



The New Jersey Safety Net

2024 Annual Report



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New Jersey Property-Liability Insurance Guaranty Association

THE NEW JERSEY SAFETY NET

The New Jersey Property-Liability Insurance Guaranty Association (NJPLIGA) was established in 1974 to provide statutory benefits to insureds and claimants of insolvent property-casualty insurance companies. The industry safety net is provided to New Jersey policyholders and claimants when they find themselves without certain types of insurance coverage. NJPLIGA works in conjunction with its Board of Directors, member companies and the New Jersey Department of Banking and Insurance (NJDOBI) to satisfy its statutory responsibilities.

NJPLIGA also administers the following statutory entities:

Workers' Compensation Security Fund (WCSF). The WCSF was created in 1935 and administers the claims of insolvent workers' compensation insurance carriers arising from the coverage of risks located or insureds residing in New Jersey. In January 2010, responsibility for the administration of the WCSF was transferred to NJPLIGA.

New Jersey Surplus Lines Insurance Guaranty Fund (NJSLIGF). NJSLIGF was established in 1984 to provide statutory benefits to the policyholders and claimants of insolvent surplus lines insurance carriers. At year end, surplus lines membership totaled 211 eligible insurers.

Unsatisfied Claim and Judgment Fund (UCJF). The UCJF was established in 1952 to pay the damages of uninsured claimants who are injured in an accident with an uninsured motorist. From 2004 to March 31, 2016, the UCJF provided private passenger automobile and commercial motor vehicle stranger pedestrian personal injury protection (PIP) benefits. On or before March 31, 2016, commercial motor vehicle insurance carriers became obligated to provide commercial motor vehicle stranger pedestrian PIP coverage.

NJPLIGA is also responsible for the reimbursement to insurance carriers handling certain excess medical benefits (EMBs) paid on PIP claims and provides third party administrator (TPA) services to the NJDOBI.



Figure 1: Disbursements on Estates, below, shows the ten estates with the largest disbursements for insolvency claims involving NJPLIGA, NJSLIGF and the WCSF from inception through December 31, 2024.

Figure 1: Disbursements on Estates	
Inception to 12/31/2024 (in millions)	
Top 10 Estates	Disbursements
Reliance Insurance Company	\$161.7
Legion Insurance Company	\$113.4
PHICO Insurance Company	\$81.5
Midland Insurance Company	\$81.0
Guarantee Insurance Company	\$77.3
MIIX Insurance Company	\$76.4
Integrity Insurance Company	\$74.5
Home State Insurance Company	\$70.1
Fremont Indemnity Company	\$67.9
Ambassador Insurance Company	\$67.6
Total	\$871.4



NJPLIGA CLAIMS AND FINANCIAL ACTIVITY

**Statements of Assets, Liabilities and Fund Balance**
(Modified cash basis)

	December 31.	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 20,903,055	\$ 71,883,468
Investments, at cost	276,998,205	228,646,966
Assessments receivable due from member companies, net of allowance of \$842,088 and \$842,801 in 2024 and 2023	10,670	-
Due from affiliated funds	1,441,126	1,358,386
Property and equipment, net of accumulated depreciation and amortization	1,318,788	1,268,799
Other assets	<u>89,956</u>	<u>58,569</u>
Total assets	<u>\$ 300,761,800</u>	<u>\$ 303,216,188</u>
LIABILITIES AND FUND BALANCE		
Employee benefits payable	\$ 8,862	\$ 12,637
Due to affiliated fund	26,470	37,851
Funds held under TPA contracts	2,102,270	2,505,151
Other liability	<u>1,224</u>	<u>-</u>
Total liabilities	2,138,826	2,555,639
Fund balance	<u>298,622,974</u>	<u>300,660,549</u>
Total liabilities and fund balance	<u>\$ 300,761,800</u>	<u>\$ 303,216,188</u>



Statements of Assessments Charged and Collections, Expenses and Changes in Fund Balance
(Modified cash basis)

	December 31.	
	2024	2023
Assessments charged and collections:		
Members' assessments charged, net of refunds	\$ 67,130,866	\$ 101,888,235
Investment and interest income	11,320,596	6,791,848
Distributions collected in connection with insolvency proceedings (including interest thereon)	9,396,007	16,451,622
Fund transfer from State of New Jersey – TPA	<u>784,652</u>	<u>1,142,711</u>
Total assessments charged and collections	<u>88,632,121</u>	<u>126,274,416</u>
Expenses:		
Claims paid	8,525,627	3,170,921
Claims paid – excess medical benefit	76,056,586	87,362,599
Claims paid – TPA	434,523	948,487
Claim expenses paid	947,693	599,082
Claim expenses paid – excess medical benefit	624,171	844,104
Claim expenses paid – TPA	336,383	176,601
Premium refunds paid	3,451	166,776
Administrative expenses paid – direct	17,493,515	16,541,586
Administrative expenses reimbursed	(16,313,923)	(15,225,500)
Administrative expenses charged – excess medical benefit	2,544,474	2,386,563
Administrative expenses charged – TPA	<u>17,196</u>	<u>22,706</u>
Total expenses	<u>90,669,696</u>	<u>96,993,925</u>
(Deficiency) Excess of assessments charged and collections over expenses	(2,037,575)	29,280,491
Fund balance at beginning of year	<u>300,660,549</u>	<u>271,380,058</u>
Fund balance at end of year	<u>\$ 298,622,974</u>	<u>\$ 300,660,549</u>



NJPLIGA

RECEIPTS

At the May 8, 2024 Annual Meeting/Board of Directors' Meeting, the NJPLIGA Board of Directors reviewed the funding needs of the organization to satisfy insolvency and other statutory obligations. The Board determined that an assessment of member companies was necessary and authorized a 0.3% assessment. NJPLIGA collected \$67.1 million in assessments from 523 member companies in 2024.

Distributions from insolvent estates totaled \$9.4 million in 2024.

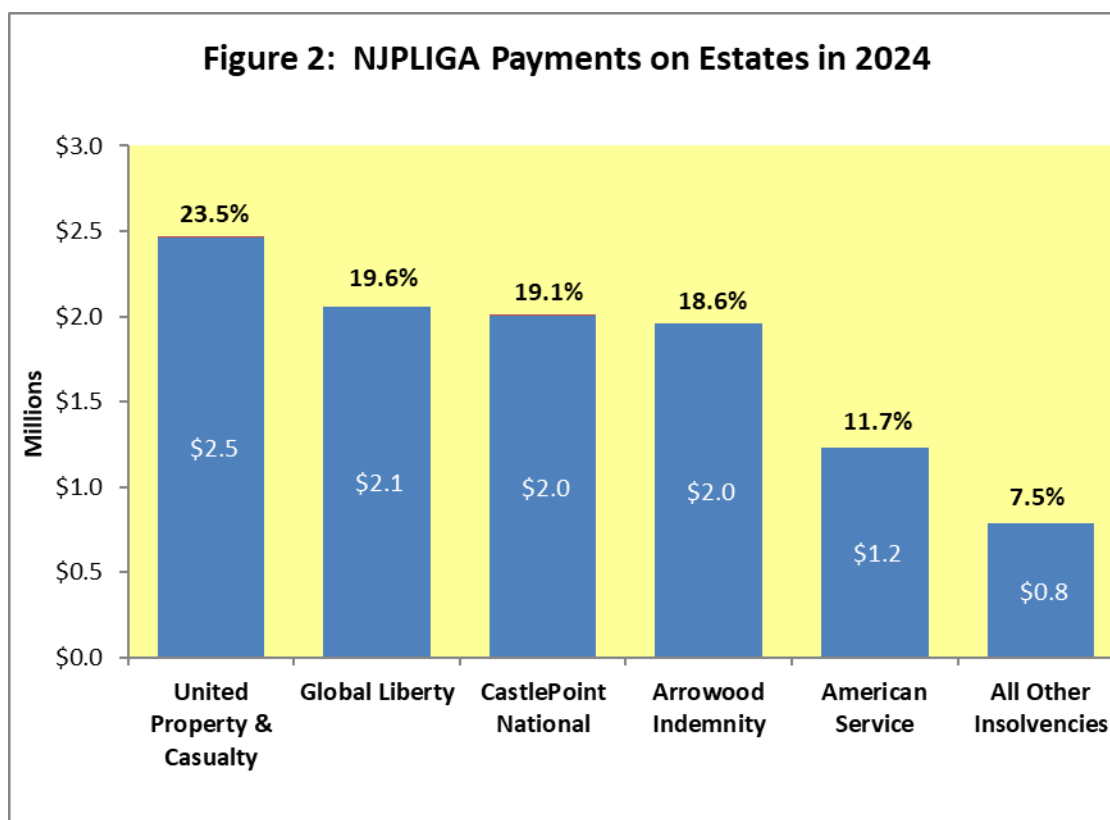
DISBURSEMENTS

In 2024, the total losses paid by the Association on insolvency, EMB and TPA claims combined were \$85 million, and total loss adjustment expenses (LAE) were \$1.9 million. Operating expenses totaled \$3.7 million in 2024. NJPLIGA's indemnity payments on insolvent estates totaled \$8.5 million, with \$0.9 million of LAE. In 2024, EMB claims averaged \$6.3 million per month, totaling \$76.1 million for the year in reimbursements to member companies and the organization on PIP claims.

BALANCE AND RESERVES

At year end, the NJPLIGA fund balance was \$298.6 million, with combined reserves of \$314.8 million, including indemnity insolvency reserves of \$98.7 million and a two-year EMB reserve of \$213.7 million.

Figure 2: NJPLIGA Payments on Estates in 2024, below, shows the estates with the largest disbursements in 2024.





INSOLVENCY ACTIVITY

The primary function of the organization is the management of the claims of insolvent property-casualty insurance companies. In 2024, 36 insolvent estates were administered by NJPLIGA, with one estate closure.



WCSF CLAIMS AND FINANCIAL ACTIVITY



Statements of Assets, Liabilities and Fund Balance
(Modified cash basis)

	December 31.	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 5,687,051	\$ 10,855,056
Investments, at cost	249,951,355	232,391,652
Assessments receivable due from member companies, net of allowance of \$181,654 in 2024 and 2023	-	-
Due from affiliated fund	<u>10,399</u>	<u>37,851</u>
Total assets	<u>\$ 255,648,805</u>	<u>\$ 243,284,559</u>
LIABILITIES AND FUND BALANCE		
Due to affiliated fund	<u>\$ 341,051</u>	<u>\$ 320,641</u>
Total liabilities	<u>341,051</u>	<u>320,641</u>
Fund balance	<u>255,307,754</u>	<u>242,963,918</u>
Total liabilities and fund balance	<u>\$ 255,648,805</u>	<u>\$ 243,284,559</u>



Statements of Assessments Charged and Collections, Expenses and Changes in Fund Balance
(Modified cash basis)

	December 31.	
	<u>2024</u>	<u>2023</u>
Assessments charged and collections:		
Members' assessments charged	\$ 25,548,444	\$ 25,205,987
Investment and interest income	9,562,404	5,670,088
Distributions collected in connection with insolvency proceedings (including interest thereon)	3,511,791	2,620,921
Large deductible recoveries	<u>175,015</u>	<u>46,506</u>
 Total assessments charged and collections	 <u>38,797,654</u>	 <u>33,543,502</u>
 Expenses:		
Claims paid	20,036,606	19,681,078
Claim expenses paid	2,423,348	2,539,555
Administrative expenses charged - Association	3,959,863	4,046,159
Administrative expenses paid - direct	<u>34,001</u>	<u>20,965</u>
 Total expenses	 <u>26,453,818</u>	 <u>26,287,757</u>
 Excess of assessments charged and collections over expenses	 12,343,836	 7,255,745
 Fund balance at beginning of year	 <u>242,963,918</u>	 <u>235,708,173</u>
 Fund balance at end of year	 <u>\$ 255,307,754</u>	 <u>\$ 242,963,918</u>

WCSF

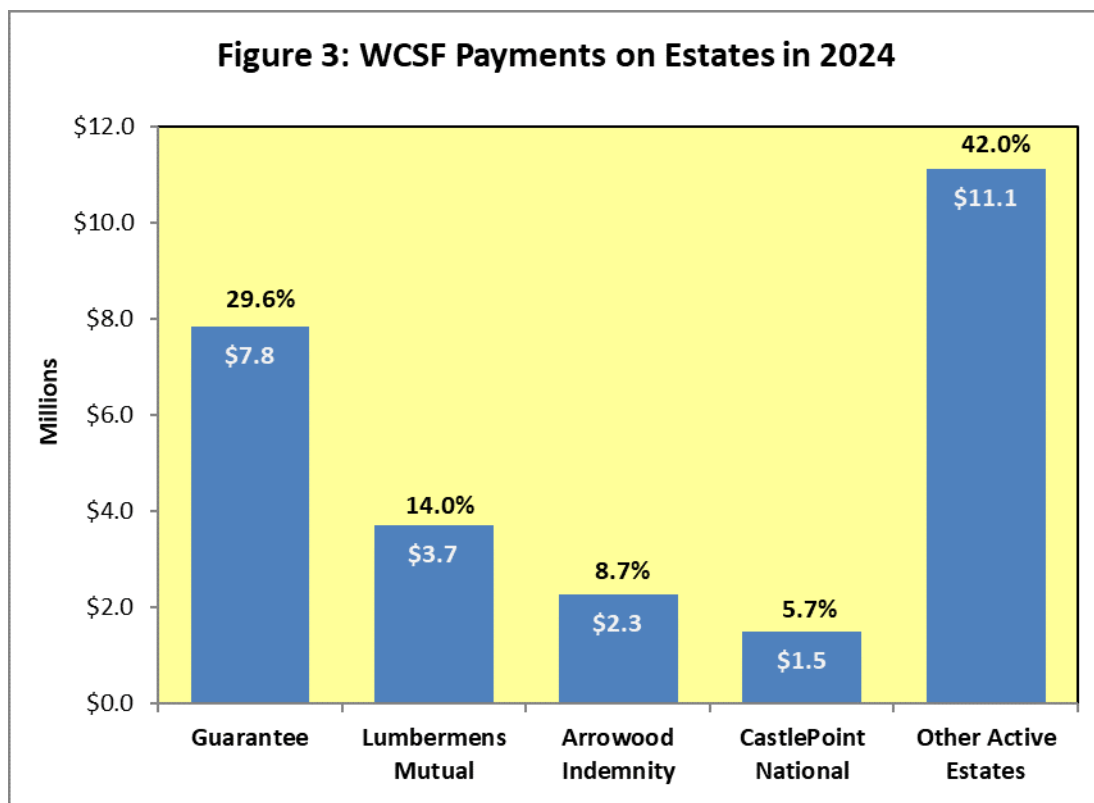
RECEIPTS

Distributions from insolvent estates in 2024 totaled \$3.5 million, with an additional \$175 thousand in large deductible recoveries. The WCSF collected \$25.5 million in assessments from 326 member companies in 2024.

DISBURSEMENTS

In 2024, the WCSF's indemnity payments on insolvent estates totaled \$20.0 million and \$2.4 million of LAE. Operating expenses totaled \$4.0 million in 2024.

Figure 3: WCSF Payments on Estates in 2024, below, shows the estates with the largest disbursements in 2024.





BALANCE AND RESERVES

At year end, the WCSF balance was \$255.3 million, with loss and LAE reserves of \$238.2 million and \$14.8 million, respectively.

INSOLVENCY ACTIVITY

In 2024, 52 insolvent workers' compensation estates were managed by the WCSF, with one estate closure. The WCSF did not receive any new insolvencies in 2024.



NJSLIGF CLAIMS AND FINANCIAL ACTIVITY



Statements of Assets, Liabilities and Fund Balance
(Modified cash basis)

	December 31.	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 979,082	\$ 931,005
Reserve fund	37,000	37,000
Investments, at cost	<u>7,770,138</u>	<u>7,529,659</u>
 Total assets	 <u>\$ 8,786,220</u>	 <u>\$ 8,497,664</u>
LIABILITIES AND FUND BALANCE		
Due to affiliated fund	<u>\$ 9,332</u>	<u>\$ 6,868</u>
 Total liabilities	 9,332	 6,868
 Fund balance	 <u>8,776,888</u>	 <u>8,490,796</u>
 Total liabilities and fund balance	 <u>\$ 8,786,220</u>	 <u>\$ 8,497,664</u>



Statements of Collections, Expenses and Changes in Fund Balance

(Modified cash basis)

	<u>December 31.</u>	
	<u>2024</u>	<u>2023</u>
Collections:		
Investment and interest income	\$ 346,409	\$ 182,232
Distributions collected in connection with insolvency proceedings (including interest thereon)	<u>-</u>	<u>299,831</u>
Total collections	<u>346,409</u>	<u>482,063</u>
Expenses:		
Claims paid	-	2,952
Claim expenses (recovered) paid	(447)	1,642
Administrative expenses charged – Association	58,443	44,982
Administrative expenses paid - direct	<u>2,321</u>	<u>2,537</u>
Total expenses	<u>60,317</u>	<u>52,113</u>
Excess of collections over expenses and transfers out	286,092	429,950
Fund balance at beginning of year	<u>8,490,796</u>	<u>8,060,846</u>
Fund balance at end of year	<u>\$ 8,776,888</u>	<u>\$ 8,490,796</u>



NJSLIGF

RECEIPTS

There were no distributions from insolvent estates in 2024.

DISBURSEMENTS

NJSLIGF continued to experience minimal claim activity in 2024, with operating expenses of \$61 thousand.

BALANCE AND RESERVES

As of December 31, 2024, NJSLIGF had a fund balance of \$8.8 million, with combined indemnity and LAE reserves of \$913 thousand.



UCJF CLAIMS AND FINANCIAL ACTIVITY



Statements of Assets, Liabilities and Fund Balance
(Modified cash basis)

	December 31.	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 33,592,249	\$ 25,072,941
Investments, at cost	42,048,717	45,799,307
Receivable from other funds	16,071	-
Assessments receivable due from member companies, net of allowance of \$116,453 in 2024 and 2023	<u>-</u>	<u>-</u>
Total assets	<u>\$ 75,657,037</u>	<u>\$ 70,872,248</u>
LIABILITIES AND FUND BALANCE		
Balances due plaintiffs arising from settlements	\$ 559,984	\$ 546,538
Due to affiliated fund	<u>1,085,143</u>	<u>1,028,175</u>
Total liabilities	1,645,127	1,574,713
Fund balance	<u>74,011,910</u>	<u>69,297,535</u>
Total liabilities and fund balance	<u>\$ 75,657,037</u>	<u>\$ 70,872,248</u>



Statements of Assessments Charged and Collections, Expenses and Changes in Fund Balance
(Modified cash basis)

	December 31.	
	<u>2024</u>	<u>2023</u>
Assessments charged and collections:		
Members' assessments charged	\$ 86,290,021	\$ 76,358,142
Claims recoverable	64,726	45,487
Investment and interest income	<u>3,105,828</u>	<u>2,708,445</u>
 Total assessments charged and collections	 <u>89,460,575</u>	 <u>79,112,074</u>
 Expenses:		
Claims paid	62,502,785	60,398,318
Claim expenses paid	9,915,659	9,416,559
Administrative expenses charged - Association	12,275,195	11,110,797
Administrative expenses paid - direct	<u>52,561</u>	<u>4,385</u>
 Total expenses	 <u>84,746,200</u>	 <u>80,930,059</u>
 Excess (deficiency) of assessments charged and collections over expenses	 4,714,375	 (1,817,985)
 Fund balance at beginning of year	 <u>69,297,535</u>	 <u>71,115,520</u>
 Fund balance at end of year	 <u>\$ 74,011,910</u>	 <u>\$ 69,297,535</u>



Supplementary Statement of Assessments Charged and Collections, Expenses and Changes in Fund Balance

(Modified cash basis)

Year Ended December 31, 2024

	Private Passenger Auto	Commercial Auto	Total
	<hr/>	<hr/>	<hr/>
Assessments charged and collections:			
Members' assessments charged	\$ 80,428,145	\$ 5,861,876	\$ 86,290,021
Claims recoverable	49,156	15,570	64,726
Net investment and interest income	<u>2,973,576</u>	<u>132,252</u>	<u>3,105,828</u>
 Total assessments charged and collections	 <u>83,450,877</u>	 <u>6,009,698</u>	 <u>89,460,575</u>
 Expenses:			
Claims paid	57,735,695	4,767,090	62,502,785
Claim expenses paid	9,065,097	850,562	9,915,659
Administrative expenses charged and paid	<u>11,375,599</u>	<u>952,157</u>	<u>12,327,756</u>
 Total expenses	 <u>78,176,391</u>	 <u>6,569,809</u>	 <u>84,746,200</u>
 Deficiency of assessments charged and collections over expenses	 5,274,486	 (560,111)	 4,714,375
 Fund balance at beginning of year	 <u>66,179,441</u>	 <u>3,118,094</u>	 <u>69,297,535</u>
 Fund balance at end of year	 <u>\$ 71,453,927</u>	 <u>\$ 2,557,983</u>	 <u>\$ 74,011,910</u>



UCJF

RECEIPTS

At the May 8, 2024 Annual Meeting/Board of Directors' Meeting, the NJPLIGA Board of Directors, as statutory administrator of the UCJF, reviewed the funding needs to satisfy responsibilities associated with stranger pedestrian PIP and uninsured motorist claims.

The Board determined that an assessment of private passenger automobile carriers was necessary and authorized a 1.3% assessment of each private passenger automobile carrier's net direct written premium (NDWP). The Board also determined that an assessment of commercial motor vehicle carriers was necessary and authorized a 0.3% assessment of each commercial motor vehicle carrier's NDWP. The UCJF collected \$86.3 million from 326 member companies in 2024.

RECEIPTS – UCJF COLLECTION ACTIVITY

The services of a collection agency are utilized to recover the debts owed to the UCJF by uninsured automobile owners and drivers, resulting in collections totaling \$64.7 thousand in 2024.

DISBURSEMENTS

The organization's UCJF responsibilities include the administration of uninsured motorist and private passenger automobile stranger pedestrian PIP claims. By Commissioner's Order No. A15-106 dated June 30, 2015, the NJDOBI withdrew the commercial motor vehicle pedestrian PIP claims from the UCJF's risk sharing mechanism. On or before March 31, 2016, commercial motor vehicle carriers became obligated to provide this coverage. After that date, in addition to its uninsured motorist claims' responsibilities, the UCJF is only responsible for private passenger automobile stranger pedestrian PIP claims and the run-off of older commercial motor vehicle pedestrian PIP claims.

In 2024, combined loss and LAE payments totaled \$72.4 million, with \$62.5 million in indemnity and \$9.9 million in LAE. Those payments include loss and LAE for private passenger automobile stranger pedestrian PIP, commercial motor vehicle pedestrian PIP run-off, and uninsured motorist claims. Operating expenses totaled \$12.3 million in 2024.

BALANCES AND RESERVES

At year end, the UCJF fund balance was \$74.0 million, including balances of \$71.5 million for private passenger automobile responsibilities and \$2.6 million for commercial motor vehicle responsibilities. The UCJF's year-end indemnity and LAE reserves were \$92.1 million.



BOARD OF DIRECTORS

Pursuant to N.J.S.A. 17:30A-1 et seq., NJPLIGA is governed by a nine-member Board of Directors consisting of insurance industry representatives. The following is a list of the Board of Directors as of December 31, 2024.

NJPLIGA

Thomas S. Hyman, Chair	Federal Insurance Company
Susan Giacalone, Vice Chair	AIG Property Casualty Company
Jeff Beck, Treasurer	Selective Insurance Company of America
Tinna Quigley	Allstate New Jersey Insurance Company
David Raczenbek	Cumberland Mutual Fire Insurance Company
Donald Baldini	Liberty Mutual Insurance Company
Jessica Schlee-Gilbert	New Jersey Manufacturers Insurance Company
Emma Smith	State Farm Insurance Company
Stacy Friend Bell	United Services Automobile Association

NJSLIGF Advisory Body

Frank Powell, Jr.	FTP, Inc.
Charles McCloskey, Jr.	Risk Placement Services, Inc.

Board Counsel

Cynthia Borrelli, Esq.	Bressler, Amery and Ross, P.C.
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BOARD MEETINGS

The Board of Directors met in regular session on May 8, 2024 and November 13, 2024.