

**New Jersey  
Compensation Rating and Inspection Bureau  
60 Park Place  
Newark, NJ 07102**



**Annual Report 2009**



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## NINETY-THIRD ANNUAL REPORT

### INTRODUCTION

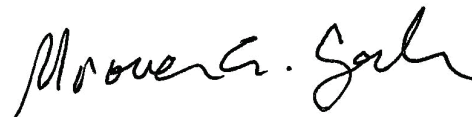
The year 2009 has been an eventful one for the Bureau. With the enactment of reform legislation effective on July 1, 2009, the Governing Committee of the Bureau has changed from an all carrier Committee to a ten member group including six carrier members, three public members and the Commissioner of Banking and Insurance, who serves as a non-voting, ex-officio member. Before the new law took effect, Bureau staff held an orientation meeting for the new public members, and immediately after July first, the Committee met to organize itself. A Committee Chair was selected and three Subcommittees were appointed, Actuarial, Audit and Compensation, each having a public member. Since then the Subcommittees and the Governing Committee have met twice in formal sessions. The process is working smoothly and effectively with the public members adding value to the deliberations of the Committees.

The workers compensation market remains stable and rate levels have returned to adequacy with rates reduced twice in the past two years; a 1.0% reduction effective January 1, 2009 and 2.6% reduction effective January 1, 2010. The 2006 implementation of Schedule Rating debits and credits, as well as the minimum cost differential in the residual market of 15%, continue to make the market more competitive to the benefit of all employers. These programs have encouraged carriers to write more business in the voluntary market, and have led to a significant depopulation of the Plan. While there has been a leveling out of the rate increases we have seen in recent years, benefit costs for injured workers continue to rise as they are indexed to the State Average Weekly Wage. Conversely, claim frequency continues to decline.

As a rate service organization, the Bureau collects a significant amount of financial and statistical data. In this regard, we are newly participating in two data collection systems, the Detailed Claim Information Program (DCI) and the Medical Data Call, both in cooperation with the National Council on Compensation Insurance (NCCI). Further, New Jersey workers compensation insurance data will be included in the Workers Compensation Research Institute (WCRI) CompScope Benchmarks Study. The study will provide information regarding system performance in New Jersey and is ongoing in a number of neighboring states. The new data collection systems and the WCRI publication, over time, will provide useful information to specifically identify the scope of medical and indemnity claims which will help to better control their costs.

The new changes to the Bureau's statute and rules are welcome and will assist the Bureau to continue to function effectively and efficiently. The Bureau will strive to serve the public as well as it has in its long history and will work to maintain a stable market for New Jersey employers, insurers and all those impacted by the system.

Respectfully Submitted,



Grover E. Czech, Esq.  
Executive Director

## REVISION OF MANUAL RATES – 2010

### RATE LEVEL

The rate level decrease of 2.6% effective January 1, 2010 was based on the latest two policy years and latest calendar accident year of experience along with other considerations described below.

Analysis of the latest two policy years and the latest calendar accident year after adjustments for development and present premium and benefit levels using paid and incurred losses separately produced a premium level decrease of 1.8% due to experience. Analysis of the latest experience also indicated that a decrease of 2.7% due to trend factor considerations was necessary for inclusion in the premium level determination.

Effective January 1, 2010, the maximum weekly benefit with respect to all types of injuries was increased from \$773 to \$794. The minimum weekly benefit also was increased from \$206 to \$212 for all kinds of injuries except permanent partial disabilities. A premium level increase of 1.0% was necessary to recognize the changes in benefits.

An increase of 0.1% was applied to recognize the effect of a change in the allowance for production expense and an increase of 0.4% was applied to recognize the effect of a change in the allowance for loss adjustment expense. The change in premium level resulting from adjustment to the allowance for the Security Fund assessment was an increase of 0.2%.

The cumulative result of the individual components above produced a premium level decrease of 2.8%. An increase of 0.2% was also necessary to limit the effect of the premium level decrease on certain of the fixed expense provisions.

The combined effect of all components produced an overall **premium level** decrease of 2.6%. Since there were no changes to other premium producing items, the overall **rate level** change is also a decrease of 2.6%.

A Terrorism premium charge of \$0.03 per hundred of payroll is applicable to policies effective January 1, 2010 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost. Upward deviation from the \$0.03 rate, to a maximum of \$0.06, is also permitted.

A Catastrophe (Other than Certified Acts of Terrorism) premium charge of \$0.01 per hundred of payroll is applicable to policies effective January 1, 2010 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost.

The Uninsured Employers Fund Surcharge was changed to 0.11% and the Second Injury Fund Surcharge was changed to 6.90%.

Table I shows the historic record of rate level changes since 1918.

## **RATE RELATIVITIES**

The adjustment of rate relativities effective January 1, 2010 was based on the classification experience of policy years 2002 through 2006 for one-year policies and policy years 2000 through 2004 for the three-year, fixed-rate policies as reported under the New Jersey Statistical Plan.

There were 580 classifications in the Manual effective January 1, 2010, including the codes in the Admiralty and Federal Employers' Liability Schedule. There were 8 classifications that carried no rate assignment. Of the remainder, 165 developed increased rates, 401 showed decreases and 6 were unchanged.

The rates for the classifications applicable under the Admiralty and Federal Employers' Liability Act were adjusted to reflect the most recent experience.

The rates for Private Residence – Household Employee classifications remain unchanged.

The Expense Constant remains at \$220 for all policies except Private Residence – Household Employee policies, which stays at \$30.

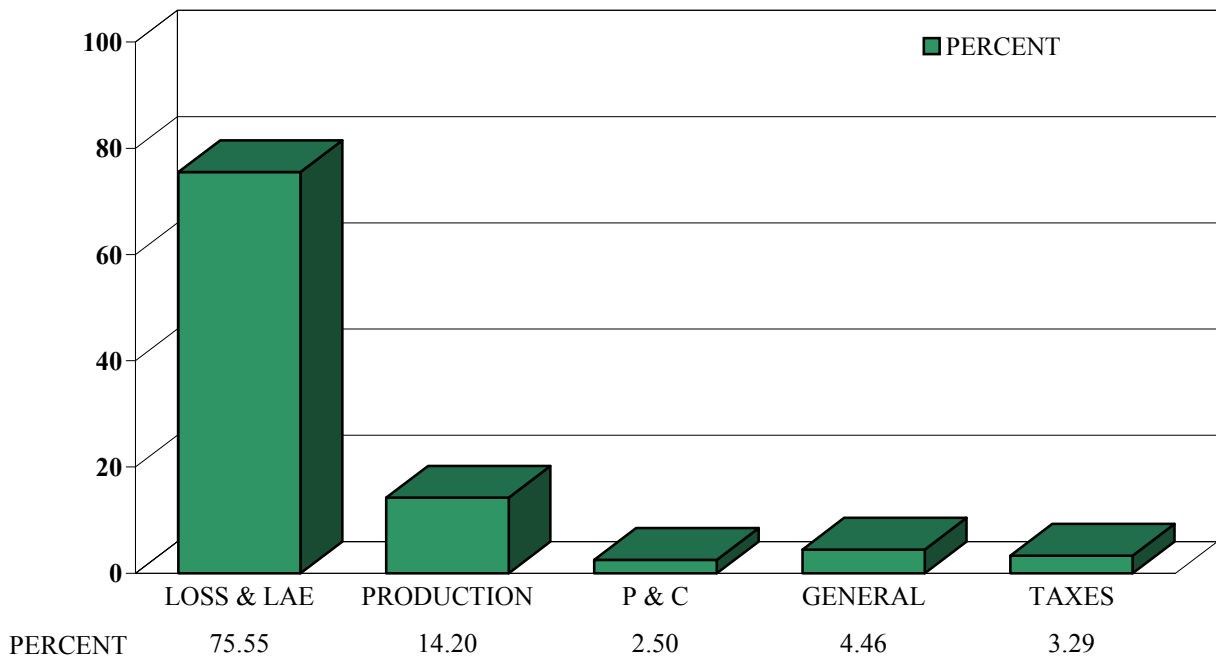
The revised Manual of Rates was included in Circular Letter #1793, dated November 20, 2009.

## **EXPENSES AND TAXES**

The most important purpose of pricing is to generate the funds required to meet the cost of benefit obligations, but allowance must also be made for expense and tax requirements. These needs are regularly reviewed each year and adjustments made where appropriate. Since the loss adjustment expense arises from claims against the employer and from the payment of benefits prescribed by statute, it is functionally related to the benefit obligations.

The benefit cost experience of all insured New Jersey employers and the standard expense and tax provisions constitute the basis of the Manual of Rates which determine standard premium for New Jersey Workers Compensation and Employers Liability Insurance. Standard premium is a device to express results on a common and comparable statistical basis. The standard expense provisions apply only to the first \$5,000 of standard premium per risk. Such provisions are included in the Manual of Rates effective January 1, 2010 in the following amounts:

**STANDARD EXPENSE PROVISIONS**



Taxes include: Security Fund 0.64%, General State Premium 2.10%, Rate Supervision 0.25%, and Miscellaneous Tax Provision 0.30%. Production includes commissions and branch office support to perform policy preparation functions. General includes administration, payroll audit and inspection. The P & C allowance provides for profit and contingencies.

With respect to premium in excess of \$5,000 per risk, certain expense provisions are reduced by the application of one of two premium discount systems – Schedule Y or Schedule X. The discounts in Schedule Y are greater than those in Schedule X, and each company may choose one or the other to apply uniformly to its policies. The retrospective rating factors contain the same premium discounts. The Schedule Y discounts effective January 1, 2010 are:

	<b>First</b>	<b>Next</b>	<b>Next</b>	<b>Over</b>
<b>Schedule Y</b>	\$5,000	\$95,000	\$400,000	\$500,000
<b>Applicable Discounts</b>	--	9.2%	10.9%	11.9%

Schedule X discounts, while based on the same principle as indicated above, result in lower discount percentages. The Schedule X discounts effective January 1, 2010 are:

	<b>First</b>	<b>Next</b>	<b>Next</b>	<b>Over</b>
<b>Schedule X</b>	\$5,000	\$95,000	\$400,000	\$500,000
<b>Applicable Discounts</b>	--	3.5%	5.0%	7.0%

As of January 1, 2006, premium discount does not apply to policies written through the New Jersey Workers Compensation Insurance Plan.

**TABLE I**  
**HISTORY OF RATE LEVEL CHANGES**

<u>Effective Date</u>	<u>Experience</u>	<u>Benefit Level</u>	<u>Taxes</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percentage Change (%)</u>
1918 – 1973	0.686	4.443	1.043	1.032	3.282	--
July 1, 1974	0.955	1.007	1.014	1.000	0.975	(2.5)
July 1, 1975	1.012	1.014	1.009	0.965	0.999	(0.1)
Jan. 1, 1976	1.000	1.017	1.000	1.000	1.017	1.7
July 1, 1976	1.131	1.000	0.985	0.985	1.097	9.7
Jan. 1, 1977	1.000	1.020	1.000	1.000	1.020	2.0
July 1, 1977	1.198	1.000	1.002	0.984	1.182	18.2
July 1, 1978	1.065	1.015	1.019	0.965	1.063	6.3
July 1, 1979	1.157	1.018	0.950	0.970	1.085	8.5
Jan. 1, 1980	1.000	1.225	1.000	0.907	1.111	11.1
Jan. 1, 1981	1.087	1.029	0.986	0.979	1.080	8.0
Jan. 1, 1982	0.847	1.096	1.043	0.972	0.941	(5.9)
Jan. 1, 1983	0.820	1.065	1.023	0.954	0.852	(14.8)
Jan. 1, 1984	0.886	1.059	0.988	0.959	0.889	(11.1)
Jan. 1, 1985	0.882	1.036	0.982	0.968	0.869	(13.1)
Jan. 1, 1986	0.967	1.037	1.010	0.987	1.000	0.0
Jan. 1, 1987	1.032	1.037	1.097	0.942	1.106	10.6
Jan. 1, 1988	1.087	1.036	1.011	0.963	1.096	9.6
Jan. 1, 1989	0.995	1.040	0.874	0.955	0.864	(13.6)
Jan. 1, 1990	1.136	1.037	0.984	0.897	1.040	4.0
Jan. 1, 1991	1.086	1.023	1.008	0.936	1.048	4.8
Jan. 1, 1992	1.194	1.032	0.995	0.895	1.098	9.8
Jan. 1, 1993	1.208	1.032	0.995	0.921	1.143	14.3
Jan. 1, 1994	1.207	1.039	0.998	0.852	1.066	6.6
Jan. 1, 1995	1.125	1.012	1.004	0.926	1.058	5.8
Jan. 1, 1996	1.052	1.015	1.009	0.893	0.962	(3.8)
Jan. 1, 1997	0.915	1.019	0.987	0.994	0.915	(8.5)
Jan. 1, 1998	0.964	1.023	0.993	0.926	0.907	(9.3)
Jan. 1, 1999	1.010	1.025	1.000	0.916	0.948	(5.2)
Jan. 1, 2000	1.082	1.029	1.006	0.871	0.976	(2.4)
Jan. 1, 2001	1.075	1.023	1.003	0.886	0.977	(2.3)
Jan. 1, 2002	1.170	1.030	0.997	0.849	1.020	2.0
Jan. 1, 2003	1.177	1.005	0.998	0.927	1.094	9.4
Jan. 1, 2004	1.081	1.006	1.007	0.974	1.067	6.7
Jan. 1, 2005	1.036	1.012	1.001	1.033	1.084	8.4
Jan. 1, 2006	1.006	1.017	1.005	0.998	1.026	2.6
Jan. 1, 2007	1.016	1.010	0.999	0.988	1.013	1.3
Jan. 1, 2008	1.007	1.020	0.995	1.012	1.034	3.4
Jan. 1, 2009	0.984	1.020	0.998	0.988	0.990	(1.0)
Jan. 1, 2010	0.982	1.010	1.002	0.980	0.974	(2.6)

## **ANNOUNCEMENTS DURING 2009**

During the year, the Bureau held two meetings with the Governing Committee and two meetings with the Actuarial Subcommittee. Proposals by the Bureau staff and suggestions made by individuals, associations and others were reviewed and adopted when they appeared to be in the best interests of the New Jersey workers compensation community.

The major issues, in addition to those previously discussed, are outlined below. All changes became effective January 1, 2010, unless noted differently.

### **EXPERIENCE RATING**

#### **Rating Values and Factors**

The usual annual adjustments were made to the rating values, factors and credibility criteria to be used in experience ratings effective January 1, 2010 and thereafter. The limiting loss values were also changed to reflect increasing loss costs. These changes were included in Manual Amendment Bulletin #447, dated November 20, 2009.

### **RETROSPECTIVE RATING – PREMIUM DISCOUNT**

#### **Expense Ratio Tables**

Revised expense ratio tables were included in Manual Amendment Bulletin #448, dated November 20, 2009. The new tables reflect the adjustments in the expense provisions.

#### **Retrospective Development Factors**

As a result of an examination of the latest available loss data, the Retrospective Development Factors were revised and included in Manual Amendment Bulletin #448, dated November 20, 2009.

#### **Hazard Group Differentials**

As a result of an examination of the latest available loss data, the four- and seven-group systems of Hazard Group Differentials were revised and included in Manual Amendment Bulletin #448, dated November 20, 2009.

#### **Excess Loss Premium Factors**

As a result of an examination of the latest available loss data, the four- and seven-group systems of Excess Loss Premium Factors were revised and included in Manual Amendment Bulletin #448, dated November 20, 2009.

**Tax Multipliers**

As a result of adjustments in the tax provisions, the State and USL Tax Multipliers were revised and were included in Manual Amendment Bulletin #448, dated November 20, 2009.

**Expected Loss Ratio**

As a result of adjustments in the expense and tax provisions, the Expected Loss Ratio used in Retrospective Rating calculations was revised and included in Manual Amendment Bulletin #448, dated November 20, 2009.

**Table of Classifications by Hazard Group**

The Table of Classifications by Hazard Group was revised to remove classification codes that were discontinued effective January 1, 2010. The revised Table of Classifications by Hazard Group was included in Manual Amendment Bulletin #448, dated November 20, 2009.

**Notice of Election**

The Manual rule providing for the filing of the Notice of Election for Retrospective Rating was amended to note that the signature of the insured is optional on the form. The amended Manual rule became effective on September 1, 2009 and was announced in Manual Amendment Bulletin #446, dated July 9, 2009.

**Premium Discount**

Adjustments were made to Schedule Y discounts in the Premium Discount Schedules and Tables as a result of the related expense element alterations. Schedule X discounts were not altered. This announcement was included in Manual Amendment Bulletin #448, dated November 20, 2009.

**APPLICATION OF MANUAL****Compulsory Insurance Requirements**

The Manual rule regarding the insurance requirements for corporate officers was deleted effective September 1, 2009, and announced in Manual Amendment Bulletin #446, dated July 9, 2009.

## **PREPARATION AND AUDITING OF POLICIES**

### **Executive Officers**

The maximum weekly payroll chargeable to executive officers and certain other employments was adjusted to \$2,210. The minimum weekly payroll was adjusted to \$550. The changes in the maximum and minimum weekly payroll amounts recognize the increase in weekly wages. The revised amounts were included in Manual Amendment Bulletin #447, dated November 20, 2009.

### **Appointed or Elected Public Officers**

The minimum annual payroll for members of Boards of Education was increased to \$5,720 and, for appointed or elected officers, the minimum annual payroll was increased to \$1,140. These routine adjustments were included in Manual Amendment Bulletin #447, dated November 20, 2009.

### **Cancellations**

The Manual rule governing the cancellation of a policy by the insured was amended to include an additional exception whereby the insured and insurer can agree to a pro-rata determination of premium if the insured cancels a policy due to the downgrading of the financial strength of the insurer. This change became effective on July 1, 2009 and was announced in Manual Amendment Bulletin #445, dated June 16, 2009.

### **Taxicab Companies and Drivers – Code 7370**

The upset annual payroll applicable to this classification under certain stipulated conditions was increased to \$30,800. This change was included in Manual Amendment Bulletin #447, dated November 20, 2009.

## **CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**

### **Classifications**

The Manual rule containing the table of classifications to which the Construction Classification Premium Adjustment Program applies was amended to remove classifications that had been previously eliminated. This change was included in Manual Amendment Bulletin #447, dated November 20, 2009.

### **Credit Determination**

The Manual rule containing the procedure for determining the Construction Classification Premium Adjustment Program credit percentage was amended to accommodate a new time schedule for the filing of applications for the Program. This change was included in Manual Amendment Bulletin #447, dated November 20, 2009.

**Application Form**

The “Application for New Jersey Construction Classification Premium Adjustment Program” form was amended to accommodate a new time schedule for the filing of applications. This change was included in Manual Amendment Bulletin #447, dated November 20, 2009.

**LARGE RISK LARGE DEDUCTIBLE PROGRAM****Notice of Election**

The Manual rules providing for the filing of the Large Risk Large Deductible Program Notice of Election were amended because the Notice of Election is no longer required for Large Construction Projects and because the signature of the insured is optional on any Notice of Election to be filed. These amended Manual rules became effective on September 1, 2009, and were announced in Manual Amendment Bulletin #446, dated July 9, 2009.

**WORKERS COMPENSATION INSURANCE PLAN****Application Form**

The Manual rule citing the procedure to be followed when incomplete or obsolete application forms for the New Jersey Workers Compensation Insurance Plan are submitted to the Bureau was amended effective September 1, 2009, and announced in Manual Amendment Bulletin #446, dated July 9, 2009. The rule was amended to clarify that a new application form is required to be filed if an incomplete or obsolete form has been submitted.

**Preamble of the New Jersey Workers Compensation Insurance Plan**

The Manual rule containing the Preamble of the New Jersey Workers Compensation Insurance Plan was amended to remove reference to premium discount, which is no longer applicable to Plan policies, and to add language referencing the availability of filing Plan applications electronically. The amendments to the Preamble of the Plan became effective on September 1, 2009, and were announced in Manual Amendment Bulletin #446, dated July 9, 2009.

**National Workers Compensation Reinsurance Association NPF**

A new corporation known as the National Workers Compensation Reinsurance Association NFP replaced the National Workers Compensation Reinsurance Pool as the reinsurance facility for member insurers that have chosen the pooling mechanism to satisfy their residual market obligations. Manual rules were amended to reflect the change in name. The amendments were announced in Manual Amendment Bulletin #446, dated July 9, 2009.

The “Acceptance of the New Jersey Workers Compensation Insurance Plan” form appearing in section 1:4-3 of the Manual was also amended in Manual Amendment Bulletin #446 to reflect the change in name.

**Plan Premium Adjustment Program**

The Manual rule containing the basis for determining the Plan Premium Adjustment Program premium charge was amended to note that premium from the private residence or estate classifications should be excluded from the PPAP premium charge. This amendment was announced in Manual Amendment Bulletin #447, dated November 20, 2010.

**New Jersey Workers Compensation Insurance Plan Application Forms**

The New Jersey Workers Compensation Insurance Plan “Employee Leasing Supplemental Application” and the “Truckers Supplemental Application” appearing in section 3:14 of the Manual were amended to provide for consistency with the versions of the forms used in electronic submissions of Plan applications. The amended applications were included in Manual Amendment Bulletin #446, dated July 9, 2009.

**STATISTICAL**

**Updates to Manual Rules**

The Statistical Plan was amended to eliminate obsolete instructions contained in rules 3:13-36, 3:13-48A, 3:13-52, 3:13:53A, 3:13-85 and 3:13-140 of the Manual. Further, rules 3:13-6, 3:13-18, 3:13-51 and 3:13-57 of the Manual were amended to provide additional clarification. The amendments to the Manual rules were included in Statistical Circular #111, dated November 20, 2009.

**Unit Statistical Reporting Form**

To provide for consistency, the Statistical Plan was amended to include the latest “Primary Unit Statistical Reporting Form (Form USA – ASWG – A)” used nationally. The new form includes three new data elements, none of which apply in New Jersey. The amended form was included in Statistical Circular #111, dated November 20, 2009.

**New Jersey - Letter of Transmittal (Form S-31NJ)**

The “New Jersey – Letter of Transmittal (Form S-31NJ)” appearing in the Statistical Plan was amended to revise the mailing address on the form. The amended form was included in Statistical Circular #111, dated November 20, 2009.

**CLASSIFICATIONS**

**Stone or Brick Paver Installation – Outside & Drivers.....5200**

The cross-reference phraseology for code 5200 was amended to include driving exposures. This change was included in Manual Amendment Bulletin #446, dated July 9, 2009.

**Pasta or Noodle Mfg. ....2002**

New phraseology and an explanatory footnote were added for classification code 2002 to provide for modernization of the classification. These changes were included in Manual Amendment Bulletin #447, dated November 20, 2009.

**Cracker or Cookie Mfg. & Route Supervisors, Drivers .....2003**

New cross-reference phraseology was included for code 2003. The operations suggested by the new cross-reference phraseology were previously classified under code 2001. Code 2001 was discontinued concurrently with the changes to the scope of code 2003. This change was included in Manual Amendment Bulletin #447, dated November 20, 2009.

**Food Products Mfg. NOC .....6504**

New phraseology and a descriptive footnote were added for code 6504 to provide for the consolidation of cross-references that had been applicable. These changes were included in Manual Amendment Bulletin #447, dated November 20, 2009.

**Asbestos Goods Mfg – Molded Products.....1842**

**Cracker Mfg.....2001**

Code 1842 was discontinued because of a lack of experience reported during the latest five-year period. Code 2001 was discontinued for underwriting reasons. These changes were announced in Manual Amendment Bulletin #447, dated November 20, 2009.

**FORMS**

**Approval of Forms**

The Manual rule governing the approval of forms was amended effective July 1, 2009. The filing of standard forms, identical to those appearing in the Manual, is now optional. All other forms that affect the scope of coverage and are not identical to those in the Manual must be filed. The change to the Manual rule governing the approval of forms was included in Manual Amendment Bulletin #444, dated June 15, 2009.

**Endorsements**

The Manual was amended to include a revised New Jersey Premium Discount Endorsement – Schedule Y, WC 29 04 06 W. The endorsement was revised to accommodate changes in the expense provisions. The revised endorsement was included in Manual Amendment Bulletin #448, dated November 20, 2009.

The Manual was amended to include two new retrospective rating endorsements. Further, three current retrospective rating endorsements were amended and replaced with new versions. Three other retrospective rating endorsements were withdrawn. These changes to New Jersey endorsements were made to ensure consistency with changes made to retrospective rating endorsements used nationally. The changes were announced in Manual Amendment Bulletin #448, dated November 20, 2009, and are as follows:

New Endorsements

Retrospective Rating Plan Premium Endorsement – Wrap-Up Construction Project..... WC 00 05 05 B  
 Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option..... WC 00 05 16

Amended Endorsements

Retrospective Rating Plan Premium Endorsement – One Year Plan ..... WC 00 05 03 B  
 Retrospective Rating Plan Premium Endorsement – Three Year Plan..... WC 00 05 04 B  
 Retrospective Rating Plan Premium Endorsement – Non-Ratable Catastrophe Element  
 or Surcharge..... WC 00 05 10 A

Withdrawn Endorsements

Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option –  
 One Year Rating Period ..... WC 29 05 13 C  
 Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option –  
 Three Year Rating Period ..... WC 29 05 14 C  
 Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option –  
 Long Term Construction Project ..... WC 29 05 15 C

**Policy Information Page Algorithm**

The Manual was amended to revise the Policy Information Page Algorithm (Other Than Minimum Premium Policy). The revision was made to account for the exclusion of premium developed under the private residence or estate classifications in the determination of the Plan Premium Adjustment Program premium charge. The revised Algorithm was included in Manual Amendment Bulletin #447, dated November 20, 2009.

**New Jersey Transmittal Letter (Form TL-1)**

The Manual was amended effective July 1, 2009 to include the “New Jersey Transmittal Letter (Form TL-1).” This form is intended to be included with all magnetic tape or electronic submissions of policy data to satisfy certification requirements of the New Jersey Workers Compensation Law. This change was announced in Manual Amendment Bulletin #444, dated June 15, 2009.

**Notice of Cancellation (Form 116-B)**

Effective July 1, 2009, the Manual was amended to include a revised “Notice of Cancellation (Form 116-B)” and accompanying rules and information. The revisions were necessary to clarify the methods available for the submission of the notices and to provide instructions for the use of the “New Jersey Transmittal Letter (Form TL-1).” This change was announced in Manual Amendment Bulletin #444, dated June 15, 2009.

**Notice of Reinstatement (Form 117-A)**

Effective July 1, 2009, the Manual was amended to include a revised “Notice of Reinstatement (Form 117-A)” and accompanying rules and information. The revisions were necessary to clarify the methods available for the submission of the notices. This change was announced in Manual Amendment Bulletin #444, dated June 15, 2009.

## **NJCRIB PLAN OF OPERATION**

S-1917 was signed into law in the latter part of 2008 and took effect on July 1, 2009. The amendments to the law in S-1917 represented the first major changes to the Bureau's statutory framework since 1917. The amendments were intended to clarify the role of the Bureau as an independent rate service organization for workers compensation insurance, similar to such entities in other jurisdictions. While continuing the role of the Commissioner of Banking and Insurance (Commissioner) to review and prior approve rate, form and rule changes, the amendments eliminated the direct, day-to-day supervision of the Commissioner over the Bureau. The legislation strengthened the role of the Bureau's Governing Committee by adding three public members and the Commissioner as a non-voting, ex-officio member. Further, the new law eliminated the requirement that a Special Deputy Commissioner serve as ex-officio Chairman of the Bureau and required that the Bureau adopt an appeals procedure in its rules.

As a result of the passage of S-1917, the rules in the Manual required amendment. The amendments to Manual rules resulting from S-1917 were included in Manual Amendment Bulletin #444, dated June 15, 2009. The amendments became effective July 1, 2009.

## **OTHER ANNOUNCEMENTS**

During the year, the Bureau issued one Advisory Bulletin. Advisory Bulletins contain information pertinent to workers compensation insurance in New Jersey, but do not directly affect rules in the Manual. Advisory Bulletin #28, dated January 20, 2009, was issued to notify members that the 2009 Workers Compensation and Employers Liability Insurance Manual was available on the Bureau's website, and that it had been combined in one file to make it more convenient to use.

During the year, the Bureau also issued Circular Letters that did not affect rules in the Manual. Each month, the Bureau issued a Circular Letter containing information about the New Jersey Workers Compensation Insurance Plan. Circular Letters were also used for announcements, such as the date and location of the Bureau's Annual Meeting, and to notify members that the Bureau had authorized the NCCI to collect detailed medical data for certain New Jersey claims.

## **FINANCIAL – 2009**

In accordance with established practice, an outside accounting firm is retained on a three-year rotating basis to audit the Bureau. Suplee, Clooney & Company was appointed to complete the audit for the fiscal year ending June 30, 2009. Following the close of the fiscal year, this firm made a complete audit of the books and records of the Bureau, which were found to be proper. The audit report was dated July 29, 2009. Following receipt of the report, the excess between the fiscal year assessments and other income and expenses was returned to Bureau members according to established procedure, through the usual assessment adjustment.

Table II shows the income and expenditures statement for calendar year 2009. The twenty-five-year development of New Jersey workers compensation business and the net cost of administering the Bureau are shown in Exhibit E in the Appendix. This exhibit illustrates the growth of the workers compensation industry in terms of written premium, number of policy and statistical filings, and the number of experience rated risks.

**TABLE II**

**INCOME AND EXPENDITURES STATEMENT FOR CALENDAR YEAR 2009**

**INCOME**

Total Quarterly Assessments.....		\$13,020,388
Rating Data, Bulletin Services and Forms.....	26,384	
Interest Income.....	26,039	
Miscellaneous Income.....	<u>773,136</u>	<u>825,559</u>
<b>Total Income</b> .....		<b>\$13,845,947</b>

**EXPENDITURES**

Salaries.....	\$ 6,721,366
Contract Personnel Service.....	52,199
FICA Tax.....	498,463
Employee Relations & Welfare.....	2,082,522
Rent, Maintenance, Repair & Alteration of Premises.....	711,155
Printing & Stationery.....	59,157
Postage & Express.....	106,805
Telephone.....	55,829
Insurance.....	97,096
Furniture, Equipment Rental, Repair, Supplies & Service.....	144,605
Data Processing.....	1,103,262
Legal & Auditing.....	88,482
Travel & Travel Items.....	144,973
Employee Recruitment.....	35,780
Pension.....	800,000
Miscellaneous.....	47,521
<b>Total Expenditures</b> .....	<b>\$12,749,215</b>
<b>Excess Income over Expenditures</b> .....	<b>\$ 1,096,732</b>

**STATEMENT OF ASSETS AND LIABILITIES AT DECEMBER 31, 2009**

**ASSETS**

Cash in Bank – Operating Account.....	\$ 53,553
Cash in Bank – Payroll Account.....	12,359
Petty Cash.....	500
Accounts Receivable.....	8,690
Money Market Account.....	3,380,644
Hudson City Bank CD.....	255,510
<b>Total Assets</b> .....	<b>\$3,711,256</b>

**LIABILITIES**

Expense Lease Commitment.....	\$ 5,640
Pension – Bureau Accrued.....	823,028
N.J. Sales Tax.....	10
Excess Funds as of January 1.....	1,100,748
Excess Funds January 1 thru December 31.....	1,096,732
Assessment adjustment liability – Fiscal Year 2007/2008.....	685,098
<b>Total Liabilities</b> .....	<b>\$3,711,256</b>

## **BUREAU MEMBERSHIP CHANGES**

**AT THE END OF 2008, THE BUREAU WAS COMPRISED OF 404 MEMBER COMPANIES.**

**During 2009, the following 13 companies were admitted:**

- Accident Fund General Insurance Company
- Accident Fund National Insurance Company
- Allied Eastern Indemnity Company
- California Insurance Company
- Cornhusker Casualty Company
- Dallas National Insurance Company
- Eastern Alliance Insurance Company
- Endurance Reinsurance Corporation of America
- First Nonprofit Insurance Company
- Foremost Insurance Company of Grand Rapids Michigan
- Foremost Signature Insurance Company
- United National Specialty Insurance Company
- United Wisconsin Insurance Company

**THE TOTAL MEMBERSHIP AT THE END OF 2009 WAS 417.**

The membership consists of insurance companies providing workers compensation coverage for commercial risks and for residence employees only. A list of the insurance companies providing workers compensation coverage for commercial risks is included after the “Conclusion” section of this Annual Report.

## **AUTHORIZED SELF-INSURED EMPLOYERS**

Table III is a listing of employers who, pursuant to N.J.S.A. 34:15-77, have received authorization by the Department of Banking and Insurance (DOBI) to self-insure their obligations under the New Jersey Workers Compensation Law.

## TABLE III

### AUTHORIZED SELF-INSURED EMPLOYERS

(Information Furnished By the Department of Banking and Insurance)

The number of employers is 102. The year of exemption is shown in brackets after the name of the company.

ABF Freight System, Inc. (2001)	Federal Express Corp. (1989)	Merck & Co., Inc. (1980)	Sherwin-Williams Company (1992)
Acme Markets, Inc. (2002)	FedEx Freight, Inc. (2006)	Metuchen, Roman Catholic Diocese of (1988)	Shopwell Inc. (1990)
AtlantiCare Regional Medical Center (2006)	FedEx Ground Package System, Inc. (1996)	Monmouth Ocean Hospital Serv. Corp. (2005)	Shore Memorial Hospital (1994)
Atlantic City Electric Company (1981)	FedEx SmartPost, Inc. (2005)	Newark, Roman Catholic Archdi. of (1980)	Shorewood Packaging Corporation (2001)
Atlantic Health System, Inc. & Subs. (2006)	FirstEnergy Corporation & Subsidiaries (2004)	Nordstrom, Inc. (1990)	Simon & Schuster, Inc. (1991)
Atlantic States Cast Iron Pipe Co. (1978)	Ford Motor Company (1921)	PPG Industries, Inc. (1926)	Super Fresh Food Markets (1981)
Bancroft Neuro Health, Inc. (1994)	Gannett Satellite Inf. Network (1993)	PRC-DeSoto International, Inc. (2008)	Supermarket Dist. Service Corp. (1990)
Bergen Regional Medical Center, LP (2003)	Great Atlantic & Pacific Tea Co., Inc. (1959)	PSEG Power LLC & Subsidiaries (2000)	Target Corp. (2000)
BJ's Wholesale Club, Inc. (1999)	Herr Foods, Inc. (1992)	PSEG Services Corp. (2000)	TownePlace Management Corporation (2001)
BJ's NJ Distribution Center, LLC (2005)	Hilton Worldwide, Inc. (1984)	Parker Hannifin Corp. (1997)	Toys "R" US Inc. (1993)
CBS Broadcasting Inc. (2002)	Holy Redeemer Health Syst. & Affiliates (2006)	Paterson, Roman Catholic Diocese of (1974)	Trenton, Roman Catholic Diocese of (1979)
CBS Outdoor Group Inc. (2002)	International Paper Company (1942)	Pathmark Stores, Inc. (1979)	United Water New Jersey, Inc. (1917)
CBS Outdoor Inc. (2002)	Kimble Glass, Inc. (1992)	Plainbridge, Inc. (1993)	Valley Home Care, Inc. (1999)
CVS/Caremark Corporation (2007)	King World Corporation (2002)	Presbyterian Homes & Services Inc. (2000)	Valley Hospital Foundation (1999)
Camden, Roman Catholic Diocese of (1973)	Kontes Glass Company (1997)	Princeton University (1991)	Valley Hospital, Inc. (1998)
Cape Regional Medical Center, Inc. (2006)	Lowe's Home Centers, Inc. (2001)	Procter & Gamble Distributing Co. (1993)	Valley Medical Services (1999)
Chevron U.S.A., Inc. (1961)	Macy's, Inc. & Subsidiaries (2007)	Procter & Gamble Manufacturing Co. (1970)	Valley Physicians Services, Inc. (2008)
Colonial Concrete Co. & Subsidiaries (2007)	Marriott Claims Services Corporation (2001)	Public Service Electric & Gas Co. (1929)	Virtua Health Inc. & Subs. (2000)
ConAgra Foods, Inc. & Subsidiaries (2001)	Marriott Hotel Services, Inc. (1990)	Quick Check Corporation (1993)	Volvo Cars of North America, Inc. (2000)
Cooper Hospital/Univ. Medical Center (1986)	Marriott International Inc. (1993)	Ralph Clayton & Sons and Affiliates (2002)	Waldbaums, Inc. (1990)
Costco Wholesale Corporation (1997)	Marriott International Admin. Serv. Inc. (1996)	Residence Inn by Marriott, Inc. (2001)	Wegman's Food Markets, Inc. (1999)
Courtyard Management Corp. (1990)	Marriott Ownership Resorts, Inc. (1992)	Retailers & Manufacturers Dist & Subs (2006)	Weyerhaeuser Company (1958)
DCH Auto Group (USA) Inc. & Subs. (2006)	Marriott Resort at Seaview, Inc. (1988)	Robert Wood Johnson Univ. Hospital (1988)	White Castle System, Inc. (1993)
DuPont Performance Elastomers L.L.C. (1996)	Marriott Resorts Hospitality Corporation (2001)	Rose Trucking Corp. (1994)	White Rose, Inc. (2008)
E.I. Dupont de Nemours & Company (1918)	Memorial Sloan-Kettering Cancer Center (2006)	St. Peter's University Hospital (1988)	
Execustay Corporation (2001)		Sherwin-Williams Automotive Finishes (1996)	
Exelon Generation Company, LLC (2009)			

## RATING DIVISION

### EXPERIENCE RATING

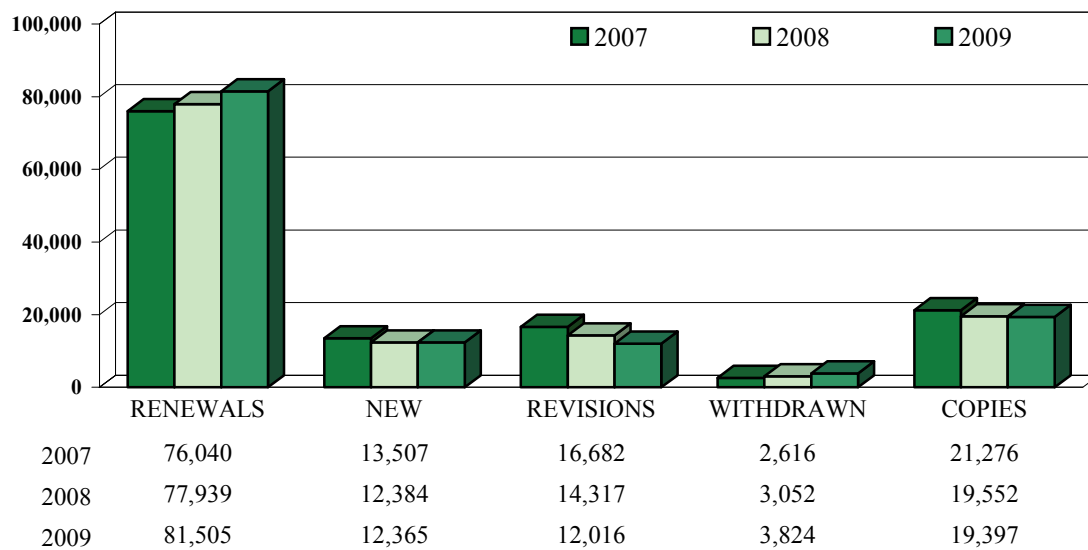
The Rating Division is responsible for the review of statistical data in the processing of experience ratings and their revisions. In addition, the Rating Division issues rating data to insurers and other authorized parties.

The number of risks which qualified for experience rating in 2009 was 98,834 – an increase of 0.4% from the 98,411 risks qualifying for rating in 2008.

There were 93,870 new and renewal experience ratings prepared and issued in calendar year 2009 compared to 90,323 in 2008. The overall activity during 2009 is illustrated by the following graph.

### EXPERIENCE RATING ACTIVITY

DURING 2009



Percentage of Ratings Issued in Relation To Effective Date – Calendar Year 2009						
After Effective Date	Prior to Effective Date			More Than Thirty Days Prior To Effective Date		
	1 to 30 Days	30 to 60 Days	More than 60 Days	2007	2008	2009
3.4%	19.3%	25.7%	51.6%	76.9%	78.0%	77.3%

Table IV shows the historic statistical results of calculated experience ratings on the basis of the effective year of rating.

TABLE IV

**Twenty-Five Year Historic Record  
of Experience Rating Results**

<b>Rating Effective Year</b>	<b>Total Ratings</b>	<b><u>Premium During Experience Period</u></b>		<b>Ratio of Adjusted to Manual</b>
		<b><u>Manual Premium</u></b>	<b><u>Adjusted Premium</u></b>	
1985	42,727	\$1,772,822,537	\$1,671,274,975	0.943
1986	44,489	1,716,886,779	1,620,573,487	0.944
1987	48,377	2,066,892,242	1,892,721,377	0.916
1988	54,958	2,500,094,755	2,255,979,321	0.902
1989	52,411	2,400,709,097	2,271,640,130	0.946
1990	66,247	2,736,852,208	2,598,569,338	0.949
1991	73,747	3,270,965,375	3,119,317,828	0.954
1992	69,533	3,703,933,596	3,421,685,950	0.924
1993	72,640	4,250,309,586	4,063,216,350	0.956
1994	73,762	4,486,969,855	4,251,038,829	0.947
1995	75,369	4,688,577,235	4,282,807,608	0.913
1996	75,999	4,631,730,529	4,214,318,712	0.910
1997	75,443	4,268,646,155	3,891,935,525	0.912
1998	74,946	3,951,830,819	3,671,578,610	0.929
1999	74,130	3,884,644,847	3,607,391,660	0.929
2000	75,269	4,059,350,871	3,781,586,890	0.932
2001	77,189	4,213,562,828	3,959,587,845	0.940
2002	80,965	4,532,454,524	4,261,483,623	0.940
2003	87,283	5,273,541,974	4,782,503,648	0.907
2004	91,349	5,879,845,211	5,227,740,497	0.889
2005	96,831	6,625,515,552	6,068,433,564	0.916
2006	93,497	6,965,822,455	6,508,092,145	0.934
2007	96,561	7,332,429,411	6,816,567,968	0.930
2008	98,367	7,824,918,400	7,139,317,016	0.912
2009	98,778	7,978,377,797	7,174,327,136	0.899

**POLICY REVIEW FOR EXPERIENCE RATING**

The Rating Division is required to review policies subject to experience rating which contain non-conforming items. The number of such policies reviewed in 2009 was 28,332 – an increase of 10.2% from the 25,698 reviewed in 2008.

**OWNERSHIP**

The Rating Division also is required to examine ownership with regard to the combination of entities, changes of ownership interests and mergers involving insured businesses. The number of ownership issues reviewed in 2009 was 9,085 – a decrease of 23.1% from the 11,812 handled in 2008.

**RETROSPECTIVE RATING**

Retrospective Rating was elected by 319 risks in 2009, up from 121 risks in 2008. The estimated premium for the 319 risks was \$82,947,090, compared with \$29,971,654 in 2008. The increase in premium amounted to 176.8%. Of the 319 retrospectively rated risks, 277 elected the Large Risk Alternative Rating Option, up from 102 in 2008. The premium for risks electing the Large Risk Alternative Rating Option was \$78,328,288, compared to \$28,368,687 in 2008, an increase of 176.1%. Below is an exhibit of the retrospective rating programs effective in 2009:

RETROSPECTIVE RATING			
<u>TYPE/TERM</u>	<u>NO.</u>	<u>LOSS LIMIT</u>	<u>EST. STD. PREMIUM</u>
V-1	42	20	\$ 4,618,802
V-3	0	0	0
V-Long Term	0	0	0
LRA-1	277	158	78,328,288
LRA-3	0	0	0
LRA-Long Term	<u>0</u>	<u>0</u>	<u>0</u>
Total	319	178	\$82,947,090

**LARGE DEDUCTIBLE PROGRAM**

The New Jersey Large Risk – Large Deductible Program was introduced effective July 1, 1993. The number of risks electing this program totaled 1,995 in 2009, an increase of 3.4% from the 1,930 risks in 2008. The New Jersey premium subject to this program in 2009 was \$399,539,648, and the resultant deductible premium was \$90,002,110.

## UNDERWRITING DIVISION

The Underwriting Division is responsible for general classification studies, field audits, inspections and the New Jersey Workers Compensation Insurance Plan. The Division is also responsible for reviewing individual disability reports to assure proper classification assignment.

During 2009, the number of inspections increased and the number of audits decreased. There were 54,394 individual pieces of correspondence received dealing with classification, auditing, underwriting and Plan risk matters, representing a decrease of 5.2% from the 57,364 received in 2008. Total correspondence for 2009 included 7,742 pieces resulting directly from employer non-cooperation with Plan Servicing Carriers.

### INVESTIGATIONS

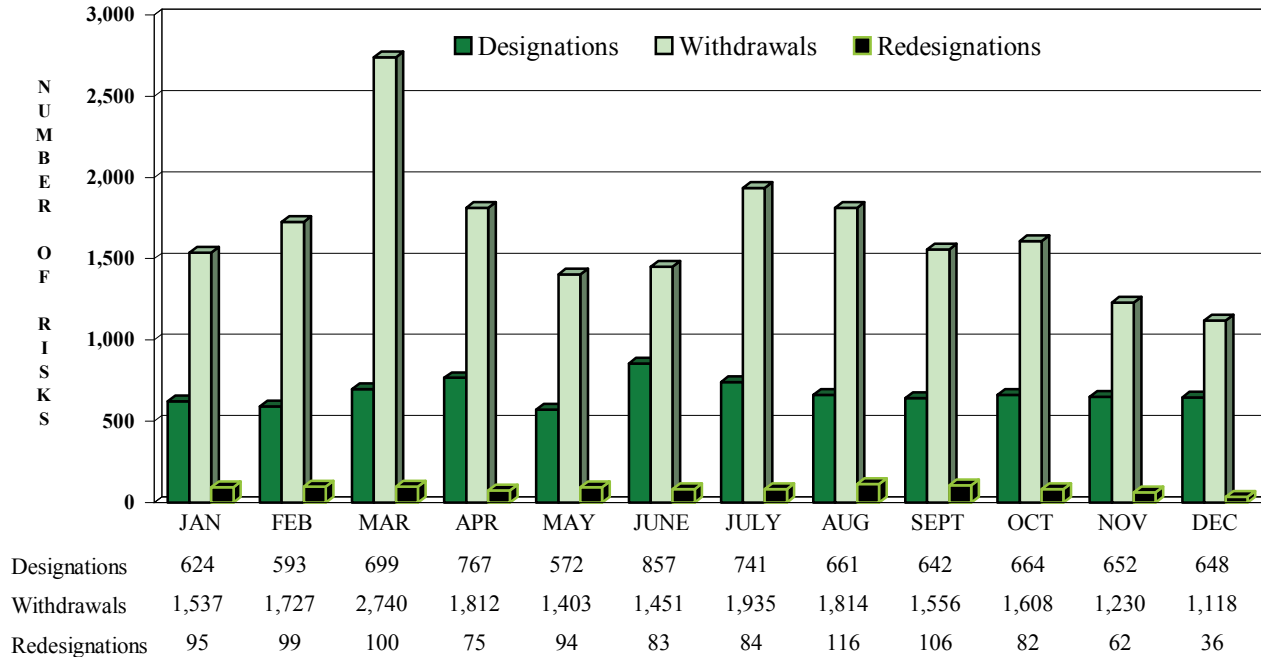
The field activity is outlined in the following exhibit. For comparison, the two preceding years are shown.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Classification Surveys	3,005	3,416	3,529
Audits	2,572	2,367	2,352
Visits - No Inspection	1,049	1,152	1,308
Visits - No Audit	216	208	186
General Investigations	<u>0</u>	<u>0</u>	<u>3</u>
TOTAL	6,842	7,143	7,378

### THE NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

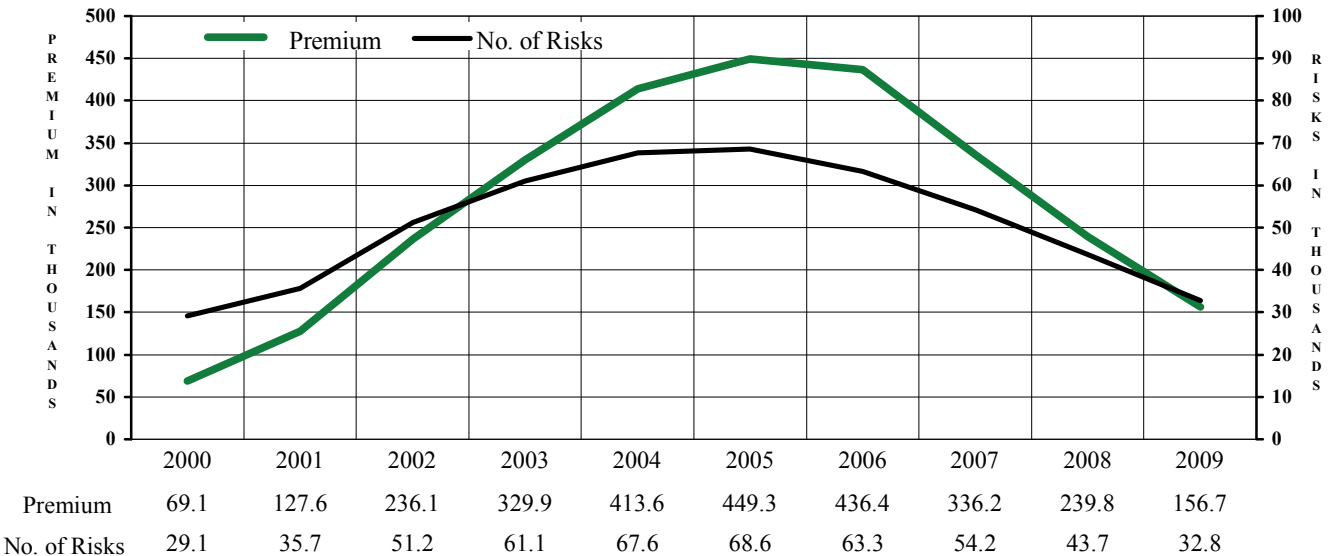
At the end of 2009, there were 32,808 Plan risks with an estimated annual premium of \$156,740,035, which represents approximately 6.2% of the total New Jersey workers compensation market, compared to 8.9% in 2008. The residual market currently provides coverage to approximately 20% of New Jersey's insured employers. There were 8,120 new designations in 2009, representing a 25.2% decrease from the 10,850 employers newly designated in 2008. There were 19,931 withdrawals in 2009, representing a decrease of approximately 10.8% from the 22,355 withdrawals in 2008. There were 1,032 employers designated to new insurance companies upon notice by the designated company that it wished to be relieved of providing renewal coverage (Paragraph 14 of the Plan), representing an increase of 13.3% from the 911 in 2008. The Web Application Submission System for Plan risks processed 4,620 new designations, accounting for 57% of new Plan activity compared to 52% in 2008.

MONTHLY PLAN ACTIVITY – 2009



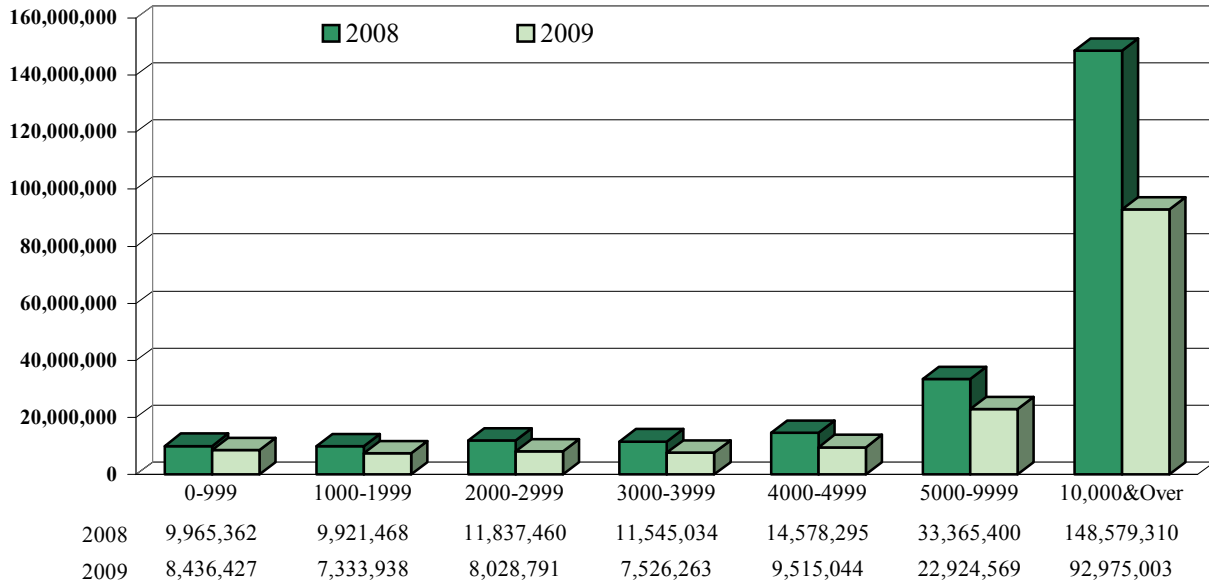
The 32,808 Plan risks with an estimated annual Plan premium of \$156,740,035 is compared with 43,734 risks with an estimated annual Plan premium of \$239,792,329 at the end of 2008. The result is a decrease of approximately 25.0% in the total number of Plan risks and a decrease of 34.6% in the estimated annual Plan premium. These results are encouraging and reflect a continuing reduction in overall Plan activity. This is also reflective of increased Plan depopulation resulting from additional incentives implemented by the Bureau for the past several years, including elimination of Premium Discount for Plan risks, the Plan Eligibility Endorsement, and continuing expansion of the Plan Premium Adjustment Program. The following graph shows the development since 2000.

RISKS & PREMIUM DEVELOPMENT THROUGH 2009

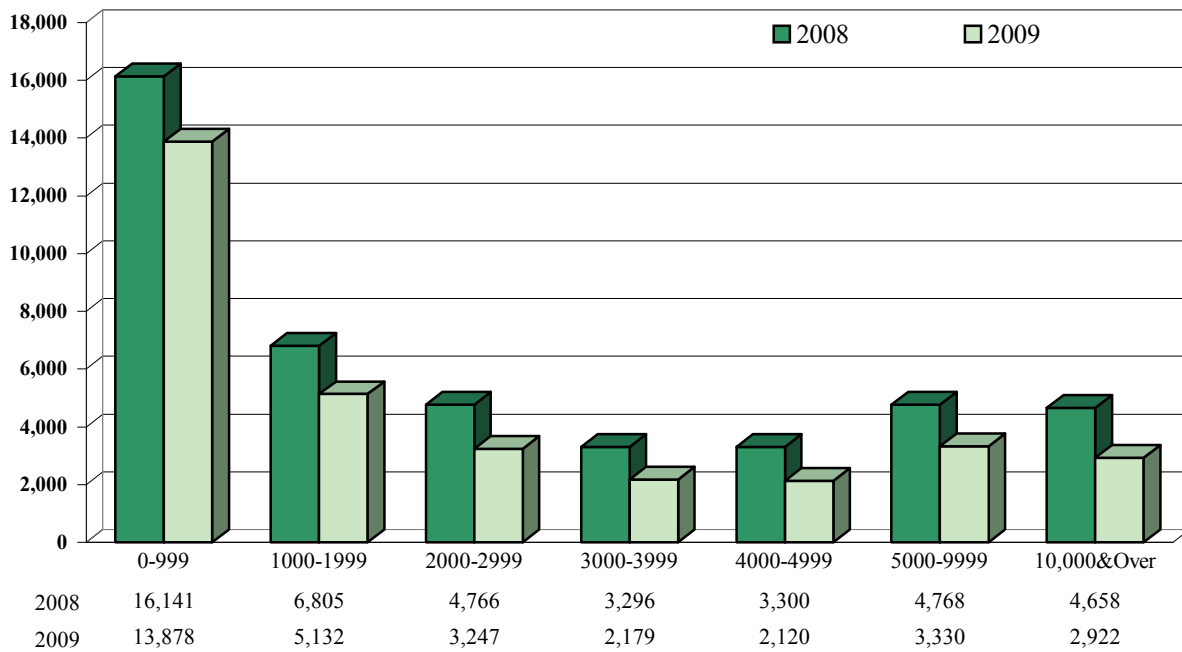


In 2009, 91% of Plan risks and 41% of the annual Plan premium were in the premium size group of \$0 to \$9,999. The average Plan risk generated premium of \$4,777. The 2009 distribution of Plan business by premium size was reasonably consistent with the previous year. The decrease in number of Plan risks and total Plan premium are indicative of overall market improvement and stabilization in New Jersey, as well as the effects of the current economic climate and the employing community’s efforts to maintain safer workplaces.

PREMIUM DISTRIBUTION BY PREMIUM GROUP SIZE



RISK DISTRIBUTION BY PREMIUM GROUP SIZE



Premium credit of \$457,527,372 was in effect December 31, 2009 for 35,116 Plan risks written as regular business, compared to \$399,332,587 premium for 32,169 risks as of December 31, 2008. The credit procedure has been in effect since July 1, 1963.

The status of the distribution of Plan Risks as of December 31, 2009 is shown in Table V, and the historic exhibit of claim experience under the Plan is shown in Table VI.

## TABLE V

**New Jersey Workers Compensation Insurance Plan  
Business by Companies as of December 31, 2009  
(Pro-Rata Share Based on Premium Writings of Fiscal Year Ending June 30, 2008)  
(Premium is Policy or Plan Estimate)**

Insurance Company*	Completed Transactions		Outstanding Renewals		Outstanding New		Total Assignments		Voluntary Credits		Grand Totals		Quota	Factor
	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium		
American Zurich Ins. Co.	6,658	29,895,634	349	1,632,812	363	1,277,133	7,370	32,805,579	723	6,847,263	8,093	39,652,842	49,024,682	0.809
-Companion Prop. & Cas. Ins. Co.	1,589	6,913,636	27	88,595			1,616	7,002,231	522	19,898,487	2,138	26,900,718	61,426,741	0.230
Continental Insurance Co. of NJ	948	3,699,202	55	296,261			1,003	3,995,463	815	10,106,646	1,818	14,102,109	14,459,855	0.975
Hartford Underwriters Ins. Co.	939	4,237,801	78	439,210	1	5,717	1,018	4,682,728	8,199	59,517,086	9,217	64,199,814	47,833,003	1.342
-Liberty Insurance Corporation	6,653	34,291,923	361	1,941,943	31	333,757	7,045	36,567,623	1,706	36,264,676	8,751	72,832,299	337,847,074	0.042
New Jersey Casualty Ins. Co.	10,501	42,906,837	467	1,931,270	374	1,670,219	11,342	46,508,326	810	34,826,047	12,152	81,334,373	100,064,161	0.813
-Travelers Indemnity Company	3,269	24,062,048	142	1,087,829	3	28,208	3,414	25,178,085	2,053	14,872,089	5,467	40,050,174	214,993,592	0.184
All Non-Servicing Members of Workers' Comp. Reinsurance Pool									20,288	275,195,078	20,288	275,195,078		
Total	30,557	146,007,081	1,479	7,417,920	772	3,315,034	32,808	156,740,035	35,116	457,527,372	67,924	614,267,407	825,649,108	

- Servicing Member of National Workers' Compensation Reinsurance Pool.

\* Including Companies under the same management

**TABLE VI**  
**Historical Plan Experience**

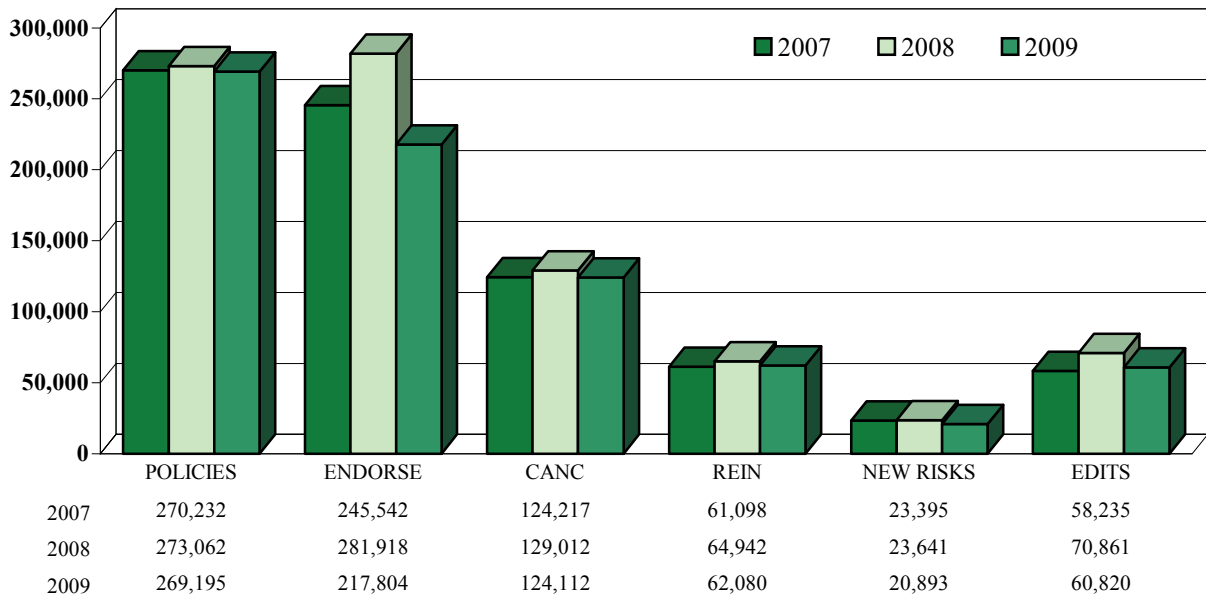
<b>Policy Year</b>	<b>Number of Policies</b>	<b>Percentage of Total</b>	<b>Standard Premium Incl. L &amp; E Constant</b>	<b>Percentage of Total</b>	<b>Total Incurred Loss</b>	<b>Loss Ratio</b>
1973	13,634	10.3%	\$ 7,260,486	2.1%	\$ 4,945,611	68.12%
1974	11,628	8.6	6,096,150	1.7	5,112,611	83.87
1975	12,605	9.2	8,073,206	2.2	6,724,147	83.29
1976	18,953	12.9	24,923,363	6.0	19,355,848	77.66
1977	30,145	19.1	42,369,210	8.5	24,420,735	57.64
1978	41,444	24.0	76,230,056	12.9	42,544,850	55.81
1979	46,860	26.0	88,406,063	12.8	42,289,122	47.84
1980	44,885	27.0	95,777,392	12.0	47,962,246	50.08
1981	37,229	25.9	72,533,154	8.4	31,500,105	43.43
1982	32,731	22.4	44,745,514	5.0	24,967,992	55.80
1983	27,550	18.1	29,283,820	3.4	20,126,267	68.73
1984	26,552	16.6	27,669,562	3.1	20,345,537	73.53
1985	34,777	20.8	54,553,834	6.5	49,321,110	90.41
1986	42,971	24.9	80,071,439	8.9	73,781,916	92.15
1987	47,727	26.8	102,026,176	9.6	92,172,890	90.34
1988	48,742	27.0	118,973,937	10.1	102,050,081	85.78
1989	49,926	27.6	118,668,817	11.0	131,916,139	111.16
1990	50,527	28.7	143,849,745	12.2	138,850,602	96.52
1991	53,911	31.4	168,111,234	15.0	177,046,294	105.31
1992	61,759	36.4	216,892,457	17.5	199,604,902	92.03
1993	67,965	40.9	359,253,876	24.7	200,578,867	55.83
1994	69,760	42.3	352,742,899	21.7	178,709,781	50.66
1995	68,643	41.9	296,942,975	18.3	148,686,259	50.07
1996	56,451	34.7	177,571,390	10.9	98,814,752	55.65
1997	42,170	25.7	95,271,639	6.0	57,247,973	60.09
1998	29,742	17.3	56,858,821	3.6	37,941,190	66.73
1999	25,586	14.0	49,091,964	3.0	40,843,491	83.20
2000	26,707	14.1	72,193,510	4.4	51,259,189	71.00
2001	33,778	17.4	140,034,917	8.3	109,176,323	77.96
2002	47,021	24.6	244,450,916	14.0	194,869,241	79.72
2003	58,838	30.7	357,598,535	18.6	273,486,110	76.48
2004	64,145	33.3	420,435,673	20.1	271,108,661	64.48
2005	67,559	34.1	469,094,362	19.5	288,043,427	61.40
2006	60,606	30.4	414,881,265	16.1	245,894,563	59.27
2007	51,217	25.7	315,640,518	11.9	161,821,800	51.27

## POLICY REVIEW DIVISION

### POLICY FILINGS

In 2009, the total filings of policies, endorsements, cancellations and reinstatements received amounted to 673,191 compared to 748,934 the previous year. This change represents a decrease of 10.1%. Policies and endorsements decreased 12.2%. Cancellations and reinstatements decreased by 4.0%. New risks decreased 11.6%. The computer edit error rate for all policies decreased 14.2%.

### RECEIPT AND DISTRIBUTION OF POLICY MATERIAL



### POLICY FORMS

In 2009, the amount of specimen policy forms, information pages, endorsements, cancellations or reinstatements reviewed was 666. During the previous year, 1,239 were reviewed.

### COVERAGE RECORDS

The Bureau has been designated by the Commissioner of Banking and Insurance to receive policy filings to establish the record of coverage required by N.J.S.A. 34:15-78. The filings include the information page and all endorsements, cancellations and reinstatements notices applicable to each policy.

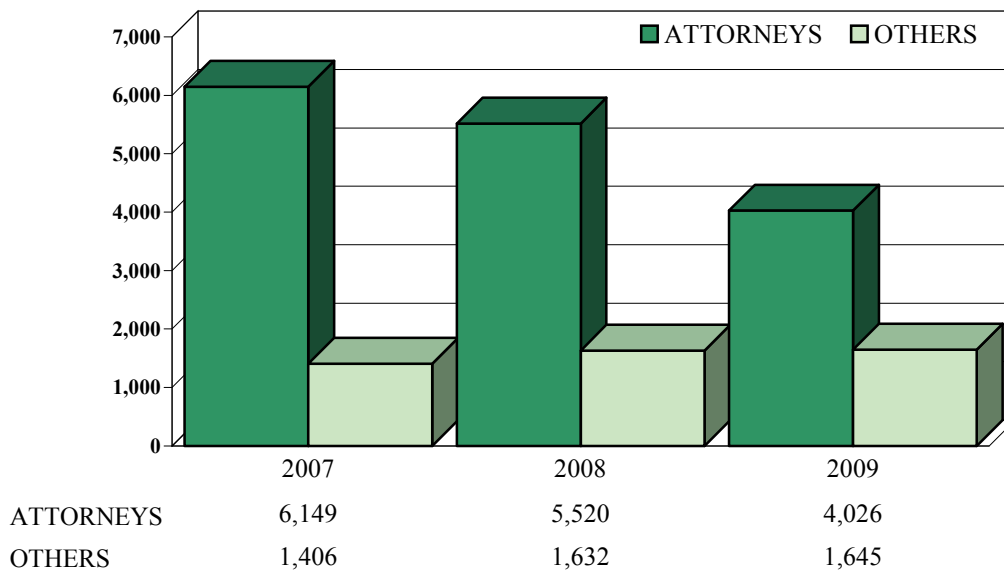
Policy material, correspondence, reports of experience and inspection reports with respect to a given New Jersey employer are housed in individual risk files. Each file is identified by a six-digit number. The file number is determined from the name of the employer through the use of a computer inquiry system by the Alpha Search Department of the Policy Review Division.

During 1998, the Bureau completed the conversion of all hard copy individual risk files to a computerized data filing system. A total of 1,074,123 documents consisting of correspondence as well as inspection and audit reports were imaged. From 1999 through 2008, an additional 1,925,669 documents were imaged. Most of these documents represented new incoming material as well as material located by reviewing the existing filing system for documents that had not been imaged previously. In 2009, a total of 248,533 documents were imaged. At the present time, each Bureau employee has immediate access to all information for a risk, including correspondence, policies, endorsements, cancellations, reinstatements, audits, inspections, statistical reports and rating data.

The record of coverage filed with the Bureau is often subpoenaed in cases where the state of New Jersey prosecutes an employer for failing to carry workers compensation insurance. A representative of the Bureau is often required to appear with records before a grand jury or in court to provide testimony.

Most inquiries into the record of coverage are made via correspondence from attorneys representing claimants. Other inquiries come from the Department of Labor and Workforce Development or from insurance companies seeking to confirm their own records or to identify subcontractors with respect to premium audit matters. Coverage records are also available at the Bureau’s website. As illustrated below, the 4,026 written requests from attorneys in 2009 represented a decrease of 27.1% from 2008. This decrease is likely the result of an increased use of the Bureau’s website. The Bureau also received 1,207 letters from the Department of Labor and Workforce Development, 115 e-mails from insurance companies seeking policy information, 51 letters requesting copies of cancellation notices and transmittal letters, and 272 letters from insurance companies and labor unions regarding policy matters.

**RECORD OF COVERAGE INQUIRIES** (Paper Format Only)



## MANAGEMENT INFORMATION SYSTEMS DIVISION

The processing of statistical reports of experience, experience ratings, field audit selections, policy coverage requests, Plan Risk accounting and selection of carriers to afford coverage on behalf of employers unable to secure voluntary coverage are handled in large measure through the use of the Bureau's IBM mainframe equipment. Specific information from the policies, as well as all data from the carriers' reporting of experience, are stored on direct access storage and magnetic tape devices, thus facilitating the automated processing and review. The proper functioning of this division has a direct impact on the quality of work that the Bureau staff performs each day.

Carriers have the option to subscribe to the national standard formatted electronic data packages of rates, surcharges and classification data (WCRATE), experience modification data (WCMODS) and policy pre-delinquent and delinquent data (WCCNTL) for unit statistical filing purposes. The ability of a carrier to be able to immediately input policy year rates, surcharges and classification data eliminates the high percentage of rate and surcharge errors usually found in January and February policies.

Carriers are encouraged to use policy and statistical electronic filing methods. The flow of hard copy submissions increases expense costs for the carrier and Bureau. Electronic reporting improves the timeliness of data submission and enhances the credibility and quality of the data being submitted. National WCIO data reporting specifications (WCPOLS and WCSTAT) for electronic submissions of data are in place, and the Bureau is committed to assisting any carrier to reduce and eliminate hard copy filings.

The MIS Division maintains the Bureau's website, [www.njcrib.com](http://www.njcrib.com), which provides the New Jersey workers compensation insurance community with electronic services and information. Carriers may submit WCPOLS and WCSTAT data records to the Bureau via the website through the File Transfer Protocol (FTP) or through the Compensation Data Exchange (CDX). Other online services include the New Jersey Workers Compensation Online Insurance Plan Application for Designation of an Insurance Company, the Financial Data Reporting Application and the E-mail Notification Service.

The following information is available at the Bureau's website: a list of Bureau contacts, Bureau News, the latest Annual Report, Circulars and Bulletins, the Bureau Manual, Actuarial Statistics, New Jersey Forms and Workers Compensation Rates. The website also makes available data searches for Classification Experience, Policy Coverage, Experience Rating Modifications and residual market population information.

Additionally, the Bureau offers Experience Rating worksheets (eRatings) on its website for access by carriers. The Policy Coverage Search Inquiry contains six years of policy data including cancellations and reinstatements. This data is updated every 24 hours.

## ACTUARIAL DIVISION

Statistics constitute the foundation of the workers compensation insurance pricing system, and are necessary in the continuous work of maintaining rates and rating plans on a current basis. They are also important for research and the formulation of new rating concepts.

The reporting of individual policy experience through the Statistical Plan forms the basis of the policy year experience referred to as Schedule "Z." These detailed reports are used for various analyses, experience and retrospective ratings as well as for classification pure premium relativities. For each policy, these reports include the audited payrolls, premium rates charged, experience modification (if any) and all items affecting the cost of coverage. They also include a separate listing of the incurred indemnity and medical losses for each compensable accident. Each report is valued by the carrier as of the eighteenth month after the month in which the policy became effective, and is filed with the Bureau approximately twenty and one-half months after the inception month of the policy. Tables VII through X flow from this data.

Calendar year Schedule "W" data (Exhibits A and B in the appendix) show the developments which occurred during 2009 with respect to both premiums and losses under all policies in effect since January 1, 1942. These Exhibits illustrate the reason for retaining a long period of years in the Schedule "W" report. The data show there is significant claim activity indicating that ultimate payments may be more or less than originally estimated. Exhibits C and D in the appendix also flow from the Schedule "W" data.

It should be noted that the premium data included in Tables VII through X and in Exhibits A through D are on a gross or "standard" basis. Standard premium is primarily used for ratemaking purposes and does not represent the premium that is ultimately collected by the insurance carriers ("net" premium). Net premium results from the application of various rating programs that affect the final cost to employers. The loss ratios displayed in the Tables and Exhibits are determined by dividing the incurred losses by the standard premium. Loss adjustment expenses and any operating expenses must be considered along with the loss ratio when assessing the profitability of the system.

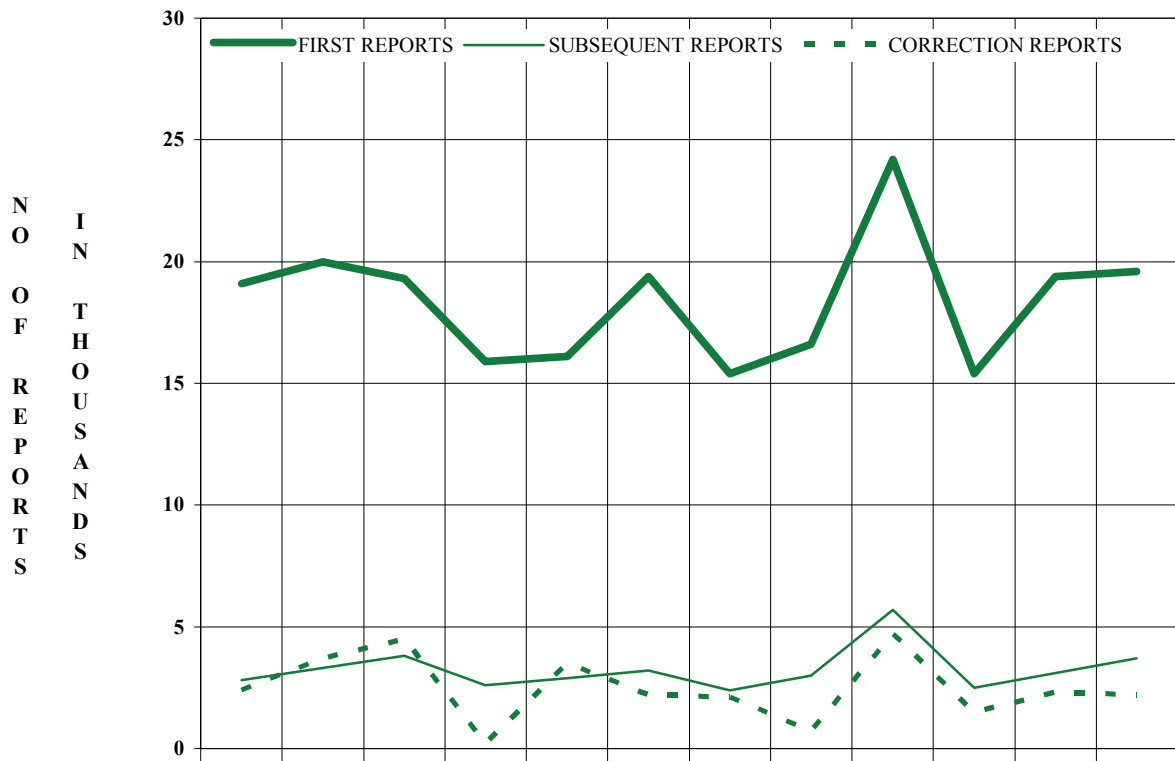
Statistics are not meaningful unless they have been subjected to quality analyses. Such quality with respect to the data filed through the Statistical Plan is, in large measure, dependent on whether payrolls have been audited properly and claims have been assigned to the proper classifications. In this regard, an extensive test payroll audit program and a data quality processing system directed toward the classification of claims are in place. Schedule "W" data can be filed electronically at the Bureau's website, using the Financial Data Reporting Application (FDRA). FDRA subjects data to an extensive series of edits to assure the reasonableness of the data. As a result of these ongoing quality control programs, the Bureau has confidence in the credibility of the data used in the pricing of insurance.

The Bureau's website contains useful actuarial information, which is updated throughout the year. The latest paid and incurred policy and accident year loss development factors on an aggregate basis, as well as data concerning the latest trend factor, are some of the information available at the website.

**STATISTICAL**

Reports of policy year experience are received on a routine, scheduled basis related to the policy effective date. After the first report is filed, nine subsequent reports are required at annual intervals. These reports are necessary to establish and maintain appropriate classification pure premiums and in the calculation of individual risk ratings. Approximately 67.0% are received via the FTP electronic transmission method, 32.4% are received via CDX, 0.1% are received via magnetic tape and 0.5% are received in paper format.

**EXPERIENCE REPORTS RECEIVED DURING 2009**



CALENDAR MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
POLICY MONTH	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
FIRST REPORTS	19.1	20.0	19.3	15.9	16.1	19.4	15.4	16.6	24.2	15.4	19.4	19.6
SUBSEQUENT REPORTS	2.8	3.3	3.8	2.6	2.9	3.2	2.4	3.0	5.7	2.5	3.1	3.7
CORRECTION REPORTS	2.4	3.7	4.5	0.2	3.5	2.2	2.1	0.7	4.7	1.5	2.3	2.2

The number of first reports received increased from 219,592 for calendar year 2008 to 220,318 in calendar year 2009. The number of subsequent reports received increased from 38,823 in calendar year 2008 to 39,021 in calendar year 2009. The number of correction reports received increased from 28,511 in calendar year 2008 to 29,969 in calendar year 2009.

**TABLE VII**  
**Historical Record**  
**New Jersey Workers Compensation Insurance**  
**Policy Year Experience – Schedule “Z”**

<b>Policy Year</b>	<b>Payrolls</b>	<b>Standard Premium</b>	<b>Benefits (Incurred Losses)</b>	<b>Loss Ratio</b>
1917 – 1963	\$127,586,190,765	\$1,878,574,638	\$1,062,922,538	56.58%
1964	9,401,617,939	143,400,036	82,174,557	57.30
1965	10,227,029,873	154,541,867	88,912,406	57.53
1966	11,095,302,546	175,960,004	100,066,564	56.87
1967	12,064,028,385	216,412,747	124,968,868	57.75
1968	13,041,009,169	244,453,296	136,710,750	55.93
1969	14,359,295,241	269,152,306	146,152,948	54.30
1970	15,505,945,738	279,521,408	154,399,390	55.24
1971	16,567,193,740	292,022,218	165,021,354	56.51
1972	18,159,136,673	325,648,401	190,081,640	58.37
1973	19,438,340,466	349,400,396	218,316,790	62.48
1974	20,604,436,767	352,158,561	235,838,780	66.97
1975	21,667,396,678	360,418,423	252,638,790	70.10
1976	23,397,036,246	412,598,232	266,307,728	64.54
1977	25,744,549,233	500,291,693	288,710,021	57.71
1978	28,303,648,446	590,066,853	294,332,539	49.88
1979	30,562,909,053	687,751,366	307,291,953	44.68
1980	33,418,523,291	794,096,282	322,120,476	40.56
1981	35,622,703,963	860,794,357	334,541,486	38.86
1982	38,061,276,672	884,799,224	347,929,544	39.32
1983	42,026,040,816	865,418,501	406,298,137	46.95
1984	46,783,172,626	878,439,267	464,541,392	52.88
1985	51,474,675,840	834,609,822	516,628,882	61.90
1986	55,801,445,075	892,564,167	593,008,576	66.44
1987	61,081,724,912	1,049,255,787	693,429,183	66.09
1988	64,812,682,582	1,162,668,484	763,295,250	65.65
1989	67,852,361,291	1,071,937,741	853,526,272	79.62
1990	68,827,366,854	1,094,360,686	869,900,637	79.49
1991	69,946,595,509	1,112,582,886	884,135,777	79.47
1992	73,520,899,303	1,226,607,863	907,663,021	74.00
1993	76,291,094,882	1,433,085,707	903,536,103	63.05
1994	77,607,894,202	1,605,540,592	857,700,458	53.42
1995	78,450,694,603	1,623,163,094	830,544,570	51.17
1996	85,762,092,960	1,633,459,838	837,417,547	51.27
1997	89,623,613,674	1,590,829,767	877,032,669	55.13
1998	97,266,119,996	1,567,887,889	942,381,442	60.11
1999	107,118,565,196	1,609,757,126	1,071,757,349	66.58
2000	113,818,367,589	1,625,320,242	1,138,515,346	70.05
2001	120,146,478,705	1,696,374,327	1,196,648,775	70.54
2002	123,866,694,409	1,747,631,963	1,287,181,500	73.65
2003	127,094,274,564	1,921,315,768	1,317,064,869	68.55
2004	132,770,766,788	2,088,075,993	1,254,267,222	60.07
2005	141,027,765,162	2,401,366,418	1,303,008,509	54.26
2006	147,199,252,607	2,571,726,461	1,214,066,549	47.21
2007	154,541,444,012	2,652,327,001	1,026,048,560	38.68
Total:	\$2,799,539,655,041	\$47,728,369,698	\$28,129,037,717	58.94%

TABLE VIII

**Experience by Size – All Risks  
Policy Year 2007 – 1st Report**

Premium Size		Number of Risks on Annual Basis	Standard Premiums	Total Incurred Losses	Loss Ratio
From	To				
Minimum	Premium	19,072.29	\$ 8,239,293	\$ 4,589,628	55.70%
\$ 0	99	3,900.94	264,892	58,342	22.02
100	199	9,254.65	1,378,355	222,934	16.17
200	299	9,160.36	2,283,847	648,845	28.41
300	399	8,032.39	2,791,100	1,275,917	45.71
400	499	6,370.93	2,860,738	1,662,949	58.13
500	599	6,716.16	3,704,104	792,474	21.39
600	699	6,140.28	3,981,070	5,607,376	140.85
700	799	5,454.40	4,052,626	2,297,986	56.70
800	899	4,373.21	3,705,979	1,511,197	40.78
900	1,099	7,291.89	7,285,538	2,594,587	35.61
1,100	4,999	64,025.92	163,381,980	67,839,326	41.52
5,000	9,999	21,180.26	149,842,861	73,153,240	48.82
10,000	24,999	17,076.20	266,298,413	107,593,252	40.40
25,000	49,999	6,963.04	242,911,140	91,952,870	37.85
50,000	99,999	3,994.42	278,085,369	106,157,238	38.17
100,000	249,999	2,640.82	403,137,609	153,969,550	38.19
250,000	499,999	828.79	286,653,956	111,964,460	39.06
500,000	999,999	343.21	236,782,281	89,500,582	37.80
1,000,000	& Over	238.86	607,012,256	203,665,365	33.55
<b>Total</b>		203,059.02	\$2,674,653,407	\$1,027,058,118	38.40%
Over					
Min. Prem.	1,099	66,695.21	32,308,249	16,672,607	51.60
1,100	& Over	117,291.52	2,634,105,865	1,005,795,883	38.18

**TABLE IX**  
**SIZE OF RISK EXPERIENCE – HISTORIC**  
**Premium in Thousands of Dollars**

Policy Year	Minimum Premium Risks Only		Premiums \$0 – \$1,099 Inc. Min Prem.		Premiums Over \$1,100		Total All Risks	
	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio
1983	1,317.2	93.63%	31,884.2	75.89%	833,534.3	45.84%	865,418.5	46.95%
1984	1,518.9	87.88	33,374.2	64.62	845,065.0	52.42	878,439.2	52.88
1985	1,537.2	99.37	34,416.0	75.92	800,193.8	61.30	834,609.8	61.90
1986	1,667.4	130.97	34,337.0	86.93	858,227.2	65.70	892,564.2	66.44
1987	2,164.5	131.05	35,134.5	73.04	1,014,003.2	65.85	1,049,137.7	66.09
1988	2,803.4	137.85	35,327.5	86.23	1,127,341.0	65.01	1,162,668.5	65.65
1989	2,772.3	151.26	36,169.1	102.90	1,041,268.0	78.66	1,077,437.1	79.47
1990	2,888.9	155.82	35,733.4	111.42	1,064,580.1	78.33	1,100,313.5	79.40
1991	3,016.0	146.62	35,047.6	103.37	1,083,776.0	78.62	1,118,823.6	79.39
1992	3,372.7	118.37	34,479.1	91.79	1,198,569.1	73.36	1,233,048.2	73.87
1993	5,292.7	59.22	34,243.0	81.50	1,415,850.2	62.06	1,450,093.2	62.52
1994	7,308.8	78.07	34,525.1	63.96	1,583,764.6	52.87	1,618,289.7	53.11
1995	8,072.9	50.49	35,295.8	57.68	1,600,433.7	50.72	1,635,729.5	50.87
1996	8,137.7	36.02	35,762.3	57.79	1,609,462.4	50.81	1,645,224.7	50.96
1997	8,105.6	51.43	37,367.4	73.14	1,513,239.3	56.21	1,550,606.7	56.62
1998	9,348.7	33.26	41,200.7	65.66	1,446,227.1	63.43	1,487,427.8	63.49
1999	8,604.0	46.82	44,107.7	67.17	1,500,932.4	69.59	1,545,040.1	69.52
2000	8,452.4	49.95	45,905.1	69.71	1,539,341.5	72.10	1,585,246.6	72.04
2001	7,735.0	61.97	45,453.4	80.66	1,650,834.4	70.82	1,696,287.9	71.09
2002	6,957.6	53.17	43,377.4	58.33	1,728,436.3	73.06	1,771,813.8	72.70
2003	7,185.3	38.11	41,291.5	69.47	1,912,931.9	67.41	1,954,223.3	67.45
2004	7,175.2	50.07	40,536.2	62.09	2,089,160.2	58.93	2,129,696.4	58.99
2005	7,868.3	44.21	40,645.1	52.19	2,408,059.6	53.34	2,448,704.6	53.32
2006	8,160.1	28.61	40,560.5	42.93	2,578,482.5	46.50	2,619,043.0	46.45
2007	8,239.3	55.70	40,547.5	52.44	2,634,105.9	38.18	2,674,653.4	38.40

The data included for policy years 2004 through 2007 are from the latest statistical report. All other policy years are from the fifth statistical report.

#### MINIMUM PREMIUM FORMULA CHANGES

Effective July 1, 1971 – Eight times the rate plus the loss and expense constant.  
 Effective July 1, 1976 – Twelve times the rate plus the loss and expense constant.  
 Effective July 1, 1977 – Fifteen times the rate plus the loss and expense constant.  
 Effective July 1, 1978 – Eighteen times the rate plus the loss and expense constant.  
 Effective Jan. 1, 1987 – Twenty-One times the rate plus the loss and expense constant.  
 Effective Jan. 1, 1989 – Twenty-Five times the rate plus the expense constant.  
 Effective Jan. 1, 1991 – Twenty-Eight times the rate plus the expense constant.  
 Effective Jan. 1, 1993 – Forty times the rate plus the expense constant.  
 Effective Jan. 1, 1994 – Sixty times the rate plus the expense constant.  
 Effective Jan. 1, 1995 – Seventy times the rate plus the expense constant.  
 Effective Jan. 1, 1996 – Eighty times the rate plus the expense constant.  
 Effective Jan. 1, 1997 – Ninety times the rate plus the expense constant.  
 Effective Jan. 1, 1998 – One Hundred times the rate plus the expense constant.

**TABLE X**  
**UNIT PLAN**  
**POLICY YEAR EXPERIENCE – NEW JERSEY**  
**BY REPORT LEVEL**

<u>Report</u>	<u>Number of Policies</u>	<u>Payroll</u>	<u>Standard Premium</u>		<u>Death</u>	<u>Permanent Total</u>	<u>Permanent Partial Major</u>	<u>Permanent Partial Minor</u>	<u>Temporary Total</u>	<u>Medical Only</u>	<u>Total</u>
<u>2003</u>											
First	191,271	125,831,213,658	1,960,740,147	Number	59	42	925	14,413	20,759	79,685	115,883
				Indemnity	16,039,474	9,934,485	84,501,332	246,653,333	110,984,429	--	468,113,053
				Medical	1,424,783	47,958,356	88,277,432	188,917,144	132,442,307	71,806,251	530,826,273
Second	191,540	127,131,769,242	1,931,467,224	Number	70	63	1,472	15,521	21,255	81,607	119,988
				Indemnity	17,827,145	13,235,050	145,731,121	280,149,278	118,963,595	--	575,906,189
				Medical	1,354,890	46,255,992	136,643,023	191,007,480	129,558,833	73,630,707	578,450,925
Third	191,528	127,177,453,513	1,920,043,653	Number	70	70	1,716	15,611	21,359	82,061	120,887
				Indemnity	18,619,537	17,271,559	176,240,891	298,882,551	129,017,159	--	640,031,697
				Medical	1,485,500	54,884,367	153,888,945	192,952,578	129,919,025	74,094,754	607,225,169
Fourth	191,534	127,204,003,111	1,921,321,031	Number	68	100	1,773	15,585	21,407	82,144	121,077
				Indemnity	18,125,047	26,614,298	187,236,537	306,766,526	129,286,632	--	668,029,040
				Medical	1,439,499	55,412,250	153,244,340	193,167,221	128,334,061	83,229,402	614,826,773
Fifth	191,538	127,094,274,564	1,921,315,768	Number	66	123	1,911	15,469	21,217	82,231	121,017
				Indemnity	18,057,168	34,467,878	211,644,641	301,142,846	124,956,929	--	690,269,462
				Medical	1,392,071	72,006,234	172,967,168	183,411,206	122,341,879	74,676,849	626,795,407
<u>2004</u>											
First	192,794	131,569,622,697	2,111,742,217	Number	71	29	914	14,444	19,192	78,482	113,132
				Indemnity	23,356,515	3,771,221	91,363,323	256,527,698	93,457,688	--	468,476,445
				Medical	5,209,965	15,741,203	104,689,496	194,125,966	126,009,308	77,362,989	523,138,927
Second	192,856	131,729,937,826	2,096,362,849	Number	81	51	1,337	15,481	19,662	80,265	116,877
				Indemnity	26,848,660	5,926,255	137,905,589	294,248,765	104,457,181	--	569,386,450
				Medical	5,141,589	22,674,251	136,759,696	197,329,487	127,090,037	80,643,344	569,638,404
Third	192,886	133,891,584,616	2,095,094,719	Number	85	65	1,495	15,582	19,828	80,401	117,456
				Indemnity	29,072,116	12,005,398	165,478,352	309,595,796	112,159,348	--	628,311,010
				Medical	6,755,454	31,587,554	148,340,141	195,948,431	126,032,702	80,344,833	589,009,115
Fourth	192,870	132,770,766,788	2,088,075,993	Number	86	95	1,690	15,356	19,737	80,457	117,421
				Indemnity	28,289,829	20,885,129	193,477,866	307,356,742	109,238,260	--	659,247,826
				Medical	5,524,289	39,591,759	160,910,712	189,268,096	119,769,241	79,955,299	595,019,396
<u>2005</u>											
First	197,377	140,616,450,021	2,405,579,045	Number	52	39	1,084	13,434	18,798	76,845	110,252
				Indemnity	13,610,648	7,527,771	90,985,945	259,069,272	106,167,815	--	477,361,451
				Medical	4,248,890	39,473,937	110,349,982	206,770,606	137,323,995	80,201,416	578,368,826
Second	197,820	140,954,830,316	2,401,831,248	Number	70	52	1,446	14,677	19,256	78,080	113,581
				Indemnity	17,393,307	10,893,454	142,503,752	295,548,371	119,090,960	--	585,429,844
				Medical	3,912,926	52,312,076	148,476,840	209,429,888	138,224,225	80,625,591	632,981,546
Third	197,866	141,027,765,162	2,401,366,418	Number	66	69	1,645	15,020	19,127	78,108	114,035
				Indemnity	20,970,737	15,973,363	176,836,665	311,660,727	118,048,595	--	643,490,087
				Medical	4,317,330	74,414,339	163,815,239	207,101,598	129,718,795	80,151,121	659,518,422
<u>2006</u>											
First	199,106	146,885,658,241	2,579,192,127	Number	49	31	905	11,899	18,254	73,444	104,582
				Indemnity	11,091,988	8,360,532	88,040,282	244,985,194	114,255,121	--	466,733,117
				Medical	2,277,941	53,121,700	101,335,844	191,424,085	153,348,576	80,132,706	581,640,852
Second	199,341	147,199,252,607	2,571,726,461	Number	53	46	1,255	13,469	18,504	74,551	107,878
				Indemnity	12,521,595	13,325,701	137,675,702	288,878,915	124,693,488	--	577,095,401
				Medical	3,263,438	68,519,415	132,820,790	199,437,267	151,819,169	81,111,069	636,971,148
<u>2007</u>											
First	199,550	154,541,444,012	2,652,327,001	Number	54	36	766	11,354	18,194	71,597	102,001
				Indemnity	14,857,659	6,522,608	82,654,524	234,956,770	128,964,988	--	467,956,549
				Medical	520,745	18,081,181	98,332,392	190,184,784	171,336,666	79,636,243	558,092,011

## CONCLUSION

The responsibilities and operations of the Bureau are numerous, varied and often complex. They are described in the previous thirty-five pages of this report. There are many participants who have contributed to the success of New Jersey's Workers Compensation System including employers, legislators, governmental agencies, attorneys, judges of compensation, insurers, insurance producers, academicians, consultants, actuaries and others. The Bureau looks forward to working with these individuals and groups to ensure the continued success of the system.

To maintain an effective operation capable of addressing its day-to-day activities, it is necessary to rely on dedicated persons, many of whom have committed their working careers to the Bureau. We are privileged to have such a group. During 2009, the following individuals were honored for service of 25 years or more:

<b>Richard Carrea</b>	<b>– 30 Years</b>
<b>Gina Da Silva</b>	<b>– 30 Years</b>
<b>Nancy Luis</b>	<b>– 30 Years</b>
<b>Lenora McBurse</b>	<b>– 30 Years</b>
<b>Patricia Nordahl-Liguori</b>	<b>– 30 Years</b>
<b>Jean Appling</b>	<b>– 40 Years</b>
<b>Sheila Thomas</b>	<b>– 40 Years</b>

Our thanks also go out to each Bureau employee who has contributed to the Bureau's objectives and goals. While it is not possible to identify all who have contributed to the success of the Bureau, special acknowledgements are appropriate for: **Frederick A. Huber** – Associate Executive Director, **Roland E. Brazda III** – Director of Underwriting, **Salvatore A. Nardone** – Director of Rating, **Janet Nicolai** – Human Resources Director, **John T. Skidmore** – Director of Policy Review, **Robert Eichler** – Director of MIS, **Stanley R. Markow** – Acting Director of Actuarial Services, **Paul Witko** – Director, Special Assistant to the Executive Director and **Charu Mehta** – Financial Controller.

## *List of Members as of December 31, 2009*

### **A**

Acadia Insurance Company	American Hardware Mutual Insurance Company
Acceptance Indemnity Insurance Company	American Home Assurance Company
Accident Fund General Insurance Company	The American Insurance Company
Accident Fund National Insurance Company	American Manufacturers Mutual Insurance Company
ACE American Insurance Company	American Millennium Insurance Company
ACE Fire Underwriters Insurance Company	American Motorists Insurance Company
ACE Indemnity Insurance Company	American Safety Casualty Insurance Company
ACE Property and Casualty Insurance Company	American States Insurance Company
Accident Fund Insurance Company of America	American Universal Insurance Company
ACIG Insurance Company	American Zurich Insurance Company
Admiral Insurance Company	Americas Insurance Company
Advantage Workers Compensation Insurance Co	AmeriHealth Casualty Company
Affiliated FM Insurance Company	Amerisure Insurance Company
AIG Centennial Insurance Company	Amerisure Mutual Insurance Company
AIOI Insurance Company Of America	Ameritrust Insurance Corporation
AIU Insurance Company	AmGuard Insurance Company
Alamance Insurance Company	Amica Mutual Insurance Company
Alea North America Insurance Company	Arch Indemnity Insurance Company
All America Insurance Company	Arch Insurance Company
Alliance Assurance Company of America	Argonaut Insurance Company
Alliance National Insurance Company	Argonaut-Midwest Insurance Company
Allianz Insurance Company	Argonaut-Southwest Insurance Company
Allied Eastern Indemnity Company	ARI Casualty Company
Allmerica Financial Alliance Insurance Company	ARI Mutual Insurance Company
Allmerica Financial Benefit Insurance Company	Arrowood Indemnity Company
Allstate New Jersey Insurance Company	Associated Indemnity Corporation
American Alternative Insurance Corporation	Assurance Company of America
American Automobile Insurance Company	Athena Assurance Company
American Casualty Company of Reading, PA	Atlanta International Insurance Company
American Centennial Insurance Company	Atlantic Employers Insurance Company
American Compensation Insurance Company	Atlantic Mutual Insurance Company
American European Insurance Company	Atlantic Specialty Insurance Company
American Fire and Casualty Company	The Automobile Insurance Company of Hartford
American Fuji Fire & Marine Insurance Company	AXA Corporate Solutions Reinsurance Company
American Guarantee and Liability Insurance Co	AXA Insurance Company

### **B**

Balboa Insurance Company	Berkley Regional Insurance Company
BancInsure Inc.	Bituminous Casualty Corporation
Bankers Standard Insurance Company	Bituminous Fire and Marine Insurance Company
Beacon Insurance Company of America	Brotherhood Mutual Insurance Company
Berkley National Insurance Company	

### **C**

California Insurance Company	Capitol Indemnity Corporation
Camden Fire Insurance Association	Carolina Casualty Insurance Company

## *List of Members as of December 31, 2009*

### **C**

CastlePoint Insurance Company  
 CastlePoint National Insurance Company  
 Caterpillar Insurance Company  
 Catlin Insurance Company, Inc.  
 Centennial Insurance Company  
 Central Mutual Insurance Company  
 Centre Insurance Company  
 Century Indemnity Company  
 The Charter Oak Fire Insurance Company  
 Chartis Property Casualty Company  
 Cherokee Insurance Company  
 Chrysler Insurance Company  
 Chubb Indemnity Insurance Company  
 Chubb Insurance Company of New Jersey  
 Chubb National Insurance Company  
 Church Mutual Insurance Company  
 Cincinnati Insurance Company

Citizens Insurance Company of America  
 Clarendon America Insurance Company  
 Clarendon National Insurance Company  
 Clearwater Insurance Company  
 Colonial American Casualty Surety Company  
 Commerce and Industry Insurance Company  
 Companion Property & Casualty Insurance Co  
 Continental Casualty Company  
 Continental Indemnity Company  
 The Continental Insurance Company  
 The Continental Insurance Company of New Jersey  
 Continental Western Insurance Company  
 Countryway Insurance Company  
 Cornhusker Casualty Company  
 Crum and Forster Indemnity Company  
 Crum and Forster Insurance Company  
 Cumberland Insurance Company, Inc.

### **D**

Dallas National Insurance Company  
 Deerfield Insurance Company  
 Delos Insurance Company  
 Diamond State Insurance Company

Direct National Insurance Company  
 Discover Property and Casualty Insurance Company  
 Drive New Jersey Insurance Company

### **E**

Eastern Casualty Insurance Company  
 EastGuard Insurance Company  
 Eastern Alliance Insurance Company  
 Electric Insurance Company  
 Empire Insurance Company  
 Employers Fire Insurance Company  
 Employers Insurance Company of Wausau

Employers Mutual Casualty Company  
 Endurance American Insurance Company  
 Endurance Reinsurance Corporation of America  
 Euler American Credit Indemnity Company  
 Everest National Insurance Company  
 Excelsior Insurance Company  
 Executive Risk Indemnity Inc.

### **F**

Fairfield Insurance Company  
 Fairmont Premier Insurance Company  
 Fairmont Specialty Insurance Company  
 Farm Family Casualty Insurance Company  
 Farmers Insurance Company of Flemington  
 Farmers Insurance Exchange  
 Farmers Mutual Fire Insurance Co of Salem County  
 Farmington Casualty Company  
 Federal Insurance Company  
 Federated Rural Electric Insurance Exchange

Federated Mutual Insurance Company  
 Fidelity & Deposit Company of Maryland  
 Fidelity & Guaranty Insurance Company  
 Fidelity & Guaranty Insurance Underwriters, Inc.  
 Finial Reinsurance Company  
 Fireman's Fund Indemnity Corporation  
 Fireman's Fund Insurance Company  
 Firemen's Insurance Company of Washington, DC  
 First Financial Insurance Company  
 First Liberty Insurance Corporation

## *List of Members as of December 31, 2009*

### **F**

First National Insurance Company of America  
 First Nonprofit Insurance Company  
 Firstline National Insurance Company  
 Fitchburg Mutual Fire Insurance Company  
 Florists Mutual Insurance Company  
 FMI Insurance Company

Foremost Insurance Company Grand Rapids, MI  
 Foremost Signature Insurance Company  
 Founders Insurance Company  
 Frankenmuth Mutual Insurance Company  
 Franklin Mutual Insurance Company  
 Frontier Insurance Company

### **G**

General Casualty Company of Wisconsin  
 General Insurance Company of America  
 General Security National Insurance Company  
 General Star National Insurance Company  
 Genesis Insurance Company  
 Gerling America Insurance Company  
 Granite State Insurance Company  
 Graphic Arts Mutual Insurance Company  
 Great American Alliance Insurance Company  
 Great American Assurance Company

Great American Insurance Company  
 Great American Insurance Company of NY  
 Great Divide Insurance Company  
 Great Northern Insurance Company  
 Great West Casualty Company  
 Greater New York Mutual Insurance Company  
 Greenwich Insurance Company  
 Guarantee Insurance Company  
 GuideOne Mutual Insurance Company

### **H**

The Hanover Insurance Company  
 Harbor Point Reinsurance U.S. Inc.  
 Harbor Specialty Insurance Company  
 Harco National Insurance Company  
 Harford Mutual Insurance Company  
 Harleysville Insurance Company  
 Harleysville Insurance Company of New Jersey  
 Harleysville Mutual Insurance Company  
 Harleysville Preferred Insurance Company  
 Harleysville Worcester Insurance Company  
 Hartford Accident and Indemnity Company  
 The Hartford Casualty Insurance Company

The Hartford Fire Insurance Company  
 Hartford Insurance Company of the Midwest  
 Hartford Underwriters Insurance Company  
 Highlands Insurance Company  
 Highmark Casualty Insurance Company  
 High Point Preferred Insurance Company  
 Homesite Insurance Company  
 Homestead Insurance Company  
 Housing Authority Property Insurance A Mutual Co  
 Houston General Insurance Company  
 Hudson Insurance Company

### **I**

Illinois National Insurance Company  
 Imperial Casualty & Indemnity Company  
 Indemnity Insurance Company of North America  
 Indiana Insurance Company  
 Infinity Assurance Insurance Company

Insurance Company of Greater New York  
 Insurance Company of North America  
 The Insurance Company of the State of Pennsylvania  
 Insurance Company of the West

### **K**

Keystone Insurance Company

Koa Fire & Marine Insurance Company

## *List of Members as of December 31, 2009*

### **L**

Lancer Insurance Company  
 Liberty Insurance Corporation  
 Liberty Insurance Underwriters Inc.  
 Liberty Mutual Fire Insurance Company  
 Liberty Mutual Insurance Company  
 Liberty Mutual Mid-Atlantic Insurance Company

Lincoln General Insurance Company  
 LM Insurance Corporation  
 Lumber Mutual Insurance Company  
 Lumermens Mutual Casualty Company  
 Lumermens Underwriting Alliance

### **M**

Majestic Insurance Company  
 Manufacturers Alliance Insurance Company  
 Markel Insurance Company  
 Maryland Casualty Company  
 Massachusetts Bay Insurance Company  
 MEMIC Indemnity Company  
 Mercer Insurance Company  
 Mercer Insurance Company of New Jersey, Inc.  
 Merchants Mutual Insurance Company  
 Merchants Preferred Insurance Company

Metlife Insurance Company of CT  
 MIC Property & Casualty Insurance Corporation  
 Mid-Century Insurance Company  
 Middlesex Insurance Company  
 Midwest Employers Casualty Company  
 Midwestern Indemnity Company  
 Mitsui Sumitomo Insurance Company of America  
 Mitsui Sumitomo Insurance USA Inc.  
 Motors Insurance Corporation

### **N**

National Fire Insurance Company of Hartford  
 National Interstate Insurance Company  
 National Interstate Insurance Company of Hawaii  
 National Surety Corporation  
 National Union Fire of Pittsburgh, Pa.  
 Nationwide Mutual Fire Insurance Company  
 The Netherlands Insurance Company  
 New England Insurance Company  
 New Hampshire Insurance Company  
 New Jersey Casualty Insurance Company  
 New Jersey Indemnity Insurance Company  
 New Jersey Manufacturers Insurance Company

New Jersey Re-Insurance Company  
 NGM Insurance Company  
 Nipponkoa Insurance Company, Ltd.  
 Norfolk and Dedham Mutual Fire Insurance Company  
 NorGuard Insurance Company  
 North American Elite Insurance Company  
 North American Specialty Insurance Company  
 North River Insurance Company  
 Northbrook Indemnity Company  
 Northern Assurance Company of America  
 Northern Insurance Company of New York  
 Nova Casualty Company

### **O**

Occidental Fire & Casualty Co of North Carolina  
 The Ohio Casualty Insurance Company  
 Ohio Farmers Insurance Company  
 Ohio Security Insurance Company

Old Republic Insurance Company  
 Old Republic General Insurance Corporation  
 OneBeacon America Insurance Company  
 OneBeacon Insurance Company

### **P**

Pacific Employers Insurance Company  
 Pacific Indemnity Company  
 Pacific Pioneer Insurance Company

Palisades Property & Casualty Insurance Company  
 Paramount Insurance Company  
 Partner Re Insurance Company of New York

## *List of Members as of December 31, 2009*

### **P**

Pawtucket Mutual Insurance Company  
Peerless Indemnity Insurance Company  
Peerless Insurance Company  
Penn Millers Insurance Company  
Pennsylvania General Insurance Company  
Pennsylvania Lumbermens Mutual Insurance Co  
Pennsylvania Manufacturers Association Ins Co  
Pennsylvania Manufacturers Indemnity Company  
Pennsylvania National Mutual Casualty Ins Co  
Petroleum Casualty Company  
Phoenix Insurance Company  
Platte River Insurance Company

PMA Capital Insurance Company  
Praetorian Insurance Company  
Preferred Mutual Insurance Company  
Preferred Professional Insurance Company  
Preserver Insurance Company  
Princeton Insurance Company  
Progressive Garden State Insurance Company  
Property & Casualty Insurance Co of Hartford  
Protective Insurance Company  
Providence Washington Insurance Company  
Public Service Mutual Insurance Company

### **Q**

QBE Insurance Corporation

Quincy Mutual Fire Insurance Company

### **R**

Rampart Insurance Company  
Redland Insurance Company  
Regent Insurance Company  
Reinsurance Company of America Inc.  
Republic-Franklin Insurance Company  
Republic Insurance Company

Republic Western Insurance Company  
Riverport Insurance Company  
Rochdale Insurance Company  
Royal and SunAlliance Personal Insurance Company  
Rural Community Insurance Company  
RVI National Insurance Company

### **S**

SAFECO Insurance Company of America  
Safety First Insurance Company  
Safety National Casualty Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Medical Liability Insurance Company  
St. Paul Mercury Insurance Company  
St. Paul Protective Insurance Company  
SeaBright Insurance Company  
Select Markets Insurance Company  
Selective Insurance Company of America  
Selective Insurance Company of New York  
Selective Insurance Company of South Carolina  
Selective Insurance Company of the Southeast  
Selective Way Insurance Company  
Seneca Insurance Company Inc.

Sentinel Insurance Company, Ltd.  
Sentry Casualty Company  
Sentry Insurance A Mutual Company  
Sentry Select Insurance Company  
Sompo Japan Insurance Company of America  
Sparta Insurance Company  
Specialty Surplus Insurance Company  
The Standard Fire Insurance Company  
Star Insurance Company  
Star Net Insurance Company  
State Farm Fire and Casualty Company  
State Farm General Insurance Company  
State National Insurance Company, Inc.  
Strathmore Insurance Company

### **T**

T.H.E. Insurance Company  
TIG Insurance Company

Titan Indemnity Company  
TM Casualty Insurance Company

***List of Members as of December 31, 2009*****T**

TNUS Insurance Company	The Travelers Casualty & Surety Co of America
Toa Reinsurance Company of America	The Travelers Casualty & Surety Co of Connecticut
The Tokio Marine and Nichido Fire Insurance Co	The Travelers Commercial Casualty Company
Tower Insurance Company of New York	The Travelers Commercial Insurance Company
Tower National Insurance Company	The Travelers Indemnity Company
Transguard Insurance Company of America Inc.	The Travelers Indemnity Company of America
Trans Pacific Insurance Company	The Travelers Indemnity Company of Connecticut
Transport Insurance Company	The Travelers Property Casualty Co. of America
Transportation Insurance Company	Truck Insurance Exchange
Travelers Casualty Insurance Company of America	Trumbull Insurance Company
The Travelers Casualty & Surety Company	Twin City Fire Insurance Company

**U**

ULLICO Casualty Company	Unitrin Auto & Home Insurance Company
United National Specialty Insurance Company	Unitrin Preferred Insurance Company
United States Fidelity and Guaranty Company	Universal Underwriters Insurance Company
United States Fire Insurance Company	Universal Underwriters of Texas Insurance Company
United States Liability Insurance Company	U.S. Specialty Insurance Company
United Wisconsin Insurance Company	Utica Mutual Insurance Company

**V**

Valiant Insurance Company	Vigilant Insurance Company
Valley Forge Insurance Company	Virginia Surety Company Inc.
VanLiner Insurance Company	

**W**

Washington International Insurance Company	Westchester Fire Insurance Company
Wausau Business Insurance Company	Western Diversified Casualty Insurance Company
Wausau Underwriters Insurance Company	Westport Insurance Corporation
Wesco Insurance Company	Work First Casualty Company
West American Insurance Company	

**X**

XL Insurance America Inc.	XL Reinsurance America Inc
XL Insurance Company Of New York, Inc.	XL Specialty Insurance Company

**Y**

York Insurance Company	
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**Z**

Zenith Insurance Company	Zurich American Insurance Company of Illinois
Zurich American Insurance Company	

# APPENDIX



**EXHIBIT A**  
**Calendar Year 2009**  
**New Jersey Schedule "W" – Total Experience**  
**Policy Year Analysis**

Showing premium written, earned & losses incurred under all policies of Workers Compensation &/or Employers Liability Insurance issued in the State of New Jersey

Cal. Year Ended (a)	Amount To End Of Period In Dollars Only (b)	Experience Under Policies Becoming Effective in Calendar Year										All Years (j)	Experience For Cal. Year (k)
		1942-2003 incl (c)	2004 (d)	2005 (e)	2006 (f)	2007 (g)	2008 (h)	2009 (i)					
Dec. 31, 2004	1-Losses Paid	20,743,162,032	130,784,025	***	***	***	***	***	***	***	***	20,873,946,057	***
	2-Losses Outstanding	5,041,588,932	624,761,752	***	***	***	***	***	***	***	5,666,350,684	***	
	3-Losses Incurred	25,784,750,964	755,545,777	***	***	***	***	***	***	***	26,540,296,741	***	
	4 Std Prem Written	37,842,507,052	1,786,669,132	***	***	***	***	***	***	***	39,629,176,184	***	
	5-Std Prem Earned	37,864,422,164	1,209,406,618	***	***	***	***	***	***	***	39,073,828,782	***	
	6-Loss Ratio (3/5)	68.10%	62.47%	***	***	***	***	***	***	***	67.92%	***	
Dec. 31, 2005	7-Losses Paid	21,464,861,921	502,706,757	136,744,669	***	***	***	***	***	***	22,104,313,347	1,230,367,290	
	8-Losses Outstanding	4,599,303,290	968,395,303	721,771,985	***	***	***	***	***	***	6,289,470,578	623,119,894	
	9-Losses Incurred	26,064,165,211	1,471,102,060	858,516,654	***	***	***	***	***	***	28,393,783,925	1,853,487,184	
	10-Std Prem Written	37,863,510,144	2,146,969,607	2,059,193,344	***	***	***	***	***	***	42,069,673,095	2,440,496,911	
	11-Std Prem Earned	37,865,566,947	2,182,470,725	1,368,923,576	***	***	***	***	***	***	41,416,961,248	2,343,132,466	
	12-Loss Ratio (9/11)	68.83%	67.41%	62.71%	***	***	***	***	***	***	68.56%	79.10%	
Dec. 31, 2006	13-Losses Paid	22,001,306,049	710,692,847	534,500,062	132,384,810	***	***	***	***	***	23,378,883,768	1,274,570,421	
	14-Losses Outstanding	4,255,033,510	771,478,294	1,017,777,802	708,892,935	***	***	***	***	***	6,753,182,541	463,711,963	
	15-Losses Incurred	26,256,339,559	1,482,171,141	1,552,277,864	841,277,745	***	***	***	***	***	30,132,066,309	1,738,282,384	
	16-Std Prem Written	37,870,306,535	2,137,262,807	2,469,629,751	2,269,704,669	***	***	***	***	***	44,746,903,762	2,677,230,667	
	17-Std Prem Earned	37,899,939,885	2,166,804,785	2,451,892,280	1,518,554,317	***	***	***	***	***	44,037,191,267	2,620,230,019	
	18-Loss Ratio (15/17)	69.28%	68.40%	63.31%	55.40%	***	***	***	***	***	68.42%	66.34%	
Dec. 31, 2007	19-Losses Paid	22,436,491,762	860,217,324	759,783,828	529,603,639	140,631,184	***	***	***	***	24,726,727,737	1,347,843,969	
	20-Losses Outstanding	3,897,021,973	640,749,819	846,983,645	1,023,454,201	700,332,739	***	***	***	***	7,108,542,377	355,359,836	
	21-Losses Incurred	26,333,513,735	1,500,967,143	1,606,767,473	1,553,057,840	840,963,923	***	***	***	***	31,835,270,114	1,703,203,805	
	22-Std Prem Written	37,851,473,983	2,135,415,270	2,475,820,028	2,667,656,880	2,367,000,367	***	***	***	***	47,497,366,528	2,750,462,766	
	23-Std Prem Earned	37,880,019,138	2,166,788,676	2,453,156,734	2,693,545,846	1,582,558,620	***	***	***	***	46,776,069,014	2,738,877,747	
	24-Loss Ratio (21/23)	69.52%	69.27%	65.50%	57.66%	53.14%	***	***	***	***	68.06%	62.19%	
Dec. 31, 2008	25-Losses Paid	22,794,068,801	958,436,145	922,204,175	750,221,919	541,545,067	146,942,972	***	***	***	26,113,419,079	1,386,691,342	
	26-Losses Outstanding	3,589,759,746	550,621,703	694,711,424	859,859,900	1,004,055,544	723,746,234	***	***	***	7,422,754,551	314,212,174	
	27-Losses Incurred	26,383,828,547	1,509,057,848	1,616,915,599	1,610,081,819	1,546,600,611	870,689,206	***	***	***	33,536,173,630	1,700,903,516	
	28-Std Prem Written	37,843,196,106	2,137,997,633	2,474,420,178	2,666,720,771	2,743,544,379	2,320,503,420	***	***	***	50,186,382,487	2,689,015,959	
	29-Std Prem Earned	37,874,205,292	2,166,602,064	2,452,835,919	2,687,440,037	2,753,724,538	1,573,810,838	***	***	***	49,508,618,688	2,732,549,674	
	30-Loss Ratio (27/29)	69.66%	69.65%	65.92%	59.91%	56.13%	55.32%	***	***	***	67.74%	62.25%	
Dec. 31, 2009	31-Losses Paid	23,093,741,636	1,029,639,793	1,036,394,598	919,999,255	777,623,443	536,140,816	128,534,711	***	***	27,522,074,252	1,408,655,173	
	32-Losses Outstanding	3,376,910,483	457,998,412	593,980,777	720,998,938	859,808,724	968,364,863	652,575,437	***	***	7,629,937,634	207,183,083	
	33-Losses Incurred	26,470,652,119	1,486,938,205	1,630,375,375	1,640,998,193	1,637,432,167	1,504,505,679	781,110,148	***	***	35,152,011,886	1,615,838,256	
	34-Std Prem Written	37,847,122,167	2,137,788,128	2,475,297,525	2,664,244,952	2,752,549,819	2,652,299,615	2,187,398,571	***	***	52,716,700,777	2,530,318,290	
	35-Std Prem Earned	37,878,264,176	2,166,417,230	2,454,072,948	2,685,486,061	2,743,459,457	2,654,171,111	1,467,938,305	***	***	52,049,809,288	2,541,190,600	
	36-Loss Ratio (33/35)	69.88%	68.64%	66.44%	61.11%	59.68%	56.68%	53.21%	***	***	67.54%	63.59%	

**EXHIBIT B****New Jersey Schedule "W"****Exhibit of Policy Year Experience  
Policy Years 1942–2003****As Developed to December 31, 2009**

Policy Year	Losses			Standard Premium		Loss Ratio
	Paid	Outstanding	Incurred	Written	Earned	
1942–1988	\$8,917,652,378	\$453,785,659	\$9,371,438,037	\$15,052,214,765	\$15,062,344,521	62.22%
1989	862,790,974	66,321,106	929,112,080	1,101,519,811	1,112,011,805	83.55
1990	889,767,219	90,674,165	980,441,384	1,113,077,327	1,120,741,677	87.48
1991	883,263,407	79,993,412	963,256,819	1,126,023,170	1,132,606,224	85.05
1992	933,752,801	110,372,768	1,044,125,569	1,249,560,116	1,279,200,622	81.62
1993	920,222,665	107,788,842	1,028,011,507	1,493,961,527	1,463,917,176	70.22
1994	866,174,628	102,612,096	968,786,724	1,612,132,237	1,582,315,051	61.23
1995	869,888,420	121,068,628	990,957,048	1,599,143,678	1,601,276,232	61.89
1996	860,275,691	133,090,396	993,366,087	1,636,578,056	1,636,948,764	60.68
1997	871,265,501	167,417,657	1,038,683,158	1,550,990,722	1,562,757,773	66.46
1998	925,512,544	246,751,216	1,172,263,760	1,531,662,419	1,532,911,596	76.47
1999	999,197,077	298,322,680	1,297,519,757	1,586,938,668	1,588,551,265	81.68
2000	1,028,574,528	345,573,881	1,374,148,409	1,594,106,661	1,602,556,867	85.75
2001	1,076,582,065	324,583,348	1,401,165,413	1,707,412,992	1,705,525,633	82.15
2002	1,104,473,828	355,600,841	1,460,074,669	1,866,099,477	1,878,350,703	77.73
2003	1,084,347,910	372,953,788	1,457,301,698	2,025,700,541	2,016,248,267	72.28
Total:	\$23,093,741,636	\$3,376,910,483	\$26,470,652,119	\$37,847,122,167	\$37,878,264,176	69.88%

## EXHIBIT C

**Historical Record**  
**New Jersey Workers Compensation Insurance**  
**Calendar Year Experience – Schedule "W"**

Calendar Year	Earned Standard Premiums	Available for Benefits (Expected Loss Ratio)	Available for Benefits	Benefits (Incurred Losses)	Actual Loss Ratio	Difference Between Available & Incurred	
						Amount	% of Standard Earned Premium
1917–1964	\$1,940,528,560	58.37%	\$1,132,781,523	\$1,124,579,409	57.95%	\$8,202,114	0.42%
1965	146,964,369	57.89	85,077,673	88,994,558	60.56	(3,916,885)	-2.67
1966	161,290,435	58.28	94,000,066	99,912,786	61.95	(5,912,720)	-3.67
1967	191,663,727	58.34	111,816,618	121,706,685	63.50	(9,890,067)	-5.16
1968	232,314,072	58.22	135,253,253	137,477,633	59.18	(2,224,380)	-0.96
1969	253,468,183	58.09	147,239,668	143,146,697	56.48	4,092,971	1.61
1970	273,993,821	58.16	159,354,806	157,716,621	57.56	1,638,185	0.60
1971	284,666,161	59.07	168,152,301	176,777,315	62.10	(8,625,014)	-3.03
1972	305,410,864	59.04	180,314,574	183,786,341	60.18	(3,471,767)	-1.14
1973	336,940,156	59.05	198,963,162	179,863,173	53.38	19,099,989	5.67
1974	357,401,962	58.51	209,115,888	205,176,270	57.41	3,939,618	1.10
1975	362,243,531	58.12	210,535,940	248,213,049	68.52	(37,677,109)	-10.40
1976	381,091,154	59.15	225,415,418	282,649,183	74.17	(57,233,765)	-15.02
1977	438,187,092	59.31	259,888,764	312,498,866	71.32	(52,610,102)	-12.01
1978	552,686,782	59.32	327,853,799	415,701,778	75.21	(87,847,979)	-15.89
1979	612,366,005	59.84	366,439,817	423,656,759	69.18	(57,216,942)	-9.34
1980	750,623,435	64.33	482,876,056	440,490,276	58.68	42,385,780	5.65
1981	862,414,850	67.03	578,076,674	439,803,819	51.00	138,272,855	16.03
1982	882,140,561	66.25	584,418,122	415,786,560	47.13	168,631,562	19.12
1983	851,705,162	64.94	553,097,332	362,883,241	42.61	190,214,091	22.33
1984	859,093,068	64.85	557,121,855	443,300,073	51.60	113,821,782	13.25
1985	846,301,589		549,588,252	507,532,527	59.97	42,055,725	4.97
1986	879,321,035	63.81	561,094,752	599,491,622	68.18	(38,396,870)	-4.37
1987	1,012,085,295	61.44	621,825,205	598,253,645	59.11	23,571,560	2.33
1988	1,088,105,229	59.23	644,484,727	783,365,290	71.99	(138,880,563)	-12.76
1989	1,185,371,547	62.20	737,301,102	767,708,837	64.77	(30,407,735)	-2.57
1990	1,110,714,820	68.64	762,394,652	913,281,629	82.22	(150,886,977)	-13.58
1991	1,116,578,810	70.48	786,964,745	1,079,159,030	96.65	(292,194,285)	-26.17
1992	1,233,154,194	70.97	875,169,531	1,201,185,416	97.41	(326,015,885)	-26.44
1993	1,332,883,000	72.25	963,007,968	1,155,279,101	86.68	(192,271,133)	-14.43
1994	1,548,457,360	70.58	1,092,901,205	1,119,208,233	72.28	(26,307,028)	-1.70
1995	1,612,865,810	69.00	1,112,877,409	895,183,292	55.50	217,694,117	13.50
1996	1,604,338,813	70.00	1,123,037,169	850,869,366	53.04	272,167,803	16.96
1997	1,630,785,137	70.33	1,146,931,187	856,328,184	52.51	290,603,003	17.82
1998	1,550,453,461	69.48	1,077,255,065	899,290,060	58.00	177,965,005	11.48
1999	1,524,338,873	67.86	1,034,416,359	1,039,593,140	68.20	(5,176,781)	-0.34
2000	1,610,490,995	67.84	1,092,557,091	1,070,096,941	66.45	22,460,150	1.39
2001	1,624,787,076	67.32	1,093,806,660	1,317,862,836	81.11	(224,056,176)	-13.79
2002	1,907,479,905	67.38	1,285,259,960	1,487,310,185	77.97	(202,050,225)	-10.59
2003	1,963,595,170	65.77	1,291,456,543	1,516,793,157	77.25	(225,336,614)	-11.48
2004	2,099,241,468	63.34	1,329,659,546	1,744,594,609	83.11	(414,935,063)	-19.77
2005	2,343,132,466	62.39	1,461,880,346	1,853,487,184	79.10	(391,606,838)	-16.71
2006	2,620,230,019	62.40	1,635,023,532	1,738,282,384	66.34	(103,258,852)	-3.94
2007	2,738,877,747	62.54	1,712,894,143	1,703,203,805	62.19	9,690,338	0.35
2008	2,732,549,674	62.94	1,719,866,765	1,700,903,516	62.25	18,963,249	0.69
2009	2,541,190,600	63.16	1,605,015,983	1,615,838,256	63.59	(10,822,273)	-0.43
Total:	\$52,494,524,043	64.93%	\$34,084,463,206	\$35,418,223,337	67.47%	(\$1,333,760,131)	-2.54%

## EXHIBIT D

**Calendar Year 2009 Exhibit of Written Premium by Carrier or Group  
(Member Companies with less than \$250,000 Written Premium Summarized)**

<u>Company</u>	<u>Written Premium</u>	<u>Company</u>	<u>Written Premium</u>	<u>Company</u>	<u>Written Premium</u>
Accident Fund Ins Co of America	\$321,792	Franklin Mutual Group	\$6,502,468	PMA Capital Insurance Group	\$74,299,691
Ace USA Insurance Group	201,874,009	Great American P & C Insurance Group	1,310,765	Protective Insurance Company	3,071,355
ACIG Insurance Company	280,612	Great Divide Insurance Company	1,711,586	QBE Americas Group	1,512,608
Alliance National Insurance Co.	1,576,842	Greater New York Group	3,996,288	Quincy Mutual Fire Insurance Company	1,663,114
Allianz of America, Inc.	2,669,199	Guarantee Insurance Co.	23,285,420	Rochdale Insurance Company	34,198,747
Allmerica Financial Prop. & Cas. Cos.	12,406,343	Guard Insurance Group	27,236,527	Safety National Group	1,603,091
American Hardware Mutual Ins. Company	1,500,133	GuideOne Mutual Insurance Company	766,586	Seabright Insurance Co.	6,003,636
AmeriHealth Casualty Insurance Company	558,420	Harford Mutual Ins Co.'s	378,910	Selective Insurance Group	65,876,105
Amerisure Ins. Group	899,345	Harleysville Insurance Group	25,504,163	Sentry Insurance Group	23,654,130
Arch Insurance Company	40,732,853	Harford Insurance Group	258,140,982	Sompo Japan Insurance Company	2,769,136
Argonaut Insurance Group	4,864,423	Imperial Casualty & Indemnity Company	2,029,967	SPARTA Insurance Company	6,307,437
Central Insurance Companies	2,326,570	Liberty Mutual Insurance Companies	296,098,841	State Farm Fire & Casualty Ins. Company	7,575,310
Chartis Insurance Group	242,185,156	Lumbermen's Underwriting Alliance	2,190,356	SUA Insurance Company	1,997,732
Cherokee Insurance Company	438,513	Magna Carta Companies	11,080,666	Tokio Marine & Fire USB Group	4,555,451
Chubb Group of Insurance Companies	38,768,332	Majestic Insurance Company	20,670,144	Tower Insurance Companies	14,904,511
Church Mutual Insurance Company	940,038	Meadowbrook Insurance Group	15,549,857	Transguard Insurance Company	640,976
Cincinnati Insurance Company	919,194	Memic Indemnity Company	385,875	Travelers Insurance Companies	158,898,831
CNA Insurance Group	52,516,927	Mercer Insurance Company of New Jersey	3,978,622	ULLICO Casualty Co.	458,494
Companion Property & Casualty Ins. Co.	40,156,815	Merchants Insurance Group	6,274,939	Utica National Insurance Group	5,070,832
Continental Indemnity Company	16,094,778	Midwest Employers Casualty Company	285,451	Vanliner Insurance Company	2,756,366
Cumberland Insurance Company	9,380,137	Mitsui Sumitomo Insurance Group	5,489,280	W. R. Berkley Group	1,410,763
Delos Insurance Company	1,175,262	National Interstate Insurance Company	1,623,874	Wesco Insurance Co.	4,464,620
Everest National Insurance Company	3,293,348	New Jersey Manufacturers Group	432,586,718	Westport Insurance Company	889,237
Fairfax Financial Group	10,523,266	Old Republic General Group	57,811,931	Work First Casualty Company	1,328,405
Farm Family Casualty Insurance Company	17,549,831	One Beacon Insurance Group	4,650,212	XL Capital Group	6,583,454
Farmers Insurance Company of Flemington	1,512,843	Penn Millers Insurance Company	2,876,355	Zenith Insurance Company	1,923,894
Farmers Mutual Fire Ins Co of Salem County	1,464,844	Pennsylvania National Mutual Cas. Ins. Co.	9,149,385	Zurich U.S. Insurance Companies	164,372,860
Fitchburg Mutual Insurance Company	1,960,605	Petroleum Casualty Company	364,690	Companies under \$250,000	100,302
Florists Mutual Insurance Company	605,914				

**Total: \$2,530,318,290**

**EXHIBIT E****Financial****Historical Calendar Year Development**

<u>Calendar Year</u>	<u>Bureau Net Expenditures</u>	<u>Standard Written Premium</u>	<u>Bureau Expense Ratio</u>	<u>Policy Declarations and Associated Filings</u>	<u>Statistical Plan 1st Reports</u>	<u>Experience Rated Risks</u>
1985	\$3,608,338	\$830,594,598	0.0043	360,911	161,290	44,551
1986	3,866,345	892,848,710	0.0043	365,577	169,326	48,650
1987	3,954,529	1,043,816,401	0.0038	386,392	171,529	52,331
1988	4,431,583	1,137,597,624	0.0039	407,110	180,461	57,788
1989	5,161,495	1,140,266,617	0.0045	434,597	185,546	57,803
1990	5,443,122	1,102,312,788	0.0049	497,596	187,809	69,685
1991	5,933,205	1,113,340,830	0.0053	464,956	198,858	75,693
1992	6,676,642	1,225,195,453	0.0054	449,838	195,616	72,843
1993	7,258,742	1,443,256,655	0.0050	485,439	188,039	73,584
1994	7,252,193	1,614,662,905	0.0045	481,663	181,950	74,941
1995	7,565,671	1,639,936,184	0.0046	495,458	176,423	75,483
1996	7,734,540	1,593,966,361	0.0049	488,018	173,239	76,060
1997	7,884,305	1,603,704,350	0.0049	500,026	174,810	75,474
1998	8,321,782	1,522,151,816	0.0055	524,839	164,474	74,978
1999	8,243,514	1,546,245,652	0.0053	535,162	171,232	74,191
2000	8,679,637	1,585,759,208	0.0055	588,323	175,059	75,324
2001	9,054,951	1,642,028,174	0.0055	603,179	194,193	77,228
2002	9,638,108	1,936,271,395	0.0050	613,378	203,313	81,018
2003	9,887,336	2,003,283,947	0.0049	660,775	228,957	87,333
2004	9,540,680	2,188,110,264	0.0044	614,795	209,849	91,439
2005	9,911,579	2,440,496,911	0.0041	638,004	221,098	96,899
2006	10,988,212	2,677,230,667	0.0041	680,862	213,355	93,527
2007	11,205,950	2,750,462,766	0.0041	701,089	219,937	96,626
2008	11,522,995	2,689,015,959	0.0043	748,934	219,592	98,411
2009	11,923,656	2,530,318,290	0.0047	673,191	220,318	98,834

**EXHIBIT F****New Jersey Workers Compensation Experience  
Unit Statistical Reports and Schedule "W"****Loss Development Ratios by Policy Year & Report Level**

Policy Year	Statistical Plan Reports				Schedule "W" 2009 to:		
	Second to First	Third to Second	Fourth to Third	Fifth to First	Statistical Third	Statistical Fifth	Schedule "W" Twenty-Four Months
1994	1.156	1.036	1.033	1.260	1.188	1.130	0.943
1995	1.145	1.052	1.019	1.242	1.231	1.193	1.013
1996	1.147	1.058	1.033	1.302	1.273	1.186	1.082
1997	1.175	1.073	1.040	1.347	1.264	1.184	1.116
1998	1.170	1.101	1.034	1.355	1.309	1.244	1.179
1999	1.206	1.085	1.063	1.442	1.334	1.211	1.228
2000	1.210	1.081	1.040	1.402	1.293	1.207	1.203
2001	1.192	1.066	1.045	1.359	1.252	1.171	1.144
2002	1.183	1.077	1.034	1.346	1.199	1.134	1.090
2003	1.156	1.080	1.029	1.318	1.168	1.106	1.037
2004	1.149	1.069	1.030	XXXX	1.221	XXXX	1.011
2005	1.154	1.069	XXXX	XXXX	1.251	XXXX	1.050
2006	1.158	XXXX	XXXX	XXXX	XXXX	XXXX	1.057
2007	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1.059
Average:	1.169	1.071	1.036	1.340	1.246	1.174	1.082