

## **Instructions for Call #7 - Mid-Year Report of Premiums**

### **Voluntary Business - Column A**

Column A of the report is designed to show the standard premium written for direct voluntary business only for the latest fiscal year. The standard premium written (line 9) is determined as the sum of the net premium written (line 1), premium discount amounts (line 2), retrospective rating adjustments (line 3), the premium reductions in consideration of large risk large deductible programs (line 4) and the adjustments in consideration of schedule rating plans (line 5).

The net premium written (line 1) must reflect premium reductions involving the Approved Managed Care Premium Reduction Program and the New Jersey Construction Classification Premium Adjustment Program, where applicable. For the purpose of this report, net premium written (line 1) also must include the premium resulting from the application of the expense constant and workers compensation premiums written as a result of coverage provided by homeowner policies or other policies providing comprehensive personal liability insurance. **It should exclude all premiums resulting from charges for both foreign and domestic terrorism as well as catastrophes (other than certified acts of terrorism).**

Premium discount amounts (line 2) must represent the total premium reductions applied to policies subject to premium discount during the fiscal year. **Due to the manner in which this data is required in the report, in almost all cases this entry should be a positive value.**

The retrospective rating premium adjustments (line 3) represent the total of all retrospective rating premium adjustments made during the fiscal year. The report requires the inclusion of the amount of premium returned or additional premium due. This entry can be expressed as positive or negative since adjustments can result in premium savings or charges.

The deductible premium adjustments (line 4) represent the total amount of premium reduced from all policies with coverage under a Large Risk Large Deductible Program during the fiscal year. The deductible premium adjustments should be determined as the standard premiums written less the deductible premium amounts for applicable policies. The deductible premium adjustments should be reflective of any retrospective adjustments of deductible premiums made during the fiscal year. This entry should be positive in almost all cases.

The schedule rating plan adjustments (line 5) shall equal the total of the debited and credited premium from all policies where schedule rating was applied. **If your company's amount is a credit, it too should be reported as a positive number, the same way as with the premium discounts.**

### **Residual Market Business - Column B**

Column B of the report is designed to show the standard premium written for residual market business only for the latest fiscal year. Residual market premiums are derived from policies that have been designated to the company through the New Jersey Workers Compensation Insurance Plan. The standard premium written (line 9) is determined as the sum of the net premium written (line 1), premium discount amounts (line 2), plan rating program adjustments (line 6), plan premium adjustment program surcharge amounts (line 7) and amounts surcharged for rejection of voluntary coverage offers (line 8).

The net premium written (line 1) must reflect premium reductions involving the New Jersey Construction Classification Premium Adjustment Program, where applicable. For the purpose of this report, net premium written (line 1) also must include the premium resulting from the application of the expense constant.

The Plan Rating Program Adjustments (line 6) represent the total of all premium adjustments made during the fiscal year. The report requires the inclusion of the amount of premium returned or additional premium due. This entry can be expressed as a positive or negative since adjustments can result in premium savings or charges.

Plan Premium Adjustment Program amounts (line 7) must represent the total dollars generated by application of the Plan Premium Adjustment Program surcharge during the fiscal year. This entry should be positive in all cases.

The surcharge for rejection of a voluntary offer (line 8) must represent the total dollars generated during the fiscal year from the 15% surcharge used in cases where voluntary offers were refused. This entry should be positive in all cases.

**Total - Column C**

Totals for voluntary and residual market business combined should be reflected in Column C. Column C must be completed in all instances, including those where only entries in either Column A or Column B alone are reported.

This report must exclude Second Injury Fund and Uninsured Employers Fund Surcharge Amounts. Further, no adjustment of premiums should be made because of reinsurance, dividends or excess insurance.

**All premium values are to be reported in whole dollars only.** Negative amounts should be enclosed in parentheses. Rounding to amounts other than one dollar is not acceptable.