

INSTRUCTIONS FOR THE PREPARATION
of
NEW JERSEY SCHEDULE "W" – (CALL #3W)
"PREMIUM ADJUSTMENT SUPPLEMENT"

This report is an exhibit of premium adjustments from all direct policies of New Jersey Workers Compensation and Employers Liability Insurance where the insured has either entered into an Approved Managed Care Program and/or has agreed to a Schedule Rating Plan. This report is for the purpose of making available to the Compensation Rating and Inspection Bureau accurate data for use in tracking the effectiveness of the Approved Managed Care Program, which became effective July 6, 1993 and to monitor the premium adjustments made in connection with the Schedule Rating Plan, which became effective July 1, 2006.

This report requires the accumulation of the premium adjustments by **POLICY YEAR**. Policy year refers to a method of organizing financial data based upon policy effective date. For example, policy year premium is comprised of premium from policies with effective dates occurring during the same calendar year.

Data collected in this report includes the credited premium applied in consideration of Approved Managed Care Programs for policies effective on or after July 6, 1993, valued as of December 31, 2010. The credited premium data in this report should be consistent with the credited premium data included in column (2) – "Standard Premium Earned" of the Schedule "W" – TOTAL EXPERIENCE report. The credited premium data for policy years 1993 through 2011 are to be shown individually in column (1) on lines (A) through (S) of the report page. The reporting of the data is mandatory for all applicable policy years. Information regarding an Approved Managed Care Program can be obtained in the *New Jersey Workers Compensation and Employers Liability Insurance Manual* in Section 10B.

Data collected in this report also includes the credited or debited premium applied in connection with Schedule Rating Plans for policies effective on or after July 1, 2006, valued as of December 31, 2011. The credited premium data for policy years 2006 through 2010 are to be shown in column (2) on lines (N) through (S) of the report page. The debited premium data for policy years 2006 through 2011 are to be shown in column (3) on lines (N) through (S) of the report page. Information regarding the Schedule Rating Plan can be obtained in the *New Jersey Workers Compensation and Employers Liability Insurance Manual* in Section 10C.

Policies effective July 1, 2006 and thereafter may include a Schedule Rating premium adjustment as well as a premium adjustment for acceptance of an Approved Managed Care Program. In these instances the premium adjustments (credits or debits) for the Schedule Rating Plan must be included in columns (2) or (3) and the premium credits for an Approved Managed Care Program must be included in column (1).

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 "W" – "PREMIUM ADJUSTMENT SUPPLEMENT" on the same basis (individual or group report) as the Schedule "W" – "TOTAL EXPERIENCE" for reconciliation purposes.
3. Carrier or group name along with other information as noted must be shown on the report page.
4. Each carrier with no experience must file a "none" report, or be included in a group report.
5. All amounts are 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.

C. INSTRUCTIONS

Column (1) - Premium reductions in consideration of Approved Managed Care Programs – Accumulated premium amounts representing the credited premium applied in consideration of Approved Managed Care Programs must be shown for each policy year on lines (A) through (S). In most cases, the credited premiums should appear as **positive** numbers.

Column (2) - Schedule Rating Credit Adjustments - Enter the total amount of Schedule Rating credit adjustments for policy years 2006 – 2011 on Lines (N) through (S). **These amounts should be reported as negative numbers.**

Column (3) - Schedule Rating Debit Adjustments - Enter the total amount of Schedule Rating debit adjustments for policy years 2006 - 2011 on Lines (N) through (S). **These amounts should be reported as positive numbers.**

D. CALENDAR YEAR EXPERIENCE

The sum of lines (A) through (S) for column (1) and the sum of lines (N) through (S) for columns (2) and (3) must be shown on line (XX) of the report page. These amounts represent the sum of policy year data for each item valued as of December 31, 2011. The sum of policy year experience valued as of December 31, 2010 must be shown on line (YY). These amounts must appear **EXACTLY** as reported on Line (XX) in the Schedule “W” – “PREMIUM ADJUSTMENT SUPPLEMENT” filed last year. For reports submitted on a group basis the amounts by item on line (YY) must be the sum of all companies within the group. The calendar year experience on line (ZZ) is the amount of the particular item on line (XX) as of December 31, 2011 less the amount of the corresponding item on line (YY) as of December 31, 2010.