



COMPENSATION RATING AND INSPECTION BUREAU

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BUREAU NEWS

GROVER E. CZECH, THE EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER OF THE BUREAU ANNOUNCES THAT 2010 NEW JERSEY WORKERS' COMPENSATION RATES DECREASED BY 2.6%

The New Jersey Compensation Rating and Inspection Bureau received approval from the Commissioner of Banking and Insurance to revise the manual rates and rating values applicable to workers' compensation and employers' liability insurance, effective January 1, 2010 on a new and renewal basis.

Overall Change in Manual Rates

The new level of manual rates is 2.6% lower than in 2009. This change marks the second year in a row that manual rates have been reduced, following an overall decrease of 1% in 2009.

The 2.6% reduction resulted from the following adjustments: 1.8% decrease due to loss experience; 1.0% increase for benefit changes mandated by the New Jersey Department of Labor and Workforce Development; 0.2% increase in the Workers' Compensation Security Fund assessment; 2.7% decrease due to trend; increase of 0.4% for loss adjustment expenses; and 0.1% increase in production expenses. There was no change in either the Terrorism Premium Charge or the Catastrophe (Other than Certified Acts of Terrorism) Premium Charge.

Classification Rates

Effective January 1, 2010, the Manual includes 580 classifications, which include maritime and federal employments. Eight classifications carry no rate assignment. The rates for 401 classifications decreased, 165 increased and 6 remained the same. The annual policy charges for private estate and residence employees did not change. There also was no change to the increase percentage that applies to non-"F" classifications for coverage under the United States Longshore and Harbor Workers Compensation Act.

Surcharges

New Jersey law mandates the imposition of separate surcharges to finance the Second Injury and Uninsured Employers Funds. The amounts are determined by the New Jersey Department of Labor and Workforce Development. The Second Injury Fund surcharge is 6.90%, while the surcharge for the Uninsured Employers Fund is 0.11%.

Benefit Level Changes

Effective January 1, 2010, the New Jersey Department of Labor and Workforce Development increased the maximum weekly benefit for all types of injuries (except permanent partial disability) from \$773 to \$794. The minimum weekly benefit increased from \$206 to \$212. For permanent partial disability cases, the maximum weekly benefit will range from \$212 to \$794, with the minimum weekly benefit remaining unchanged at \$35.

Expense Constant

There is no change in the expense constant for commercial classifications (\$220) or for private residences (\$30).

Minimum Premium

The minimum premium formula and the \$850 maximum minimum premium remain unchanged.

Payroll for Executive Officers, Members of Board of Education and Appointed/Elected Officers

The maximum weekly payroll for active executive officers increased from \$2,120 to \$2,210, while the minimum weekly payroll increased from \$530 to \$550. The minimum yearly payroll for a member of a board of education increased from \$5,510 to \$5,720, while the minimum for appointed or elected public officers increased from \$1,100 to \$1,140.

NJCCPAP and PPAP

The table of classifications for the New Jersey Construction Classification Premium Adjustment Program was amended to remove classifications that no longer apply. The Time Schedule in the NJCCPAP application was changed and now sets a due date two months after employer notification.

The Plan Premium Adjustment Program adjustment factor no longer applies to premium developed under private residence or estate classification codes 0910, 0912, 0913 or 0915.

Forms and Endorsements

Many of the retrospective rating plan endorsements used nationally have been revised and approved for use in jurisdictions other than New Jersey. To ensure consistency with other states, New Jersey added two new retrospective rating plan endorsements effective January 1, 2010, amended three other endorsements, and withdrew three others.

Classification Code Changes

Effective January 1, 2010, the Bureau eliminated Code 1842 (ASBESTOS GOODS MFG – MOLDED PRODUCTS) due to the absence of experience in the latest five-year period. In addition, Code 2001 (CRACKER MFG) was eliminated and its experience reassigned to Code 2003 (BAKERY).

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