize)			
Audit	17,500	\$ 10,000	27,500
Safety Management Services	16,545		16,545
Actuary	6,400		6,400
Risk Management Fee	23,909		23,909
Miscellaneous	8,534		8,534
Subtotal Administrative	<u>310,763</u>	<u>10,000</u>	<u>320,763</u>
Total Expenses = 1+2	<u>\$ 1,000,698</u>	<u>\$ 10,000</u>	<u>\$ 1,010,698</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2011

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 512,820		\$ 512,820
Reinsurance	223,492		223,492
Subtotal Excess	<u>736,312</u>		<u>736,312</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	174,432		174,432
Executive Director	50,184		50,184
Treasurer	14,009		14,009
Other (itemize)			
Audit	17,500	\$ 10,000	27,500
Safety Management Services	16,545		16,545
Actuary	6,300		6,300
Risk Management Fee	25,641		25,641
Miscellaneous	10,920		10,920
Subtotal Administrative	<u>315,531</u>	<u>10,000</u>	<u>325,531</u>
Total Expenses = 1+2	<u>\$ 1,051,843</u>	<u>\$ 10,000</u>	<u>\$ 1,061,843</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2012JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 524,799		\$ 524,799
Reinsurance	229,115		229,115
Subtotal Excess	<u>753,914</u>		<u>753,914</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	174,955		174,955
Executive Director	51,188		51,188
Treasurer	14,289		14,289
Other (itemize)			
Audit	17,500	\$ 10,000	27,500
Safety Management Services	16,876		16,876
Actuary	7,500		7,500
Risk Management Fee	26,240		26,240
Miscellaneous	9,646		9,646
Subtotal Administrative	<u>318,194</u>	<u>10,000</u>	<u>328,194</u>
Total Expenses = 1+2	<u>\$ 1,072,108</u>	<u>\$ 10,000</u>	<u>\$ 1,082,108</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2013JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 559,991		\$ 559,991
Reinsurance	232,584		232,584
Subtotal Excess	<u>792,575</u>		<u>792,575</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	169,862		169,862
Executive Director	52,212		52,212
Treasurer	14,575		14,575
Other (itemize)			
Audit	17,500	\$ 10,000	27,500
Safety Management Services	27,376		27,376
Actuary	6,700		6,700
Risk Management Fee	28,000		28,000
Miscellaneous	10,268		10,268
Subtotal Administrative	<u>326,493</u>	<u>10,000</u>	<u>336,493</u>
Total Expenses = 1+2	<u>\$ 1,119,068</u>	<u>\$ 10,000</u>	<u>\$ 1,129,068</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2014

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 596,659		\$ 596,659
Reinsurance	233,550		233,550
Subtotal Excess	<u>830,209</u>		<u>830,209</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	192,524		192,524
Executive Director	53,256		53,256
Treasurer	14,867		14,867
Other (itemize)			
Audit	19,550	\$ 10,000	29,550
Safety Management Services	27,376		27,376
Actuary	6,700		6,700
Risk Management Fee	29,833		29,833
Miscellaneous	10,662		10,662
Subtotal Administrative	<u>354,768</u>	<u>10,000</u>	<u>364,768</u>
Total Expenses = 1+2	<u>\$ 1,184,977</u>	<u>\$ 10,000</u>	<u>\$ 1,194,977</u>

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2015JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 641,735		\$ 641,735
Reinsurance	265,062		265,062
Subtotal Excess	<u>906,797</u>		<u>906,797</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	185,322		185,322
Executive Director	54,321		54,321
Treasurer	15,165		15,165
Other (itemize)			
Audit	18,564	\$ 10,000	28,564
Safety Management Services	27,714		27,714
Actuary	6,700		6,700
Risk Management Fee	31,996		31,996
Miscellaneous	4,047		4,047
Subtotal Administrative	<u>343,829</u>	<u>10,000</u>	<u>353,829</u>
Total Expenses = 1+2	<u>\$ 1,250,626</u>	<u>\$ 10,000</u>	<u>\$ 1,260,626</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2016

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 690,770		\$ 690,770
Reinsurance	274,886		274,886
Subtotal Excess	<u>965,656</u>		<u>965,656</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	199,351		199,351
Executive Director	55,407		55,407
Treasurer	15,468		15,468
Other (itemize)			
Audit	18,800	\$ 10,000	28,800
Safety Management Services	17,558		17,558
Actuary			
Risk Management Fee	34,360		34,360
Miscellaneous	12,141		12,141
Subtotal Administrative	<u>353,085</u>	<u>10,000</u>	<u>363,085</u>
Total Expenses = 1+2	<u>\$ 1,318,741</u>	<u>\$ 10,000</u>	<u>\$ 1,328,741</u>

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2017JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 759,026		\$ 759,026
Reinsurance	270,903		270,903
Subtotal Excess	<u>1,029,929</u>		<u>1,029,929</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	179,151		179,151
Executive Director	56,200		56,200
Treasurer	15,777		15,777
Other (itemize)			
Audit	19,850		19,850
Safety Management Services	28,409		28,409
Actuary	6,800		6,800
Miscellaneous	14,869		14,869
Subtotal Administrative	<u>321,056</u>		<u>321,056</u>
Total Expenses = 1+2	<u>\$ 1,350,985</u>	<u>\$ -0-</u>	<u>\$ 1,350,985</u>

Schedule F

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2018

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 953,290		\$ 953,290
Reinsurance	230,707		230,707
Subtotal Excess	<u>1,183,997</u>		<u>1,183,997</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	190,785		190,785
Executive Director	56,500		56,500
Treasurer	15,777		15,777
Other (itemize)			
Audit	19,500		19,500
Safety Management Services	28,409		28,409
Actuary	6,600		6,600
Miscellaneous	2,374		2,374
Subtotal Administrative	<u>319,945</u>		<u>319,945</u>
Total Expenses = 1+2	<u>\$ 1,503,942</u>	<u>\$ -0-</u>	<u>\$ 1,503,942</u>

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2019JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 1,018,171		\$ 1,018,171
Reinsurance	238,723		238,723
Subtotal Excess	<u>1,256,894</u>		<u>1,256,894</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	193,262		193,262
Executive Director	57,630		57,630
Treasurer	16,092		16,092
Other (itemize)			
Audit	19,890		19,890
Safety Management Services	28,409		28,409
Actuary	6,600		6,600
Miscellaneous	3,534		3,534
Subtotal Administrative	<u>325,417</u>		<u>325,417</u>
Total Expenses = 1+2	<u>\$ 1,582,311</u>	<u>\$ -0-</u>	<u>\$ 1,582,311</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2020

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 1,052,709		\$ 1,052,709
Reinsurance	231,472		231,472
Subtotal Excess	<u>1,284,181</u>		<u>1,284,181</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	195,820		195,820
Executive Director	58,780		58,780
Treasurer	16,410		16,410
Other (itemize)			
Audit	20,288		20,288
Safety Management Services	31,834		31,834
Actuary	6,700		6,700
Risk Management Fee	51,493		51,493
Miscellaneous	6,822		6,822
Subtotal Administrative	<u>388,147</u>		<u>388,147</u>
Total Expenses = 1+2	<u>\$ 1,672,328</u>	<u>\$ -0-</u>	<u>\$ 1,672,328</u>

MORRIS ESSEX INSURANCE GROUP
FUND YEAR EXPENSE ANALYSIS

FUND YEAR - 2021

JUNE 30, 2021

(Unaudited)

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
1. <u>Excess Insurance (itemize)</u>			
Insurance Premiums:			
Liability	\$ 1,184,173		\$ 1,184,173
Reinsurance	243,079		243,079
Subtotal Excess	<u>1,427,252</u>		<u>1,427,252</u>
2. <u>Administrative Expenses</u>			
Claims Administrative Services	193,345		193,345
Executive Director	58,780		58,780
Treasurer	16,410		16,410
Other (itemize)			
Audit		\$ 20,694	20,694
Safety Management Services	33,218		33,218
Actuary		6,700	6,700
Risk Management Fee	52,172		52,172
Miscellaneous	6,762		6,762
Subtotal Administrative	<u>360,687</u>	<u>27,394</u>	<u>388,081</u>
Total Expenses = 1+2	<u>\$ 1,787,939</u>	<u>\$ 27,394</u>	<u>\$ 1,815,333</u>

MORRIS ESSEX INSURANCE GROUP
PROGRAM SUMMARY
FUND YEAR - 2021
JUNE 30, 2021
(Unaudited)

COVERAGE

	<u>Worker's Compensation</u>	<u>Liability</u>
1. <u>Limits</u>	Part I - Statutory Part II - Employers' Liability - \$5,000,000	\$1,000,000/\$2,000,000 National Union Fire
2. <u>Fund Retention</u> <u>Specific</u> <u>Aggregate</u>	\$500,000 \$6,660,352	
3. <u>Excess Insurers</u> (list all insurers and amount insured)	Star Insurance Co.	\$10,000,000 National Union Fire Umbrella Includes School Board Legal
4. <u>Number of Participants</u>	17	\$30,000,000 Starstone/Markel - Not Shared
5. <u>Incurred Liabilities</u>	\$799,237	\$25,000,000 Fireman's Fund CAP Policy - Shared \$1,184,173
6. <u>Exposure Units</u> (Population)	\$283,321,341 Payroll	\$71,225,546 Payroll
7. <u>Liabilities/Unit</u>	\$0.0028	\$0.0166

MORRIS ESSEX INSURANCE GROUP
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF CASH AND INVESTMENTS
JUNE 30, 2021
(Unaudited)

<u>Bank</u>	<u>Account or Investment Number</u>	<u>Amount</u>
Valley National Bank	41699882	\$ 7,151
Valley National Bank	41699890	1,055,852
Valley National Bank	41235266	11,934,267
NJ Cash Management Fund	117-105465-171	74,445
		<u>13,071,715</u>
Add: Deposits in Transit		781
Less: Outstanding Checks		<u>(1,063,785)</u>
		<u><u>\$ 12,008,711</u></u>

MORRIS ESSEX INSURANCE GROUP
STATE REQUIRED SUPPORTING
SCHEDULE - ANNUAL REPORT
ANALYSIS OF ASSESSMENTS RECEIVABLE
JUNE 30, 2021
(Unaudited)

Hanover Township School District	\$	31
Morris County Educational Services Commission		12,981
West Essex Regional School District		2,843
		2,843
	\$	15,855

ANALYSIS OF EXPENSES PAYABLE
JUNE 30, 2021
(Unaudited)

<u>General and Administrative Fund:</u>		
Accounting and Auditing Services	\$	90,694
Actuarial Services		6,700
		6,700
	\$	97,394

**REPORT PURSUANT TO GOVERNMENT
AUDITING STANDARDS**



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Independent Member
BKR International

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
Morris Essex Insurance Group
Westwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Morris Essex Insurance Group (the "Pool") as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting 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 Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool'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 Pool'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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Morris Essex Insurance Group
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from 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*.

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.

Mount Arlington, New Jersey
November 16, 2021

Nisivoccia LLP

STATISTICAL SECTION

MORRIS ESSEX INSURANCE GROUP
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities										
Unrestricted	\$ 3,847,069	\$ 4,348,089	\$ 5,409,944	\$ 6,102,625	\$ 7,012,792	\$ 7,503,025	\$ 7,796,837	\$ 7,785,886	\$ 8,479,975	\$ 8,609,634
Total Business-Type Activities Net Position	\$ 3,847,069	\$ 4,348,089	\$ 5,409,944	\$ 6,102,625	\$ 7,012,792	\$ 7,503,025	\$ 7,796,837	\$ 7,785,886	\$ 8,479,975	\$ 8,609,634

Source - Insurance Pool Financial Records.

MORRIS ESSEX INSURANCE GROUP
SCHEDULE OF CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue:										
Assessments from Participating School Districts	\$ 2,822,292	\$ 3,015,200	\$ 3,067,611	\$ 3,242,193	\$ 3,358,389	\$ 3,319,147	\$ 3,622,190	\$ 3,656,258	\$ 3,780,905	\$ 3,743,740
Supplemental Assessments from Participating School Districts										
Investment Income	23,279	20,221	18,643	26,041	34,957	64,948	208,030	321,067	232,786	71,420
Total Revenue	2,845,571	3,035,421	3,086,254	3,268,234	3,393,346	3,384,095	3,830,220	3,977,325	4,013,691	3,815,160
Expenses:										
Provision for Claims and Claim Adjustment Expenses	451,649	753,339	89,002	550,406	345,273	581,104	982,279	1,386,234	622,690	787,922
Insurance Premiums	753,914	792,575	830,209	906,797	965,656	1,029,929	1,183,997	1,256,894	1,284,181	1,427,252
Professional Fees	143,593	149,763	168,182	164,460	158,393	127,036	126,986	121,621	185,007	188,472
Administrative Expenses	9,646	10,267	10,662	4,047	12,141	14,869	2,374	3,534	6,822	6,762
Claims Administration	174,955	169,863	192,524	185,322	199,351	179,151	190,785	193,262	195,820	193,345
Total Expenses	1,533,757	1,875,807	1,290,579	1,811,032	1,680,814	1,932,089	2,486,421	2,961,545	2,294,520	2,603,753
Excess of Revenue over Expenses	1,311,814	1,159,614	1,795,675	1,457,202	1,712,532	1,452,006	1,343,799	1,015,780	1,719,171	1,211,407
Member Dividends	513,951	658,594	733,820	764,521	802,365	961,773	1,049,987	1,026,731	1,025,082	1,081,748
Change in Net Position	\$ 797,863	\$ 501,020	\$ 1,061,855	\$ 692,681	\$ 910,167	\$ 490,233	\$ 293,812	\$ (10,951)	\$ 694,089	\$ 129,659

Source - Insurance Pool Financial Records.

MORRIS ESSEX INSURANCE GROUP
MEMBER GROWTH ANALYSIS - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2021

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Number of Members	18	18	18	18	18	17	17	17	17	17
Total Assessments	\$ 2,822,785	\$ 2,999,683	\$ 3,040,880	\$ 3,242,193	\$ 3,356,514	\$ 3,319,147	\$ 3,622,190	\$ 3,656,258	\$ 3,780,905	\$ 3,743,740
Total Number of Claims	229	234	212	171	180	179	192	191	124	108
Total Reported Losses	\$ 656,748	\$ 650,637	\$ 805,003	\$ 664,326	\$ 676,995	\$ 891,640	\$ 998,713	\$ 503,934	\$ 480,493	\$ 799,237

Source - Insurance Pool Records

MORRIS ESSEX INSURANCE GROUP
 REPORTED CLAIM ACTIVITY - BY FUND YEAR
 FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2021
 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Workers' Compensation	229	234	212	171	180	179	192	191	124	108
Total	229	234	212	171	180	179	192	191	124	108
Claims Settled in Full	228	233	210	170	177	175	184	185	117	70
Claims Pending	1	1	2	1	3	4	8	6	7	38
Total	229	234	212	171	180	179	192	191	124	108

Source - Loss Year Summary Report Inservco Incorporated

MORRIS ESSEX INSURANCE GROUP
REPORTED LOSS HISTORY - BY FUND YEAR
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2021
(Unaudited)

During its years of existence, the Pool has incurred the following reported losses (paid claims plus case reserves from claims incurred by Pool members). The claims reflect both the impact of increase in membership, the delay in claims reaching the Pool's coverages, and the changes in the average cost per claim. These amounts do not include incurred but not reported ("IBNR") claim estimates.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Workers' Compensation	\$ 656,748	\$ 650,637	\$ 805,003	\$ 664,326	\$ 676,995	\$ 891,640	\$ 998,713	\$ 561,715	\$ 480,493	\$ 799,237
Total	\$ 656,748	\$ 650,637	\$ 805,003	\$ 664,326	\$ 676,995	\$ 891,640	\$ 998,713	\$ 561,715	\$ 480,493	\$ 799,237
Total number of claims	229	234	212	171	180	179	192	191	124	108
Average cost per claim	\$ 2,868	\$ 2,781	\$ 3,797	\$ 3,885	\$ 3,761	\$ 4,981	\$ 5,202	\$ 2,941	\$ 3,875	\$ 7,400

Source - Joint Insurance Fund- Third Party Claims Administrator