Date: January 1, 2017
To: Fund Commissioners of Member Joint Insurance Funds
From: Underwriting Manager, Conner Strong & Buckelew
Re: JIF Crime Policy and MEL Crime Policy

The bulletin does not apply to “workers compensation only” members of NJPHA JIF.

**JIF CRIME POLICY**

**Coverage**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limit of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>O: Public Employee Dishonesty</td>
<td>$50,000</td>
</tr>
<tr>
<td>B: Forgery or Alteration</td>
<td>$50,000</td>
</tr>
<tr>
<td>C: Theft, Disappearance &amp; Destruction</td>
<td>$50,000</td>
</tr>
<tr>
<td>D: Robbery &amp; Safe Burglary</td>
<td>$50,000</td>
</tr>
<tr>
<td>F: Computer Fraud with Funds Transfer</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

**Member Entity Deductible:** As noted in the addendum

**MEL CRIME POLICY**

**COVERAGE PART I: EXCESS CRIME POLICY**

**Coverage**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limit of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>O: Public Employee Dishonesty</td>
<td>$950,000</td>
</tr>
<tr>
<td>B: Forgery or Alteration</td>
<td>$950,000</td>
</tr>
<tr>
<td>C: Theft, Disappearance &amp; Destruction</td>
<td>$950,000</td>
</tr>
<tr>
<td>D: Robbery &amp; Safe Burglary</td>
<td>$950,000</td>
</tr>
<tr>
<td>F: Computer Fraud with Funds Transfer</td>
<td>$950,000</td>
</tr>
</tbody>
</table>

Excess of: JIF Crime Policy limits

**COVERAGE PART II: EXCESS PUBLIC OFFICIALS BOND**

**Coverage**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limit of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>O: Public Employee Dishonesty and Faithful Performance</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Deductible:**

- The amount said persons are required by statute to be individually bonded, whether or not such individual has a commercial crime insurance policy in place; or
- The amount of the individual commercial crime insurance policy in place.

**COVERAGE PART III: STATUTORY POSITION BOND**

**Coverage**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limit of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>O: Public Employee Dishonesty and Faithful Performance</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Deductible:** $1,000
As respects to the “Public Employee Dishonesty – Coverage O” please note the following:

- The member JIFs provide its member entities primary crime coverage for all employees and volunteers including court personnel, where applicable, except for those positions required by New Jersey statute governing municipalities and counties to be individually bonded or were previously required to be individually bonded. Such positions include, but are not limited to, Treasurer, Tax Collector, Magistrate, Judge, Court Administrator, Court Clerk, Library Treasurer and Utilities Collector. As respects the JIF and MEL crime programs, this also applies to the Chief Financial Officer who handles monies as part of their responsibilities for the member entity normally handled by other employed positions, such as a municipal Treasurer or Tax Collector.

- All statutory positions, such as those described above, are covered on a blanket basis under Coverage Parts II and III of the MEL Crime Policy, including any deputy or assistant to such positions should they be considered a statutory position by statute based on job function. The positions of Treasurer, Tax Collector, Utilities Collector and Library Treasurer, including the Chief Financial Officer who handles monies as part of their responsibilities for the member entity normally handled by one of the previous four positions, are required to be individually underwritten; this includes the deputies or assistants to these positions should they be considered a statutory position by statute based on job function.

- The JIF Limit excludes coverage for payment of costs, fees or other expenses the member entity incurs in establishing either the existence or the amount of loss under this insurance; except where (1) a loss has occurred; or (2) no loss has occurred, but the cost to conduct an independent investigation of whether there was a loss was a requirement of a County or State agency; then the JIF will pay for the costs, fees or other expenses the member entity incurs, not to exceed $25,000. Such costs, fees, or other expenses shall not include internal operating costs, internal fees or other internal expenses you incur.

- Volunteer Treasurers of additional insured fire companies, fire districts and volunteer ambulance corporations, and the like, are covered under the JIF Blanket Bond coverage.

- There is no coverage for loss from failure of any employee to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of member entity’s covered property. This includes the inability to faithfully perform those duties because of a criminal act committed by a person other than an employee.

The JIF Blanket Bond coverage also extends to BIDS/SIDS and Quasi Entities where approved for coverage by the member JIF.

If you have any questions please contact your Risk Management Consultant, JIF Executive Director or the Underwriting Manager.

CC: Risk Management Consultants
    Fund Professionals
    Fund Executive Directors

This bulletin is for information purposes only. It is not intended to be all-inclusive, but merely an overview. It does not alter, amend or change your coverage. Please refer to specific policies for limits, terms, conditions and exclusions.
**JIF BLANKET CRIME DEDUCTIBLES**

<table>
<thead>
<tr>
<th>JIF</th>
<th>JIF Blanket Crime Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic</td>
<td>$1,000</td>
</tr>
<tr>
<td>Bergen</td>
<td>$2,500</td>
</tr>
<tr>
<td>Burlington</td>
<td>$1,000</td>
</tr>
<tr>
<td>Camden</td>
<td>$2,500</td>
</tr>
<tr>
<td>Central</td>
<td>$2,500</td>
</tr>
<tr>
<td>First</td>
<td>$1,000</td>
</tr>
<tr>
<td>Mid Jersey</td>
<td>$1,000</td>
</tr>
<tr>
<td>Monmouth</td>
<td>$2,500</td>
</tr>
<tr>
<td>Morris</td>
<td>$1,250</td>
</tr>
<tr>
<td>NJPHA</td>
<td>$1,000</td>
</tr>
<tr>
<td>NJSI</td>
<td>$1,000</td>
</tr>
<tr>
<td>Ocean</td>
<td>$2,500</td>
</tr>
<tr>
<td>PAIC</td>
<td>$1,000</td>
</tr>
<tr>
<td>PMM</td>
<td>$2,500</td>
</tr>
<tr>
<td>South Bergen</td>
<td>$2,500</td>
</tr>
<tr>
<td>Sub Essex</td>
<td>$2,500</td>
</tr>
<tr>
<td>Sub Municipal</td>
<td>$2,500</td>
</tr>
<tr>
<td>TRICO</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

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ADDENDUM 1

Certain Statutory Positions Underwriting Submission

A completed application is required for each employed position in order for the MEL to consider providing coverage. The application should be provided 30 days in advance of the bond expiration. Attached is a copy of the JIF application. The individual to be bonded must complete and sign the application. Please note, only the positions of Treasurer, Tax Collector, Utilities Collector and Library Treasurer, including the Chief Financial Officer who handles monies as part of their responsibilities for the member entity normally handled by one of the previous four positions, are required to be individually underwritten; this includes the deputies or assistants to these positions should they be considered a statutory position by statute based on job function.

The MEL Underwriting Manager Unit is responsible for the administration of the Statutory Position Bond Program.

New applications and deletions (including the date of deletion) should be sent to:

Conner Strong & Buckelew
Attn: MEL Underwriting Service Center
Email: MELREQUEST@connerstrong.com
40 Lake Center Executive Park
401 Route 73 North
PO Box 989
Marlton, NJ 08053

The minimum requirements for coverage approval are:

- Answers to application questions that demonstrate proper money handling controls are place;
- Applicant has no pending bankruptcy, insolvency, lawsuits for non-payment, liens or judgments, including with any organization the applicant has an ownership interest of at least 10%;
- Financial history of the applicant; and
- Credit score of 600 or above.
ADDENDUM 2

Certain Statutory Positions Underwriting Approval Process

Upon receipt of signed and completed application, the MEL Underwriting Manager unit will review the application based on the established underwriting criteria. If approved, The MEL Underwriting Manager will notify the applicant by letter. The member town policy will be endorsed accordingly. A certificate of insurance will be sent to the Risk Management Consultant and or JIF Executive Director, or Town Clerk in absence of a Risk Management Consultant.

If declined, a declination letter will be sent to the applicant. A copy will go to the member entity (municipal clerk), and the member’s RMC. The letter will also outline the appeal process. The applicant is allowed to file an appeal with the MEL Appeal Board. The applicant’s appeal should include items, such as:

1. Personal testimony from the Applicant in writing stating what circumstances led to your current financial status and what steps you are taking to improve it.
2. Letter of Recommendation from the Town Councilman/Finance Chairman on the Applicants quality of work.
3. Letter from the town auditor discussing the internal controls in place with respect to the Applicant’s handling of monies to address the situation
4. A resolution from the Governing Body adopting those controls.
5. A letter from the CFO outlining changes in the position (Treasurer, Tax Collector, etc.) that would prevent a future loss by the applicant.
6. Applicant’s resume.

This information should be sent by the applicant directly to the Underwriting Manager’s attention. This will be kept confidential.

After initial bond approval, an underwriting review will be conducted on an existing official upon renewal of the employers’ term of membership.

Renewal certificates of insurance will be sent to the current Risk Management Consultant (where applicable), and or JIF Executive Director, or Town Clerk, in the absence of a Risk Management Consultant.
ADDENDUM 3

COVERAGE PART III Assessments

<table>
<thead>
<tr>
<th>Population</th>
<th>Annual Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 10,000</td>
<td>$ 500</td>
</tr>
<tr>
<td>10,001 to 20,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>20,001 to 30,000</td>
<td>$1,250</td>
</tr>
<tr>
<td>30,001 to 40,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>40,001 to 50,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>50,001 and up</td>
<td>$2,750</td>
</tr>
</tbody>
</table>

This assessment will cover all of the positions listed below and is the same no matter how many positions you elect to cover. Therefore, if you elect to include one position listed below, any additional positions listed below will be covered at no additional assessment.

- Treasurer
- Tax Collector
- Utilities Collector
- Library Treasurer
- Chief Financial Officer, where applicable.
- Deputies or assistants to these positions, where applicable

The assessment will be prorated to the date of the first bond’s effective date.

Volunteers
Volunteer Treasurers of “additional named insured” fire companies, fire districts and volunteer ambulance corps and the like are covered under the JIF Blanket Bond coverage. Paid Treasurers of fire districts are considered statutory positions, but are not subject to underwriting by the MEL. Coverage is also included for volunteer Library Treasurers.
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
PUBLIC OFFICIAL BOND SURETY APPLICATION and INDEMNITY AGREEMENT

CERTIFICATE OF DESIGNATION OF DEPOSITORIES

Name of Applicant _____________________________________________________________

Name of Member Entity (Obligee)_________________________________________________

This is to certify that the following financial institutions are duly designated as
depositories for the funds of: ______________________________________________________

Name of Financial Institution _____________________________________________________

Business Address: ______________________________________________________________

Street City State Zip

Name of Financial Institution _____________________________________________________

Business Address: ______________________________________________________________

Street City State Zip

Name of Financial Institution _____________________________________________________

Business Address: ______________________________________________________________

Street City State Zip

Member Entity ___________ Signature of Secretary ________________ Date ______________

INDEMNITY AGREEMENT

The undersigned Applicant and Indemnitor (s) all hereinafter called the Indemnitor (s) hereby certify that
the foregoing declarations made and answers given, are the truth without reservation and are made for the
purpose of inducing Municipal Excess Liability Joint Insurance Fund (MEL) c/o PERMA Risk
Management Services, 9 Campus Drive, Parsippany, NJ 07054 for itself and its affiliates, parents and
subsidiaries, hereinafter called Surety, to issue the bond (s) or undertaking (s) applied for and any renewal
and increase of the same or of any bond (s) or undertaking (s) of similar nature given in substitution or
renewal thereof (all comprehended in the word “bond (s)” or “undertaking (s)” as herein used). The
Indemnitor (s) agree that the Surety may decline the bond (s) applied for or may cancel or terminate the
same without incurring liability whatsoever to the Indemnitor (s). In consideration of the Surety executing
said bond (s) or undertaking (s) or the forbearance of cancellation of any bond (s), the Indemnitor (s) do
undertake and agree as follows:
Indemnitor (s) hereby expressly authorize the MEL to access its credit records and to make such pertinent inquiries as may be necessary from third party sources for the following purposes: (a) to verify information supplied to MEL (b) for underwriting purposes; and (c) upon establishment of a reserve, for debt collection. The Indemnitor (s) will at all times indemnify and keep indemnified, the Surety and hold and save it harmless from and against any and all damages, loss, costs, charges and expenses of whatsoever kind or nature, including counsel and attorney’s fees, whether incurred under retainer or salary or otherwise, which it shall or may, at any time, sustain or incur by reason or in connection with furnishing any bond or undertaking. To deposit with the Surety on demand an amount sufficient to discharge any claim made against the Surety on the bond (s) or undertaking (s). This sum may be used by Surety to pay such claim or be held by Surety as collateral security against loss or cost on the bond (s) or undertaking (s).

I do also expressly relieve said MEL and all others from liability for disclosing or furnishing any information it may have obtained concerning me or my affairs and so also relieve said MEL from any compliance with any provisions of any laws concerning the disclosure of any knowledge or information which may have been obtained concerning me or my affairs and do release and discharge said MEL and every person, association, firm or corporation furnishing it with any information concerning me or my affairs from any and all liability or responsibility under or by reason of any of the provisions of any of said laws from and from any and all claims, demands, causes of action and damages that may have, or purport to have, arisen by reason of any such laws, or any amendments thereof, or supplements thereto.

Regardless of the date of signature (s), this indemnity agreement is effective as of the date of execution of aforementioned bond (s) or undertaking (s) and is continuous until Surety is satisfactorily discharged from liability pursuant to the terms and conditions contained herein.

Signed this ___________ day of _______________, ____________.

The MEL shall have the right, at its option, to fill in any blanks left herein, to correct any errors in the description of said bond or bonds or any of them, or in said premium or premiums, it being hereby agreed that such insertions, or corrections, when so made shall be prima facie correct.

Applicant ____________________________  ________________________

Notary __________________________________________________________________________

____________________________________  ________________________

Signature  Seal
(Please Print)

Name of Applicant _______________________ Social Security No. ______________

Home Address __________________________________________________________
Street City State Zip

Position to be Bonded: ____________________________________________________

Name of Member Entity (Obligee): __________________________________________

Member Entity Address:
________________________________________
Street City State Zip

Amount of Bond $1,000,000 Effective Date _________________________

Have there been any Bond losses in the last 5 years? □ Yes □ No
If yes, please provide details:
_______________________________________________________________________
_______________________________________________________________________

Has applicant ever been insolvent, bankrupt, or has pending lawsuits for non payment, liens or judgments
□ Yes □ No
If yes, provide full details: _______________________________________________
_______________________________________________________________________

Official Title of Applicant __________________________ □ Elected □ Appointed

Term of Office ________ years Begins (date) ___________ Ends (date) ___________

Have you previously occupied this position? □ Yes □ No
If yes, during what period _________________________________________________

Present/Prior Surety Company______________________________________________
Bond Limit _________________________ Position Held _______________________

Has any Surety Company ever canceled, refused, renewed or declined an applicant for you?
□ Yes □ No
MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

PUBLIC OFFICIAL BOND
SURETY APPLICATION and
INDEMNITY AGREEMENT

1. Amount of money handled during an annual term $________________________

2. Largest amount at any one time under your control $________________________

3. Are funds deposited as received? □ Yes □ No

4. Have you agreed to use only depositories designated by your superiors?
   □ Yes □ No

5. Does the applicant have authority to withdraw funds from depository by check?
   □ Yes □ No
   If yes, is countersignature required? □ Yes □ No
   By whom? ____________________

6. Who reconciles Bank Statements? ________________________________________

7. Is applicant a custodian of securities? □ Yes □ No
   If yes, what amount $___________________________________________________
   Where are securities kept? _______________________________________________
   Is there joint control? □ Yes □ No
   If yes, by whom _______________________________________________________

8. Did the CPA make any recommendations during the last audit?
   □ Yes □ No

9. Are your accounts audited on an annual basis? □ Yes □ No
   If yes, by whom? _____________________________________________________

10. Does the applicant collect taxes? □ Yes □ No
    If yes, what amount is to be collected? _____________________________________

11. To whom and when does the applicant make a report of insolvencies and
delinquencies? __________________________________________________________

12. Is the applicant responsible for investment of funds? □ Yes □ No
    If yes, is there a published investment policy which has been approved by the
    Obligee? □ Yes □ No

13. Is there someone other than the applicant checking at least annually to be sure the
    investment policy is being followed? □ Yes □ No