NJPLIGA

Property-Liability Insurance Guaranty Association
Surplus Lines Insurance Guaranty Fund
Unsatisfied Claim and Judgment Fund
Workers' Compensation Security Fund

The New Jersey Safety Net

2025 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, 2025.

Figure 1: Disbursements on Estates

Inception to 12/31/2025 (in millions)

Top 10 Estates	**Disbursements**
Reliance Insurance Company	$163.1
Legion Insurance Company	$114.2
Guarantee Insurance Company	$82.3
PHICO Insurance Company	$81.5
Midland Insurance Company	$81.1
MIIX Insurance Company	$76.4
Integrity Insurance Company	$74.5
Home State Insurance Company	$70.1
Fremont Indemnity Company	$69.2
Lumbermens Mutual Casualty	$68.8
Total	**$881.2**

NJPLIGA CLAIMS AND FINANCIAL ACTIVITY

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

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	**$ 13,122,661**	$ 20,903,055
Investments, at cost	**287,448,673**	276,998,205
Assessments receivable due from member companies, net of allowance of $842,088 in 2025 and 2024, respectively	-	10,670
Due from affiliated funds	**1,947,120**	1,441,126
Property and equipment, net of accumulated depreciation and amortization	**1,138,774**	1,318,788
Other assets	**75,736**	89,956
Total assets	**$ 303,732,964**	$ 300,761,800
LIABILITIES AND FUND BALANCE		
Employee benefits payable	**$ 12,885**	$ 8,862
Due to affiliated Funds	**14,680**	26,470
Funds held under TPA contracts	**1,468,022**	2,102,270
Other liability	-	1,224
Total liabilities	**1,495,587**	2,138,826
Fund balance	**302,237,377**	298,622,974
Total liabilities and fund balance	**$ 303,732,964**	$ 300,761,800

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Assessments charged and collections:		
Members' assessments charged, net of refunds	**$ 73,206,420**	$ 67,130,866
Investment and interest income	**13,128,312**	11,320,596
Distributions collected in connection with insolvency proceedings (including interest thereon)	**5,350,688**	9,396,007
Fund transfer from State of New Jersey – TPA	**1,033,888**	784,652
Total assessments charged and collections	**91,719,308**	88,632,121
Expenses:		
Claims paid	**2,893,164**	8,525,627
Claims paid – excess medical benefit	**79,861,691**	76,056,586
Claims paid – TPA	**789,841**	434,523
Claim expenses paid	**762,826**	947,693
Claim expenses paid – excess medical benefit	**581,621**	624,171
Claim expenses paid – TPA	**191,047**	336,383
Premium refunds paid	**-**	3,451
Administrative expenses paid – direct	**17,593,900**	17,493,515
Administrative expenses reimbursed	**(16,662,233)**	(16,313,923)
Administrative expenses charged – excess medical benefit	**3,018,463**	2,544,474
Administrative expenses charged – TPA	**74,585**	17,196
Total expenses	**89,104,905**	90,669,696
(Deficiency) Excess of assessments charged and collections over expenses	**3,614,403**	(2,037,575)
Fund balance at beginning of year	**298,622,974**	300,660,549
Fund balance at end of year	**$ 302,237,377**	$ 298,622,974

NJPLIGA

RECEIPTS

At the May 14, 2025 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 $73.2 million in assessments from 530 member companies in 2025.

Distributions from insolvent estates totaled $5.4 million in 2025.

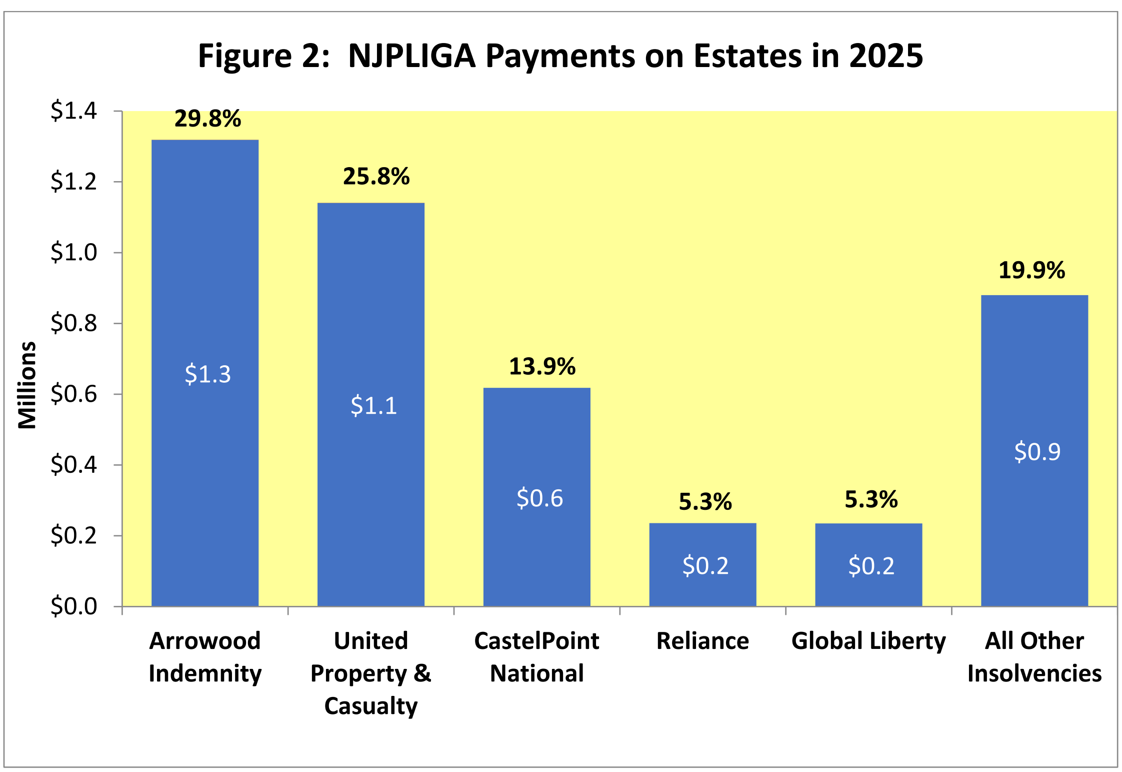
DISBURSEMENTS

In 2025, the total losses paid by the Association on insolvency, EMB and TPA claims combined were $83.5 million, and total loss adjustment expenses (LAE) were $1.5 million. Operating expenses totaled $4 million in 2025. NJPLIGA's indemnity payments on insolvent estates totaled $2.9 million, with $0.8 million of LAE. In 2025, EMB claims averaged $6.7 million per month, totaling $79.9 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 $302.2 million, with combined reserves of $269.9 million, including indemnity insolvency reserves of $89.8 million and a two-year EMB reserve of $177 million.

Figure 2: NJPLIGA Payments on Estates in 2025, below, shows the estates with the largest disbursements in 2025.



INSOLVENCY ACTIVITY

The primary function of the organization is the management of the claims of insolvent property-casualty insurance companies. In 2025, 27 insolvent estates were administered by NJPLIGA, with two estate closures.

WCSF Claims and Financial Activity

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

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	**$ 20,579,314**	$ 5,687,051
Investments, at cost	**265,449,406**	249,951,355
Assessments receivable due from member companies, net of allowance of $181,654 in 2025 and 2024		-
Due from affiliated fund	**14,020**	10,399
Total assets	**$ 286,042,740**	$ 255,648,805
LIABILITIES AND FUND BALANCE		
Due to affiliated fund	**$ 458,798**	$ 341,051
Total liabilities	**458,798**	341,051
Fund balance	**285,583,942**	255,307,754
Total liabilities and fund balance	**$ 286,042,740**	$ 255,648,805

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Assessments charged and collections:		
Members' assessments charged	**$ 25,577,724**	$ 25,548,444
Investment and interest income	**12,276,652**	9,562,404
Distributions collected in connection with insolvency proceedings (including interest thereon)	**15,230,482**	3,511,791
Large deductible recoveries	**294,807**	175,015
Total assessments charged and collections	**53,379,665**	38,797,654
Expenses:		
Claims paid	**16,663,357**	20,036,606
Claim expenses paid	**2,333,677**	2,423,348
Administrative expenses charged - Association	**4,077,015**	3,959,863
Administrative expenses paid - direct	**29,428**	34,001
Total expenses	**23,103,477**	26,453,818
Excess of assessments charged and collections over expenses	**30,276,188**	12,343,836
Fund balance at beginning of year	**255,307,754**	242,963,918
Fund balance at end of year	**$ 285,583,942**	$ 255,307,754

WCSF

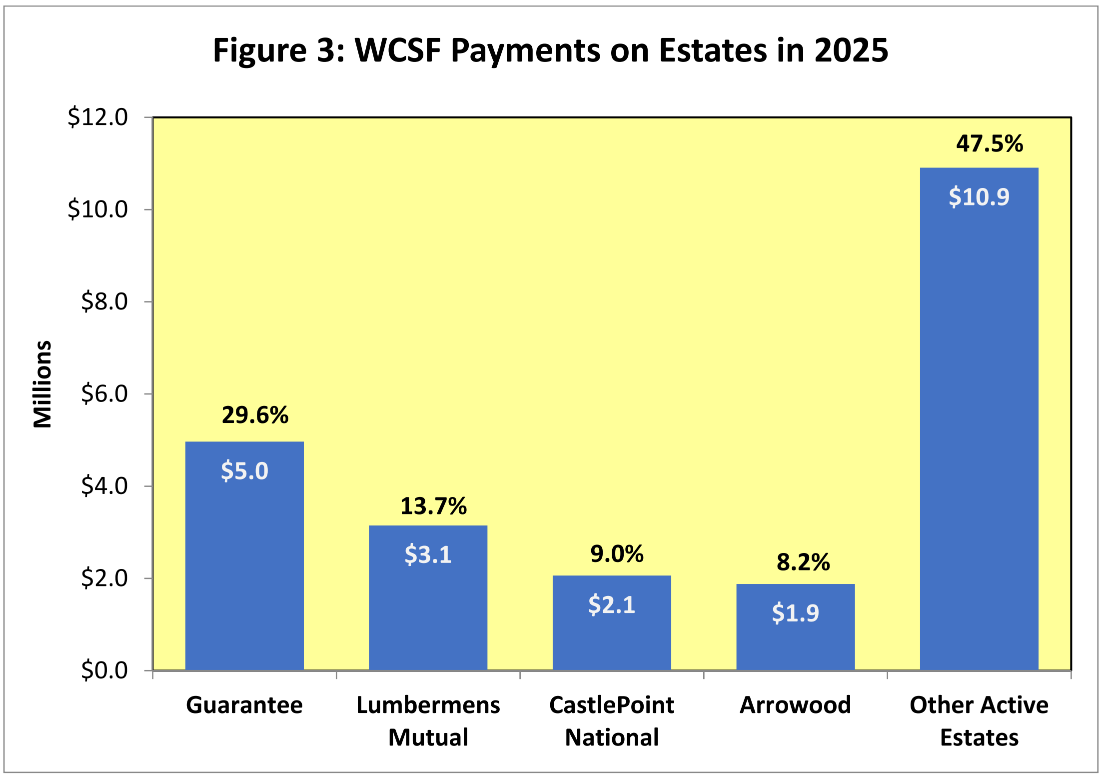
Receipts

Distributions from insolvent estates in 2025 totaled $15.2 million, with an additional $295 thousand in large deductible recoveries. The WCSF collected $25.6 million in assessments from 327 member companies in 2025.

Disbursements

In 2025, the WCSF's indemnity payments on insolvent estates totaled $16.7 million and $2.3 million of LAE. Operating expenses totaled $4.1 million in 2025.

Figure 3: WCSF Payments on Estates in 2025, below, shows the estates with the largest disbursements in 2025.



Balance and Reserves

At year end, the WCSF balance was $285.6 million, with loss and LAE reserves of $219.8 million and $13.8 million, respectively.

INSOLVENCY ACTIVITY

In 2025, 53 insolvent workers' compensation estates were managed by the WCSF, with no estate closures and one new insolvency in 2025.

NJSLIGF Claims and Financial Activity

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

	December 31,	
	2025	**2024**
ASSETS		
Cash and cash equivalents	**$ 1,171,327**	$ 979,082
Reserve fund	**37,000**	37,000
Investments, at cost	**$7,921,317**	7,770,138
Total assets	**$ 9,129,644**	$ 8,786,220
LIABILITIES AND FUND BALANCE		
Due to affiliated fund	**$ 8,087**	$ 9,332
Total liabilities	**8,087**	9,332
Fund balance	**9,121,557**	8,776,888
Total liabilities and fund balance	**$ 9,129,644**	$ 8,786,220

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Collections:		
Investment and interest income	**$ 400,769**	$ 346,409
Distributions collected in connection with insolvency proceedings (including interest thereon)	**-**	-
Total collections	**400,769**	346,409
Expenses:		
Claims paid	**-**	-
Claim expenses (recovered) paid	**447**	(447)
Administrative expenses charged - Association	**51,250**	58,443
Administrative expenses paid - direct	**4,403**	2,321
Total expenses	**56,100**	60,317
Excess of collections over expenses and transfers out	**344,669**	286,092
Fund balance at beginning of year	**8,776,888**	8,490,796
Fund balance at end of year	**$ 9,121,557**	$ 8,776,888

NJSLIGF

RECEIPTS

There were no distributions from insolvent estates in 2025.

DISBURSEMENTS

NJSLIGF continued to experience minimal claim activity in 2025, with operating expenses of $55.7 thousand.

BALANCE AND RESERVES

As of December 31, 2025, NJSLIGF had a fund balance of $9.1 million, with combined indemnity and LAE reserves of $912 thousand.

UCJF Claims and Financial Activity

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

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	**$ 32,721,806**	$ 33,592,249
Investments, at cost	**61,715,588**	42,048,717
Receivable from other funds	**660**	16,071
Assessments receivable due from member companies, net of allowance of $116,453 in 2025 and 2024	**-**	-
Total assets	**$ 94,438,054**	$ 75,657,037
LIABILITIES AND FUND BALANCE		
Balances due plaintiffs arising from settlements	**$ 580,608**	$ 559,984
Due to affiliated fund	**1,474,916**	1,085,143
Total liabilities	**2,055,524**	1,645,127
Fund balance	**92,382,530**	74,011,910
Total liabilities and fund balance	**$ 94,438,054**	$ 75,657,037

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Assessments charged and collections:		
Members' assessments charged	**$ 96,102,393**	$ 86,290,021
Claims recoverable	**61,548**	64,726
Investment and interest income	**3,521,225**	3,105,828
Total assessments charged and collections	**99,685,166**	89,460,575
Expenses:		
Claims paid	**57,870,470**	62,502,785
Claim expenses paid	**10,891,680**	9,915,659
Administrative expenses charged - Association	**12,499,909**	12,275,195
Administrative expenses paid - direct	**52,487**	52,561
Total expenses	**81,314,546**	84,746,200
Excess (deficiency) of assessments charged and collections over expenses	**18,370,620**	4,714,375
Fund balance at beginning of year	**74,011,910**	69,297,535
Fund balance at end of year	**$ 92,382,530**	$ 74,011,910

Supplementary Statement of Assessments Charged and Collections, Expenses and Changes in Fund Balance
(Modified cash basis)
Year Ended December 31, 2025

	Private Passenger Auto	Commercial Auto	Total
Assessments charged and collections:			
Members' assessments charged	$ 89,869,340	$ 6,233,053	$ 96,102,393
Claims recoverable	47,279	14,269	61,548
Net investment and interest income	3,373,870	147,355	3,521,225
Total assessments charged and collections	93,290,489	6,394,677	99,685,166
Expenses:			
Claims paid	54,552,737	3,317,733	57,870,470
Claim expenses paid	10,012,875	878,805	10,891,680
Administrative expenses charged and paid*	11,784,117	768,279	12,552,396
Total expenses	76,349,729	4,964,817	81,314,546
Excess of assessments charged and collections over expenses	16,940,760	1,429,860	18,370,620
Fund balance at beginning of year	71,453,929	2,557,981	74,011,910
Fund balance at end of year	$ 88,394,689	$ 3,987,841	$ 92,382,530

UCJF

Receipts

At the May 14, 2025 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 $96.1 million from 324 member companies in 2025.

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 $135.8 thousand in 2025.

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 2025, combined loss and LAE payments totaled $68.8 million, with $57.9 million in indemnity and $10.9 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 $12.6 million in 2025.

Balances and Reserves

At year end, the UCJF fund balance was $92.4 million, including balances of $88.4 million for private passenger automobile responsibilities and $4.0 million for commercial motor vehicle responsibilities. The UCJF's year-end indemnity and LAE reserves were $85.8 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, 2025.

NJPLIGA

Thomas S. Hyman, Chair	Federal Insurance Company
Susan Giacalone, Vice Chair	AIG Property Casualty Company
Jeff Beck, Treasurer	Selective Insurance Company of America
L. Noel Patterson, Jr.	Allstate Insurance Company
Meghan McCormick Hoerner	Cumberland Mutual Fire Insurance Company
Donald Baldini	Liberty Mutual Insurance Company
Jessica Schlee-Gilbert	New Jersey Manufacturers Insurance Company
Brian Shoemaker	State Farm Mutual Automobile Insurance Company
Gina Graham	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.

BOARD MEETINGS

The Board of Directors met in regular session on May 14, 2025 and November 12, 2025.