

**Morris Essex Insurance Group**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020  
Westwood, New Jersey

MORRIS ESSEX INSURANCE GROUP  
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JUNE 30, 2020

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## ***Morris Essex Insurance Group***

***Office of the  
Executive Director  
Phone (201) 664-0310  
Fax (201) 664-0107***

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

December 14, 2020

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, 2020 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  
December 14, 2020

### **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, 2020

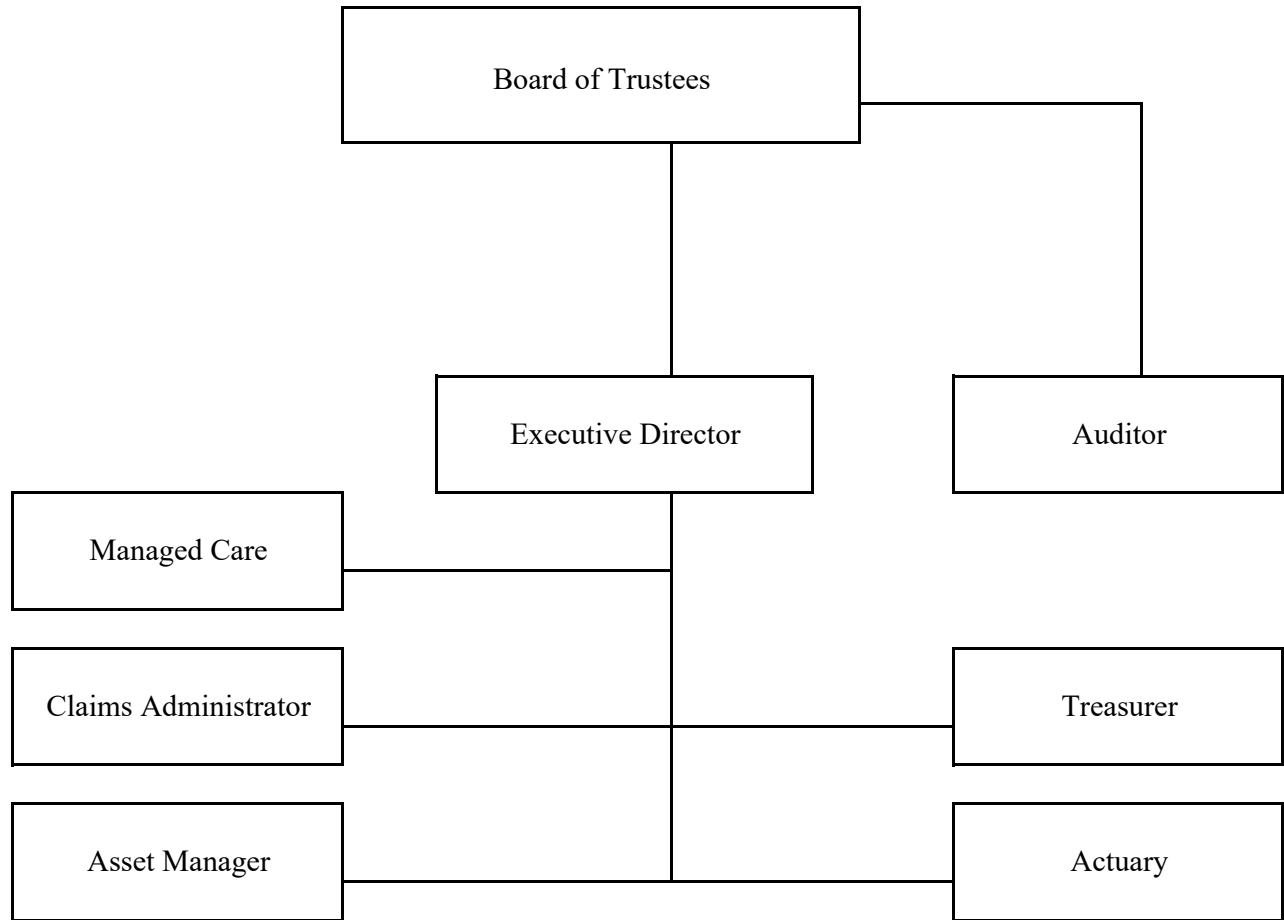
Members of the Board of Trustees

|                             |   |
|-----------------------------|---|
| Vanessa Wolsky, Chairperson | Hanover 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       |
| Michael Halik, Secretary    | North Caldwell 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, 2020

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  
 Dover Board of Education

Glen Ridge Board of Education  
 Long Hill Board of Education  
 Madison Board of Education  
 Mendham Township Board of Education  
 Mine Hill Board of Education  
 Mount Arlington Board of Education  
 Mountain Lakes Board of Education  
 Roseland Board of Education  
 West Essex Regional Board of Education  
 Verona Board of Education

Trustees

Vanessa Wolsky  
 Catarina Bilotta  
 Michael Halik  
 Liz George  
 L. Douglas Pechanec  
 Catherine Jenisch

Representatives

Barbara Murphy  
 Julie Kot  
 Eulalia Gillis  
 Donna Mosner  
 Carolina Rodriguez  
 Tonya Flowers  
 Ronald Smith; Interim  
 Gordon Gibbs  
 Melissa Kida  
 Ernest Turner

**FINANCIAL SECTION**



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[nisivoccia.com](http://nisivoccia.com)

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, 2020 and 2019, 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  
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### ***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, 2020 and 2019, 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 December 14, 2020 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  
December 14, 2020

*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, 2020 and June 30, 2019. 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, 2020, 2019 and 2018.

#### Summary Statement of Net Position

|                                    | 2020                | 2019                | Increase/<br>(Decrease)<br>2019/2020 | 2018                | Increase/<br>(Decrease)<br>2018/2019 |
|------------------------------------|---------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|
| <b>Assets:</b>                     |                     |                     |                                      |                     |                                      |
| Cash and Cash Equivalents          | \$ 11,737,917       | \$ 11,050,491       | \$ 687,426                           | \$ 10,406,010       | \$ 644,481                           |
| Other Assets                       | 65,037              | 120,691             | (55,654)                             | 45,271              | 75,420                               |
| <b>Total Assets</b>                | <b>11,802,954</b>   | <b>11,171,182</b>   | <b>631,772</b>                       | <b>10,451,281</b>   | <b>719,901</b>                       |
| <b>Liabilities:</b>                |                     |                     |                                      |                     |                                      |
| Loss Reserves                      | 3,027,067           | 3,116,855           | (89,788)                             | 2,430,358           | 686,497                              |
| Other Liabilities                  | 295,912             | 268,441             | 27,471                               | 224,086             | 44,355                               |
| <b>Total Liabilities</b>           | <b>3,322,979</b>    | <b>3,385,296</b>    | <b>(62,317)</b>                      | <b>2,654,444</b>    | <b>730,852</b>                       |
| <b>Net Position - Unrestricted</b> | <b>\$ 8,479,975</b> | <b>\$ 7,785,886</b> | <b>\$ 694,089</b>                    | <b>\$ 7,796,837</b> | <b>\$ (10,951)</b>                   |

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

|                                | 2020         | 2019         | Increase/<br>(Decrease)<br>2019/2020 | 2018         | Increase/<br>(Decrease)<br>2018/2019 |
|--------------------------------|--------------|--------------|--------------------------------------|--------------|--------------------------------------|
| Operating Revenue:             |              |              |                                      |              |                                      |
| Assessments and Other Income   | \$ 3,780,905 | \$ 3,656,258 | \$ 124,647                           | \$ 3,622,190 | \$ 34,068                            |
| Operating Expenses:            |              |              |                                      |              |                                      |
| Provision for Claims and Claim |              |              |                                      |              |                                      |
| Adjustment Expense             | 622,690      | 1,386,234    | (763,544)                            | 982,279      | 403,955                              |
| Insurance Premiums             | 1,284,181    | 1,256,894    | 27,287                               | 1,183,997    | 72,897                               |
| Professional and Contractual   |              |              |                                      |              |                                      |
| Services                       | 387,649      | 318,417      | 69,232                               | 320,145      | (1,728)                              |
| Total Operating Expenses       | 2,294,520    | 2,961,545    | (667,025)                            | 2,486,421    | 475,124                              |
| Operating Income               | 1,486,385    | 694,713      | 791,672                              | 1,135,769    | (441,056)                            |
| Investment Income              | 232,786      | 321,067      | (88,281)                             | 208,030      | 113,037                              |
| Member Dividends               | (1,025,082)  | (1,026,731)  | 1,649                                | (1,049,987)  | 23,256                               |
| Change in Net Position         | \$ 694,089   | \$ (10,951)  | \$ 705,040                           | \$ 293,812   | \$ (304,763)                         |

Net Position increased \$921,689 primarily due to the decrease in provision for claims and claim adjustment expense.

### 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,      |               |
|-------------------------------------|---------------|---------------|
|                                     | 2020          | 2019          |
| <u>ASSETS:</u>                      |               |               |
| Current Assets:                     |               |               |
| Cash and Cash Equivalents           | \$ 11,737,917 | \$ 11,050,491 |
| Assessments Receivable              | 65,037        | 19,187        |
| Reinsurance Receivable              |               | 101,504       |
|                                     | <hr/>         | <hr/>         |
| Total Assets                        | 11,802,954    | 11,171,182    |
|                                     | <hr/>         | <hr/>         |
| <u>LIABILITIES:</u>                 |               |               |
| Current Liabilities:                |               |               |
| Accounts Payable - Vendors          | 26,490        | 26,490        |
| Accrued Expenses- Other Governments | 70,000        | 70,000        |
| Member Dividends                    | 199,422       | 171,951       |
| Loss Reserves                       | 3,027,067     | 3,116,855     |
|                                     | <hr/>         | <hr/>         |
| Total Liabilities                   | 3,322,979     | 3,385,296     |
|                                     | <hr/>         | <hr/>         |
| <u>NET POSITION:</u>                |               |               |
| Unrestricted                        | 8,479,975     | 7,785,886     |
|                                     | <hr/>         | <hr/>         |
| Total Net Position                  | \$ 8,479,975  | \$ 7,785,886  |
|                                     | <hr/> <hr/>   | <hr/> <hr/>   |

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, |              |
|--|----------------------------|--------------|
|  | 2020                       | 2019         |
| Operating Revenue:   |                            |              |
| Assessments from Participating School Districts  | \$ 3,780,905               | \$ 3,656,258 |
| Total Operating Revenue  | 3,780,905                  | 3,656,258    |
| Operating Expenses:  |                            |              |
| Provisions for Claims and Claim Adjustment Expense<br>(Net of Reinsurance of \$0 and \$2,462 for 2020 and<br>2019, respectively) | 622,690                    | 1,386,234    |
| Insurance Premiums   | 1,284,181                  | 1,256,894    |
| Professional Fees  | 185,007                    | 121,621      |
| Administrative Expenses  | 6,822                      | 3,534        |
| Claims Administrative Fees   | 195,820                    | 193,262      |
| Total Operating Expenses   | 2,294,520                  | 2,961,545    |
| Operating Income   | 1,486,385                  | 694,713      |
| Non-Operating Revenue:   |                            |              |
| Investment Income  | 232,786                    | 321,067      |
| Change in Net Position before Other Revenue, Expenses, Gains,<br>Losses and Transfers  | 1,719,171                  | 1,015,780    |
| Member Dividends   | (1,025,082)                | (1,026,731)  |
| Change in Net Position   | 694,089                    | (10,951)     |
| Net Position - Beginning of Year   | 7,785,886                  | 7,796,837    |
| Net Position - End of Year   | \$ 8,479,975               | \$ 7,785,886 |

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

MORRIS ESSEX INSURANCE GROUP  
STATEMENT OF CASH FLOWS

|   | Fiscal Year Ended June 30, |               |
|---|----------------------------|---------------|
|   | 2020                       | 2019          |
| Cash Flows from Operating Activities:   |                            |               |
| Assessments Collected   | \$ 3,735,055               | \$ 3,650,008  |
| Insurance Premiums Paid   | (1,284,181)                | (1,256,894)   |
| Claims Paid   | (712,478)                  | (699,737)     |
| General and Administrative Expenses Paid  | (286,145)                  | (394,717)     |
| Net Cash Provided by Operating Activities   | 1,452,251                  | 1,298,660     |
| Cash Flows from Investing Activities:   |                            |               |
| Interest and Dividends on Investments   | 232,786                    | 321,067       |
| Net Cash Provided by Investing Activities   | 232,786                    | 321,067       |
| Cash Flows from Noncapital Financing Activities:  |                            |               |
| Member Dividends  | (997,611)                  | (975,246)     |
| Net Cash Used for Noncapital Financing Activities                                       | (997,611)                  | (975,246)     |
| Net Increase in Cash and Cash Equivalents   | 687,426                    | 644,481       |
| Cash and Cash Equivalents - Beginning of Year   | 11,050,491                 | 10,406,010    |
| Cash and Cash Equivalents - End of Year   | \$ 11,737,917              | \$ 11,050,491 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities:        |                            |               |
| Operating Income  | \$ 1,486,385               | \$ 694,713    |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                            |               |
| Changes in Assets and Liabilities:  |                            |               |
| (Increase) in Assessment Receivable   | (45,850)                   | (6,250)       |
| (Increase)/Decrease in Reinsurance Receivable   | 101,504                    | (69,170)      |
| (Decrease) in Accounts Payable  |                            | (7,130)       |
| Increase/(Decrease) in Loss Reserves  | (89,788)                   | 686,497       |
| Net Cash Provided by Operating Activities   | \$ 1,452,251               | \$ 1,298,660  |

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

MORRIS ESSEX INSURANCE GROUP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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, 2020, the Pool had 17 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, 2020  
(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, 2020  
(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 \$231,472 and \$238,723 for the years ended June 30, 2020 and 2019, respectively. There were no amounts deducted from claims liabilities for reinsurance for the years ended June 30, 2020 and 2019.

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, 2020. 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, 2020  
(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, 2020 and 2019, which have been estimated by the Pool's Actuary and Servicing Agent, are as follows:

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Case Reserves                                | \$ 1,325,394        | \$ 1,642,782        |
| Losses Incurred but not Reported (Unaudited) | <u>1,701,673</u>    | <u>1,474,073</u>    |
| Total Loss Reserves                          | <u>\$ 3,027,067</u> | <u>\$ 3,116,855</u> |

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

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Unpaid Claims and Claim Adjustment Expenses,<br>Beginning of Year                            | <u>\$ 3,116,855</u> | <u>\$ 2,430,358</u> |
| Incurred Claims and Claim Adjustment Expenses:   |                     |                     |
| Provision for Insured Events of the Current Period   | 900,000             | 1,200,079           |
| (Decrease)/Increase in Provision for Insured Events<br>of Prior Years                        | <u>(277,310)</u>    | <u>186,155</u>      |
| Total Incurred Claims and Claim Adjustment Expenses  | <u>622,690</u>      | <u>1,386,234</u>    |
| Payments:  |                     |                     |
| Claims and Claim Adjustment Expenses Attributable to<br>Insured Events of the Current Period | 363,993             | 286,787             |
| Claims and Claim Adjustment Expenses Attributable to<br>Insured Events of Prior Years        | <u>348,485</u>      | <u>412,950</u>      |
| Total Payments   | <u>712,478</u>      | <u>699,737</u>      |
| Total Unpaid Claims and Claim Adjustment Expenses,<br>End of Year                            | <u>\$ 3,027,067</u> | <u>\$ 3,116,855</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, 2020  
(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, 2020  
(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, 2020  
(Continued)

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

Investments (Cont'd):

As of June 30, 2020 and 2019, cash and cash equivalents of the Morris Essex Insurance Group consisted of the following:

|                            | <u>2020</u>          | <u>2019</u>          |
|----------------------------|----------------------|----------------------|
| Checking                   | \$ 11,663,518        | \$ 10,977,213        |
| New Jersey Cash Management | <u>74,399</u>        | <u>73,278</u>        |
|                            | <u>\$ 11,737,917</u> | <u>\$ 11,050,491</u> |

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 carrying amount of the Pool's cash at June 30, 2019 was \$11,050,491 and the bank balance was \$11,788,480. 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 2020-21 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, 2019 AND 2020

|  | <u>Worker's Compensation</u> |                            |
|--|------------------------------|----------------------------|
|  | <u>2020</u>                  | <u>2019</u>                |
| Unpaid Claims and Claim Adjustment Expenses at Beginning of Year   | <u>\$ 3,116,855</u>          | <u>\$ 2,430,358</u>        |
| Incurred Claims and Claim Adjustment Expenses:                     |                              |                            |
| Provision for Insured Events of the Current Period                 | 900,000                      | 1,200,079                  |
| Increase/(Decrease) in Provision for Insured Events of Prior Years | <u>(277,310)</u>             | <u>186,155</u>             |
| Total Incurred Claims and Claim Adjustment Expenses                | <u>622,690</u>               | <u>1,386,234</u>           |
| Payments:  |                              |                            |
| Claims and Claim Adjustment Expenses Attributable to               |                              |                            |
| Insured Events of the Current Period                               | 363,993                      | 286,787                    |
| Claims and Claim Adjustment Expenses Attributable to               |                              |                            |
| Insured Events of Prior Years                                      | <u>348,485</u>               | <u>412,950</u>             |
| Total Payments   | <u>712,478</u>               | <u>699,737</u>             |
| Total Unpaid Claims and Claim Adjustment Expenses at End of Year   | <u><u>\$ 3,027,067</u></u>   | <u><u>\$ 3,116,855</u></u> |

MORRIS ESSEX INSURANCE GROUP  
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

|  | Fiscal Period Ended June 30, 2020 and Policy Period Ended June 30, |              |              |              |              |              |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2011   | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
| Required contribution and investment revenue:  |  |              |              |              |              |              |              |              |              |              |
| Earned   | \$ 2,949,710   | \$ 2,888,518 | \$ 3,080,127 | \$ 3,118,856 | \$ 3,341,633 | \$ 3,471,440 | \$ 3,387,334 | \$ 3,684,906 | \$ 3,712,677 | \$ 3,804,184 |
| Ceded  | 736,312  | 753,914      | 792,575      | 830,209      | 906,797      | 965,656      | 1,029,929    | 1,183,997    | 1,256,894    | 1,284,181    |
| Net Earned   | 2,213,398  | 2,134,604    | 2,287,552    | 2,288,647    | 2,434,836    | 2,505,784    | 2,357,405    | 2,500,909    | 2,455,783    | 2,520,003    |
| Unallocated expenses   | 325,531  | 328,194      | 336,493      | 364,768      | 353,829      | 363,085      | 321,056      | 319,945      | 325,417      | 387,649      |
| Estimated claims and expenses, end of policy year  |  |              |              |              |              |              |              |              |              |              |
| Incurred   | 1,300,000  | 1,100,225    | 1,100,001    | 900,000      | 850,000      | 950,000      | 1,050,000    | 999,999      | 1,200,079    | 900,000      |
| Ceded  |  |              |              |              |              |              |              |              |              |              |
| Net Incurred   | 1,300,000  | 1,100,225    | 1,100,001    | 900,000      | 850,000      | 950,000      | 1,050,000    | 999,999      | 1,200,079    | 900,000      |
| Net paid (cumulative) as of:   |  |              |              |              |              |              |              |              |              |              |
| End of policy year   | 181,894  | 203,607      | 189,762      | 243,363      | 187,243      | 299,601      | 241,707      | 411,192      | 286,787      | 363,993      |
| One year later   | 383,743  | 402,756      | 458,914      | 433,196      | 457,771      | 479,778      | 542,048      | 584,779      | 465,546      |              |
| Two years later  | 454,636  | 477,330      | 498,237      | 492,878      | 523,761      | 510,270      | 614,316      | 606,053      |              |              |
| Three years later  | 565,803  | 517,051      | 525,715      | 567,534      | 537,324      | 542,112      | 638,486      |              |              |              |
| Four years later   | 602,558  | 540,141      | 561,733      | 737,718      | 524,019      | 592,706      |              |              |              |              |
| Five years later   | 631,172  | 573,933      | 569,621      | 752,181      | 574,492      |              |              |              |              |              |
| Six years later  | 656,543  | 579,722      | 596,204      | 760,373      |              |              |              |              |              |              |
| Seven years later  | 656,543  | 655,701      | 603,468      |              |              |              |              |              |              |              |
| Eight years later  | 657,054  | 656,748      |              |              |              |              |              |              |              |              |
| Nine years later   | 657,054  |              |              |              |              |              |              |              |              |              |
| Reestimated ceded claims and expenses  |  |              |              |              |              |              |              |              |              |              |
| Reestimated net incurred claims and expenses:  |  |              |              |              |              |              |              |              |              |              |
| End of policy year   | 1,300,000  | 1,100,225    | 1,100,001    | 900,000      | 850,000      | 950,000      | 1,050,000    | 999,999      | 1,200,079    | 900,000      |
| One year later   | 1,200,103  | 1,100,223    | 900,000      | 900,000      | 849,965      | 950,000      | 1,050,000    | 1,200,009    | 1,000,079    |              |
| Two years later  | 1,200,103  | 950,225      | 900,000      | 900,000      | 849,965      | 825,000      | 1,050,000    | 1,199,931    |              |              |
| Three years later  | 1,049,683  | 875,225      | 800,000      | 950,000      | 924,965      | 790,000      | 1,050,000    |              |              |              |
| Four years later   | 974,683  | 775,225      | 750,001      | 876,250      | 924,965      | 790,000      |              |              |              |              |
| Five years later   | 774,682  | 725,225      | 750,000      | 851,417      | 824,965      |              |              |              |              |              |
| Six years later  | 661,543  | 700,226      | 700,000      | 851,250      |              |              |              |              |              |              |
| Seven years later  | 661,543  | 700,225      | 700,000      |              |              |              |              |              |              |              |
| Eight years later  | 662,054  | 681,748      |              |              |              |              |              |              |              |              |
| Nine years later   | 662,054  |              |              |              |              |              |              |              |              |              |
| Increase/(decrease) in estimated net incurred claims and expense from end of policy year | \$ (637,946)   | \$ (418,477) | \$ (400,001) | \$ (48,750)  | \$ (25,035)  | \$ (160,000) | \$ -0-       | \$ 199,932   | \$ (200,000) | \$ -0-       |

**SUPPLEMENTARY DATA**

## Schedule A

MORRIS ESSEX INSURANCE GROUP  
HISTORICAL OPERATING RESULTS ANALYSIS  
FUND YEAR - 1985 TO 2020  
JUNE 30, 2020  
(Unaudited)

|    |   |    |            |                            |
|----|---|----|------------|----------------------------|
| 1. | <u>Underwriting Income:</u>                                     |    |            |                            |
|    | Regular Contributions (earned)                                  | \$ | 62,455,271 |                            |
|    | Supplemental Contributions                                      |    | 1,288,442  |                            |
|    | Other Income (except investments)                               |    | 12,091     |                            |
|    | Total Income  |    |            | \$ 63,755,804              |
| 2. | <u>Incurred Liabilities:</u>                                    |    |            |                            |
|    | <u>Claims:</u>  |    |            |                            |
|    | Paid  |    | 21,796,294 |                            |
|    | Case Reserves   |    | 1,325,394  |                            |
|    | Imprest Account Reconciliation                                  |    |            |                            |
|    | IBNR Reserve  |    | 1,701,673  |                            |
|    | Subtotal  |    |            | \$ 24,823,361              |
|    | Less Excess Insurance:  |    |            |                            |
|    | Received  |    | 347,014    |                            |
|    | Receivable  |    |            |                            |
|    | Recoverable   |    |            |                            |
|    | Subtotal  |    |            | 347,014                    |
|    | Limited Incurred Claims (claims-excess)                         |    |            | 24,476,347                 |
|    | <u>Expenses:</u>  |    |            |                            |
|    | Excess Insurance Premiums                                       |    | 12,803,104 |                            |
|    | Administrative  |    | 6,251,779  |                            |
|    | Subtotal Expenses   |    |            | 19,054,883                 |
|    | <u>Total Incurred Liabilities (limited claims and expenses)</u> |    |            | <u>43,531,230</u>          |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |            | 20,224,574                 |
| 4. | <u>Investment Income (Earned)</u>                               |    |            | <u>3,981,184</u>           |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |            | 24,205,758                 |
| 6. | <u>Return of Surplus:</u>                                       |    |            |                            |
|    | Paid  |    | 15,526,361 |                            |
|    | Authorized and Unpaid   |    | 199,422    |                            |
|    | Subtotal Return of Surplus                                      |    |            | <u>15,725,783</u>          |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |            | <u><u>\$ 8,479,975</u></u> |

## Schedule B

MORRIS ESSEX INSURANCE GROUP  
HISTORICAL BALANCE SHEET  
FUND YEAR - 1985 TO 2020  
JUNE 30, 2020  
(Unaudited)

1. Assets:

|                          |               |               |               |
|--------------------------|---------------|---------------|---------------|
| Cash and Investments (1) | \$ 11,737,917 |               |               |
|                          |               | \$ 11,737,917 |               |
| <u>Receivables (1):</u>  |               |               |               |
| Excess Insurance         |               |               |               |
| Assessments              | 65,037        |               |               |
| Other                    |               |               |               |
| Total Receivables        |               | 65,037        |               |
| Prepaid Expenses (1)     |               |               |               |
| Other Assets (1)         |               |               |               |
| <u>Total Assets</u>      |               |               | \$ 11,802,954 |

2. Liabilities:Claims:

|                                |           |           |  |
|--------------------------------|-----------|-----------|--|
| Case Reserves                  | 1,325,394 |           |  |
| Imprest Account Reconciliation |           |           |  |
| IBNR Reserve (2)               | 1,701,673 |           |  |
| Subtotal Claims                |           | 3,027,067 |  |

Expenses (unpaid) (1):

|                   |        |        |  |
|-------------------|--------|--------|--|
| Excess Insurance  |        |        |  |
| Administrative    | 96,490 |        |  |
| Subtotal Expenses |        | 96,490 |  |

Other Liabilities:

|                              |         |         |  |
|------------------------------|---------|---------|--|
| Unearned Contributions       |         |         |  |
| Authorized Return of Surplus | 199,422 |         |  |
| Miscellaneous (1)            |         |         |  |
| Subtotal                     |         | 199,422 |  |

|                          |  |  |           |
|--------------------------|--|--|-----------|
| <u>Total Liabilities</u> |  |  | 3,322,979 |
|--------------------------|--|--|-----------|

|                                     |  |              |
|-------------------------------------|--|--------------|
| NET CURRENT SURPLUS/(DEFICIT) = 1-2 |  | \$ 8,479,975 |
|-------------------------------------|--|--------------|

Note: (1) Schedule attached itemizing these categories

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1985  
JUNE 30, 2020  
(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>30,433</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 107,937        |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 105,504 |                |
| Authorized and Unpaid   |    | 2,087   |                |
| Subtotal Return of Surplus                                      |    |         | <u>107,591</u> |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 346</u>  |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1986  
JUNE 30, 2020  
(Unaudited)

|    |   |    |               |                |
|----|---|----|---------------|----------------|
| 1. | <u>Underwriting Income:</u>                                     |    |               |                |
|    | Regular Contributions (earned)                                  | \$ | 329,572       |                |
|    | Supplemental Contributions                                      |    | 119,404       |                |
|    | Other Income (except investments)                               |    | <u>8,513</u>  |                |
|    | Total Income  |    |               | \$ 457,489     |
| 2. | <u>Incurred Liabilities:</u>                                    |    |               |                |
|    | <u>Claims:</u>  |    |               |                |
|    | Paid  |    | 473,900       |                |
|    | Case Reserves   |    |               |                |
|    | Imprest Account   |    |               |                |
|    | IBNR Reserve  |    |               |                |
|    | Subtotal  |    | <u></u>       | \$ 473,900     |
|    | Less Excess Insurance:  |    |               |                |
|    | Received  |    | 247,021       |                |
|    | Receivable  |    |               |                |
|    | Recoverable   |    |               |                |
|    | Subtotal  |    | <u></u>       | <u>247,021</u> |
|    | Limited Incurred Claims (claims-excess)                         |    |               | <u>226,879</u> |
|    | <u>Expenses:</u>  |    |               |                |
|    | Excess Insurance Premiums                                       |    | 34,108        |                |
|    | Administrative  |    | <u>38,428</u> |                |
|    | Subtotal Expenses   |    |               | <u>72,536</u>  |
|    | <u>Total Incurred Liabilities (limited claims and expenses)</u> |    |               | <u>299,415</u> |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |               | 158,074        |
| 4. | <u>Investment Income (Earned)</u>                               |    |               | <u>54,928</u>  |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |               | 213,002        |
| 6. | <u>Return of Surplus:</u>                                       |    |               |                |
|    | Paid  |    | 211,833       |                |
|    | Authorized and Unpaid   |    | <u>1,169</u>  |                |
|    | Subtotal Return of Surplus                                      |    |               | <u>213,002</u> |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |               | <u>\$ -0-</u>  |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1987  
JUNE 30, 2020  
(Unaudited)

|   |    |         |                |
|---|----|---------|----------------|
| 1. <u>Underwriting Income:</u>                                  |    |         |                |
| Regular Contributions (earned)                                  | \$ | 338,387 |                |
| Supplemental Contributions                                      |    |         |                |
| Other Income (except investments)                               |    | 203     |                |
| Total Income  |    |         | \$ 338,590     |
| 2. <u>Incurred Liabilities:</u>                                 |    |         |                |
| <u>Claims:</u>  |    |         |                |
| Paid  |    | 140,513 |                |
| Case Reserves   |    |         |                |
| Imprest Account   |    |         |                |
| IBNR Reserve  |    |         |                |
| Subtotal  |    |         | \$ 140,513     |
| Less Excess Insurance:  |    |         |                |
| Received  |    |         |                |
| Receivable  |    |         |                |
| Recoverable   |    |         |                |
| Subtotal  |    |         |                |
| Limited Incurred Claims (claims-excess)                         |    |         | 140,513        |
| <u>Expenses:</u>  |    |         |                |
| Excess Insurance Premiums                                       |    | 57,286  |                |
| Administrative  |    | 42,552  |                |
| Subtotal Expenses   |    |         | 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>77,355</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 175,594        |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 175,475 |                |
| Authorized and Unpaid   |    | 26      |                |
| Subtotal Return of Surplus                                      |    |         | <u>175,501</u> |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 93</u>   |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1988  
JUNE 30, 2020  
(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>32,899</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 50,918         |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 50,827  |                |
| Authorized and Unpaid   |    |         |                |
| Subtotal Return of Surplus                                      |    |         | <u>50,827</u>  |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 91</u>   |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1989  
JUNE 30, 2020  
(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> |    |         | <u>845,112</u> |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |         | (39,222)       |
| 4. <u>Investment Income (Earned)</u>                            |    |         | <u>62,437</u>  |
| 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                                      |    |         | <u>23,215</u>  |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ -0-</u>  |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1990  
JUNE 30, 2020  
(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>67,938</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 58,023         |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 57,928  |                |
| Authorized and Unpaid   |    |         |                |
| Subtotal Return of Surplus                                      |    |         | <u>57,928</u>  |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 95</u>   |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS

FUND YEAR - 1991

JUNE 30, 2020

(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> |    |         | <u>592,029</u> |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |         | 24,519         |
| 4. <u>Investment Income (Earned)</u>                            |    |         | <u>63,651</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 88,170         |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 87,909  |                |
| Authorized and Unpaid   |    |         |                |
| Subtotal Return of Surplus                                      |    |         | <u>87,909</u>  |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 261</u>  |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1992  
JUNE 30, 2020  
(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   |    | 31,581  |                  |
| Imprest Account   |    |         |                  |
| IBNR Reserve  |    |         |                  |
| Subtotal  |    |         | \$ 648,767       |
| Less Excess Insurance:  |    |         |                  |
| Received  |    |         |                  |
| Receivable  |    |         |                  |
| Recoverable   |    |         |                  |
| Subtotal  |    |         |                  |
| Limited Incurred Claims (claims-excess)                         |    |         | 648,767          |
| <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>730,922</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |         | (30,749)         |
| 4. <u>Investment Income (Earned)</u>                            |    |         | <u>56,297</u>    |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 25,548           |
| 6. <u>Return of Surplus:</u>                                    |    |         |                  |
| Paid  |    | 13,556  |                  |
| Authorized and Unpaid   |    |         |                  |
| Subtotal Return of Surplus                                      |    |         | <u>13,556</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 11,992</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1993  
JUNE 30, 2020  
(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> |    |         | <u>779,972</u> |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |         | 111,972        |
| 4. <u>Investment Income (Earned)</u>                            |    |         | <u>54,636</u>  |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |         | 166,608        |
| 6. <u>Return of Surplus:</u>                                    |    |         |                |
| Paid  |    | 166,223 |                |
| Authorized and Unpaid   |    |         |                |
| Subtotal Return of Surplus                                      |    |         | <u>166,223</u> |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |         | <u>\$ 385</u>  |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1994  
JUNE 30, 2020  
(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> |    |         | <u>515,632</u> |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |         | 449,730        |
| 4. | <u>Investment Income (Earned)</u>                               |    |         | <u>183,827</u> |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |         | 633,557        |
| 6. | <u>Return of Surplus:</u>                                       |    |         |                |
|    | Paid  |    | 632,807 |                |
|    | Authorized and Unpaid   |    |         |                |
|    | Subtotal Return of Surplus                                      |    |         | <u>632,807</u> |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |         | <u>\$ 750</u>  |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1995  
JUNE 30, 2020  
(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>294,619</u>  |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 836,647         |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                 |
|    | Paid  |    | 835,452   |                 |
|    | Authorized and Unpaid   |    |           |                 |
|    | Subtotal Return of Surplus                                      |    |           | <u>835,452</u>  |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 1,195</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1996  
JUNE 30, 2020  
(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> |    |           | <u>688,246</u>  |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 559,216         |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>358,770</u>  |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 917,986         |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                 |
|    | Paid  |    | 914,614   |                 |
|    | Authorized and Unpaid   |    |           |                 |
|    | Subtotal Return of Surplus                                      |    |           | <u>914,614</u>  |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 3,372</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1997  
JUNE 30, 2020  
(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>252,950</u>  |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |              | 952,690         |
| 6. | <u>Return of Surplus:</u>                                       |              |                 |
|    | Paid  | 949,946      |                 |
|    | Authorized and Unpaid   |              |                 |
|    | Subtotal Return of Surplus                                      |              | <u>949,946</u>  |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |              | <u>\$ 2,744</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1998  
JUNE 30, 2020  
(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> |    |           | <u>828,099</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |           | 525,585          |
| 4. <u>Investment Income (Earned)</u>                            |    |           | <u>316,214</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |           | 841,799          |
| 6. <u>Return of Surplus:</u>                                    |    |           |                  |
| Paid  |    | 828,233   |                  |
| Authorized and Unpaid   |    |           |                  |
| Subtotal Return of Surplus                                      |    |           | <u>828,233</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |           | <u>\$ 13,566</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 1999  
JUNE 30, 2020  
(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> |    |           | <u>696,126</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |           | 513,430          |
| 4. <u>Investment Income (Earned)</u>                            |    |           | <u>178,113</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |           | 691,543          |
| 6. <u>Return of Surplus:</u>                                    |    |           |                  |
| Paid  |    | 636,985   |                  |
| Authorized and Unpaid   |    |           |                  |
| Subtotal Return of Surplus                                      |    |           | <u>636,985</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |           | <u>\$ 54,558</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2000  
JUNE 30, 2020  
(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> |              |            | <u>699,224</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 487,667          |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>172,313</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 659,980          |
| 6. <u>Return of Surplus:</u>                                    |              |            |                  |
| Paid  | 627,749      |            |                  |
| Authorized and Unpaid   |              |            |                  |
| Subtotal Return of Surplus                                      |              |            | <u>627,749</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 32,231</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2001  
JUNE 30, 2020  
(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  | 5,000        |            |                  |
| Subtotal  |              | \$ 317,416 |                  |
| Less Excess Insurance:  |              |            |                  |
| Received  |              |            |                  |
| Receivable  |              |            |                  |
| Recoverable   |              |            |                  |
| Subtotal  |              |            |                  |
| Limited Incurred Claims (claims-excess)                         |              | 317,416    |                  |
| <u>Expenses:</u>  |              |            |                  |
| Excess Insurance Premiums                                       | 48,668       |            |                  |
| Administrative  | 195,055      |            |                  |
| Subtotal Expenses   |              | 243,723    |                  |
| <u>Total Incurred Liabilities (limited claims and expenses)</u> |              |            | <u>561,139</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 613,864          |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>171,791</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 785,655          |
| 6. <u>Return of Surplus:</u>                                    |              |            |                  |
| Paid  | 772,964      |            |                  |
| Authorized and Unpaid   |              |            |                  |
| Subtotal Return of Surplus                                      |              |            | <u>772,964</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 12,691</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2002  
JUNE 30, 2020  
(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  |    | 1,000     |                  |
|    | Subtotal  |    |           | \$ 633,304       |
|    | Less Excess Insurance:  |    |           |                  |
|    | Received  |    |           |                  |
|    | Receivable  |    |           |                  |
|    | Recoverable   |    |           |                  |
|    | Subtotal  |    |           |                  |
|    | Limited Incurred Claims (claims-excess)                         |    |           | 633,304          |
|    | <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>833,739</u>   |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 376,898          |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>99,679</u>    |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 476,577          |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                  |
|    | Paid  |    | 449,168   |                  |
|    | Authorized and Unpaid   |    |           |                  |
|    | Subtotal Return of Surplus                                      |    |           | <u>449,168</u>   |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 27,409</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2003  
JUNE 30, 2020  
(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>99,413</u>    |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |           | 468,623          |
| 6. <u>Return of Surplus:</u>                                    |    |           |                  |
| Paid  |    | 454,177   |                  |
| Authorized and Unpaid   |    |           |                  |
| Subtotal Return of Surplus                                      |    |           | <u>454,177</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |           | <u>\$ 14,446</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2004  
JUNE 30, 2020  
(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>75,484</u>    |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 198,602          |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                  |
|    | Paid  |    | 178,636   |                  |
|    | Authorized and Unpaid   |    |           |                  |
|    | Subtotal Return of Surplus                                      |    |           | <u>178,636</u>   |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 19,966</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2005  
JUNE 30, 2020  
(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>42,897</u>    |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 168,724          |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                  |
|    | Paid  |    | 140,549   |                  |
|    | Authorized and Unpaid   |    |           |                  |
|    | Subtotal Return of Surplus                                      |    |           | <u>140,549</u>   |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 28,175</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2006  
JUNE 30, 2020  
(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> |    |           | <u>872,028</u>   |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |    |           | 868,775          |
| 4. <u>Investment Income (Earned)</u>                            |    |           | <u>182,399</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |    |           | 1,051,174        |
| 6. <u>Return of Surplus:</u>                                    |    |           |                  |
| Paid  |    | 976,330   |                  |
| Authorized and Unpaid   |    |           |                  |
| Subtotal Return of Surplus                                      |    |           | <u>976,330</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |    |           | <u>\$ 74,844</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2007  
JUNE 30, 2020  
(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  | 819,074      |            |                  |
| Case Reserves   | 69,000       |            |                  |
| Imprest Account   |              |            |                  |
| IBNR Reserve  | 35,000       |            |                  |
| Subtotal  |              | \$ 923,074 |                  |
| Less Excess Insurance:  |              |            |                  |
| Received  |              |            |                  |
| Receivable  |              |            |                  |
| Recoverable   |              |            |                  |
| Subtotal  |              |            |                  |
| Limited Incurred Claims (claims-excess)                         |              | 923,074    |                  |
| <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>1,271,047</u> |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 681,851          |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>120,961</u>   |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 802,812          |
| 6. <u>Return of Surplus:</u>                                    |              |            |                  |
| Paid  | 766,015      |            |                  |
| Authorized and Unpaid   |              |            |                  |
| Subtotal Return of Surplus                                      |              |            | <u>766,015</u>   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 36,797</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2008  
JUNE 30, 2020  
(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   |              |            |                   |
| IBNR Reserve  | 13,970       |            |                   |
| Subtotal  |              | \$ 986,375 |                   |
| Less Excess Insurance:  |              |            |                   |
| Received  |              |            |                   |
| Receivable  |              |            |                   |
| Recoverable   |              |            |                   |
| Subtotal  |              |            |                   |
| Limited Incurred Claims (claims-excess)                         |              | 986,375    |                   |
| <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>1,369,124</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 630,502           |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>67,606</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 698,108           |
| 6. <u>Return of Surplus:</u>                                    |              |            |                   |
| Paid  | 534,698      |            |                   |
| Authorized and Unpaid   |              |            |                   |
| Subtotal Return of Surplus                                      |              |            | <u>534,698</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 163,410</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2009  
JUNE 30, 2020  
(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   | 48,885       |              |                   |
| Imprest Account   |              |              |                   |
| IBNR Reserve  | 15,000       |              |                   |
| Subtotal  |              | \$ 1,174,937 |                   |
| Less Excess Insurance:  |              |              |                   |
| Received  |              |              |                   |
| Receivable  |              |              |                   |
| Recoverable   |              |              |                   |
| Subtotal  |              |              |                   |
| Limited Incurred Claims (claims-excess)                         |              | 1,174,937    |                   |
| <u>Expenses:</u>  |              |              |                   |
| Excess Insurance Premiums                                       | 634,703      |              |                   |
| Administrative  | 200,880      |              |                   |
| Subtotal Expenses   |              | 835,583      |                   |
| <u>Total Incurred Liabilities (limited claims and expenses)</u> |              |              | <u>2,010,520</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |              | 637,640           |
| 4. <u>Investment Income (Earned)</u>                            |              |              | <u>44,592</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |              | 682,232           |
| 6. <u>Return of Surplus:</u>                                    |              |              |                   |
| Paid  | 536,727      |              |                   |
| Authorized and Unpaid   |              |              |                   |
| Subtotal Return of Surplus                                      |              |              | <u>536,727</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |              | <u>\$ 145,505</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2010  
JUNE 30, 2020  
(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   |              |              |                   |
| IBNR Reserve  | 5,000        |              |                   |
| Subtotal  |              | \$ 1,020,219 |                   |
| Less Excess Insurance:  |              |              |                   |
| Received  |              |              |                   |
| Receivable  |              |              |                   |
| Recoverable   |              |              |                   |
| Subtotal  |              |              |                   |
| Limited Incurred Claims (claims-excess)                         |              | 1,020,219    |                   |
| <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>2,030,917</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |              | 766,801           |
| 4. <u>Investment Income (Earned)</u>                            |              |              | <u>47,181</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |              | 813,982           |
| 6. <u>Return of Surplus:</u>                                    |              |              |                   |
| Paid  | 621,438      |              |                   |
| Authorized and Unpaid   |              |              |                   |
| Subtotal Return of Surplus                                      |              |              | <u>621,438</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |              | <u>\$ 192,544</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2011  
JUNE 30, 2020  
(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   |    |           |                   |
|    | IBNR Reserve  |    | 5,000     |                   |
|    | Subtotal  |    |           | \$ 662,054        |
|    | Less Excess Insurance:  |    |           |                   |
|    | Received  |    |           |                   |
|    | Receivable  |    |           |                   |
|    | Recoverable   |    |           |                   |
|    | Subtotal  |    |           |                   |
|    | Limited Incurred Claims (claims-excess)                         |    |           | 662,054           |
|    | <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> |    |           | <u>1,723,897</u>  |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 1,152,709         |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>73,104</u>     |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 1,225,813         |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                   |
|    | Paid  |    | 834,726   |                   |
|    | Authorized and Unpaid   |    |           |                   |
|    | Subtotal Return of Surplus                                      |    |           | <u>834,726</u>    |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 391,087</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2012  
JUNE 30, 2020  
(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  | 656,748      |            |                   |
| Case Reserves   |              |            |                   |
| Imprest Account   |              |            |                   |
| IBNR Reserve  | 25,000       |            |                   |
| Subtotal  |              | \$ 681,748 |                   |
| Less Excess Insurance:  |              |            |                   |
| Received  |              |            |                   |
| Receivable  |              |            |                   |
| Recoverable   |              |            |                   |
| Subtotal  |              |            |                   |
| Limited Incurred Claims (claims-excess)                         |              | 681,748    |                   |
| <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> |              |            | <u>1,763,856</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 1,058,929         |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>65,733</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 1,124,662         |
| 6. <u>Return of Surplus:</u>                                    |              |            |                   |
| Paid  | 734,359      |            |                   |
| Authorized and Unpaid   |              |            |                   |
| Subtotal Return of Surplus                                      |              | 734,359    |                   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 390,303</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2013  
JUNE 30, 2020  
(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   |    | 47,169    |                   |
|    | Imprest Account   |    |           |                   |
|    | IBNR Reserve  |    | 49,363    |                   |
|    | 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>80,444</u>     |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 1,251,059         |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                   |
|    | Paid  |    | 700,564   |                   |
|    | Authorized and Unpaid   |    | 45,098    |                   |
|    | Subtotal Return of Surplus                                      |    |           | <u>745,662</u>    |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 505,397</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2014  
JUNE 30, 2020  
(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  | 760,373      |            |                   |
| Case Reserves   | 44,630       |            |                   |
| Imprest Account   |              |            |                   |
| IBNR Reserve  | 46,247       |            |                   |
| Subtotal  |              | \$ 851,250 |                   |
| Less Excess Insurance:  |              |            |                   |
| Received  |              |            |                   |
| Receivable  |              |            |                   |
| Recoverable   |              |            |                   |
| Subtotal  |              |            |                   |
| Limited Incurred Claims (claims-excess)                         |              | 851,250    |                   |
| <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>2,046,227</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |            | 995,903           |
| 4. <u>Investment Income (Earned)</u>                            |              |            | <u>77,976</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 1,073,879         |
| 6. <u>Return of Surplus:</u>                                    |              |            |                   |
| Paid  | 520,078      |            |                   |
| Authorized and Unpaid   | 42,281       |            |                   |
| Subtotal Return of Surplus                                      |              |            | <u>562,359</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 511,520</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2015  
JUNE 30, 2020  
(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  |    | 574,492   |                   |
|    | Case Reserves   |    | 89,834    |                   |
|    | Imprest Account   |    |           |                   |
|    | IBNR Reserve  |    | 160,639   |                   |
|    | Subtotal  |    |           | \$ 824,965        |
|    | Less Excess Insurance:  |    |           |                   |
|    | Received  |    |           |                   |
|    | Receivable  |    |           |                   |
|    | Recoverable   |    |           |                   |
|    | Subtotal  |    |           |                   |
|    | Limited Incurred Claims (claims-excess)                         |    |           | 824,965           |
|    | <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> |    |           | <u>2,085,591</u>  |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 1,156,602         |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>99,440</u>     |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 1,256,042         |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                   |
|    | Paid  |    | 466,312   |                   |
|    | Authorized and Unpaid   |    | 40,735    |                   |
|    | Subtotal Return of Surplus                                      |    |           | <u>507,047</u>    |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 748,995</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2016  
JUNE 30, 2020  
(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  | 592,706      |            |                   |
| Case Reserves   | 84,289       |            |                   |
| Imprest Account   |              |            |                   |
| IBNR Reserve  | 113,005      |            |                   |
| 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>114,926</u>    |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |            | 1,354,574         |
| 6. <u>Return of Surplus:</u>                                    |              |            |                   |
| Paid  | 378,333      |            |                   |
| Authorized and Unpaid   | 40,555       |            |                   |
| Subtotal Return of Surplus                                      |              |            | <u>418,888</u>    |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |            | <u>\$ 935,686</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2017  
JUNE 30, 2020  
(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  |    | 638,486   |                   |
|    | Case Reserves   |    | 253,154   |                   |
|    | Imprest Account   |    |           |                   |
|    | IBNR Reserve  |    | 158,360   |                   |
|    | 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> |    |           | <u>2,400,985</u>  |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 893,589           |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>92,760</u>     |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 986,349           |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                   |
|    | Paid  |    | 143,031   |                   |
|    | Authorized and Unpaid   |    | 27,471    |                   |
|    | Subtotal Return of Surplus                                      |    |           | <u>170,502</u>    |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 815,847</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2018  
JUNE 30, 2020  
(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  | 606,053      |              |                   |
| Case Reserves   | 392,660      |              |                   |
| Imprest Account   |              |              |                   |
| IBNR Reserve  | 201,218      |              |                   |
| Subtotal  |              | \$ 1,199,931 |                   |
| Less Excess Insurance:  |              |              |                   |
| Received  |              |              |                   |
| Receivable  |              |              |                   |
| Recoverable   |              |              |                   |
| Subtotal  |              |              |                   |
| Limited Incurred Claims (claims-excess)                         |              | 1,199,931    |                   |
| <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> |              |              | <u>2,703,873</u>  |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |              | 893,313           |
| 4. <u>Investment Income (Earned)</u>                            |              |              | <u>87,720</u>     |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |              | 981,033           |
| 6. <u>Return of Surplus:</u>                                    |              |              |                   |
| Paid  |              |              |                   |
| Authorized and Unpaid   |              |              |                   |
| Subtotal Return of Surplus                                      |              |              |                   |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |              | <u>\$ 981,033</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2019  
JUNE 30, 2020  
(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  | 465,546      |              |                     |
| Case Reserves   | 96,169       |              |                     |
| Imprest Account   |              |              |                     |
| IBNR Reserve  | 438,364      |              |                     |
| Subtotal  |              | \$ 1,000,079 |                     |
| Less Excess Insurance:  |              |              |                     |
| Received  |              |              |                     |
| Receivable  |              |              |                     |
| Recoverable   |              |              |                     |
| Subtotal  |              |              |                     |
| Limited Incurred Claims (claims-excess)                         |              | 1,000,079    |                     |
| <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> |              |              | <u>2,582,390</u>    |
| 3. <u>Underwriting Surplus/(Deficit) = 1-2</u>                  |              |              | 1,073,868           |
| 4. <u>Investment Income (Earned)</u>                            |              |              | <u>56,419</u>       |
| 5. <u>Gross Operating Surplus/(Deficit) = 3+4</u>               |              |              | 1,130,287           |
| 6. <u>Return of Surplus:</u>                                    |              |              |                     |
| Paid  |              |              |                     |
| Authorized and Unpaid   |              |              |                     |
| Subtotal Return of Surplus                                      |              |              |                     |
| 7. <u>Net Current Surplus/(Deficit) = 5-6</u>                   |              |              | <u>\$ 1,130,287</u> |

## Schedule C

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR OPERATING RESULTS ANALYSIS  
FUND YEAR - 2020  
JUNE 30, 2020  
(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  |    | 363,993   |                     |
|    | Case Reserves   |    | 116,500   |                     |
|    | Imprest Account   |    |           |                     |
|    | IBNR Reserve  |    | 419,507   |                     |
|    | Subtotal  |    |           | \$ 900,000          |
|    | Less Excess Insurance:  |    |           |                     |
|    | Received  |    |           |                     |
|    | Receivable  |    |           |                     |
|    | Recoverable   |    |           |                     |
|    | Subtotal  |    |           |                     |
|    | Limited Incurred Claims (claims-excess)                         |    |           | 900,000             |
|    | <u>Expenses:</u>  |    |           |                     |
|    | Excess Insurance Premiums                                       |    | 1,284,181 |                     |
|    | Administrative  |    | 387,649   |                     |
|    | Subtotal Expenses   |    |           | 1,671,830           |
|    | <u>Total Incurred Liabilities (limited claims and expenses)</u> |    |           | <u>2,571,830</u>    |
| 3. | <u>Underwriting Surplus/(Deficit) = 1-2</u>                     |    |           | 1,209,075           |
| 4. | <u>Investment Income (Earned)</u>                               |    |           | <u>23,279</u>       |
| 5. | <u>Gross Operating Surplus/(Deficit) = 3+4</u>                  |    |           | 1,232,354           |
| 6. | <u>Return of Surplus:</u>                                       |    |           |                     |
|    | Paid  |    |           |                     |
|    | Authorized and Unpaid   |    |           |                     |
|    | Subtotal Return of Surplus                                      |    |           |                     |
| 7. | <u>Net Current Surplus/(Deficit) = 5-6</u>                      |    |           | <u>\$ 1,232,354</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1985  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                               |                |
|--|---------------------------------------|-------------------------------|----------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total          |
| 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                        | 728                                   | 29,705                        | 30,433         |
| Transfers                                | (6,370)                               | 6,370                         |                |
| Total Adjustments                        | <u>(5,642)</u>                        | <u>36,075</u>                 | <u>30,433</u>  |
| 5. Gross Operating Surplus               | <u>106,629</u>                        | <u>1,308</u>                  | <u>107,937</u> |
| 6. Return of Surplus                     | <u>106,629</u>                        | <u>962</u>                    | <u>107,591</u> |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                         | <u>\$ 346</u>                 | <u>\$ 346</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1986

JUNE 30, 2020

(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                |
|--|-------------------------------------|-----------------------|----------------|
|  | <u>Worker's</u>                     |                       |                |
|  | <u>Compensation</u>                 | <u>General and</u>    | <u>Total</u>   |
|  | <u>Insurance</u>                    | <u>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)                | 226,879                             |                       | 226,879        |
| Expenses                                 | 34,108                              | \$ 38,428             | 72,536         |
| Total Liabilities                        | <u>260,987</u>                      | <u>38,428</u>         | <u>299,415</u> |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>196,502</u>                      | <u>(38,428)</u>       | <u>158,074</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>199,079</u>                      | <u>13,923</u>         | <u>213,002</u> |
| 6. Return of Surplus                     | <u>199,079</u>                      | <u>13,923</u>         | <u>213,002</u> |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                       | <u>\$ -0-</u>         | <u>\$ -0-</u>  |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1987  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                               |                |
|--|---------------------------------------|-------------------------------|----------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total          |
| 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                        | 16                                    | 77,339                        | 77,355         |
| Transfers                                | 33,246                                | (33,246)                      |                |
| Total Adjustments                        | <u>33,262</u>                         | <u>44,093</u>                 | <u>77,355</u>  |
| 5. Gross Operating Surplus               | <u>174,053</u>                        | <u>1,541</u>                  | <u>175,594</u> |
| 6. Return of Surplus                     | <u>174,053</u>                        | <u>1,448</u>                  | <u>175,501</u> |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                         | <u>\$ 93</u>                  | <u>\$ 93</u>   |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1988  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                |
|--|--|---------------------------------------|----------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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></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                        | 16   | 32,883                                | 32,899         |
| Transfers                                | (12,547)                                       | 12,547                                |                |
| Total Adjustments                        | <u>(12,531)</u>                                | <u>45,430</u>                         | <u>32,899</u>  |
| 5. Gross Operating Surplus               | <u>50,657</u>                                  | <u>261</u>                            | <u>50,918</u>  |
| 6. Return of Surplus                     | <u>50,657</u>                                  | <u>170</u>                            | <u>50,827</u>  |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 91</u>                          | <u>\$ 91</u>   |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1989  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       | <u>Total</u>    |
|--|--|---------------------------------------|-----------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>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>   |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1990  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                |
|--|-------------------------------------|-----------------------|----------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>   |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                |
|  | <u>Insurance</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></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                        | 16                                  | 67,922                | 67,938         |
| Transfers                                | 12,910                              | (12,910)              |                |
| Total Adjustments                        | <u>12,926</u>                       | <u>55,012</u>         | <u>67,938</u>  |
| 5. Gross Operating Surplus               | <u>56,321</u>                       | <u>1,702</u>          | <u>58,023</u>  |
| 6. Return of Surplus                     | <u>56,321</u>                       | <u>1,607</u>          | <u>57,928</u>  |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                       | <u>\$ 95</u>          | <u>\$ 95</u>   |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1991  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                               |            |
|--|---------------------------------------|-------------------------------|------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total      |
| 1. <u>Underwriting Income</u>            |                                       |                               |            |
| Regular Contributions (earned)           | \$ 558,830                            |                               | \$ 558,830 |
| Supplemental Contributions               | 57,718                                |                               | 57,718     |
| Other Income (except investments)        |                                       |                               |            |
| Total Income                             | 616,548                               |                               | 616,548    |
| 2. <u>Incurred Liabilities</u>           |                                       |                               |            |
| Claims (limited incurred)                | 505,124                               |                               | 505,124    |
| Expenses                                 | 33,250                                | \$ 53,655                     | 86,905     |
| Total Liabilities                        | 538,374                               | 53,655                        | 592,029    |
| 3. <u>Underwriting Surplus/(Deficit)</u> | 78,174                                | (53,655)                      | 24,519     |
| 4. <u>Adjustments</u>                    |                                       |                               |            |
| Investment Income                        | 45                                    | 63,606                        | 63,651     |
| Transfers                                | 1,005                                 | (1,005)                       |            |
| Total Adjustments                        | 1,050                                 | 62,601                        | 63,651     |
| 5. Gross Operating Surplus               | 79,224                                | 8,946                         | 88,170     |
| 6. Return of Surplus                     | 79,224                                | 8,685                         | 87,909     |
| 7. Net Current Surplus                   | \$ -0-                                | \$ 261                        | \$ 261     |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1992  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                               |                  |
|--|---------------------------------------|-------------------------------|------------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total            |
| 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)                | 648,767                               |                               | 648,767          |
| Expenses                                 | 31,225                                | \$ 50,930                     | 82,155           |
| Total Liabilities                        | <u>679,992</u>                        | <u>50,930</u>                 | <u>730,922</u>   |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>20,181</u>                         | <u>(50,930)</u>               | <u>(30,749)</u>  |
| 4. <u>Adjustments</u>                    |                                       |                               |                  |
| Investment Income                        | 751                                   | 55,546                        | 56,297           |
| Transfers                                | 2,638                                 | (2,638)                       |                  |
| Total Adjustments                        | <u>3,389</u>                          | <u>52,908</u>                 | <u>56,297</u>    |
| 5. Gross Operating Surplus               | <u>23,570</u>                         | <u>1,978</u>                  | <u>25,548</u>    |
| 6. Return of Surplus                     | <u>11,719</u>                         | <u>1,837</u>                  | <u>13,556</u>    |
| 7. Net Current Surplus                   | <u>\$ 11,851</u>                      | <u>\$ 141</u>                 | <u>\$ 11,992</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1993  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                |
|--|-------------------------------------|-----------------------|----------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>   |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                |
|  | <u>Insurance</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></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                        | 69                                  | 54,567                | 54,636         |
| Transfers                                |                                     |                       |                |
| Total Adjustments                        | <u>69</u>                           | <u>54,567</u>         | <u>54,636</u>  |
| 5. Gross Operating Surplus               | <u>164,473</u>                      | <u>2,135</u>          | <u>166,608</u> |
| 6. Return of Surplus                     | <u>164,473</u>                      | <u>1,750</u>          | <u>166,223</u> |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                       | <u>\$ 385</u>         | <u>\$ 385</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS

FUND YEAR - 1994

JUNE 30, 2020

(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                |
|--|--|---------------------------------------|----------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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></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                        | 127  | 183,700                               | 183,827        |
| Transfers                                | 103,244  | (103,244)                             |                |
| Total Adjustments                        | <u>103,371</u>                                 | <u>80,456</u>                         | <u>183,827</u> |
| 5. Gross Operating Surplus               | <u>606,978</u>                                 | <u>26,579</u>                         | <u>633,557</u> |
| 6. Return of Surplus                     | <u>606,978</u>                                 | <u>25,829</u>                         | <u>632,807</u> |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 750</u>                         | <u>\$ 750</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1995  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                               |                  |
|--|---------------------------------------|-------------------------------|------------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total            |
| 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></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                        | 201                                   | 294,418                       | 294,619          |
| Transfers                                | 158,629                               | (158,629)                     |                  |
| Total Adjustments                        | <u>158,830</u>                        | <u>135,789</u>                | <u>294,619</u>   |
| 5. Gross Operating Surplus               | <u>791,045</u>                        | <u>45,602</u>                 | <u>836,647</u>   |
| 6. Return of Surplus                     | <u>791,045</u>                        | <u>44,407</u>                 | <u>835,452</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                         | <u>\$ 1,195</u>               | <u>\$ 1,195</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1996  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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></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                        | 762  | 358,008                               | 358,770          |
| Transfers                                | 210,855  | (210,855)                             |                  |
| Total Adjustments                        | <u>211,617</u>                                 | <u>147,153</u>                        | <u>358,770</u>   |
| 5. Gross Operating Surplus               | <u>829,453</u>                                 | <u>88,533</u>                         | <u>917,986</u>   |
| 6. Return of Surplus                     | <u>829,453</u>                                 | <u>85,161</u>                         | <u>914,614</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 3,372</u>                       | <u>\$ 3,372</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1997  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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></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                        | 3,840  | 249,110                               | 252,950          |
| Transfers                                | 35,547   | (35,547)                              |                  |
| Total Adjustments                        | <u>39,387</u>                                  | <u>213,563</u>                        | <u>252,950</u>   |
| 5. Gross Operating Surplus               | <u>835,376</u>                                 | <u>117,314</u>                        | <u>952,690</u>   |
| 6. Return of Surplus                     | <u>835,376</u>                                 | <u>114,570</u>                        | <u>949,946</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 2,744</u>                       | <u>\$ 2,744</u>  |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1998  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                  |
|--|-------------------------------------|-----------------------|------------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>     |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                  |
|  | <u>Insurance</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></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                        | 2,220                               | 313,994               | 316,214          |
| Transfers                                | 125,657                             | (125,657)             |                  |
| Total Adjustments                        | <u>127,877</u>                      | <u>188,337</u>        | <u>316,214</u>   |
| 5. Gross Operating Surplus               | <u>758,225</u>                      | <u>83,574</u>         | <u>841,799</u>   |
| 6. Return of Surplus                     | <u>758,225</u>                      | <u>70,008</u>         | <u>828,233</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                       | <u>\$ 13,566</u>      | <u>\$ 13,566</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 1999  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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                        | 59,556   | 118,557                               | 178,113          |
| Transfers                                |  |                                       |                  |
| Total Adjustments                        | <u>59,556</u>                                  | <u>118,557</u>                        | <u>178,113</u>   |
| 5. Gross Operating Surplus               | <u>660,768</u>                                 | <u>30,775</u>                         | <u>691,543</u>   |
| 6. Return of Surplus                     | <u>608,218</u>                                 | <u>28,767</u>                         | <u>636,985</u>   |
| 7. Net Current Surplus                   | <u>\$ 52,550</u>                               | <u>\$ 2,008</u>                       | <u>\$ 54,558</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2000  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                               |                  |
|--|---------------------------------------|-------------------------------|------------------|
|  | Worker's<br>Compensation<br>Insurance | General and<br>Administrative | Total            |
| 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                        | 1,542                                 | 170,771                       | 172,313          |
| Transfers                                | 30,315                                | (30,315)                      |                  |
| Total Adjustments                        | <u>31,857</u>                         | <u>140,456</u>                | <u>172,313</u>   |
| 5. Gross Operating Surplus               | <u>626,430</u>                        | <u>33,550</u>                 | <u>659,980</u>   |
| 6. Return of Surplus                     | <u>599,585</u>                        | <u>28,164</u>                 | <u>627,749</u>   |
| 7. Net Current Surplus                   | <u>\$ 26,845</u>                      | <u>\$ 5,386</u>               | <u>\$ 32,231</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2001  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                  |
|--|-------------------------------------|-----------------------|------------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>     |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                  |
|  | <u>Insurance</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></u>               | <u>1,175,003</u> |
| 2. <u>Incurred Liabilities</u>           |                                     |                       |                  |
| Claims (limited incurred)                | 317,416                             |                       | 317,416          |
| Expenses                                 | 48,668                              | \$ 195,055            | 243,723          |
| Total Liabilities                        | <u>366,084</u>                      | <u>195,055</u>        | <u>561,139</u>   |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>808,919</u>                      | <u>(195,055)</u>      | <u>613,864</u>   |
| 4. <u>Adjustments</u>                    |                                     |                       |                  |
| Investment Income                        | 2,713                               | 169,078               | 171,791          |
| Transfers                                | (84,459)                            | 84,459                |                  |
| Total Adjustments                        | <u>(81,746)</u>                     | <u>253,537</u>        | <u>171,791</u>   |
| 5. Gross Operating Surplus               | <u>727,173</u>                      | <u>58,482</u>         | <u>785,655</u>   |
| 6. Return of Surplus                     | <u>731,173</u>                      | <u>41,791</u>         | <u>772,964</u>   |
| 7. Net Current Surplus                   | <u>\$ (4,000)</u>                   | <u>\$ 16,691</u>      | <u>\$ 12,691</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2002  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                  |
|--|-------------------------------------|-----------------------|------------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>     |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                  |
|  | <u>Insurance</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></u>               | <u>1,210,637</u> |
| 2. <u>Incurred Liabilities</u>           |                                     |                       |                  |
| Claims (limited incurred)                | 633,304                             |                       | 633,304          |
| Expenses                                 | 68,189                              | \$ 132,246            | 200,435          |
| Total Liabilities                        | <u>701,493</u>                      | <u>132,246</u>        | <u>833,739</u>   |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>509,144</u>                      | <u>(132,246)</u>      | <u>376,898</u>   |
| 4. <u>Adjustments</u>                    |                                     |                       |                  |
| Investment Income                        | 4,517                               | 95,162                | 99,679           |
| Transfers                                | (84,444)                            | 84,444                |                  |
| Total Adjustments                        | <u>(79,927)</u>                     | <u>179,606</u>        | <u>99,679</u>    |
| 5. Gross Operating Surplus               | <u>429,217</u>                      | <u>47,360</u>         | <u>476,577</u>   |
| 6. Return of Surplus                     | <u>429,217</u>                      | <u>19,951</u>         | <u>449,168</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                       | <u>\$ 27,409</u>      | <u>\$ 27,409</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2003  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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></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                        | 5,369  | 94,044                                | 99,413           |
| Transfers                                | (104,090)                                      | 104,090                               |                  |
| Total Adjustments                        | <u>(98,721)</u>                                | <u>198,134</u>                        | <u>99,413</u>    |
| 5. Gross Operating Surplus               | <u>407,644</u>                                 | <u>60,979</u>                         | <u>468,623</u>   |
| 6. Return of Surplus                     | <u>407,644</u>                                 | <u>46,533</u>                         | <u>454,177</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 14,446</u>                      | <u>\$ 14,446</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2004  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       | <u>Total</u>     |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>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></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                        | 2,317  | 73,167                                | 75,484           |
| Transfers                                | (108,060)                                      | 108,060                               |                  |
| Total Adjustments                        | <u>(105,743)</u>                               | <u>181,227</u>                        | <u>75,484</u>    |
| 5. Gross Operating Surplus               | <u>160,512</u>                                 | <u>38,090</u>                         | <u>198,602</u>   |
| 6. Return of Surplus                     | <u>160,512</u>                                 | <u>18,124</u>                         | <u>178,636</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 19,966</u>                      | <u>\$ 19,966</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2005  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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                        | 4,351  | 38,546                                | 42,897           |
| Transfers                                |  |                                       |                  |
| Total Adjustments                        | <u>4,351</u>                                   | <u>38,546</u>                         | <u>42,897</u>    |
| 5. Gross Operating Surplus               | <u>159,214</u>                                 | <u>9,510</u>                          | <u>168,724</u>   |
| 6. Return of Surplus                     | <u>138,233</u>                                 | <u>2,316</u>                          | <u>140,549</u>   |
| 7. Net Current Surplus                   | <u>\$ 20,981</u>                               | <u>\$ 7,194</u>                       | <u>\$ 28,175</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2006  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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                        | 10,058   | 172,341                               | 182,399          |
| Transfers                                |  |                                       |                  |
| Total Adjustments                        | <u>10,058</u>                                  | <u>172,341</u>                        | <u>182,399</u>   |
| 5. Gross Operating Surplus               | <u>693,535</u>                                 | <u>357,639</u>                        | <u>1,051,174</u> |
| 6. Return of Surplus                     | <u>693,535</u>                                 | <u>282,795</u>                        | <u>976,330</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 74,844</u>                      | <u>\$ 74,844</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2007  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u>            |                                       |                  |
|--|--|---------------------------------------|------------------|
|  | <u>Worker's<br/>Compensation<br/>Insurance</u> | <u>General and<br/>Administrative</u> | <u>Total</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)                | 923,074  |                                       | 923,074          |
| Expenses                                 | 176,724  | 171,249                               | 347,973          |
| Total Liabilities                        | <u>1,099,798</u>                               | <u>171,249</u>                        | <u>1,271,047</u> |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>462,520</u>                                 | <u>219,331</u>                        | <u>681,851</u>   |
| 4. <u>Adjustments</u>                    |  |                                       |                  |
| Investment Income                        | 11,689   | 109,272                               | 120,961          |
| Transfers                                |  |                                       |                  |
| Total Adjustments                        | <u>11,689</u>                                  | <u>109,272</u>                        | <u>120,961</u>   |
| 5. Gross Operating Surplus               | <u>474,209</u>                                 | <u>328,603</u>                        | <u>802,812</u>   |
| 6. Return of Surplus                     | <u>474,209</u>                                 | <u>291,806</u>                        | <u>766,015</u>   |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                                  | <u>\$ 36,797</u>                      | <u>\$ 36,797</u> |

## Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2008  
JUNE 30, 2020  
(Unaudited)

|  | <u>Coverages and Other Accounts</u> |                       |                   |
|--|-------------------------------------|-----------------------|-------------------|
|  | <u>Worker's</u>                     | <u>General and</u>    | <u>Total</u>      |
|  | <u>Compensation</u>                 | <u>Administrative</u> |                   |
|  | <u>Insurance</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)                | 986,375                             |                       | 986,375           |
| Expenses                                 | 209,826                             | 172,923               | 382,749           |
| Total Liabilities                        | <u>1,196,201</u>                    | <u>172,923</u>        | <u>1,369,124</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>409,500</u>                      | <u>221,002</u>        | <u>630,502</u>    |
| 4. <u>Adjustments</u>                    |                                     |                       |                   |
| Investment Income                        | 26,183                              | 41,423                | 67,606            |
| Transfers                                | 29,722                              | (29,722)              |                   |
| Total Adjustments                        | <u>55,905</u>                       | <u>11,701</u>         | <u>67,606</u>     |
| 5. Gross Operating Surplus               | <u>465,405</u>                      | <u>232,703</u>        | <u>698,108</u>    |
| 6. Return of Surplus                     | <u>335,304</u>                      | <u>199,394</u>        | <u>534,698</u>    |
| 7. Net Current Surplus                   | <u>\$ 130,101</u>                   | <u>\$ 33,309</u>      | <u>\$ 163,410</u> |

MORRIS ESSEX INSURANCE GROUP  
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
 FUND YEAR - 2009  
 JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                 |                               |                   |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative | Total             |
| 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)                | 1,174,937                             |                 |                               | 1,174,937         |
| Expenses                                 | 153,381                               | 481,322         | 200,880                       | 835,583           |
| Total Liabilities                        | <u>1,328,318</u>                      | <u>481,322</u>  | <u>200,880</u>                | <u>2,010,520</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>298,989</u>                        | <u>24,066</u>   | <u>314,585</u>                | <u>637,640</u>    |
| 4. <u>Adjustments</u>                    |                                       |                 |                               |                   |
| Investment Income                        | 27,561                                | 1,105           | 15,926                        | 44,592            |
| Transfers                                | 24,066                                | (24,066)        |                               |                   |
| Total Adjustments                        | <u>51,627</u>                         | <u>(22,961)</u> | <u>15,926</u>                 | <u>44,592</u>     |
| 5. Gross Operating Surplus               | <u>350,616</u>                        | <u>1,105</u>    | <u>330,511</u>                | <u>682,232</u>    |
| 6. Return of Surplus                     | <u>350,616</u>                        |                 | <u>186,111</u>                | <u>536,727</u>    |
| 7. Net Current Surplus                   | <u>\$ -0-</u>                         | <u>\$ 1,105</u> | <u>\$ 144,400</u>             | <u>\$ 145,505</u> |

Schedule D

**MORRIS ESSEX INSURANCE GROUP**  
**FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS**  
**FUND YEAR - 2010**  
**JUNE 30, 2020**  
**(Unaudited)**

|  | Coverages and Other Accounts          |                 |                               |                   |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative | Total             |
| 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)                | 1,020,219                             |                 |                               | 1,020,219         |
| Expenses                                 | 196,592                               | 493,343         | 320,763                       | 1,010,698         |
| Total Liabilities                        | <u>1,216,811</u>                      | <u>493,343</u>  | <u>320,763</u>                | <u>2,030,917</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>620,878</u>                        | <u>27,817</u>   | <u>118,106</u>                | <u>766,801</u>    |
| 4. <u>Adjustments</u>                    |                                       |                 |                               |                   |
| Investment Income                        | 22,539                                | 986             | 23,656                        | 47,181            |
| Transfers                                | 27,817                                | (27,817)        |                               |                   |
| Total Adjustments                        | <u>50,356</u>                         | <u>(26,831)</u> | <u>23,656</u>                 | <u>47,181</u>     |
| 5. Gross Operating Surplus               | <u>671,234</u>                        | <u>986</u>      | <u>141,762</u>                | <u>813,982</u>    |
| 6. Return of Surplus                     | <u>621,438</u>                        |                 |                               | <u>621,438</u>    |
| 7. Net Current Surplus                   | <u>\$ 49,796</u>                      | <u>\$ 986</u>   | <u>\$ 141,762</u>             | <u>\$ 192,544</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
 FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2011  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                 |                               | Total             |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative |                   |
| 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)                | 662,054                               |                 |                               | 662,054           |
| Expenses                                 | 223,492                               | 512,820         | 325,531                       | 1,061,843         |
| Total Liabilities                        | <u>885,546</u>                        | <u>512,820</u>  | <u>325,531</u>                | <u>1,723,897</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>979,597</u>                        | <u>25,643</u>   | <u>147,469</u>                | <u>1,152,709</u>  |
| 4. <u>Adjustments</u>                    |                                       |                 |                               |                   |
| Investment Income                        | 46,320                                | 2,268           | 24,516                        | 73,104            |
| Transfers                                | 25,643                                | (25,643)        |                               |                   |
| Total Adjustments                        | <u>71,963</u>                         | <u>(23,375)</u> | <u>24,516</u>                 | <u>73,104</u>     |
| 5. Gross Operating Surplus               | <u>1,051,560</u>                      | <u>2,268</u>    | <u>171,985</u>                | <u>1,225,813</u>  |
| 6. Return of Surplus                     | <u>834,726</u>                        |                 |                               | <u>834,726</u>    |
| 7. Net Current Surplus                   | <u>\$ 216,834</u>                     | <u>\$ 2,268</u> | <u>\$ 171,985</u>             | <u>\$ 391,087</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2012  
JUNE 30, 2020  
 (Unaudited)

|  | Coverages and Other Accounts          |                  |                               |                   |
|--|---------------------------------------|------------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability        | General and<br>Administrative | Total             |
| 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)                | 681,748                               |                  |                               | 681,748           |
| Expenses                                 | 229,115                               | 524,799          | 328,194                       | 1,082,108         |
| Total Liabilities                        | <u>910,863</u>                        | <u>524,799</u>   | <u>328,194</u>                | <u>1,763,856</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>1,250,904</u>                      | <u>(166,306)</u> | <u>(25,669)</u>               | <u>1,058,929</u>  |
| 4. <u>Adjustments</u>                    |                                       |                  |                               |                   |
| Investment Income                        | 49,921                                | 1,686            | 14,126                        | 65,733            |
| Transfers                                | (190,140)                             | 166,799          | 23,341                        |                   |
| Total Adjustments                        | <u>(140,219)</u>                      | <u>168,485</u>   | <u>37,467</u>                 | <u>65,733</u>     |
| 5. Gross Operating Surplus               | <u>1,110,685</u>                      | <u>2,179</u>     | <u>11,798</u>                 | <u>1,124,662</u>  |
| 6. Return of Surplus                     | <u>734,359</u>                        |                  |                               | <u>734,359</u>    |
| 7. Net Current Surplus                   | <u>\$ 376,326</u>                     | <u>\$ 2,179</u>  | <u>\$ 11,798</u>              | <u>\$ 390,303</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2013  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                 |                               | Total             |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative |                   |
| 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                                 | 232,584                               | 559,991         | 336,493                       | 1,129,068         |
| 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                        | 63,692                                | 3,443           | 13,309                        | 80,444            |
| Transfers                                | (229,740)                             | (32,062)        | 261,802                       |                   |
| Total Adjustments                        | <u>(166,048)</u>                      | <u>(28,619)</u> | <u>275,111</u>                | <u>80,444</u>     |
| 5. Gross Operating Surplus               | <u>1,010,748</u>                      |                 | <u>240,311</u>                | <u>1,251,059</u>  |
| 6. Return of Surplus                     | <u>745,662</u>                        |                 |                               | <u>745,662</u>    |
| 7. Net Current Surplus                   | <u>\$ 265,086</u>                     | <u>\$ -0-</u>   | <u>\$ 240,311</u>             | <u>\$ 505,397</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2014  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                 |                               |                   |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative | Total             |
| 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)                | 851,250                               |                 |                               | 851,250           |
| Expenses                                 | 233,550                               | 596,659         | 364,768                       | 1,194,977         |
| Total Liabilities                        | <u>1,084,800</u>                      | <u>596,659</u>  | <u>364,768</u>                | <u>2,046,227</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>1,029,146</u>                      | <u>29,832</u>   | <u>(63,075)</u>               | <u>995,903</u>    |
| 4. <u>Adjustments</u>                    |                                       |                 |                               |                   |
| Investment Income                        | 66,022                                | 3,675           | 8,279                         | 77,976            |
| Transfers                                | (30,501)                              | (31,683)        | 62,184                        |                   |
| Total Adjustments                        | <u>35,521</u>                         | <u>(28,008)</u> | <u>70,463</u>                 | <u>77,976</u>     |
| 5. Gross Operating Surplus               | <u>1,064,667</u>                      | <u>1,824</u>    | <u>7,388</u>                  | <u>1,073,879</u>  |
| 6. Return of Surplus                     | <u>562,359</u>                        |                 |                               | <u>562,359</u>    |
| 7. Net Current Surplus                   | <u>\$ 502,308</u>                     | <u>\$ 1,824</u> | <u>\$ 7,388</u>               | <u>\$ 511,520</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2015  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                 |                               |                   |
|--|---------------------------------------|-----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability       | General and<br>Administrative | Total             |
| 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)                | 824,965                               |                 |                               | 824,965           |
| Expenses                                 | 265,062                               | 641,735         | 353,829                       | 1,260,626         |
| Total Liabilities                        | <u>1,090,027</u>                      | <u>641,735</u>  | <u>353,829</u>                | <u>2,085,591</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>1,170,241</u>                      | <u>30,468</u>   | <u>(44,107)</u>               | <u>1,156,602</u>  |
| 4. <u>Adjustments</u>                    |                                       |                 |                               |                   |
| Investment Income                        | 84,713                                | 4,037           | 10,690                        | 99,440            |
| Transfers                                | (10,910)                              | (32,327)        | 43,237                        |                   |
| Total Adjustments                        | <u>73,803</u>                         | <u>(28,290)</u> | <u>53,927</u>                 | <u>99,440</u>     |
| 5. Gross Operating Surplus               | <u>1,244,044</u>                      | <u>2,178</u>    | <u>9,820</u>                  | <u>1,256,042</u>  |
| 6. Return of Surplus                     | <u>507,047</u>                        |                 |                               | <u>507,047</u>    |
| 7. Net Current Surplus                   | <u>\$ 736,997</u>                     | <u>\$ 2,178</u> | <u>\$ 9,820</u>               | <u>\$ 748,995</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2016  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                |                               |                   |
|--|---------------------------------------|----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability      | General and<br>Administrative | Total             |
| 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                        | 100,456                               | 751            | 13,719                        | 114,926           |
| Transfers                                | (22,420)                              | 1,859          | 20,561                        |                   |
| Total Adjustments                        | <u>78,036</u>                         | <u>2,610</u>   | <u>34,280</u>                 | <u>114,926</u>    |
| 5. Gross Operating Surplus               | <u>1,334,382</u>                      |                | <u>20,192</u>                 | <u>1,354,574</u>  |
| 6. Return of Surplus                     | <u>418,888</u>                        |                |                               | <u>418,888</u>    |
| 7. Net Current Surplus                   | <u>\$ 915,494</u>                     | <u>\$ -0-</u>  | <u>\$ 20,192</u>              | <u>\$ 935,686</u> |

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2017  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                |                               |                   |
|--|---------------------------------------|----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability      | General and<br>Administrative | Total             |
| 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                                 | 270,903                               | 759,026        | 321,056                       | 1,350,985         |
| 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                        | 80,283                                |                | 12,477                        | 92,760            |
| Transfers                                |                                       |                |                               |                   |
| Total Adjustments                        | <u>80,283</u>                         |                | <u>12,477</u>                 | <u>92,760</u>     |
| 5. Gross Operating Surplus               | <u>975,135</u>                        |                | <u>11,214</u>                 | <u>986,349</u>    |
| 6. Return of Surplus                     | <u>170,502</u>                        |                |                               | <u>170,502</u>    |
| 7. Net Current Surplus                   | <u>\$ 804,633</u>                     | <u>\$ -0-</u>  | <u>\$ 11,214</u>              | <u>\$ 815,847</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2018  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                |                               |                   |
|--|---------------------------------------|----------------|-------------------------------|-------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability      | General and<br>Administrative | Total             |
| 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)                | 1,199,931                             |                |                               | 1,199,931         |
| Expenses                                 | 230,707                               | 953,290        | 319,945                       | 1,503,942         |
| Total Liabilities                        | <u>1,430,638</u>                      | <u>953,290</u> | <u>319,945</u>                | <u>2,703,873</u>  |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>884,576</u>                        | <u>(1,589)</u> | <u>10,326</u>                 | <u>893,313</u>    |
| 4. <u>Adjustments</u>                    |                                       |                |                               |                   |
| Investment Income                        | 76,769                                |                | 10,951                        | 87,720            |
| Transfers                                | (1,589)                               | 1,589          |                               |                   |
| Total Adjustments                        | <u>75,180</u>                         | <u>1,589</u>   | <u>10,951</u>                 | <u>87,720</u>     |
| 5. Gross Operating Surplus               | <u>959,756</u>                        |                | <u>21,277</u>                 | <u>981,033</u>    |
| 6. Return of Surplus                     |                                       |                |                               |                   |
| 7. Net Current Surplus                   | <u>\$ 959,756</u>                     | <u>\$ -0-</u>  | <u>\$ 21,277</u>              | <u>\$ 981,033</u> |

Schedule D

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR ACCOUNT OPERATING RESULTS ANALYSIS  
FUND YEAR - 2019  
JUNE 30, 2020  
(Unaudited)

|  | Coverages and Other Accounts          |                  |                               |                     |
|--|---------------------------------------|------------------|-------------------------------|---------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability        | General and<br>Administrative | Total               |
| 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)                | 1,000,079                             |                  |                               | 1,000,079           |
| Expenses                                 | 238,723                               | 1,018,171        | 325,417                       | 1,582,311           |
| Total Liabilities                        | <u>1,238,802</u>                      | <u>1,018,171</u> | <u>325,417</u>                | <u>2,582,390</u>    |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>1,067,216</u>                      |                  | <u>6,652</u>                  | <u>1,073,868</u>    |
| 4. <u>Adjustments</u>                    |                                       |                  |                               |                     |
| Investment Income                        | 49,284                                |                  | 7,135                         | 56,419              |
| Transfers                                |                                       |                  |                               |                     |
| Total Adjustments                        | <u>49,284</u>                         |                  | <u>7,135</u>                  | <u>56,419</u>       |
| 5. Gross Operating Surplus               | <u>1,116,500</u>                      |                  | <u>13,787</u>                 | <u>1,130,287</u>    |
| 6. Return of Surplus                     |                                       |                  |                               |                     |
| 7. Net Current Surplus                   | <u>\$ 1,116,500</u>                   | <u>\$ -0-</u>    | <u>\$ 13,787</u>              | <u>\$ 1,130,287</u> |

Schedule D

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

|  | Coverages and Other Accounts          |                  |                               |                     |
|--|---------------------------------------|------------------|-------------------------------|---------------------|
|  | Worker's<br>Compensation<br>Insurance | Liability        | General and<br>Administrative | Total               |
| 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)                | 900,000                               |                  |                               | 900,000             |
| Expenses                                 | 231,472                               | 1,052,709        | 387,649                       | 1,671,830           |
| Total Liabilities                        | <u>1,131,472</u>                      | <u>1,052,709</u> | <u>387,649</u>                | <u>2,571,830</u>    |
| 3. <u>Underwriting Surplus/(Deficit)</u> | <u>1,225,358</u>                      |                  | <u>(16,283)</u>               | <u>1,209,075</u>    |
| 4. <u>Adjustments</u>                    |                                       |                  |                               |                     |
| Investment Income                        | 20,128                                |                  | 3,151                         | 23,279              |
| Transfers                                |                                       |                  |                               |                     |
| Total Adjustments                        | <u>20,128</u>                         |                  | <u>3,151</u>                  | <u>23,279</u>       |
| 5. Gross Operating Surplus               | <u>1,245,486</u>                      |                  | <u>(13,132)</u>               | <u>1,232,354</u>    |
| 6. Return of Surplus                     |                                       |                  |                               |                     |
| 7. Net Current Surplus                   | <u>\$ 1,245,486</u>                   | <u>\$ -0-</u>    | <u>\$ (13,132)</u>            | <u>\$ 1,232,354</u> |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1985  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 473,900  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     |   |
| Subtotal         | <hr/> 473,900 <hr/>   |
| Excess Insurance |   |
| Received         | 247,021   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <hr/> 247,021 <hr/>   |
| Incurred Claims  | <hr/> 226,879 <hr/>   |
| Number of Claims | 252   |
| Cost/Claim       | <hr/> \$ 900 <hr/>  |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1987  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1988  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1989  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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, 2020  
 (Unaudited)

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

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1991  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 617,186  |
| Case Reserves    | 31,581  |
| Imprest Account  |   |
| IBNR Reserve     |   |
| Subtotal         | <u>648,767</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>648,767</u>  |
| Number of Claims | 253   |
| Cost/Claim       | <u>\$ 2,564</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1993  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1994  
JUNE 30, 2020  
(Unaudited)

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

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1995  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1996  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1997  
JUNE 30, 2020  
(Unaudited)

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

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1998  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 1999  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2001  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 312,416  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     | 5,000   |
| Subtotal         | <u>317,416</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>317,416</u>  |
| Number of Claims | 283   |
| Cost/Claim       | <u>\$ 1,122</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2002  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 632,304  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     | 1,000   |
| Subtotal         | <u>633,304</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>633,304</u>  |
| Number of Claims | 273   |
| Cost/Claim       | <u>\$ 2,320</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2003  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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, 2020  
 (Unaudited)

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

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2005  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2006  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2007  
JUNE 30, 2020  
 (Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 819,074  |
| Case Reserves    | 69,000  |
| Imprest Account  |   |
| IBNR Reserve     | 35,000  |
| Subtotal         | <u>923,074</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>923,074</u>  |
| Number of Claims | 238   |
| Cost/Claim       | <u>\$ 3,878</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2008  
JUNE 30, 2020  
 (Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 956,076  |
| Case Reserves    | 16,329  |
| Imprest Account  |   |
| IBNR Reserve     | 13,970  |
| Subtotal         | <u>986,375</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>986,375</u>  |
| Number of Claims | 261   |
| Cost/Claim       | <u>\$ 3,779</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2009  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 1,111,052  |
| Case Reserves    | 48,885  |
| Imprest Account  |   |
| IBNR Reserve     | 15,000  |
| Subtotal         | <u>1,174,937</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>1,174,937</u>  |
| Number of Claims | 276   |
| Cost/Claim       | <u>\$ 4,257</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2010  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 1,015,219  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     | 5,000   |
| Subtotal         | <u>1,020,219</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>1,020,219</u>  |
| Number of Claims | 256   |
| Cost/Claim       | <u>\$ 3,985</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2011  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 657,054  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     | 5,000   |
| Subtotal         | <u>662,054</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>662,054</u>  |
| Number of Claims | 258   |
| Cost/Claim       | <u>\$ 2,566</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2012  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 656,748  |
| Case Reserves    |   |
| Imprest Account  |   |
| IBNR Reserve     | 25,000  |
| Subtotal         | <u>681,748</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>681,748</u>  |
| Number of Claims | 229   |
| Cost/Claim       | <u>\$ 2,977</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2013  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 603,468  |
| Case Reserves    | 47,169  |
| Imprest Account  |   |
| IBNR Reserve     | 49,363  |
| 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 GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2014  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 760,373  |
| Case Reserves    | 44,630  |
| Imprest Account  |   |
| IBNR Reserve     | 46,247  |
| Subtotal         | <u>851,250</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>851,250</u>  |
| Number of Claims | 212   |
| Cost/Claim       | <u>\$ 4,015</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2015  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 574,492  |
| Case Reserves    | 89,834  |
| Imprest Account  |   |
| IBNR Reserve     | 160,639   |
| Subtotal         | <u>824,965</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>824,965</u>  |
| Number of Claims | 171   |
| Cost/Claim       | <u>\$ 4,824</u>   |

## Schedule E

MORRIS ESSEX INSURANCE GROUP  
FUND YEAR CLAIMS ANALYSIS  
FUND YEAR - 2016  
JUNE 30, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 592,706  |
| Case Reserves    | 84,289  |
| Imprest Account  |   |
| IBNR Reserve     | 113,005   |
| 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, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 638,486  |
| Case Reserves    | 253,154   |
| Imprest Account  |   |
| IBNR Reserve     | 158,360   |
| 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, 2020  
 (Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 606,053  |
| Case Reserves    | 392,660   |
| Imprest Account  |   |
| IBNR Reserve     | 201,218   |
| Subtotal         | <u>1,199,931</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>1,199,931</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, 2020  
(Unaudited)

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 465,546  |
| Case Reserves    | 96,169  |
| Imprest Account  |   |
| IBNR Reserve     | 438,364   |
| Subtotal         | <u>1,000,079</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>1,000,079</u>  |
| Number of Claims | 191   |
| Cost/Claim       | <u>\$ 5,236</u>   |

## Schedule E

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

|                  | <u>Coverage</u><br><u>Worker's</u><br><u>Compensation</u><br><u>Insurance</u> |
|------------------|---|
| Paid Claims      | \$ 363,993  |
| Case Reserves    | 116,500   |
| Imprest Account  |   |
| IBNR Reserve     | 419,507   |
| Subtotal         | <u>900,000</u>  |
| Excess Insurance |   |
| Received         |   |
| Receivable       |   |
| Recoverable      |   |
| Subtotal         | <u>                    </u>   |
| Incurred Claims  | <u>900,000</u>  |
| Number of Claims | 124   |
| Cost/Claim       | <u>\$ 7,258</u>   |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1985JUNE 30, 2020

(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 GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1986JUNE 30, 2020

(Unaudited)

|                                      | <u>Paid</u>      | <u>Unpaid</u> | <u>Total</u>     |
|--------------------------------------|------------------|---------------|------------------|
| 1. <u>Excess Insurance (itemize)</u> |                  |               |                  |
| Insurance Premiums:                  |                  |               |                  |
| Reinsurance                          | \$ 34,108        |               | \$ 34,108        |
| Subtotal Excess                      | <u>34,108</u>    |               | <u>34,108</u>    |
| 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              | <u>38,428</u>    |               | <u>38,428</u>    |
| Total Expenses = 1+2                 | <u>\$ 72,536</u> | <u>\$ -0-</u> | <u>\$ 72,536</u> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1987JUNE 30, 2020

(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, 2020

(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 GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1989JUNE 30, 2020

(Unaudited)

|                                      | <u>Paid</u>      | <u>Unpaid</u> | <u>Total</u>     |
|--------------------------------------|------------------|---------------|------------------|
| 1. <u>Excess Insurance (itemize)</u> |                  |               |                  |
| Insurance Premiums:                  |                  |               |                  |
| Reinsurance                          | \$ 38,900        |               | \$ 38,900        |
| Subtotal Excess                      | <u>38,900</u>    |               | <u>38,900</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                 | 2,864            |               | 2,864            |
| Miscellaneous                        | <u>3,546</u>     |               | <u>3,546</u>     |
| Subtotal Administrative              | <u>55,935</u>    |               | <u>55,935</u>    |
| Total Expenses = 1+2                 | <u>\$ 94,835</u> | <u>\$ -0-</u> | <u>\$ 94,835</u> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1990JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1991JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1992JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1993JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1994JUNE 30, 2020

(Unaudited)

|                                      | <u>Paid</u>      | <u>Unpaid</u> | <u>Total</u>     |
|--------------------------------------|------------------|---------------|------------------|
| 1. <u>Excess Insurance (itemize)</u> |                  |               |                  |
| Insurance Premiums:                  |                  |               |                  |
| Reinsurance                          | \$ 40,208        |               | \$ 40,208        |
| Subtotal Excess                      | <u>40,208</u>    |               | <u>40,208</u>    |
| 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              | <u>53,877</u>    |               | <u>53,877</u>    |
| Total Expenses = 1+2                 | <u>\$ 94,085</u> | <u>\$ -0-</u> | <u>\$ 94,085</u> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1995JUNE 30, 2020

(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              | 90,187      |               | 90,187       |
| Total Expenses = 1+2                 | \$ 90,187   | \$ -0-        | \$ 90,187    |

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, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1997JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 1998JUNE 30, 2020

(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, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2000JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2001JUNE 30, 2020

(Unaudited)

|                                      | <u>Paid</u>       | <u>Unpaid</u> | <u>Total</u>      |
|--------------------------------------|-------------------|---------------|-------------------|
| 1. <u>Excess Insurance (itemize)</u> |                   |               |                   |
| Insurance Premiums:                  |                   |               |                   |
| Reinsurance                          | \$ 48,668         |               | \$ 48,668         |
| Subtotal Excess                      | <u>48,668</u>     |               | <u>48,668</u>     |
| 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              | <u>195,055</u>    |               | <u>195,055</u>    |
| Total Expenses = 1+2                 | <u>\$ 243,723</u> | <u>\$ -0-</u> | <u>\$ 243,723</u> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2002JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2003JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2004JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2005JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2006JUNE 30, 2020

(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 GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2007JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2008JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2009JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2010JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2011JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2012JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2013JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2014JUNE 30, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2015JUNE 30, 2020

(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> |

Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2016JUNE 30, 2020

(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, 2020

(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 GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2018JUNE 30, 2020

(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, 2020

(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> |

## Schedule F

MORRIS ESSEX INSURANCE GROUPFUND YEAR EXPENSE ANALYSISFUND YEAR - 2020JUNE 30, 2020

(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                                |                     | \$ 19,890        | 19,890              |
| Safety Management Services           | 31,834              |                  | 31,834              |
| Actuary                              |                     | 6,600            | 6,600               |
| Risk Management Fee                  | 51,493              |                  | 51,493              |
| Miscellaneous                        | 6,822               |                  | 6,822               |
| Subtotal Administrative              | <u>361,159</u>      | <u>26,490</u>    | <u>387,649</u>      |
| Total Expenses = 1+2                 | <u>\$ 1,645,340</u> | <u>\$ 26,490</u> | <u>\$ 1,671,830</u> |

MORRIS ESSEX INSURANCE GROUPPROGRAM SUMMARYFUND YEAR - 2020JUNE 30, 2020

(Unaudited)

COVERAGE

|   | Worker's<br>Compensation                     | Liability  |
|---|--|--|
| 1. <u>Limits</u>  |  |  |
|   | Part I - Statutory                           | \$1,000,000/\$2,000,000  |
|   | Part II - Employers' Liability - \$5,000,000 | American Alternative   |
| 2. <u>Fund Retention</u>  |  |  |
| <u>Specific</u>   | \$500,000                                    |  |
| <u>Aggregate</u>  | \$6,134,826                                  |  |
| 3. <u>Excess Insurers</u><br>(list all insurers and amount insured) | State National Insurance Co.                 | \$10,000,000 American Alternative Umbrell<br>Includes School Board Legal |
|   |  | \$30,000,000 Starstone/Markel  |
| 4. <u>Number of Participants</u>                                    | 17   | \$50,000,000 Fireman's Fund<br>CAP Policy                                |
| 5. <u>Incurred Liabilities</u>                                      | \$480,493                                    | \$1,052,709  |
| 6. <u>Exposure Units</u><br>(Population)                            | \$283,321,341<br>Payroll                     | \$71,225,546<br>Payroll  |
| 7. <u>Liabilities/Unit</u>  | \$0.0017                                     | \$0.0148   |

MORRIS ESSEX INSURANCE GROUP  
STATE REQUIRED SUPPORTING  
SCHEDULE - ANNUAL REPORT  
ANALYSIS OF CASH AND INVESTMENTS  
JUNE 30, 2020  
 (Unaudited)

| <u>Bank</u>              | <u>Account or<br/>Investment Number</u> | <u>Amount</u>               |
|--------------------------|---|-----------------------------|
| Valley National Bank     | 41699882                                | \$ 8,235                    |
| Valley National Bank     | 41699890                                | 634,754                     |
| Valley National Bank     | 41235266                                | 11,663,518                  |
| NJ Cash Management Fund  | 117-105465-171                          | 74,399                      |
|                          |   | <u>12,380,906</u>           |
| Less: Outstanding Checks |   | <u>(642,989)</u>            |
|                          |   | <u><u>\$ 11,737,917</u></u> |

ANALYSIS OF EXCESS INSURANCE RECEIVABLE  
JUNE 30, 2020  
 (Unaudited)

|                    |                      |
|--------------------|----------------------|
| Due from Reinsurer | <u><u>\$ -0-</u></u> |
|--------------------|----------------------|

MORRIS ESSEX INSURANCE GROUP  
STATE REQUIRED SUPPORTING  
SCHEDULE - ANNUAL REPORT  
ANALYSIS OF ASSESSMENTS RECEIVABLE  
JUNE 30, 2020  
 (Unaudited)

|   |             |
|---|-------------|
| Dover School District                         | \$ 12,826   |
| Glen Ridge School District                    | 10,063      |
| Hanover Township School District              | 2,693       |
| Madison Borough School District               | 8,951       |
| Mendham Township School District              | 6,139       |
| Morris County Educational Services Commission | 12,981      |
| Mount Arlington School District               | 3,502       |
| West Essex Regional School District           | 7,882       |
|   | <hr/>       |
|   | \$ 65,037   |
|   | <hr/> <hr/> |

ANALYSIS OF EXPENSES PAYABLE  
JUNE 30, 2020  
 (Unaudited)

|   |             |
|---|-------------|
| <u>General and Administrative Fund:</u> |             |
| Accounting and Auditing Services        | \$ 89,890   |
| Actuarial Services                      | 6,600       |
|   | <hr/>       |
|   | \$ 96,490   |
|   | <hr/> <hr/> |

**REPORT PURSUANT TO GOVERNMENT  
AUDITING STANDARDS**



200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973.298.8500

11 Lawrence Road  
Newton, NJ 07860  
973.383.6699

[nisivoccia.com](http://nisivoccia.com)

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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated December 14, 2020.

**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  
December 14, 2020

*Nisivoccia LLP*

**STATISTICAL SECTION**

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

|   | June 30,            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
| Business-Type Activities                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Unrestricted                                | \$ 3,049,206        | \$ 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        |
| Total Business-Type Activities Net Position | <u>\$ 3,049,206</u> | <u>\$ 3,847,069</u> | <u>\$ 4,348,089</u> | <u>\$ 5,409,944</u> | <u>\$ 6,102,625</u> | <u>\$ 7,012,792</u> | <u>\$ 7,503,025</u> | <u>\$ 7,796,837</u> | <u>\$ 7,785,886</u> | <u>\$ 8,479,975</u> |

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, |              |              |              |              |              |              |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2011                        | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
| Revenue:   |                             |              |              |              |              |              |              |              |              |              |
| Assessments from Participating School Districts              | \$ 2,876,606                | \$ 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 |
| Supplemental Assessments from Participating School Districts |                             |              |              |              |              |              |              |              |              |              |
| Investment Income  | 49,578                      | 23,279       | 20,221       | 18,643       | 26,041       | 34,957       | 64,948       | 208,030      | 321,067      | 232,786      |
| Total Revenue  | 2,926,184                   | 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    |
| Expenses:  |                             |              |              |              |              |              |              |              |              |              |
| Provision for Claims and Claim Adjustment Expenses           |                             |              |              |              |              |              |              |              |              |              |
| Insurance Premiums   | 702,345                     | 451,649      | 753,339      | 89,002       | 550,406      | 345,273      | 581,104      | 982,279      | 1,386,234    | 622,690      |
| Professional Fees  | 736,312                     | 753,914      | 792,575      | 830,209      | 906,797      | 965,656      | 1,029,929    | 1,183,997    | 1,256,894    | 1,284,181    |
| Administrative Expenses                                      | 140,179                     | 143,593      | 149,763      | 168,182      | 164,460      | 158,393      | 127,036      | 126,986      | 121,621      | 185,007      |
| Claims Administration  | 13,618                      | 9,646        | 10,267       | 10,662       | 4,047        | 12,141       | 14,869       | 2,374        | 3,534        | 6,822        |
|  | 173,487                     | 174,955      | 169,863      | 192,524      | 185,322      | 199,351      | 179,151      | 190,785      | 193,262      | 195,820      |
| Total Expenses   | 1,765,941                   | 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    |
| Excess of Revenue over Expenses                              | 1,160,243                   | 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    |
| Member Dividends   | 592,294                     | 513,951      | 658,594      | 733,820      | 764,521      | 802,365      | 961,773      | 1,049,987    | 1,026,731    | 1,025,082    |
| Change in Net Position                                       | \$ 567,949                  | \$ 797,863   | \$ 501,020   | \$ 1,061,855 | \$ 692,681   | \$ 910,167   | \$ 490,233   | \$ 293,812   | \$ (10,951)  | \$ 694,089   |

Source - Insurance Pool Financial Records.

MORRIS ESSEX INSURANCE GROUP  
MEMBER GROWTH ANALYSIS - BY FUND YEAR  
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2020  
 (Unaudited)

|                        | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Tota Number of Members | 19           | 18           | 18           | 18           | 18           | 18           | 17           | 17           | 17           | 17           |
| Total Assessments      | \$ 2,876,606 | \$ 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 |
| Total Number of Claims | 258          | 229          | 234          | 212          | 171          | 180          | 179          | 192          | 191          | 124          |
| Total Reported Losses  | \$ 657,054   | \$ 656,748   | \$ 650,637   | \$ 805,003   | \$ 664,326   | \$ 676,995   | \$ 891,640   | \$ 998,713   | \$ 503,934   | \$ 480,493   |

Source - Insurance Pool Records

MORRIS ESSEX INSURANCE GROUP  
REPORTED CLAIM ACTIVITY - BY FUND YEAR  
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2020  
(Unaudited)

|                        | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| Workers' Compensation  |      |      |      |      |      |      |      |      |      |      |
|                        | 258  | 229  | 234  | 212  | 171  | 180  | 179  | 192  | 191  | 124  |
| Total                  | 258  | 229  | 234  | 212  | 171  | 180  | 179  | 192  | 191  | 124  |
| Claims Settled in Full | 258  | 229  | 233  | 210  | 168  | 176  | 175  | 180  | 186  | 102  |
| Claims Pending         | 0    | 0    | 1    | 2    | 3    | 4    | 4    | 12   | 5    | 22   |
| Total                  | 258  | 229  | 234  | 212  | 171  | 180  | 179  | 192  | 191  | 124  |

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, 2020  
 (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.

|                        | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Workers' Compensation  | \$ 657,054 | \$ 656,748 | \$ 650,637 | \$ 805,003 | \$ 664,326 | \$ 676,995 | \$ 891,640 | \$ 998,713 | \$ 561,715 | \$ 480,493 |
| Total                  | \$ 657,054 | \$ 656,748 | \$ 650,637 | \$ 805,003 | \$ 664,326 | \$ 676,995 | \$ 891,640 | \$ 998,713 | \$ 561,715 | \$ 480,493 |
| Total number of claims | 258        | 229        | 234        | 212        | 171        | 180        | 179        | 192        | 191        | 124        |
| Average cost per claim | \$ 2,547   | \$ 2,868   | \$ 2,781   | \$ 3,797   | \$ 3,885   | \$ 3,761   | \$ 4,981   | \$ 5,202   | \$ 2,941   | \$ 3,875   |

Source - Joint Insurance Fund- Third Party Claims Administrator