

New Jersey State League of Municipalities Conference Resolution No. 2023-14
RESOLUTION URGING ACTION TO PROVIDE RELIEF FROM INCREASED
INSURANCE COSTS.

WHEREAS, Local Government is facing the largest budget increase for property/casualty insurance since the mid-1980s; and

WHEREAS, the property/casualty budget for the typical municipality has already experienced a 20% to 25% increase since 2021 and will experience another 12% to 20% increase in 2024; and

WHEREAS, New Jersey now has the highest workers' compensation premium rates in the country based on data from the U.S. Bureau of Labor Statistics; and

WHEREAS, Workers' Compensation escalated because New Jersey judges are now reopening cases up to four and five times, whereas in the past they rarely reopened a case more than once; and

WHEREAS, Workers' Compensation also escalated because of a 2021 Department of Labor decision that directed workers' compensation to pay many accidental disability claims that previously were paid by the pension plans; and

WHEREAS, another recent law created a presumption that firefighters diagnosed with cancer are eligible for workers' compensation; and

WHEREAS, during the COVID 19 Pandemic, the Legislature approved a law that made COVID contracted by first responders and essential employees compensable under New Jersey's workers' statute resulting in the COVID cost per employee being the second highest in the country; and

WHEREAS, liability has increased because of the erosion of Title 59 protections in New Jersey's courts. Judges are now reluctant to grant summary judgement dismissing even frivolous claims because of the 2021 New Jersey Supreme Court decision in Gonzalez v. Jersey City; and

WHEREAS, the recent amendment in the sexual molestation statute of limitations also increased Title 59 liability costs. In some cases, towns are being sued based on allegations going back to the 1970s; and

WHEREAS, property insurance premiums are increasing rapidly because the world-wide frequency of large natural disasters has almost tripled since 2000. New Jersey alone was hit with Hurricane Irene in 2011, Superstorm Sandy in 2012 and Tropical Storm Ida in 2021; and

WHEREAS, property insurance premiums are also indexed to replacement values that have jumped because of supply chain issues and the labor shortage; and

WHEREAS, cyber liability premiums have more than doubled in recent years, and organizations without strong cyber risk controls are finding it difficult to purchase any coverage.

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey State League of Municipalities, in conference assembled, that the Legislature is urged to adopt budget and levy cap exemptions for property/casualty insurance and claims; and

BE IT FURTHER RESOLVED, that the League calls on the Administration and the Legislature to not adopt additional legislation or regulations that will increase municipal claims without a thorough and complete analysis of the cost; and

BE IT FURTHER RESOLVED, that the League urges the New Jersey Department of Labor, the New Jersey Department of Banking and Insurance and the New Jersey Department of Community Affairs to meet with representatives of municipal government to discuss ways to reduce property/casualty cost; and

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the members of the New Jersey General Assembly, the New Jersey State Senate, the Senate President, Speaker of the Assembly, and the Governor of the State of New Jersey.

Sponsor:

Hon. Paul Tomasko
Mayor, Borough of Alpine
NJLM 2nd Vice President