

INSTRUCTIONS FOR THE PREPARATION
of
NEW JERSEY SCHEDULE "Q" – (CALL #1Q)
"TOTAL EXPERIENCE"

This report is an exhibit of New Jersey experience under all direct policies of Workers Compensation and Employers Liability Insurance written effective on and after January 1, 1942. It is for the purpose of making available to the Compensation Rating and Inspection Bureau (NJCRIB) accurate data for use in supplementing the experience filed in the Schedule "W" – "TOTAL EXPERIENCE" report. This form requires the reporting of accumulated New Jersey Workers Compensation loss experience by **ACCIDENT YEAR**.

Accident year refers to a method of organizing financial loss data based upon the date the losses occurred. For example, accident year 2008 includes claims with accident dates occurring in 2008.

Data collected in this report includes losses from policies effective on and after January 1, 1942 valued as of December 31, 2011. Accident year losses for 1942 through 1987 are to be shown in summarized format on line (A) of each report page. Accident year losses for 1988 through 2011 are to be shown individually on lines (B) through (Y) of each report page. Please note that accident year 1942 should reflect losses from policies effective in 1942 only. The reporting of accident year losses on page (1) and the indemnity and medical split data on page (2) is mandatory for all applicable years. Losses required include the indemnity and medical totals for losses paid, outstanding case reserves (excluding IBNR and bulk reserves), IBNR and bulk reserves and total incurred losses. An incurred indemnity claim count is also required for certain years.

The Schedule "Q" – Total Experience includes an additional individual accident year. Therefore, Line (A) of this report, the summarization of accident years 1942 through 1987, is the same as last year. Lines (B) through (X) also represent the same accident years as last year. It is expected that an additional accident year will be included in future reports until further notice.

A. FILING DATE

The report must be received not later than April 2, 2012. Additional time must not be requested since it cannot be granted. In any case where the required data are received subsequent to the specified due date, a fine of \$5,000 will be assessed against each company included in the report. In addition, any carrier whose reports are received by the Rating Bureau after April 16, 2012 will incur an additional fine of \$5,000 such that the total fine will be \$10,000 per company.

B. GENERAL INSTRUCTIONS

1. **The Rating Bureau encourages on-line reporting using our FDRA system. All reports not filed on-line using FDRA will incur a processing fee of \$500 per company.**
2. Group reporting is permitted. Carriers are required to submit the Schedule "Q" – "TOTAL EXPERIENCE" on the same basis (individual or group report) as the Schedule "W" – "TOTAL EXPERIENCE" for reconciliation purposes.
3. Carrier or group name along with the other information as noted must be shown on page (1). Carrier or group name only should appear on page (2).
4. Each carrier with no experience must file a "none" report by indicating "No Experience" on the acknowledgment form of the FDRA, or be included in a group report.
5. All data is to be reported in whole dollars only. Count fifty cents and over as an extra dollar and reject the cents if less than fifty. Negative amounts should be enclosed in parentheses. Rounding to amounts other than one dollar (i.e. nearest thousand dollars) is not acceptable.
6. In cases where deductible coverages apply, losses are to be reported on a gross basis (first dollar) inclusive of the employer paid deductible amount.
7. The net liability incurred from claims involving subrogation should be apportioned to indemnity and medical in the same proportion as the gross incurred unless the specific settlement indicates otherwise.
8. The entries for Total Losses Paid, Outstanding, IBNR & Bulk Reserves and Incurred Losses on line (XX) in columns (4) through (7) on page (1) of this report must equal the corresponding entries on line (XX) in columns (4) through (7) on page (1) of the Schedule "W" – "TOTAL EXPERIENCE" to be filed this year. Likewise, the Indemnity and Medical Losses Paid, Outstanding and IBNR & Bulk Reserves on line (XX) in columns (9) through (14) on page (2) of this report must equal the corresponding entries on line (XX) in columns (9) through (14) on page (2) of the Schedule "W" – "TOTAL EXPERIENCE" to be filed this year.

C. INSTRUCTIONS – PAGE (1)

Columns (1) through (3) – Do not enter data in these columns; reserved for future use.

Column (4) – Paid Losses – The accumulated losses paid through December 31 for each accident year must be shown. This amount should be the sum of the paid indemnity and paid medical losses from page (2) of the report.

Column (5) – Outstanding Losses – The accumulated outstanding case reserves valued as of December 31 must be shown for each accident year. IBNR and bulk reserves must not be included in the totals. The outstanding case reserves should be the sum of the outstanding indemnity case reserves and the outstanding medical case reserves from page (2) of the report.

Column (6) – IBNR & Bulk Reserves – The combined IBNR and bulk reserves valued as of December 31 must be shown for each accident year. The totals should be the sum of the combined indemnity and combined medical IBNR and bulk reserve totals on page (2) of the report. IBNR refers to losses arising from claims incurred but not reported, while bulk reserves refer to reserves for general case inadequacy, supplemental case reserves, cases that may reopen or other reserves not associated to specific claims.

Column (7) – Total Incurred Losses – The total incurred losses for each accident year are determined by the summation of the amounts in corresponding columns (4), (5) and (6).

D. INSTRUCTIONS - PAGE (2)

Column (8) – Incurred Indemnity Claim Count – The accumulated number of claims for which an indemnity payment has been made and/or an outstanding reserve exists must be reported for each accident year reported beginning with accident year 1988. The indemnity claim count should exclude claims that begin with an indemnity reserve but are resolved as a medical only claim or closed with no payment. Conversely, indemnity claim count should include claims that begin as medical only but are resolved as indemnity at future valuations. If indemnity claims are reopened, they should not be added to the claim count.

Starting with the 2011 reports, two new columns have been added in order to separate the Claim Count by the following:

- **Column (8A) – Accumulated Closed (Paid): Includes those indemnity claims that are paid in full and have no existing outstanding losses.**
- **Column (8B) – Open (Outstanding): Includes those indemnity claims for which outstanding losses exist at year end, regardless of whether or not any payments were made.**

The Sum of Columns (8A) and (8B) must equal Column (8). They have been labeled (8A) and (8B) so as to not change the columns that follow (9-14).

Column (9) – Paid Indemnity Losses – The accumulated indemnity losses paid through December 31 for each accident year must be shown.

Column (10) - Paid Medical Losses – The accumulated medical losses paid through December 31 for each accident year must be shown.

Column (11) – Outstanding Indemnity Losses – The accumulated outstanding indemnity case reserves valued as of December 31 must be shown for each accident year. IBNR and bulk reserves must not be included in the totals.

Column (12) - Outstanding Medical Losses – The accumulated outstanding medical case reserves valued as of December 31 must be shown for each accident year. IBNR and bulk reserves must not be included in the totals.

Column (13) – Indemnity IBNR & Bulk Reserves – The combined indemnity IBNR and bulk reserves valued as of December 31 must be shown for each accident year.

Column (14) - Medical IBNR & Bulk Reserves – The combined medical IBNR and bulk reserves valued as of December 31 must be shown for each accident year.

E. COLUMN SUMMARIES

Column summaries are required on line (XX) for columns (4) through (7) on page (1) and columns (9) through (14) on page (2). Column summaries are not required for columns (8A) or (8B) on page (2). As numbers are input on FDRA, the column summaries are automatically added.

NOTE: Due to the expansion of the accident year report, the column summary line has been changed to Line (XX) and the total from last year has been changed to Line (YY). Line (X) now represents accident year 2010; Line (Y) is now 2011.

F. SPECIFIC INSTRUCTIONS

1. No adjustment of losses is to be made on account of reinsurance received. In addition, no experience under policies of excess insurance is to be reported.
2. Experience for household employee coverage shall be excluded. Such coverage is normally afforded on a Homeowner or other policy affording comprehensive personal liability coverage and

in rare instances on a standard provisions Workers Compensation and Employers Liability Insurance Policy. In either event this experience is filed under a separate data call at another time.

3. All Federal classification experience in New Jersey must be included in the report.
4. Three year fixed rate experience must be included in the report.
5. Reported losses should exclude loss adjustment and all other allocated and unallocated expenses.
6. Second Injury Fund assessments together with payments for Special Adjustments and Supplemental Benefits made prior to July 1, 1989 should not be included in the report.
7. All open permanent total disability cases shall be valued in accordance with 3:13 of *the New Jersey Workers Compensation and Employers Liability Insurance Manual* and the Pension Table effective July 1, 2005 included therein. All death cases which include a spouse's life pension shall be valued in accordance with 3:13 of *the New Jersey Workers Compensation and Employers Liability Insurance Manual* and the Pension Table and Surviving Spouse's Pension Table effective January 1, 2004 included therein.