

**Compensation Rating and Inspection Bureau**



**Annual Report  
2016**



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# ONE HUNDREDTH ANNUAL REPORT

## INTRODUCTION

This year, the Rating Bureau is excited to celebrate its 100<sup>th</sup> anniversary. Since 1917, the Rating Bureau has faithfully served the workers compensation community, and provided valuable information to its members and other stakeholders. Though proud of our many accomplishments during its first hundred years, the Rating Bureau's knowledgeable and dedicated staff is ready for the challenges that lie ahead. We step into our second century of service stronger and more relevant than ever. Recent upgrades to our operating system have strengthened the ability to fulfill our statutory mission, and additional changes will make operations even more efficient in the future. My sincere gratitude to all Rating Bureau employees, both past and present, for their contributions to the success of this organization.

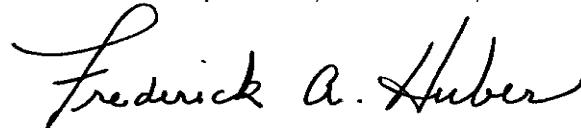
The financial results for 2016 reflect continued stability in the market. A reduction in manual rates of 3.0% was approved effective January 1, 2017, the first such decrease in six years. The combined ratio for calendar year 2015 is 98.1%, the second year in a row below 100%. The residual market also showed positive results. The number of commercial risks insured through the New Jersey Workers Compensation Insurance Plan (Plan) decreased by almost 3%, while the written premium decreased by over 7%. Approximately 250 member carriers provided coverage for New Jersey employers in 2016. The marketplace remains competitive, affording employers the opportunity to select insurers which best serve their needs. Much of the competition results from adequate rate levels and the use of the Schedule Rating Plan. As of January 1, 2017, the Schedule Rating maximum credit and debit adjustments increased from 20% to 25%. Finally, two national filing items were approved in New Jersey that will take effect this year: an Audit Noncompliance Charge was introduced and the rules regarding Anniversary Rating Date were eliminated.

Increasing premiums and moderating loss costs continue to drive the recovery in the system. Standard earned premiums have grown approximately 50% and the statewide loss ratio has decreased 13 percentage points since 2010. After a decade of medical cost inflation that placed upward pressure on rates, the average cost per case of a medical claim is moderating, with yearly changes averaging 1.6% since 2012. The New Jersey economy continues its modest growth, with the state unemployment rate now close to the national average. While these economic gains lead to a much needed growth in premium, they may also increase claim frequency and severity in the future.

Spectrum has been operational for over two years and enhanced how the Rating Bureau processes carrier data. New applications that complement Spectrum are planned for later this year or early 2018, which will improve our ability to communicate with the industry on policy and statistical reporting matters. The online assigned risk platform (OAR) has been met with great enthusiasm by employers, agents and Plan servicing carriers. OAR streamlined the application process and provides quicker response times for those seeking coverage in the involuntary market. The Rating Bureau continues to modernize its operations in other respects. For example, experience rating data is no longer distributed in paper format, and is only available electronically at our website.

The discussions and exhibits which follow contain information regarding the latest revision of rates and rating values, historic and recent experience, and the activities of the divisions of the Rating Bureau during 2016. We are proud to continue our century-long commitment to serve all stakeholders in the New Jersey workers compensation community, and to help promote a stable and secure market.

Respectfully submitted,

A handwritten signature in black ink that reads "Frederick A. Huber". The signature is written in a cursive style with a large initial 'F'.

Frederick A. Huber  
Executive Director

## REVISION OF MANUAL RATES – 2017

### RATE LEVEL

The change in rates and rating values (premium level) effective January 1, 2017 was based on the latest two policy years and the 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 8.9% due to experience.

Analysis of the latest experience also indicated that an increase of 2.5% due to trend factor considerations was necessary for inclusion in the premium level determination.

Effective January 1, 2017 the maximum weekly benefit with respect to all types of injuries was increased from \$871 to \$896. The minimum weekly benefit also was increased from \$232 to \$239 for all kinds of injuries except permanent partial disabilities. A premium level increase of 1.0% was necessary to recognize the changes in benefits.

A premium level increase of 2.9% was applied to recognize the effects of changes in the allowances for Loss Adjustment Expense, General Expense and Production Expense.

The combined effect of all components produced an overall decrease of 3.0% in premium level. The Bureau filed for a decrease of 0.9% in premium level, but the Commissioner reduced the overall change to the approved amount of -3.0%.

The Expense Constant applicable to commercial policies was decreased from \$240 to \$160, and the Expense Constant for policies providing exclusive domestic service coverage was increased from \$50 to \$80. The premium level was increased by 0.5% in the determination of individual class rates to offset these changes.

The minimum premium multiplier in the minimum premium formula was increased from \$150 to \$170, and had no effect on the overall premium level.

A Terrorism premium charge of \$0.03 per hundred dollars of payroll remains applicable to policies effective January 1, 2017 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 for voluntary business.

A Catastrophe (Other than Certified Acts of Terrorism) premium charge of \$0.01 per hundred dollars of payroll is applicable to policies effective January 1, 2017 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 0.08% and the Second Injury Fund surcharge was changed to 5.0%.

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

## **RATE RELATIVITY**

The adjustment of rate relativities effective January 1, 2017 was based on the classification experience of policy years 2009 through 2013, as reported through the Statistical Plan.

There were 564 classifications in the Manual effective January 1, 2017, including the codes to accommodate Federal employments. There were 8 classifications with no rate assignment. Of the remainder, 130 developed increased rates, 382 showed decreases and 44 were unchanged. In order to comply with the decision of the Commissioner, no manual rate will increase by more than 2%, or decrease more than 8%.

The rates for the classifications under the Admiralty Law and Federal Employers' Liability Act were adjusted to reflect the most recent experience. The rates for Private Residence – Household Employee Classifications remain unchanged.

The revised Manual of Rates was included in Circular Letter #1915, dated November 18, 2016.

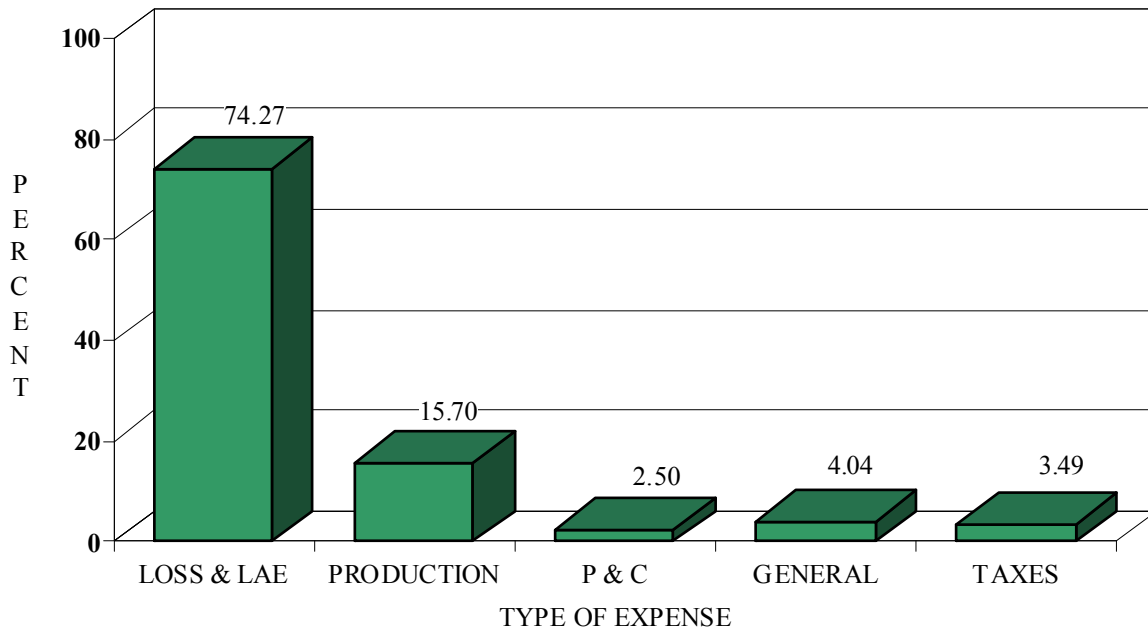
## **EXPENSES AND TAXES**

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 reviewed each year and adjustments are 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, as well as 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 expresses each carrier's results on a common, comparable statistical basis. The standard expense provisions apply only to the first \$10,000 of standard premium per risk. Such provisions are included in the Manual of Rates effective January 1, 2017 in the following amounts:



**STANDARD EXPENSE PROVISIONS**



Taxes include: Security Fund 0.84%, 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, inspection and Bureau expense. The P & C allowance provides for profit and contingencies.

With respect to premium in excess of \$10,000 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 insurer can 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, 2017 are:

	First	Next	Next	Over
<b>Schedule Y</b>	\$10,000	\$190,000	\$1,550,000	\$1,750,000
<b>Applicable Discounts</b>	--	9.6%	11.8%	12.5%

Schedule X discounts, although based on the same principle, result in lower discount percentages. The Schedule X discounts effective January 1, 2017 are:

	First	Next	Next	Over
<b>Schedule X</b>	\$10,000	\$190,000	\$1,550,000	\$1,750,000
<b>Applicable Discounts</b>	--	5.2%	6.5%	7.2%

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>Expenses</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percentage Change (%)</u>
1918–1978	0.957	4.777	1.073	0.931	4.567	--
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)
Jan. 1, 2011	1.045	0.999	1.006	0.989	1.039	3.9
Jan. 1, 2012	1.058	1.008	1.008	0.994	1.069	6.9
Jan. 1, 2013	1.065	1.007	1.001	1.002	1.076	7.6
Jan. 1, 2014	0.979	1.007	0.996	1.055	1.036	3.6
Jan. 1, 2015	0.975	1.004	1.005	1.045	1.028	2.8
Jan. 1, 2016	0.949	1.006	0.999	1.046	0.998	(0.2)
Jan. 1, 2017	0.911	1.010	1.029	1.030	0.975	(2.5)

## **ANNOUNCEMENTS DURING 2016**

In 2016, the Rating Bureau held three meetings with the Governing Committee and two meetings with the Actuarial Subcommittee. Proposals by the Rating Bureau Staff, as well as suggestions from individuals, associations and others, were reviewed and adopted when they appeared to be in the best interest of the New Jersey workers compensation community.

The major considerations, in addition to those previously discussed, are outlined below. All changes are effective January 1, 2017 unless noted differently.

### **SPECIAL SERVICE CHARGES**

The Manual was amended to implement new rating data and unit statistical report distribution processes; to reflect changes to the cost of obtaining such data; and to eliminate certain Manual provisions regarding special service charges. The changes were included in Manual Amendment Bulletin #471, dated July 7, 2016.

### **EXPERIENCE RATING**

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

Adjustments were made to the rating values, factors and credibility criteria to be used in experience ratings effective January 1, 2017 and thereafter. The limiting loss values were also changed to reflect increasing loss costs. The changes were included in Manual Amendment Bulletin #474, dated November 18, 2016.

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

#### **Expense Ratio Tables**

Revised expense ratio tables were included in Manual Amendment Bulletin #475, dated November 18, 2016. The new tables reflect the adjustments in the expense provisions.

#### **Retrospective Development Factors/Hazard Group Differentials/Excess Loss Premium Factors**

As a result of an examination of the latest available loss data, the Retrospective Development Factors, Hazard Group Differentials and Excess Loss Premium Factors were revised. The revisions were included in Manual Amendment Bulletin #475, dated November 18, 2016.

#### **Tax Multipliers**

As a result of adjustments in the tax provisions, the New Jersey and USL Tax Multipliers were revised. The revised Tax Multipliers were included in Manual Amendment Bulletin #475, dated November 18, 2016.

#### **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. The revised Expected Loss Ratio was included in Manual Amendment Bulletin #475, dated November 18, 2016.

## **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, 2017. The revised Table of Classifications by Hazard Group was included in Manual Amendment Bulletin #475, dated November 18, 2016.

## **Premium Discount**

Adjustments were made to the Schedule X and Y discounts in the Premium Discount Schedules/Tables as a result of the related expense element alterations. This announcement was included in Manual Amendment Bulletin #475, dated November 18, 2016.

## **PREPARATION AND AUDITING OF POLICIES**

### **Executive Officers' Payroll**

The maximum weekly payroll chargeable to executive officers and certain other employments was changed from \$2,450 to \$2,500. The minimum weekly payroll was changed from \$615 to \$630. The revised amounts were included in Manual Amendment Bulletin #474, dated November 18, 2016.

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

The minimum payroll for members of boards of education changed from \$6,400 per year to \$6,550 per year, and the minimum payroll for appointed or elected officers was amended from \$1,280 to \$1,310 per year. This announcement was made in Manual Amendment Bulletin #474, dated November 18, 2016.

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

The upset annual payroll applicable to this classification under certain stipulated conditions was increased from \$34,200 to \$34,800. This change was included in Manual Amendment Bulletin #474, dated November 18, 2016.

## **STATISTICAL PLAN**

Revisions to the Statistical Plan will be necessary due to the elimination of the Anniversary Rating Date. These changes were announced in Statistical Circular #123, dated July 11, 2016, and will take effect on May 1, 2017.

In addition, the Statistical Plan will be revised to provide for the reporting of the Audit Noncompliance Charge. These changes were announced in Statistical Circular #124, dated December 2, 2016, and will take effect on July 1, 2017.

## **WORKERS COMPENSATION INSURANCE PLAN**

A number of Manual changes to the Plan were necessary to implement the new Audit Noncompliance Charge. These changes include an amendment to the Workers Compensation Insurance Plan Eligibility Endorsement (WC 29 03 10), were announced in Manual Amendment Bulletin #476, dated December 2, 2016, and will take effect on July 1, 2017.

### **CLASSIFICATIONS**

Class code 7250 was eliminated due to the absence of experience during the latest five-year experience period. Operations previously assigned to code 7250 will now be classified under code 7219. These changes were announced in Manual Amendment Bulletin #474, dated November 18, 2016.

### **SCHEDULE RATING PLAN**

Revisions were made to the Schedule Rating Plan credit and debit maximum adjustment, as well as to the range of credits or debits for a given risk characteristic. These changes were announced in Manual Amendment Bulletin #474, dated November 18, 2016.

### **EXPENSE CONSTANT**

The Expense Constant applicable to commercial workers compensation policies decreased from \$240 to \$160. The Expense Constant for policies providing exclusive domestic servant coverage increased from \$50 to \$80. These changes were announced in Circular Letter #1915, dated November 18, 2016 and Manual Amendment Bulletin #474, dated November 18, 2016.

### **AUDIT NONCOMPLIANCE CHARGE**

The Manual was amended to include an Audit Noncompliance Charge for employers who do not permit an audit of their records. Changes to the Workers Compensation Insurance Plan and the Statistical Plan were also necessary. These changes were announced in Manual Amendment Bulletin #476 and Statistical Circular #124, both issued on December 2, 2016, to take effect on July 1, 2017.

### **ANNIVERSARY RATE DATE**

The Manual was amended to eliminate the Anniversary Rating Date, effective May 1, 2017. These changes included revisions to various parts of the Manual including the Experience Rating Plan, and were announced in Manual Amendment Bulletin #472, dated July 11, 2016.

Manual Amendment Bulletin #473, dated October 14, 2016, revised a Manual rule to clarify those programs subject to the Rating Effective Date following elimination of the Anniversary Rating Date.

## FORMS

### Endorsements

The Manual was amended to delete the Anniversary Rating Date Endorsement, WC 00 04 02, effective May 1, 2017. This change was announced in Manual Amendment Bulletin #472, dated July 11, 2016.

In addition, the Manual was amended to include the New Jersey Premium Discount Endorsement Schedule Y, WC 29 04 11 D. This endorsement recognized changes in the expense provisions, and replaced WC 29 04 11 C, which was withdrawn. Similarly, the Manual was amended to include the New Jersey Premium Discount Endorsement Schedule X, WC 29 04 12 A to replace WC 29 04 12, which was withdrawn. These changes were announced in Manual Amendment Bulletin #475, dated November 18, 2016.

The Manual will be amended to include the Audit Noncompliance Charge Endorsement, WC 00 04 24, for policies imposing the Audit Noncompliance Charge (ANC). The New Jersey Workers Compensation Insurance Plan Eligibility Endorsement, WC 29 03 10, is revised to include an additional note about the effect of the ANC on Plan eligibility. These changes were announced in Manual Amendment Bulletin #476, dated December 2, 2016 to take effect on July 1, 2017.

The explanatory language preceding the Notice of Cancellation (Form 116-B) and the Notice of Reinstatement (Form 117-A) was revised to clarify the legal authority for canceling or non-renewing a policy and to reflect the current methods to submit these forms to the Rating Bureau. These changes were announced in Manual Amendment Bulletin #474, dated November 18, 2016.

## **OTHER ANNOUNCEMENTS**

### **Advisory Bulletins**

During 2016, the Rating Bureau issued five Advisory Bulletins. Advisory Bulletins contain information pertinent to workers compensation in New Jersey, but do not directly affect rules in the Manual.

Advisory Bulletin #47 was issued on April 28, 2016 to announce that the Federal Insurance Office had begun collecting certain terrorism insurance data from carriers and the Rating Bureau pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2015.

Advisory Bulletin #48 was issued on May 13, 2016 to remind carriers to file timely policy reportings of experience and to ensure that employers report all losses.

Advisory Bulletin #49 was issued on May 24, 2016 to advise carriers that the National Association of Insurance Commissioners had requested that states provide certain terrorism data for its review.

Advisory Bulletin #50 was issued on July 28, 2016 to outline options for carriers to receive rating data worksheets, following the elimination of hardcopy rating data beginning January 1, 2017.

Advisory Bulletin #51 was issued on November 2, 2016 to ensure that policy reporting change transactions are properly submitted to the Rating Bureau.

### **Circular Letters**

During the year, the Rating Bureau also issued Circular Letters that did not affect rules in the Manual. Every month, a Circular Letter was issued containing certain information about the New Jersey Workers Compensation Insurance Plan. Circular Letters were also used to announce the date and location of the Bureau Annual Meeting, as well as prospective changes to rates and rating values effective January 1, 2017.

## **FINANCIAL – 2016**

An outside accounting firm audits the Bureau financial records. Suplee, Clooney & Company was appointed to complete the audit for the fiscal year ending June 30, 2016. 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 August 19, 2016. 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 2016. 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 2016**

**INCOME**

Total Quarterly Assessments.....		\$16,451,462
Rating, Inspection and Bulletin Services.....	26,405.00	
Interest Income.....	4,929.38	
Miscellaneous Income.....	<u>352,299.50</u>	<u>383,634</u>
<b>Total Income.....</b>		<b>\$16,835,096</b>

**EXPENDITURES**

Salaries.....	\$ 7,278,591
Contract Personnel Service.....	18,123
FICA Tax.....	496,047
Employee Relations & Welfare.....	2,882,006
Rent, Maintenance, Repair & Alteration of Premises.....	1,083,572
Printing & Stationery.....	86,158
Postage & Express.....	65,925
Telephone.....	64,409
Insurance.....	115,520
Furniture, Equipment Rental, Repair, Supplies & Services.....	337,957
Data Processing.....	1,370,947
Spectrum.....	624,144
Legal & Auditing.....	69,552
Travel & Travel Items.....	128,402
Employee Recruitment.....	12,850
Pension.....	1,200,628
Miscellaneous.....	49,769
<b>Total Expenditures.....</b>	<b>\$15,884,600</b>
<b>Excess Income over Expenditures.....</b>	<b>\$ 950,496</b>

**STATEMENT OF ASSETS AND LIABILITIES AT DECEMBER 31, 2016**

**ASSETS**

Cash in Bank – Operating Account.....	\$ 895,384
Cash in Bank – Payroll Account.....	346,321
Petty Cash.....	350
Accounts Receivable.....	47,316
PNC.....	3,006,684
Citi Bank.....	252,149
Hudson City Savings Bank.....	263,358
<b>Total Assets.....</b>	<b>\$4,811,562</b>

**LIABILITIES**

Pension – Bureau Accrued.....	1,200,000
Excess Funds as of January 1.....	1,728,097
Excess Funds January 1 thru December 31.....	950,496
Assessment adjustment liability – Fiscal Year 2015/2016.....	932,969
<b>Total Liabilities.....</b>	<b>\$4,811,562</b>

## **BUREAU MEMBERSHIP CHANGES**

**AT THE END OF 2015, THE BUREAU WAS COMPRISED OF 448 MEMBER COMPANIES.**

**During 2016, the following six companies were admitted:**

- Explorer Insurance Company
- Redwood Fire and Casualty Ins. Company
- Scottsdale Indemnity Company
- NorthStone Insurance Company
- BrickStreet Mutual Insurance Company
- PinnaclePoint Insurance Company

**The following nine companies withdrew their membership during 2016:**

- Castlepoint Insurance Company
- Clarendon American Insurance Company
- Comp Options Insurance Co., Inc.
- Deerfield Insurance Company
- Lincoln General Insurance Company
- Lumbermens Underwriting Alliance
- Preserver Insurance Company
- Tower Insurance Company of NY
- Tower National Insurance Company

**THE TOTAL MEMBERSHIP AT THE END OF 2016 WAS 445.**

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 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 total number of qualified self-insured employers is 85. The year of exemption is shown in brackets after the name of the company.

ABF Freight System, Inc. (2001)	Family Dollar Stores of NJ, Inc. (2013)	Newark, Roman Catholic Archdiocese of (1980)	Toys "R" US Inc. (1993)
Atlantic City Electric Company (1981)	Federal Express Corp. (1989)	Nordstrom, Inc. (1990)	Trenton, Roman Catholic Diocese of (1979)
Atlantic Health System, Inc. & Subs. (2006)	FedEx Freight, Inc. (2006)	PSEG Power LLC & Subsidiaries (1999)	Trinitas Regional Medical Center (2012)
AtlantiCare Regional Medical Center (1984)	FedEx Ground Package System, Inc. (1993)	PSEG Services Corp. (1999)	United Airlines Inc. (2015)
Bancroft Neuro Health, Inc. (1994)	FirstEnergy Corporation & Subsidiaries (2004)	Parker Hannifin Corp. (1997)	Valley Home Care, Inc. (1998)
Bergen Regional Medical Center, LP (2003)	Ford Motor Company (1921)	Paterson, Roman Catholic Diocese of (1974)	Valley Hospital Foundation (1998)
BF's Wholesale Club, Inc. (1999)	Gannett Satellite Inf. Network (1993)	Princeton University (1991)	Valley Hospital, Inc. (1998)
CBS Broadcasting Inc. (2002)	Gerresheimer Glass Inc. (1992)	Procter & Gamble Distributing LLC (1993)	Valley Medical Services (1998)
CBS Outdoor Group Inc. (2002)	Hackensack University Medical Center Inc. (2016)	Procter & Gamble Manufacturing Co. (1970)	Valley Physicians Services, Inc. (2008)
CBS Outdoor Inc. (2002)	Herr Foods, Inc. (1992)	Public Service Electric & Gas Co. (1929)	Virtua Health Inc. & Subs. (2000)
Camden, Roman Catholic Diocese of (1973)	Holy Name Medical Center, Inc. (2015)	Quick Chek Corporation (1993)	Volvo Cars of North America, Inc. (2000)
Cape Regional Medical Center, Inc. (1995)	Holy Redeemer Health Syst. & Affiliates (1995)	Ralph Clayton & Sons and Affiliates (2002)	Waldbaums, Inc. (1990)
Chevron U.S.A., Inc. (1961)	International Paper Company (1942)	Residence Inn by Marriott, LLC (2001)	Wegman's Food Markets, Inc. (1999)
Colonial Concrete Co. & Subsidiaries (2007)	King World Corporation (2002)	RWJ Barnabas Health Inc. (2017)	White Castle System, Inc. (1993)
ConAgra Foods, Inc. & Subsidiaries (1996)	Lowe's Home Centers, Inc. (2001)	St. Luke's Health Network, Inc. & Subs (2013)	
Cooper Hospital/Univ. Medical Center (1986)	Macy's, Inc. & Subsidiaries (2005)	St. Peter's University Hospital (1988)	
Costco Wholesale Corporation (1997)	Marriott Claims Services Corporation (2001)	Sherwin-Williams Company (1992)	
Courtyard Management Corp. (1990)	Marriott Hotel Services, Inc. (1990)	Shore Memorial Hospital (1994)	
CVS/Caremark Corporation (1994)	Marriott International Admin. Serv. Inc. (1996)	Simon & Schuster, Inc. (1991)	
DCH Auto Group (USA) Inc. & Subs. (2006)	Marriott International Inc. (1988)	Springpoint Senior Living, Inc. (2000)	
E.I. Dupont de Nemours & Company (1918)	McWane, Inc. (1978)	SUEZ Water New Jersey, Inc. (1917)	
Execustay LLC (2001)	Memorial Sloan-Kettering Cancer Center (2006)	Target Corporation (1997)	
Exelon Generation Company, LLC (2009)	Merck & Co., Inc. (1980)	TownePlace Management LLC (2001)	
	Metuchen, Roman Catholic Diocese of (1988)		
	Monmouth Ocean Hospital Serv. Corp. (2005)		

## RATING DIVISION

### EXPERIENCE RATING

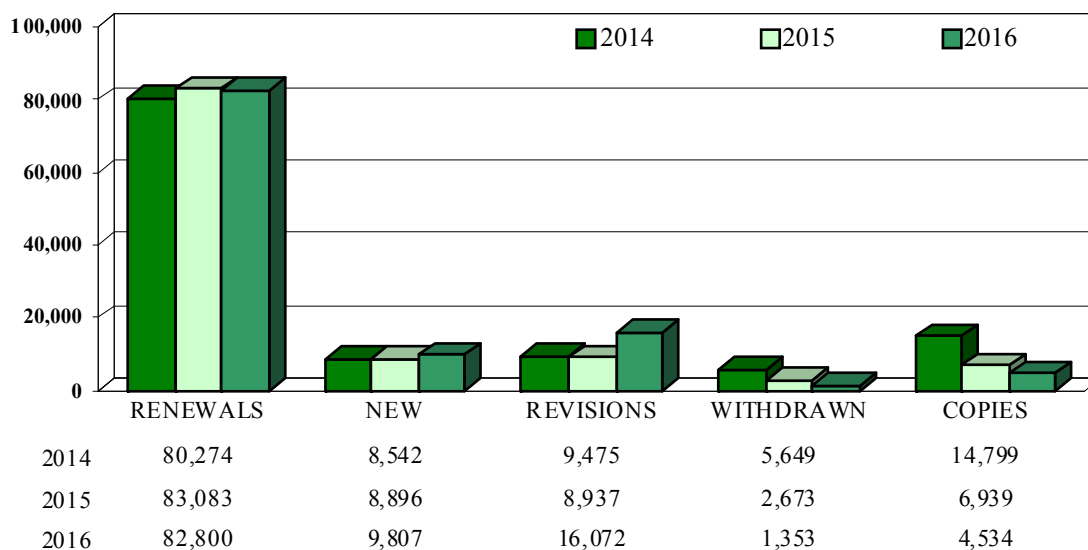
The Rating Division reviews statistical data in order to process experience ratings and their revisions. In addition, the Rating Division issues rating data to insurers and other authorized parties.

The number of risks that qualified for experience rating in 2016 was 89,650 – an increase of 0.3% from the 89,418 risks qualifying for rating in 2015.

There were 92,607 new and renewal experience ratings prepared and issued in calendar year 2016 compared to 91,979 in 2015. The overall activity during 2016 is illustrated by the following graph.

### EXPERIENCE RATING ACTIVITY

DURING 2016



Percentage of Ratings Issued in Relation To Effective Date – Calendar Year 2016						
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	2014	2015	2016
2.7%	18.9%	25.2%	53.2%	77.3%	77.4%	78.4%

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>	
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
2010	97,090	7,977,295,948	7,108,801,143	0.891
2011	91,416	8,070,140,425	7,201,525,804	0.892
2012	92,848	8,455,684,291	7,564,420,243	0.895
2013	96,635	9,180,676,809	8,034,644,045	0.875
2014	92,298	9,500,700,286	8,347,804,507	0.879
2015	89,418	9,639,278,541	8,357,254,495	0.867
2016	89,650	10,079,713,241	8,587,915,681	0.852

**POLICY REVIEW OF EXPERIENCE RATED RISKS**

The Rating Division reviews policies subject to experience rating which contain non-conforming items. The number of such policies reviewed in 2016 was 52,752 – a decrease of 13.0% from the 60,627 reviewed in 2015.

**OWNERSHIP**

The Rating Division also examines ownership questions with regard to the combination of entities, changes of ownership interests and mergers involving insured businesses. The number of ownership issues reviewed in 2016 was 9,194 – an increase of 8.1% from the 8,503 handled in 2015.

**RETROSPECTIVE RATING**

Retrospective Rating was elected by 301 risks in 2016, down from 329 risks in 2015. The estimated premium for the 301 risks was \$75,782,526, compared with \$88,447,369 in 2015. Of the 301 retrospectively rated risks, 285 elected the Large Risk Alternative Rating Option, down from 295 in 2015. The premium for risks electing the Large Risk Alternative Rating Option was \$73,495,923, compared to \$80,745,837 in 2015. Below is an exhibit of the retrospective rating programs effective in 2016:

RETROSPECTIVE RATING			
<u>TYPE/TERM</u>	<u>NO.</u>	<u>LOSS LIMIT</u>	<u>EST. STD. PREMIUM</u>
V-1	16	8	\$ 2,286,603
V-3	0	0	0
V-Long Term	0	0	0
LRA-1	285	156	73,495,923
LRA-3	0	0	0
LRA-Long Term	<u>0</u>	<u>0</u>	<u>0</u>
Total	301	164	\$75,782,526

**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 1,970 in 2016, an increase from the 1,805 risks in 2015. The New Jersey premium subject to this program in 2016 was \$707,146,038, and the resultant deductible premium was \$143,213,452.

## UNDERWRITING DIVISION

The Underwriting Division is responsible for general classification studies, field audits, inspections and the New Jersey Workers Compensation Insurance Plan.

During 2016, the number of inspections increased and the number of audits increased. There were 44,045 individual pieces of correspondence received dealing with classification, auditing, underwriting and Plan risk matters, representing an increase of 19.1% from the 36,983 received in 2015.

### INVESTIGATIONS

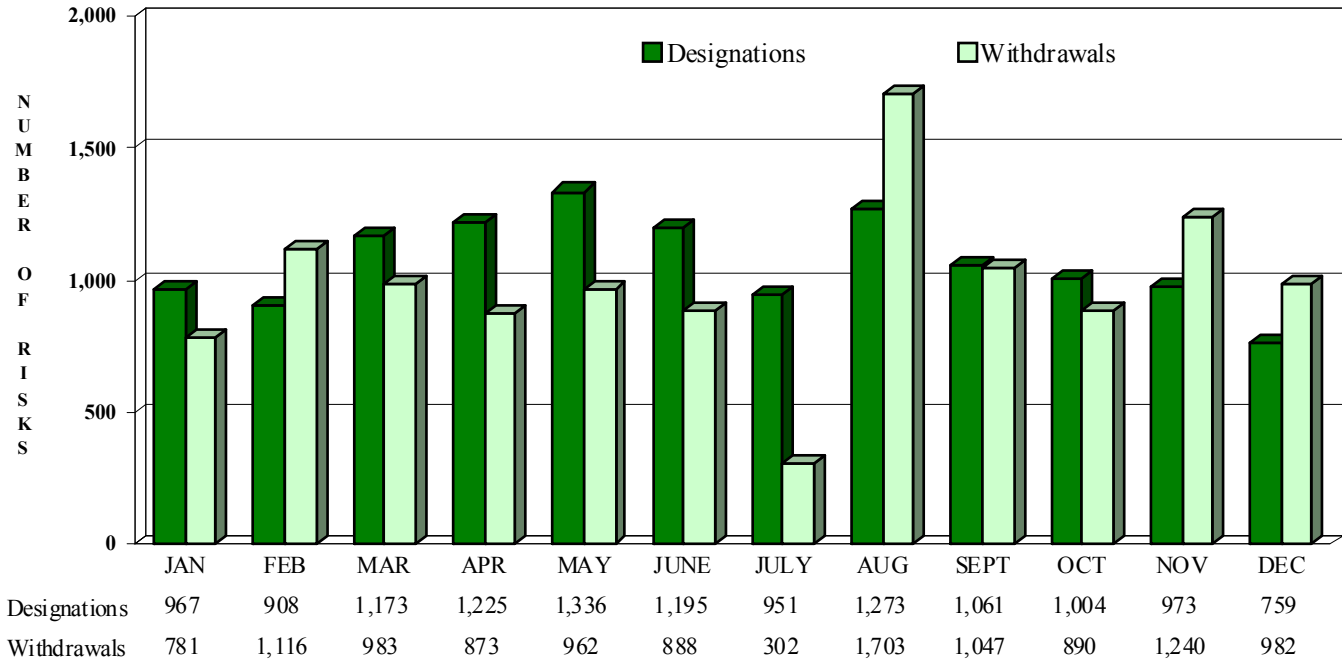
The field activity is outlined in the following exhibit. For comparison, the two preceding years are shown.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Classification Surveys	3,263	3,298	3,315
Audits	2,526	2,133	2,185
Visits - No Inspection	989	871	828
Visits - No Audit	227	365	448
General Investigations	<u>0</u>	<u>1</u>	<u>1</u>
TOTAL	7,005	6,668	6,777

### THE NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

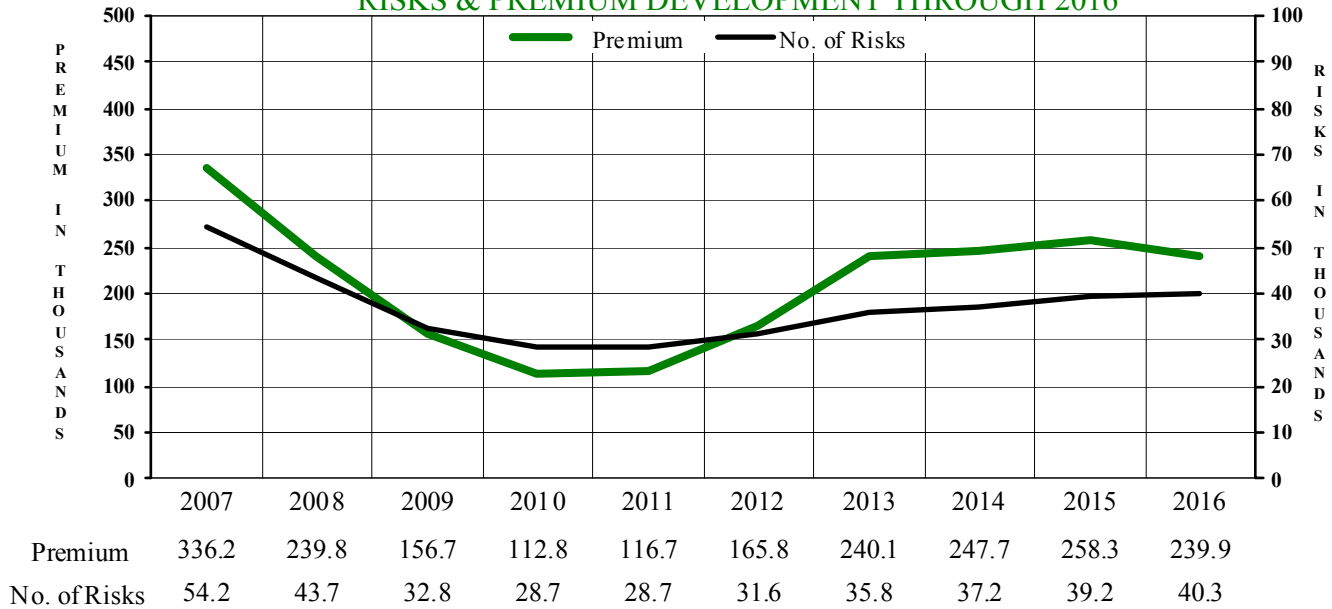
At the end of 2016, there were 40,306 Plan risks with an estimated annual premium of \$239,887,075 which represents approximately 6.8% of the total New Jersey workers compensation market, compared to 7.2% in 2015. The Residual Market currently provides coverage to approximately 17.9% of New Jersey's insured employers. There were 12,825 new designations in 2016 compared to 9,447 employers newly designated in 2015. There were 11,767 withdrawals in 2016 compared to 6,599 withdrawals in 2015. On September 8, 2015 the Rating Bureau introduced a new electronic Online Assigned Risk (OAR) system to process applications for workers compensation insurance in the Residual Market. Paper applications are no longer accepted.

MONTHLY PLAN ACTIVITY – 2016



The 40,306 Plan risks with an estimated annual Plan premium of \$239,887,075 is compared with 39,248 risks with an estimated annual Plan premium of \$258,349,200 at the end of 2015. The result is an increase of approximately 2.7% in the total number of Plan risks and a decrease of 7.1% in the estimated annual Plan premium. These results reflect a slight increase in the Plan policy count with a corresponding moderate decrease in total Plan premium. The following graph shows the development since 2007.

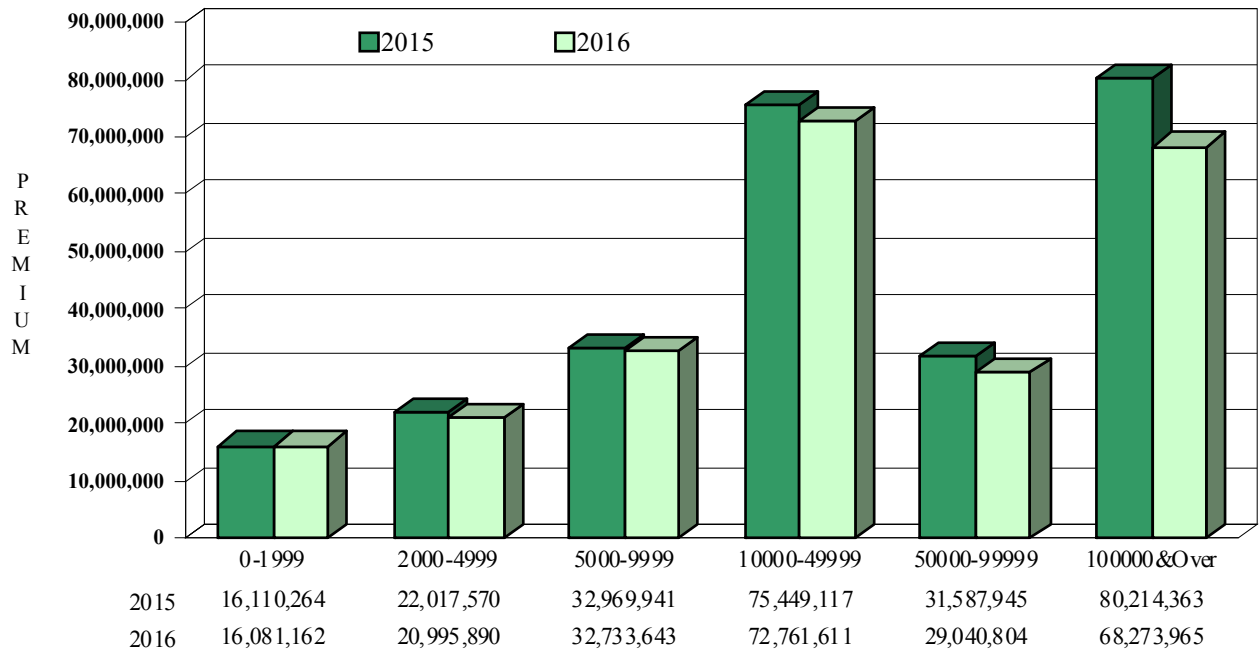
RISKS & PREMIUM DEVELOPMENT THROUGH 2016



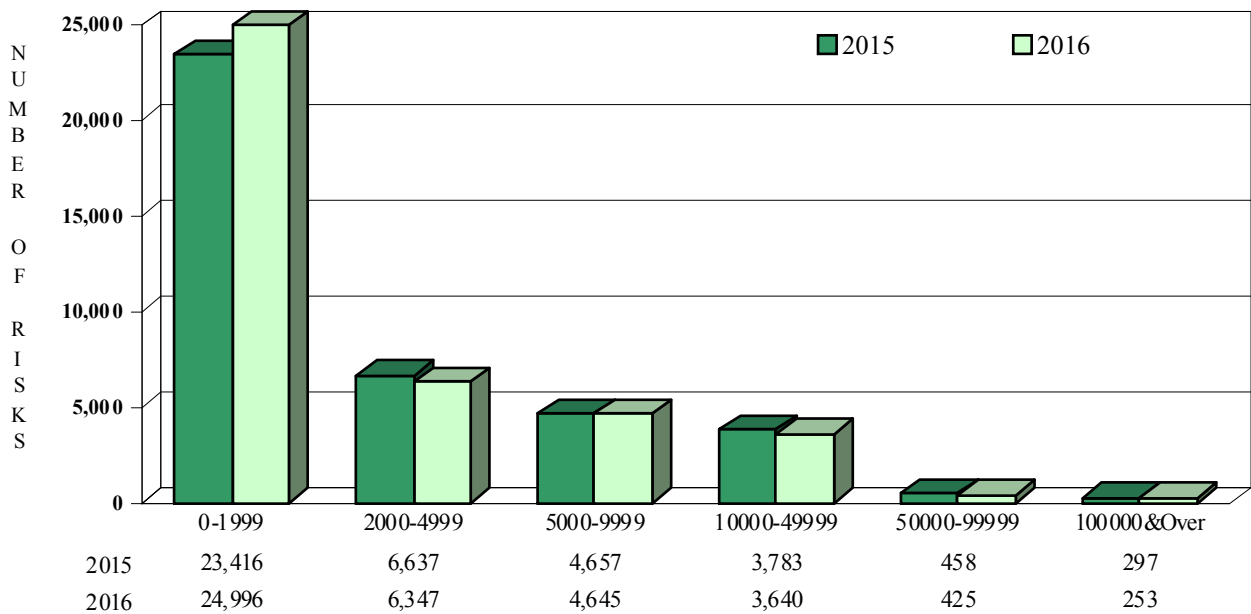
In 2016, 89.3% of Plan risks and 29.1% of the annual Plan premium were in the premium size group of \$0 to \$9,999. The average Plan risk generated premium of \$5,952 in 2016, down from \$6,582 in 2015.



**PREMIUM DISTRIBUTION BY PREMIUM GROUP SIZE**



**RISK DISTRIBUTION BY PREMIUM GROUP SIZE**



On December 31, 2016 a total of 30,847 policies with premium of \$330,292,080 qualified for take-out credits, compared to \$328,453,298 of premium for 35,080 risks as of December 31, 2015. The credit procedure has been in effect since July 1, 1963.

The status of the distribution of Plan Risks as of December 31, 2016 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, 2016  
(Premium is Policy or Plan Estimate)**

Company*	Plan Risks		Credits		Totals			Factor
	Number	Premium	Number	Premium	Number	Premium	Quota	
P - Amguard Insurance Company	5,119	\$23,914,546	--	--	5,119	\$23,914,546	\$23,749,111	1.007
N - Continental Insurance Co. of NJ	852	5,160,006	776	3,537,694	1,628	8,697,700	8,746,548	0.994
N - Hartford Underwriters Ins. Co.	4,218	24,375,340	7,666	36,115,718	11,884	60,491,058	60,558,728	0.999
P - LM Insurance Corporation	9,211	61,643,538	--	--	9,211	61,643,538	63,330,962	0.973
N - New Jersey Casualty Ins. Co.	10,676	52,024,324	515	27,171,731	11,191	79,196,055	79,522,887	0.996
P - Riverport Insurance Company	1,543	7,850,500	--	--	1,543	7,850,500	7,916,370	0.992
P - Technology Insurance. Co.	4,273	24,494,158	--	--	4,273	24,494,158	23,749,111	1.031
P - Travelers Prop. Cas. Co. of America	4,414	40,424,663	--	--	4,414	40,424,663	39,581,851	1.021
All Pool Companies			21,890	263,466,937	21,890	263,466,937		
Total	40,306	\$239,887,075	30,874	\$330,292,080	71,153	\$570,179,155		

\* - Including companies under the same management.

N - Servicing Direct Writer

P - Servicing National Pool Writer

TABLE VI

## Historical Plan Experience

<u>Policy Year</u>	<u>Number of Policies</u>	<u>Percentage of Total</u>	<u>Standard Premium Incl. L &amp; E Constant</u>	<u>Percentage of Total</u>	<u>Total Incurred Losses</u>	<u>Loss Ratio</u>
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	420,642,338	20.1	269,705,716	64.12
2005	67,557	34.1	469,161,779	19.5	293,286,674	62.51
2006	60,605	30.4	413,975,542	16.1	278,807,701	67.35
2007	52,164	26.1	317,141,816	12.0	188,339,032	59.39
2008	42,019	21.2	223,578,743	8.7	130,308,331	58.28
2009	33,659	15.5	155,389,442	6.0	91,571,495	58.90
2010	28,489	13.1	118,862,855	4.6	84,969,954	71.49
2011	27,774	12.4	128,192,153	4.7	86,146,405	67.20
2012	29,104	12.8	186,857,741	6.3	109,849,570	58.79
2013	32,602	14.0	264,259,079	8.2	154,362,989	58.41
2014	33,598	14.4	292,181,070	8.7	153,975,544	52.70

## **TECHNOLOGY AND OPERATIONS SERVICES DIVISION**

The TOS Division provides numerous services to New Jersey workers compensation insurance stakeholders.

The State of New Jersey, member carriers, labor unions and attorneys utilize policy coverage verification information from the Bureau. Coverage inquiries are increasingly being made through the Bureau's website.

In addition, the TOS Division reviews policies submitted by carriers for accuracy and to ensure compliance with the rules in the New Jersey Workers Compensation and Employers Liability Insurance Manual. This Division corresponds with carriers to make any necessary corrections.

The TOS Division also oversees the receipt and internal processing of data submitted electronically by carriers, as well as the creation of data files sent to the industry. Carriers have the option to subscribe to WCRATE, which provides rates, surcharges and classification data in an electronic format. WCCNTL creates pre-delinquent and delinquent unit statistical data reports in an electronic format.

Member carriers are encouraged to submit policy and statistical data in standard electronic format. Data submission can be made through the Compensation Data Exchange (CDX) or the Bureau website.

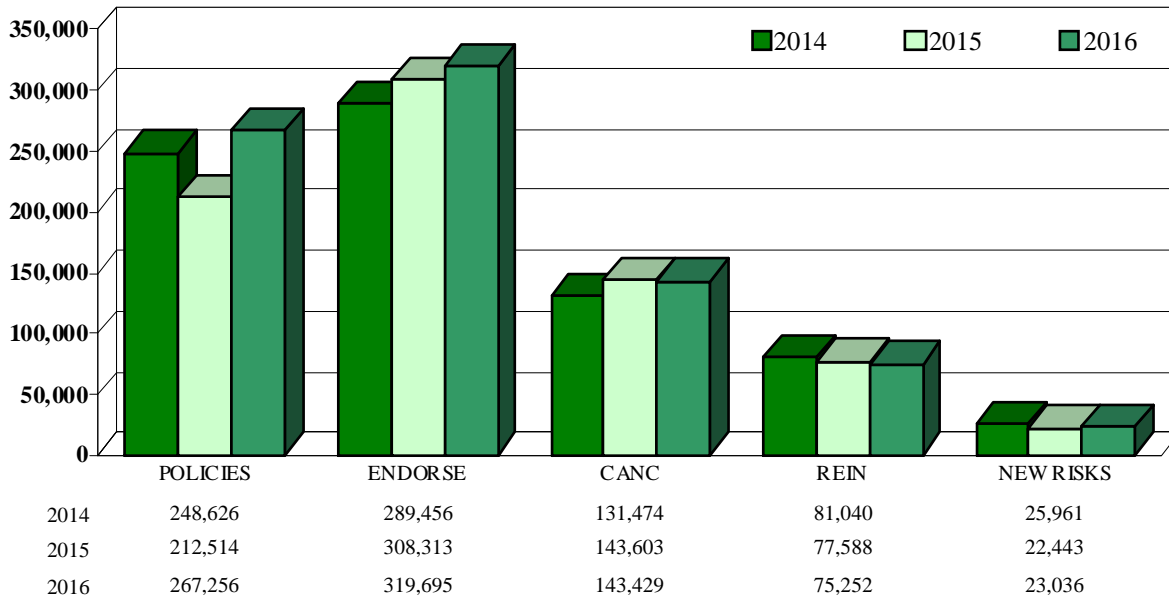
Additionally, the Bureau offers carriers a secure, electronic portal to obtain rating worksheets (eRatings) along with the ability to obtain "Flat Files" using the Bureau's Secure File Transfer Protocol. Plan Risk assignments can also be transmitted to the assigned carrier in an electronic file format (WCNOA), on a daily basis.

Agents, brokers and employers can utilize the "Plan Risk" application platform known as Online Assigned Risk (OAR). This all-electronic system allows for the prompt handling of involuntary market applications, including the payment of deposit premium.

**POLICY FILINGS**

In 2016, the number of filings of policies, endorsements, cancellations and reinstatements totaled 805,632 compared to 788,457 in 2015. This change represents an increase of 2.2%. Policies and endorsements increased 12.7%. The number of new risks increased 2.6%. Cancellations and reinstatements decreased 1.1%.

**RECEIPT AND DISTRIBUTION OF POLICY MATERIAL**



**POLICY FORMS**

In 2016, the number of specimen policy forms, information pages, endorsements, cancellations or reinstatements reviewed totaled 381. During the previous year, 558 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.

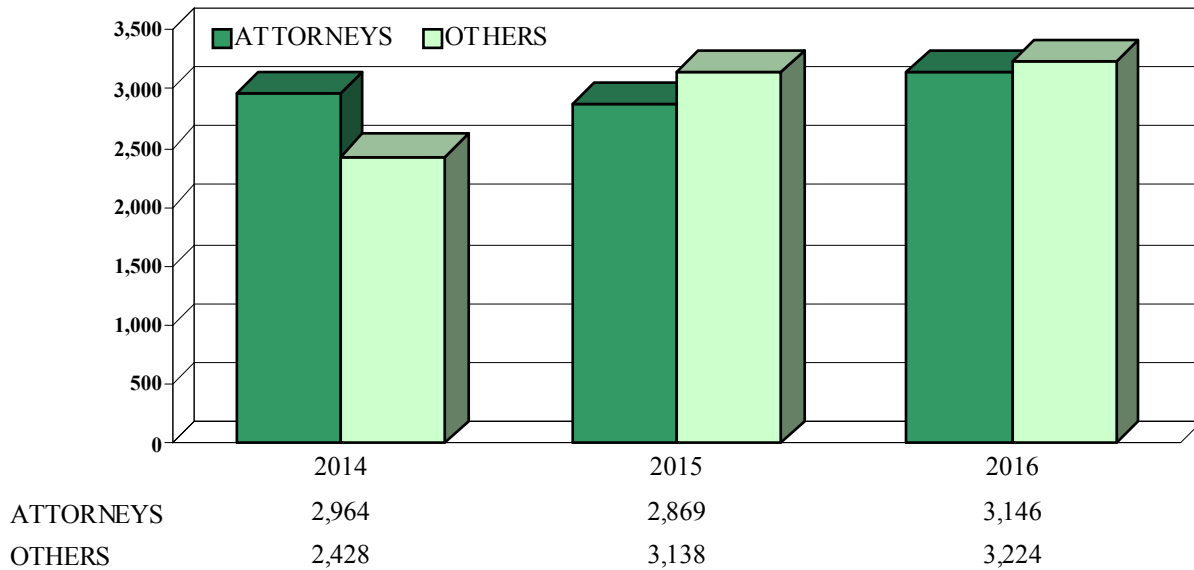
Policy material, correspondence, reports of experience and inspection reports with respect to a given New Jersey employer are housed in individual risk files. Each file is identified by a unique coverage identification number.

In 2016, a total of documents consisting of correspondence, inspection and audit reports, and transmittal letters were imaged. Each Bureau employee has access to all information for a risk, including correspondence, policies, endorsements, cancellations, reinstatements, audits, inspections, statistical reports and rating data.

The record of coverage is, at times, 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 available, if necessary, to appear with records before a grand jury or in civil court to provide testimony.

Many 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 3,146 written requests from attorneys in 2016 represented a 9.7% increase from 2015. The Bureau also received 515 letters from the Department of Labor and Workforce Development, 1,758 e-mails from insurance companies seeking policy information, 227 letters requesting copies of cancellation notices or transmittal letters, and 724 letters from insurance companies and labor unions regarding policy matters.

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



## ACTUARIAL SERVICES 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 2016 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.

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.

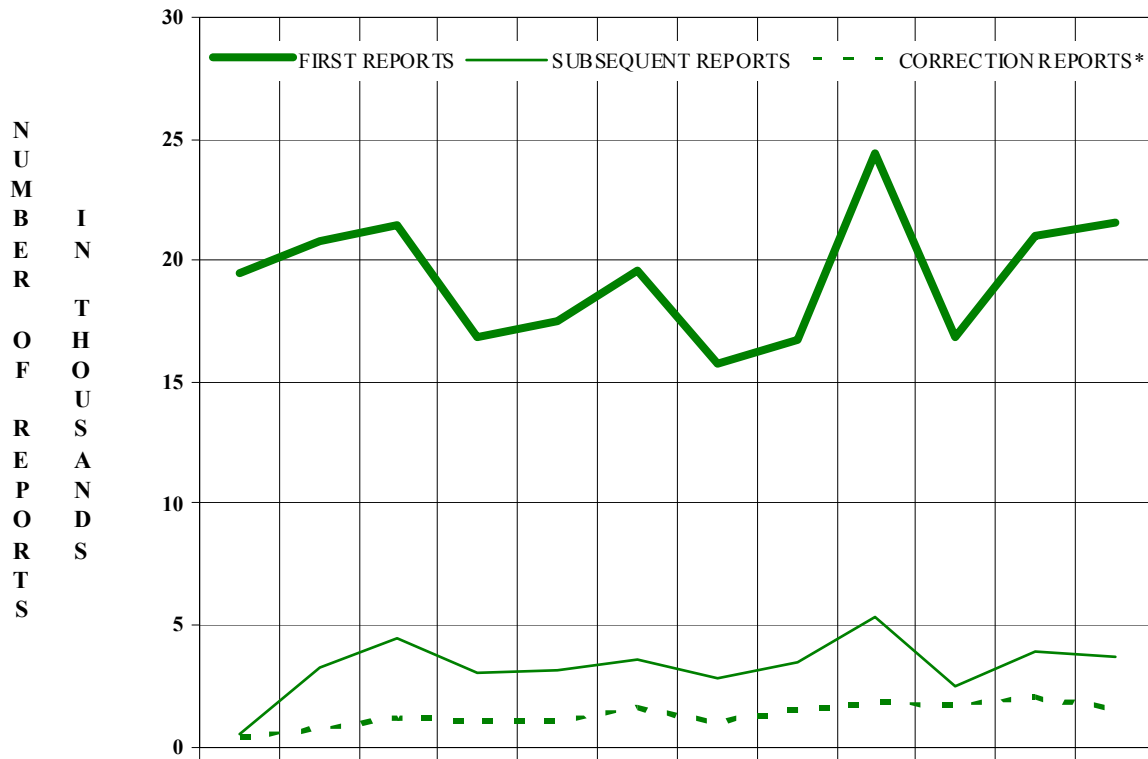
Statistics are not meaningful unless they have been subjected to quality analyses. Such quality with respect to the data filed through the Statistical Plan is, in large measure, dependent on whether payrolls have been audited properly and claims have been assigned to the proper classifications. In this 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.

**EXPERIENCE REPORTS RECEIVED DURING 2016**  
 Policy Inception Date May 2014 to April 2015



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	19.5	20.8	21.5	16.8	17.5	19.6	15.7	16.7	24.4	16.8	21.0	21.6
SUBSEQUENT REPORTS	0.5	3.2	4.4	3.0	3.1	3.6	2.8	3.5	5.3	2.5	3.9	3.7
CORRECTION REPORTS*	0.4	0.7	1.2	1.0	1.0	1.6	1.0	1.5	1.8	1.7	2.0	1.6

The number of first reports received by the Bureau increased from 224,308 in calendar year 2015 to 232,125 in calendar year 2016. The number of subsequent reports increased from 35,535 in calendar year 2015 to 39,670 in calendar year 2016. The number of “late” first reports, i.e., reports for policy inception months outside of the range in the above graph, totaled 3,365 and the number of “late” subsequent reports was 1,583. The number of correction reports\* received by the Bureau decreased from 20,153 in calendar year 2015 to 15,417 in calendar year 2016.

\* The figure for Correction Reports reflects all corrections received, including those that fall outside of this Policy Inception Date range.



**TABLE VII**

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

<b>Policy Year</b>	<b>Payrolls</b>	<b>Earned Standard Premium</b>	<b>Benefits (Incurred Losses)</b>	<b>Loss Ratio</b>
1917–1970	\$213,280,419,656	\$3,362,016,302	\$1,896,308,021	56.40%
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	133,084,170,363	2,089,426,998	1,282,670,203	61.39
2005	141,088,854,099	2,407,614,717	1,385,834,339	57.56
2006	147,321,261,508	2,570,410,531	1,428,020,134	55.56
2007	155,038,109,355	2,646,674,649	1,419,483,715	53.63
2008	151,169,134,295	2,570,970,126	1,371,811,365	53.36
2009	149,299,866,097	2,380,871,567	1,398,217,518	58.73
2010	153,754,566,616	2,342,765,913	1,464,446,079	62.51
2011	156,479,252,020	2,498,468,278	1,425,378,621	57.05
2012	162,297,853,922	2,715,577,234	1,354,385,879	49.87
2013	165,648,259,295	2,953,160,940	1,382,759,593	46.82
2014	166,391,729,293	3,063,345,825	1,144,039,535	37.35
<b>Total:</b>	<b>\$3,905,573,483,335</b>	<b>\$66,254,160,603</b>	<b>\$38,388,693,858</b>	<b>57.94%</b>

**TABLE VIII**  
**Experience by Size – All Risks**  
**Policy Year 2014 – 1st Report**

Premium Size	Number of Risks on Annual Basis	Standard Premiums	Total Incurred Losses	Loss Ratio
From	To			
Minimum	Premium	\$ 11,230,822	\$ 4,274,240	38.06%
\$ 0	499	10,910,785	4,486,619	41.12
500	1,099	23,407,487	7,690,291	32.85
1,100	4,999	173,763,279	67,285,015	38.72
5,000	9,999	172,106,178	48,318,192	28.07
10,000	24,999	303,410,486	109,013,202	35.93
25,000	49,999	277,880,517	107,730,666	38.77
50,000	99,999	314,703,465	112,710,095	35.81
100,000	249,999	458,339,544	169,955,494	37.08
250,000	499,999	334,780,238	126,081,237	37.66
500,000	999,999	340,522,440	117,468,534	34.50
1,000,000	& Over	642,290,584	269,025,950	41.89
<b>Total</b>		<b>\$3,063,345,825</b>	<b>\$1,144,039,535</b>	<b>37.35%</b>

**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 \$1,100 and Over		Total All Risks	
	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio
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	7,171.1	46.87	40,530.8	65.15	2,090,527.0	60.23	2,131,057.9	60.32
2005	7,865.3	43.34	40,650.0	53.75	2,414,496.4	56.65	2,455,146.4	56.60
2006	8,155.0	46.46	40,579.1	56.36	2,573,436.5	54.72	2,614,015.6	54.74
2007	8,269.8	47.21	40,678.2	62.22	2,628,642.4	53.23	2,669,320.7	53.37
2008	8,132.5	57.49	40,531.7	47.64	2,530,314.5	53.55	2,570,846.2	53.46
2009	8,614.3	52.91	43,677.9	67.25	2,337,193.7	58.57	2,380,871.6	58.73
2010	6,791.8	67.74	41,951.4	63.19	2,300,814.5	62.50	2,342,765.9	62.51
2011	7,254.2	29.84	43,387.5	49.00	2,455,080.8	57.19	2,498,468.3	57.05
2012	7,425.6	40.53	43,180.0	62.37	2,672,397.2	49.65	2,715,577.2	49.85
2013	8,139.8	45.45	44,420.5	72.33	2,908,740.5	46.43	2,953,160.9	46.82
2014	11,230.8	38.06	45,549.1	36.12	3,017,796.7	37.36	3,063,345.8	37.35

The data included for policy years 2010 through 2014 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.  
Effective Jan. 1, 2014 – One Hundred Fifty times the rate plus the expense constant.  
Effective Jan. 1, 2017 – One Hundred Seventy times the rate plus the expense constant.

**TABLE X**

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

<u>Report</u>	<u>Payroll</u>	<u>Total Premium Excluding Exp. Constant</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>2010</u>										
First	153,193,071,089	2,384,035,634	Number	55	46	770	10,317	16,240	60,376	87,804
			Indemnity	13,390,697	5,977,056	69,771,029	223,773,000	149,153,000	--	462,064,782
			Medical	11,154,638	12,636,457	77,468,143	190,783,926	214,689,567	83,715,098	590,447,829
Second	153,531,800,143	2,379,160,491	Number	62	84	1,261	11,239	16,367	60,494	89,507
			Indemnity	12,971,680	13,108,270	127,792,723	274,361,963	166,920,312	--	595,154,948
			Medical	8,487,765	28,382,623	127,063,754	216,892,576	205,982,268	83,172,153	669,981,139
Third	153,484,080,860	2,378,454,453	Number	70	132	1,577	11,472	16,519	60,706	90,476
			Indemnity	14,186,456	23,071,747	165,778,799	284,924,510	174,641,939	--	662,603,451
			Medical	6,126,631	44,520,690	161,613,595	210,875,463	203,394,883	82,649,704	709,180,966
Fourth	153,671,201,922	2,340,988,972	Number	72	131	1,596	11,312	16,807	60,771	90,689
			Indemnity	15,590,904	28,847,769	172,017,183	288,539,900	194,019,162	--	699,014,918
			Medical	5,929,960	46,453,030	168,752,465	205,330,206	214,494,069	83,485,874	724,445,604
Fifth	153,754,566,616	2,342,765,913	Number	77	150	1,764	11,541	16,370	60,797	90,699
			Indemnity	16,522,968	34,211,885	188,373,697	304,817,822	174,429,467	--	718,355,839
			Medical	5,896,631	63,816,257	180,991,864	221,791,703	190,832,720	82,761,065	746,090,240
<u>2011</u>										
First	155,390,256,997	2,545,489,831	Number	53	55	800	10,077	15,406	58,377	84,768
			Indemnity	9,439,389	6,235,205	78,773,665	224,531,848	137,167,220	--	456,147,327
			Medical	4,360,257	17,805,360	102,315,231	200,127,486	208,569,002	84,766,379	617,943,715
Second	156,341,542,624	2,557,372,046	Number	65	94	1,212	10,906	16,010	59,142	87,429
			Indemnity	11,066,068	11,992,774	131,391,339	270,347,665	161,895,419	--	586,693,265
			Medical	3,453,672	32,135,698	134,782,135	220,844,253	212,423,875	85,067,926	688,707,559
Third	156,553,442,200	2,499,054,558	Number	67	91	1,344	10,908	16,193	59,108	87,711
			Indemnity	12,281,024	12,617,534	152,004,100	280,115,970	187,855,438	--	644,874,066
			Medical	3,359,698	40,847,686	152,492,359	220,148,312	227,749,519	84,139,913	728,737,487
Fourth	156,479,252,020	2,498,468,278	Number	69	119	1,516	11,137	15,752	59,143	87,736
			Indemnity	12,578,703	22,123,147	169,909,671	298,431,487	174,598,447	--	677,641,455
			Medical	3,604,543	47,514,440	170,962,548	234,413,360	207,482,003	83,760,272	747,737,166
<u>2012</u>										
First	161,953,992,995	2,752,306,117	Number	57	51	707	10,019	15,694	57,023	83,551
			Indemnity	14,585,910	5,900,468	65,422,300	231,247,227	150,397,678	--	467,553,583
			Medical	2,249,822	8,362,868	76,380,606	197,879,087	226,798,937	86,220,822	597,892,142
Second	162,394,273,927	2,717,357,290	Number	69	51	1,035	10,773	16,305	57,632	85,865
			Indemnity	16,442,184	5,943,398	105,231,046	272,682,478	191,673,088	--	591,972,194
			Medical	1,928,532	12,755,902	106,143,227	214,174,987	244,278,407	84,818,643	664,099,698
Third	162,297,853,922	2,715,577,234	Number	74	72	1,317	11,548	15,649	57,632	86,292
			Indemnity	18,332,926	9,995,425	135,564,484	302,146,614	182,675,068	--	648,714,517
			Medical	1,841,799	31,566,257	134,831,127	231,283,113	221,945,411	84,203,655	705,671,362
<u>2013</u>										
First	165,826,829,440	2,963,477,000	Number	52	29	809	10,412	16,633	56,854	84,789
			Indemnity	15,643,145	4,288,708	75,623,456	238,452,287	187,937,861	--	521,945,457
			Medical	5,410,664	20,088,181	94,260,212	195,518,886	276,957,965	89,977,945	682,213,853
Second	165,648,259,295	2,953,160,940	Number	51	51	1,142	11,650	16,202	57,198	86,294
			Indemnity	16,636,310	9,983,235	115,372,743	299,503,964	195,053,291	--	636,549,543
			Medical	4,842,146	34,342,646	124,169,234	233,047,984	260,520,535	89,287,505	746,210,050
<u>2014</u>										
First	166,391,729,293	3,063,345,825	Number	44	51	873	9,981	15,057	53,916	79,922
			Indemnity	10,818,307	5,439,318	76,524,981	218,454,842	179,256,756	--	490,494,204
			Medical	823,975	48,731,623	80,085,542	179,962,596	258,225,618	85,715,977	653,545,331

## CONCLUSION

The responsibilities and operations of the Bureau are numerous, varied and often complex. In addition to the Bureau staff, many other stakeholders have contributed to the success of New Jersey's workers compensation system including employers, legislators, governmental agencies, attorneys, judges of compensation, insurers and insurance producers. 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 2016, the following individuals were honored for 25 or more years of service :

<b>Linda Barbosa</b>	<b>25 Years</b>
<b>Sharlene Wiley-Whitten</b>	<b>25 Years</b>
<b>Kathy Coughlin</b>	<b>30 Years</b>
<b>Mary Maceiras</b>	<b>30 Years</b>
<b>Nancy Melendez</b>	<b>30 Years</b>
<b>Ilda Pinto</b>	<b>30 Years</b>

Our thanks also go out to each Bureau employee who has contributed to the Bureau's objectives and goals. Although it is not possible to identify all who have contributed to the success of the Bureau, special acknowledgements are appropriate for: **Paul G. Witko** – Associate Executive Director and General Counsel, **Robert Eichler** – Director of Technology and Operations Services, **Salvatore A. Nardone** – Director of Rating, **Janet Nicolai** – Director of Human Resources, **Stanley R. Markow** – Director of Actuarial Services, **James O'Hare** – Director of Underwriting, and **Charu Mehta** – Controller.

*List of Members as of December 31, 2016***A**

Acadia Insurance Company  
 Acceptance Indemnity Insurance Company  
 ACE American Insurance Company  
 ACE Fire Underwriters Insurance Company  
 ACE Property and Casualty Insurance Company  
 Accident Fund General Insurance Company  
 Accident Fund Insurance Company of America  
 Accident Fund National Insurance Company  
 ACIG Insurance Company  
 Admiral Insurance Company  
 Advantage Workers Compensation Insurance Co.  
 Affiliated FM Insurance Company  
 AIG Property Casualty Company  
 AIOI Nissa Dowa Ins. Company of America  
 AIU Insurance Company  
 Alamance Insurance Company  
 Alea North America Insurance Company  
 All America Insurance Company  
 Alliance Assurance Company of America  
 Alliance National Insurance Company  
 Allianz Insurance Company  
 Allied Eastern Indemnity Company  
 Allmerica Financial Alliance Insurance Company  
 Allmerica Financial Benefit Insurance Company  
 Allstate New Jersey Insurance Company  
 American Alternative Insurance Corporation  
 American Automobile Insurance Company  
 American Casualty Company of Reading, PA  
 American Compensation Insurance Company  
 American European Insurance Company  
 American Family Home Insurance Company  
 American Fire and Casualty Company  
 American Guarantee and Liability Insurance Co.  
 American Home Assurance Company  
 American Insurance Company  
 American Millennium Insurance Company  
 American Mining Insurance Company  
 American Modern Home Insurance Company  
 American Property Insurance Company  
 American Safety Casualty Insurance Company  
 American States Insurance Company  
 American Universal Insurance Company  
 American Zurich Insurance Company  
 Americas Insurance Company  
 AmeriHealth Casualty Insurance Company  
 Amerisure Insurance Company  
 Amerisure Mutual Insurance Company  
 Ameritrust Insurance Corporation  
 AmTrust Insurance Co. of Kansas, Inc.  
 AmGuard Insurance Company  
 Amica Mutual Insurance Company  
 Arch Indemnity Insurance Company  
 Arch Insurance Company  
 Argonaut Great Central Insurance Company  
 Argonaut Insurance Company  
 Argonaut-Midwest Insurance Company  
 Argonaut-Southwest Insurance Company  
 ARI Casualty Company  
 ARI Mutual Insurance Company  
 Arrowood Indemnity Company  
 Ashmere Insurance Company  
 Associated Indemnity Corporation  
 Atlanta International Insurance Company  
 Atlantic Employers Insurance Company  
 Atlantic Specialty Insurance Company  
 Automobile Insurance Company of Hartford  
 AXA Corporate Solutions Reinsurance Company  
 AXA Insurance Company

**B**

Balboa Insurance Company  
 Bankers Standard Insurance Company  
 Beacon Insurance Company of America  
 Bedivere Insurance Company  
 Benchmark Insurance Company  
 Berkley National Insurance Company  
 Berkley Regional Insurance Company  
 Berkshire Hathaway Direct Ins. Co.  
 Berkshire Hathaway Homestate Ins. Co.  
 BITCO General Insurance Corporation  
 BITCO National Insurance Company  
 Bloomington Compensation Ins. Co.  
 BrickStreet Mutual Insurance Company  
 Brotherhood Mutual Insurance Company

**C**

California Insurance Company  
 Capitol Indemnity Corporation  
 Carolina Casualty Insurance Company  
 CastlePoint National Insurance Company

*List of Members as of December 31, 2016***C**

Caterpillar Insurance Company	Clarendon National Insurance Company
Catlin Insurance Company, Inc.	Clearwater Insurance Company
Central Mutual Insurance Company	Colonial American Casualty Surety Company
Centre Insurance Company	Commerce and Industry Insurance Company
Century Indemnity Company	Continental Casualty Company
Charter Oak Fire Insurance Company	Continental Indemnity Company
Cherokee Insurance Company	Continental Insurance Company
Chubb Indemnity Insurance Company	Continental Insurance Company of New Jersey
Chubb Insurance Company of New Jersey	Continental Western Insurance Company
Chubb National Insurance Company	Countryway Insurance Company
Church Mutual Insurance Company	Crum and Forster Indemnity Company
Cincinnati Insurance Company	Crum and Forster Insurance Company
Cincinnati Casualty Company	CSAA Affinity Insurance Company
Cincinnati Indemnity Company	Cumberland Insurance Company, Inc.
Citizens Insurance Company of America	

**D**

Dakota Truck Underwriters	Discover Property and Casualty Insurance Company
Diamond State Insurance Company	Drive New Jersey Insurance Company
Direct National Insurance Company	

**E**

Eastern Advantage Assurance Company	Employers Mutual Casualty Company
Eastern Casualty Insurance Company	Employers Preferred Insurance Company
EastGuard Insurance Company	Endurance American Insurance Company
Eastern Alliance Insurance Company	Endurance Assurance Corporation
Electric Insurance Company	Euler American Credit Indemnity Company
Empire Insurance Company	Everest National Insurance Company Excalibur
Employers Assurance Company	Reinsurance Company
Employers Compensation Insurance Company	Excelsior Insurance Company
Employers Fire Insurance Company	Executive Risk Indemnity Insurance
Employers Insurance Company of Wausau	Explorer Insurance Company

**F**

Fairmont Premier Insurance Company	Fidelity & Deposit Company of Maryland
Fairmont Specialty Insurance Company	Fidelity & Guaranty Insurance Company
Falls Lake National Insurance Company	Fidelity & Guaranty Insurance Underwriters, Inc.
Farm Family Casualty Insurance Company	Finial Reinsurance Company
Farmers Insurance Company of Flemington	Fireman's Fund Indemnity Corporation
Farmers Insurance Exchange	Fireman's Fund Insurance Company
Farmers Mutual Fire Insurance Co of Salem County	Firemen's Insurance Company of Washington, DC
Farmington Casualty Company	First Dakota Indemnity Company
Federal Insurance Company	First Financial Insurance Company
Federated Rural Electric Insurance Exchange	First Liberty Insurance Corporation
Federated Mutual Insurance Company	First National Insurance Company of America

*List of Members as of December 31, 2016***F**

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 Property & Casualty Insurance Company

Foremost Signature Insurance Company  
 Founders Insurance Company  
 Frankenmuth Mutual Insurance Company  
 Franklin Mutual Insurance Company  
 Frank Winston Crum Insurance Company  
 Frontier Insurance Company  
 Fulton 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  
 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 Midwest 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**

Hamilton Insurance Company  
 Hanover Insurance Company  
 Hanover American Ins. Company  
 Harco National Insurance Company  
 Harford Mutual Insurance Company  
 Harleysville Insurance Company  
 Harleysville Insurance Company of New Jersey  
 Harleysville Preferred Insurance Company  
 Harleysville Worcester Insurance Company  
 Hartford Accident and Indemnity Company  
 Hartford Casualty Insurance Company  
 Hartford Fire Insurance Company

Hartford Insurance Company of the Midwest  
 Hartford Underwriters Insurance Company  
 HDI-Gerling America Insurance Company  
 Hereford 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.  
 Hudson Insurance Company

**I**

Illinois Insurance Company  
 Illinois National Insurance Company  
 Imperium Insurance 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  
 Insurance Company of the State of Pennsylvania  
 Insurance Company of the West

**K**

Key Risk Insurance Company  
 Koa Fire & Marine Insurance Company

Kookmin Best Insurance Co., Ltd.



***List of Members as of December 31, 2016*****L**

Lamorak Insurance Company  
 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  
 Lion Insurance Company  
 LM Insurance Corporation  
 Lumber Mutual Insurance Company

**M**

Maine Employers Mutual Insurance Company  
 Manufacturers Alliance Insurance Company  
 Markel Insurance Company  
 Markel Global Reinsurance 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  
 Meridian Security 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  
 Milwaukee Casualty Insurance Company  
 Mission American Insurance Company  
 Mitsui Sumitomo Insurance Company of America  
 Mitsui Sumitomo Insurance USA Inc.  
 Motors Insurance Corporation  
 Motorists Commercial Mutual Insurance Company

**N**

National Casualty Company  
 National Fire Insurance Company of Hartford  
 National Interstate Insurance Company  
 National Interstate Insurance Company of Hawaii  
 National Liability & Fire Insurance Company  
 National Specialty Insurance Company  
 National Surety Corporation  
 National Union Fire of Pittsburgh, Pa.  
 Nationwide Agribusiness Insurance Company  
 Nationwide Mutual Fire Insurance Company  
 Nationwide Mutual Insurance Company  
 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  
 New York Marine and General Ins. Company  
 NGM Insurance Company  
 Norfolk and Dedham Mutual Fire Insurance Company  
 NorGuard Insurance Company  
 North American Elite Insurance Company  
 North American Specialty Insurance Company  
 North Pointe Insurance Company  
 North River Insurance Company  
 Northbrook Indemnity Company  
 North Sea Insurance Company  
 NorthStone Insurance Company  
 Nova Casualty Company

**O**

Oak River Insurance Company  
 OBI National Insurance Company  
 Occidental Fire & Casualty Co of North Carolina  
 Ohio Casualty Insurance Company  
 Ohio Farmers Insurance Company

Ohio Security Insurance Company  
 Old Republic General Insurance Corporation  
 Old Republic Insurance Company  
 One Beacon Specialty Insurance Company

**P**

Pacific Employers Insurance Company  
 Pacific Indemnity Company  
 Pacific Pioneer Insurance Company

Paramount Insurance Company  
 Partner Re Insurance Company of New York  
 Pawtucket Insurance Company

***List of Members as of December 31, 2016*****P**

Peerless Indemnity Insurance Company	PinnaclePoint Insurance Company
Peerless Insurance Company	Platte River Insurance Company
Penn Millers Insurance Company	Praetorian Insurance Company
Penn National Security Insurance Company	Preferred Mutual Insurance Company
Pennsylvania Insurance Company	Preferred Professional Insurance Company
Pennsylvania Lumbermens Mutual Insurance Co.	Princeton Insurance Company
Pennsylvania Manufacturers Association Ins Co.	Progressive Garden State Insurance Company
Pennsylvania Manufacturers Indemnity Company	Property & Casualty Insurance Co. of Hartford
Pennsylvania National Mutual Casualty Ins. Co.	Protective Insurance Company
Petroleum Casualty Company	Providence Washington Insurance Company
Pharmacists Mutual Ins. Company	Public Service Insurance Company
Phoenix Insurance Company	

**Q**

QBE Insurance Corporation	Quincy Mutual Fire Insurance Company
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**R**

Rampart Insurance Company	Riverport Insurance Company
Redwood Fire and Casualty Ins. Company	RLI Insurance Company
Regent Insurance Company	Rochdale Insurance Company
Republic-Franklin Insurance Company	Royal & SunAlliance Personal Insurance Company
Repwest Insurance Company	RVI America Insurance Company

**S**

SAFECO Insurance Company of America	Sentry Select Insurance Company
Safety First Insurance Company	Sompo Japan Insurance Company of America
Safety National Casualty Company	Specialty Surplus Insurance Company
Sagamore Insurance Company	St Paul Fire and Marine Insurance Company
Samsung Fire & Marine Insurance Company Ltd.	St. Paul Mercury Insurance Company
Scottsdale Indemnity Company	St. Paul Protective Insurance Company
Select Markets Insurance Company	Standard Fire Insurance Company
Selective Casualty Insurance Company	Star Insurance Company
Selective Fire and Casualty Ins. Company	Starr Indemnity & Liability Company
Selective Insurance Co. of New England	StarNet Insurance Company
Selective Insurance Company of America	StarStone National Insurance Company
Selective Insurance Company of New York	State Automobile Mutual Insurance Company
Selective Insurance Company of South Carolina	State Auto Property & Casualty Insurance Company
Selective Insurance Company of Southeast	State Farm Fire and Casualty Company
Selective Way Insurance Company	State Farm General Insurance Company
Seneca Insurance Company Inc.	State National Insurance Company, Inc.
Sentinel Insurance Company, Ltd.	Stonington Insurance Company
Sentry Casualty Company	Strathmore Insurance Company
Sentry Insurance A Mutual Company	Sussex Insurance Company

**T**

Technology Insurance Company, Inc.	Titan Indemnity Company
T.H.E. Insurance Company	TNUS Insurance Company
THE Gray Insurance Company	Toa Reinsurance Company of America
TIG Insurance Company	Tokio Marine America Insurance Company

***List of Members as of December 31, 2016*****T**

Transguard Insurance Company of America Inc.	Travelers Constitution State Ins. Company
Trans Pacific Insurance Company	Travelers Indemnity Company
Transport Insurance Company	Travelers Indemnity Company of America
Transportation Insurance Company	Travelers Indemnity Company of Connecticut
Travelers Casualty Company	Travelers Property Casualty Co. of America
Travelers Casualty Company of Connecticut	Tri-State Insurance Co. of Minnesota
Travelers Casualty Insurance Company of America	Truck Insurance Exchange
Travelers Casualty & Surety Company	Trumbull Insurance Company
Travelers Casualty & Surety Company of America	Twin City Fire Insurance Company
Travelers Commercial Casualty Company	21 <sup>st</sup> Century Centennial Insurance Company
Travelers Commercial Insurance Company	

**U**

United National Casualty Insurance 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**

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

**Z**

Zenith Insurance Company	Zurich American Insurance Company
ZNAT Insurance Company	Zurich American Insurance Co. of Illinois



# APPENDIX



**EXHIBIT A**  
**Calendar Year 2016**  
**New Jersey Schedule "W" – Total Experience**  
**Policy Year Analysis**

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

Cal. Year Ended (a)	Amount To End Of Period In Dollars Only (b)	1942-2010 incl (c)	Experience Under Policies 2011 (d)	2012 (e)	2013 (f)	2014 (g)	2015 (h)	2016 (i)	All Years (j)	Experience For Cal. Year (k)
Dec. 31, 2011	1-Losses Paid	30,371,128,674	144,409,246	***	***	***	***	***	30,515,537,920	***
	2-Losses Outstanding	7,328,886,602	660,154,484	***	***	***	***	***	7,989,041,086	***
	3-Losses Incurred	37,700,015,276	804,563,730	***	***	***	***	***	38,504,579,006	***
	4 Std Prem Written	55,572,041,852	2,230,617,179	***	***	***	***	***	57,802,659,031	***
	5-Std Prem Earned	55,636,463,554	1,453,507,490	***	***	***	***	***	57,089,971,044	***
	6-Loss Ratio (3/5)	67.76%	55.35%	***	***	***	***	***	67.45%	***
Dec. 31, 2012	7-Losses Paid	31,377,263,247	580,653,524	139,402,728	***	***	***	***	32,097,319,499	1,581,781,579
	8-Losses Outstanding	6,636,994,040	1,003,830,886	674,526,026	***	***	***	***	8,315,350,952	326,309,866
	9-Losses Incurred	38,014,257,287	1,584,484,410	813,928,754	***	***	***	***	40,412,670,451	1,908,091,445
	10-Std Prem Written	55,571,959,860	2,635,239,479	2,409,746,436	***	***	***	***	60,616,945,775	2,814,286,744
	11-Std Prem Earned	55,623,695,260	2,638,708,546	1,582,598,227	***	***	***	***	59,845,002,033	2,755,030,989
	12-Loss Ratio (9/11)	68.34%	60.05%	51.43%	***	***	***	***	67.53%	69.26%
Dec. 31, 2013	13-Losses Paid	32,152,751,337	835,087,376	568,915,551	148,450,177	***	***	***	33,705,204,441	1,607,884,942
	14-Losses Outstanding	6,078,381,523	849,464,844	1,048,729,046	724,406,267	***	***	***	8,700,981,680	385,630,728
	15-Losses Incurred	38,231,132,860	1,684,552,220	1,617,644,597	872,856,444	***	***	***	42,406,186,121	1,993,515,670
	16-Std Prem Written	55,548,281,121	2,672,705,390	2,819,219,172	2,695,634,331	***	***	***	63,735,840,014	3,118,894,239
	17-Std Prem Earned	55,605,017,209	2,673,617,318	2,833,835,353	1,715,399,055	***	***	***	62,827,868,935	2,982,866,902
	18-Loss Ratio (15/17)	68.75%	63.01%	57.08%	50.88%	***	***	***	67.50%	66.83%
Dec. 31, 2014	19-Losses Paid	32,725,255,575	1,010,123,161	819,292,167	626,223,701	153,381,211	***	***	35,334,275,815	1,629,071,374
	20-Losses Outstanding	5,571,536,174	696,103,014	866,505,709	1,162,192,807	761,614,156	***	***	9,057,951,860	356,970,180
	21-Losses Incurred	38,296,791,749	1,706,226,175	1,685,797,876	1,788,416,508	914,995,367	***	***	44,392,227,675	1,986,041,554
	22-Std Prem Written	55,538,778,644	2,664,851,060	2,882,533,115	3,122,590,555	3,039,203,941	***	***	67,247,957,315	3,512,117,301
	23-Std Prem Earned	55,600,363,624	2,666,369,564	2,890,352,763	3,138,645,336	1,836,678,801	***	***	66,132,410,088	3,304,541,153
	24-Loss Ratio (21/23)	68.88%	63.99%	58.32%	56.98%	49.82%	***	***	67.13%	60.10%
Dec. 31, 2015	25-Losses Paid	33,175,354,076	1,124,642,341	998,438,551	902,612,562	613,106,464	139,794,663	***	36,953,948,657	1,619,672,842
	26-Losses Outstanding	5,212,349,242	616,422,161	712,557,757	968,597,047	1,205,437,502	752,892,478	***	9,468,286,187	410,304,327
	27-Losses Incurred	38,387,703,318	1,741,064,502	1,710,996,308	1,871,209,609	1,818,543,966	892,687,141	***	46,422,204,844	2,029,977,169
	28-Std Prem Written	55,536,532,232	2,660,116,104	2,877,770,946	3,141,634,842	3,352,495,276	3,222,875,472	***	70,791,424,872	3,543,467,557
	29-Std Prem Earned	55,598,229,300	2,662,391,492	2,887,257,758	3,149,844,251	3,371,291,098	1,954,333,036	***	69,623,346,935	3,490,936,847
	30-Loss Ratio (27/29)	69.04%	65.39%	59.26%	59.41%	53.94%	45.68%	***	66.68%	58.15%
Dec. 31, 2016	31-Losses Paid	33,579,640,166	1,216,080,961	1,123,670,498	1,087,646,864	876,808,690	590,894,149	144,811,193	38,619,552,521	1,665,603,864
	32-Losses Outstanding	4,888,485,261	533,039,117	652,220,976	794,159,733	1,018,141,328	1,188,806,124	752,779,447	9,827,631,986	359,375,799
	33-Losses Incurred	38,468,125,427	1,749,120,078	1,775,891,474	1,881,806,597	1,894,950,018	1,779,700,273	897,590,640	48,447,184,507	2,024,979,663
	34-Std Prem Written	55,505,720,531	2,662,654,815	2,882,895,337	3,136,141,782	3,401,786,267	3,304,068,831	3,599,262,144	74,492,529,707	3,701,104,835
	35-Std Prem Earned	55,567,003,238	2,664,927,319	2,892,337,692	3,146,444,517	3,409,972,059	3,624,312,918	2,000,519,467	73,305,517,210	3,682,170,275
	36-Loss Ratio (33/35)	69.23%	65.63%	61.40%	59.81%	55.57%	44.87%	49.10%	44.87%	66.09%

**EXHIBIT B****New Jersey Schedule "W"****Exhibit of Policy Year Experience  
Policy Years 1942–2010****Valued as of December 31, 2016**

Policy Year	Losses			Standard Premium		Loss Ratio
	<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Written</u>	<u>Earned</u>	
1942–1988	\$9,138,736,232	\$342,248,107	\$9,480,984,339	\$15,052,005,746	\$15,062,991,845	62.94%
1989	888,028,116	50,883,415	938,911,531	1,101,512,649	1,111,967,427	84.44
1990	923,002,030	73,631,740	996,633,770	1,113,891,722	1,121,502,861	88.87
1991	913,142,785	61,508,877	974,651,662	1,126,704,548	1,133,358,102	86.00
1992	979,129,591	91,485,181	1,070,614,772	1,249,392,273	1,279,133,734	83.70
1993	963,128,262	83,630,960	1,046,759,222	1,493,885,480	1,463,957,475	71.50
1994	913,224,728	75,826,908	989,051,636	1,612,088,966	1,582,328,842	62.51
1995	919,362,820	100,594,595	1,019,957,415	1,598,957,586	1,601,290,280	63.70
1996	906,225,547	105,821,043	1,012,046,590	1,636,318,635	1,636,990,978	61.82
1997	921,772,895	139,220,479	1,060,993,374	1,550,535,188	1,562,339,275	67.91
1998	969,626,236	178,542,979	1,148,169,215	1,540,763,417	1,548,027,872	74.17
1999	1,048,225,608	234,448,600	1,282,674,208	1,598,699,767	1,597,181,530	80.31
2000	1,110,963,456	283,998,272	1,394,961,728	1,607,580,957	1,609,991,037	86.64
2001	1,212,118,048	248,142,223	1,460,260,271	1,694,882,603	1,687,327,442	86.54
2002	1,279,196,265	246,488,355	1,525,684,620	1,795,674,809	1,812,283,735	84.19
2003	1,309,187,116	205,694,197	1,514,881,313	2,026,839,548	2,011,351,545	75.32
2004	1,290,526,071	249,582,530	1,540,108,601	2,144,624,222	2,172,541,325	70.89
2005	1,362,154,657	373,880,327	1,736,034,984	2,509,975,734	2,505,295,648	69.29
2006	1,348,952,125	314,967,326	1,663,919,451	2,673,352,093	2,686,063,511	61.95
2007	1,367,306,190	326,016,382	1,693,322,572	2,751,567,256	2,755,276,722	61.46
2008	1,294,635,419	331,203,241	1,625,838,660	2,660,290,401	2,656,904,825	61.19
2009	1,255,826,547	362,711,159	1,618,537,706	2,501,255,138	2,483,785,632	65.16
2010	1,265,169,422	407,958,365	1,673,127,787	2,464,921,793	2,485,111,595	67.33
Total:	\$33,579,640,166	\$4,888,485,261	\$38,468,125,427	\$55,505,720,531	\$55,567,003,238	69.23%



## 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
1917–1971	\$3,484,889,328	58.36%	\$2,033,675,908	\$2,050,311,704	58.83%	(\$16,635,796)	-0.48%
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	64.94	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	2,370,590,292	62.39	1,479,011,283	1,799,955,355	75.93	(320,944,072)	-13.54
2006	2,636,785,057	62.40	1,645,353,876	1,790,133,165	67.89	(144,779,289)	-5.49
2007	2,739,233,296	62.54	1,713,116,503	1,697,730,533	61.98	15,385,970	0.56
2008	2,800,298,950	62.94	1,762,508,159	1,709,585,122	61.05	52,923,037	1.89
2009	2,581,888,401	63.16	1,630,720,714	1,609,551,006	62.34	21,169,708	0.82
2010	2,375,708,761	62.88	1,493,845,669	1,610,472,034	67.79	(116,626,365)	-4.91
2011	2,511,637,505	62.39	1,567,010,639	1,746,615,169	69.54	(179,604,530)	-7.15
2012	2,755,030,989	61.97	1,707,292,704	1,908,091,445	69.26	(200,798,741)	-7.29
2013	2,982,866,902	62.40	1,861,308,947	1,993,515,670	66.83	(132,206,723)	-4.43
2014	3,304,541,153	63.27	2,090,783,188	1,986,041,554	60.10	104,741,634	3.17
2015	3,490,936,847	63.28	2,209,064,837	2,029,977,169	58.15	179,087,668	5.13
2016	3,682,170,275	63.16	2,325,658,746	2,024,979,663	54.99	300,679,083	8.17
Total:	\$73,750,231,965	64.32%	\$47,435,457,702	\$48,713,156,077	66.05%	(\$1,277,698,375)	-1.73%

**EXHIBIT D**

**Calendar Year 2016 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>
ACE USA Group	\$239,358,902	Farm Family Casualty Insurance Company	\$27,431,529	Old Republic International Corporation	\$147,369,714
ACIG Insurance Company	1,548,898	Farmers Insurance Company of Flemington	1,841,854	Pennsylvania National Mutual Cas. Ins. Co.	12,552,720
Alliance National Insurance Co.	4,366,861	Farmers Mutual Fire Ins. Co. of Salem County	1,743,455	Petroleum Casualty Company	823,625
Allianz Societas Europaea	2,404,151	Federated Mutual Insurance Company	6,514,426	Pharmacists Mutual Insurance Company	470,751
Alimerica Financial Prop. & Cas. Cos.	18,237,982	Fitchburg Mutual Insurance Company	1,989,285	Protective Insurance Company	9,344,014
American Alternative Insurance Corporation	2,148,151	Frank Winston Crum Insurance Company	4,666,022	QBE Insurance Group Limited	13,435,415
American Compensation Insurance Company	1,462,832	Franklin Mutual Group	7,604,986	Redwood Fire and Casualty Insurance Co.	945,721
American Financial Group, Inc.	38,313,410	Greater New York Group	1,951,478	RLI Insurance Company	436,344
American International Group	225,030,402	Guarantee Insurance Company	36,258,105	Safety National Group	84,638,420
Amerisure Companies	2,168,944	GuideOne Mutual Insurance Company	974,440	Samsung Fire & Marine Insurance Co., Ltd.	2,046,514
AmTrust Financial Services, Inc.	210,837,143	Harford Mutual Insurance Companies	4,221,836	Selective Insurance Group	84,704,939
Arch Insurance Company	53,583,362	The Hartford Financial Services Group, Inc.	354,789,320	Sentry Insurance Group	33,664,268
Argonaut Insurance Group	1,965,857	HDI-Gerling America Insurance Company	3,916,023	Starr Indemnity & Liability Company	28,292,088
Benchmark Insurance Company	3,170,763	Highmark Casualty Insurance Company	262,365	State Farm Fire and Casualty Company	8,701,684
Berkshire Hathaway Insurance Group	151,313,816	Homesite Insurance Company	506,484	State National Insurance Company, Inc.	1,273,019
Blue Cross Blue Shield of Michigan	53,392,056	Imperium Insurance Company	700,126	Sussex Insurance Company	1,310,052
Brotherhood Mutual Insurance Company	457,354	Insurance Company of the West	16,587,165	T.H.E. Insurance Company	651,895
Cherokee Insurance Company	985,608	Jamestown Holdings Corp.	5,807,209	Tokio Marine Holdings, Inc.	8,591,865
Chubb Group of Insurance Companies	61,674,434	Liberty Mutual Holding Company, Inc.	261,888,533	Transguard Insurance Co. of America	792,223
Church Mutual Insurance Company	2,839,661	Magna Carta Companies	2,679,827	Travelers Group	318,023,471
The Cincinnati Insurance Companies	2,027,611	MEMIC Indemnity Company	21,930,441	Ufica National Insurance Group	17,801,851
CNA Insurance Companies	54,314,407	Markel Insurance Company	567,786	W. R. Berkley Corporation	20,487,251
Cumberland Insurance Company, Inc.	7,400,720	Meadowbrook Insurance Group	8,696,404	White Mountains Insurance Group, Ltd.	4,529,403
Eastern Alliance Insurance Group	18,207,408	Mercer Insurance Co. of New Jersey, Inc.	6,371,561	Work First Casualty Company	4,561,557
Electric Insurance Company	1,424,578	Merchants Insurance Group	4,486,974	XL Group plc	38,259,583
Employers Holdings, Inc.	12,005,185	Mitsui Sumitomo Insurance Group	5,642,532	Zenith Insurance Company	15,878,691
Employers Mutual Casualty Company	630,316	Nationwide Mutual Insurance Companies	32,569,046	Zurich (U.S. Pool) Insurance Group Ltd.	249,501,226
Everest National Insurance Company	7,359,445	NJM Insurance Group	558,602,218	Companies under \$250,000	212,739
Fairfax Financial Holdings Limited	20,575,125	New York Marine & General Insurance Co.	4,159,140		
Falls Lake National Insurance Company	348,757	NKSJ Holdings, Inc.	6,889,083		

**Total: \$3,701,104,835**

**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>
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	2,481,562,377	0.0044	638,004	221,098	96,899
2006	10,988,212	2,689,091,121	0.0041	680,862	213,355	93,527
2007	11,205,950	2,750,912,978	0.0041	701,089	219,937	96,626
2008	11,522,995	2,764,579,714	0.0042	748,934	219,592	98,411
2009	11,923,656	2,573,458,551	0.0046	673,191	220,318	98,834
2010	13,008,195	2,340,184,279	0.0056	711,039	217,317	97,137
2011	13,684,860	2,573,693,827	0.0053	712,221	215,082	91,459
2012	14,196,657	2,814,286,744	0.0050	748,004	214,755	92,860
2013	15,810,200	3,118,894,239	0.0051	732,478	214,193	96,676
2014	16,295,881	3,512,117,301	0.0046	714,484	213,922	92,343
2015	15,399,877	3,543,467,557	0.0043	788,457	224,308	89,418
2016	15,500,966	3,701,104,835	0.0042	805,632	232,125	89,650









