



COMPENSATION RATING AND INSPECTION BUREAU

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Executive Director

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May 14, 2010

MANUAL AMENDMENT BULLETIN #449

To All Bureau Members and Subscribers:

Re: **Changes to Manual Rules**

The Commissioner of Banking and Insurance has approved the following changes to the New Jersey Workers Compensation and Employers Liability Insurance Manual (Manual). The changes are effective July 1, 2010 on a new and renewal basis only, unless otherwise indicated. Changes to Manual rules are indicated in *italics* and **bold**.

FORMS

Amend 3:2 to include a revised “Workers Compensation and Employers Liability Insurance Policy,” WC 00 00 00 B. This form has been revised for editorial purposes and is shown in Exhibit I. It is effective July 1, 2011 on a new and renewal basis only. The current, “Workers Compensation and Employers Liability Insurance Policy,” WC 00 00 00 A, is withdrawn effective July 1, 2011.

Amend 3:2 to include a revised “Outer Continental Shelf Lands Act Coverage Endorsement,” WC 00 01 09 B. This endorsement was revised for editorial purposes and is shown in Exhibit II. It is effective July 1, 2011 on a new and renewal basis only. The current “Outer Continental Shelf Lands Act Coverage Endorsement,” WC 00 01 09 A, is withdrawn effective July 1, 2011.

Amend 3:2 to include a revised “Index – Policy Forms and Endorsements” to recognize the changes to the policy form and endorsement above. The revised Index is attached as Exhibit III.

Amend 3:2, Page 12(a), with the attached Information Page Algorithm in Exhibit IV. The revision to this algorithm is consistent with a recent change to the determination of the premium charge for the Plan Premium Adjustment Program.

With respect to policy forms, please note Rule 3:2-1 of the Manual wherein the rules for the filing of forms are explained.

NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

Amend 3:14-8(3) as follows:

PRESENT

- (3) As soon as possible after receipt of the employer's completed application. The Rating Bureau shall designate a member insurance company to afford insurance on behalf of the employer and shall notify such insurance company, the employer and the designated producer, if any.

The effective date of the insurance shall 12:01 A.M. on the day following the date of mailing of the Application and prescribed advance premium to the Rating Bureau as shown by the postmark on the transmittal envelope. If the postmark is not legible, or metered mail is used, the insurance will be effective at 12:01 A.M. on the day of receipt of the Application and prescribed advance premium in the Rating Bureau. If an earlier mailing date is established by proof of mailing with a recognized Post Office receipt, insurance shall be effective 12:01 A.M. on the day following the date of such mailing.

In the event an Application and prescribed advance premium are delivered to the Rating Bureau by means other than the United States Postal Service, insurance shall be made effective at 12:01 A.M. on the day following the receipt of the Application and prescribed advance premium in the Rating Bureau. The pickup date of a recognized overnight delivery or courier service shall be deemed the equivalent of the United States Postal Service postmark and coverage made effective at 12:01 A.M. on the following day. In the event there is in force a policy terminating at a date later than the date that would be fixed pursuant to this rule, or if the employer desires insurance at a later date, the employer shall indicate such a date in the Application and the Rating Bureau shall fix the date when the insurance becomes effective as 12:01 A.M. on the stated termination date of the policy in force or as of the later date specified by the employer.

AMENDED

NO CHANGE

NO CHANGE

NO CHANGE

PRESENT

The Rating Bureau shall forward to the designated insurance company one copy of the Application, the notice of the effective date of the insurance and the advance premium, same to be credited by the insurance company against the policy premium.

If the estimated annual premium is less than five hundred dollars, such estimated annual premium shall accompany the Application. If the estimated annual premium is more than five hundred dollars, the Application shall be accompanied by such estimated annual premium or forty percent thereof as advance premium but in no event less than five hundred dollars. The balance, if any, of the estimated annual premium shall be paid within 30 days after notice of premium due.

In the event that the designated insurance Company and the employer agree to interim adjustment of premium, the following additional premium is required to complete the deposit premium; quarterly basis—10% of estimated annual premium, semi-annual basis—35% of estimated annual premium. Such additional premium shall be paid within 30 days after notice of premium due.

In the event Application is received without the prescribed advance premium, it will be processed and the parties notified. The effective date of the insurance will be established with due recognition of the method of dispatch, delivery and receipt of the prescribed advance premium by the designated insurance company as described above.

AMENDED

NO CHANGE

NO CHANGE

NO CHANGE

In the event *an* Application is received without the *required* advance premium, it will be *rejected without processing* and the parties notified. The effective date of the insurance will be established with due recognition of the method of dispatch, delivery and receipt of the prescribed advance premium by the *Rating Bureau*.

This Manual rule is amended to change the procedure followed when a New Jersey Workers Compensation Insurance Plan Application is received with insufficient advance premium. Applications accompanied with less than the required advance premium will now be rejected. The change is made to reduce policy cancellations that can result in uncollectible premiums.

Amend 3:14-8(4) as follows:

PRESENT

- (4) The Rating Bureau will designate its member insurance companies to insure eligible employers by premium in like proportion to the distribution of written premiums among the insurance companies for New Jersey Workers Compensation and Employers Liability Insurance, so far as that is practicable. In this regard member insurance companies may arrange to have designated Plan policies serviced by a third party provided, however, that the contract of insurance is issued in the name of the designated member company and that all information including correspondence furnished the Rating Bureau also is in the name of the designated member company.

The reinsurance mechanism, known as the National Workers Compensation Reinsurance Association NFP, also is recognized as an acceptable means by which member carriers may meet their obligations under this Plan. An insurer may choose to satisfy its obligations under this Plan by subscribing to the National Workers Compensation Reinsurance Association NFP Articles of Agreement. In the distribution, the Rating Bureau will recognize the National Workers Compensation Reinsurance Association NFP by designating only servicing insurance company members thereof.

Two or more insurance companies under the same management may designate one or more of such companies to receive all of their Plan risks.

In the distribution and in accordance with the procedure authorized by the Governing Committee, credit shall be allowed for Plan risks written as regular business.

This Manual rule is amended to clarify that the rules governing insurer participation in the National Workers Compensation Reinsurance Association NFP are referred to as “By-Laws” rather than “Articles of Agreement.”

AMENDED

NO CHANGE

The reinsurance mechanism, known as the National Workers Compensation Reinsurance Association NFP, also is recognized as an acceptable means by which member carriers may meet their obligations under this Plan. An insurer may choose to satisfy its obligations under this Plan by subscribing to the National Workers Compensation Reinsurance Association NFP *By-Laws*. In the distribution, the Rating Bureau will recognize the National Workers Compensation Reinsurance Association NFP by designating only servicing insurance company members thereof.

NO CHANGE

NO CHANGE

Amend 3:14-8(13A) as follows:

PRESENT

13. Plan Premium Adjustment Program (PPAP)

- A) **Introduction** – The Plan Premium Adjustment Program shall be applied to all risks insured in the New Jersey Workers Compensation Insurance Plan except for those issued or audited at minimum premium. It shall be applied to each qualifying risk by use of a PPAP adjustment factor. The amount of the adjustment factor is determined in accordance with 3:14-8(13B) and 3:14-8(13C) of the Manual. The adjustment factor is to be applied to the standard premium, exclusive of premium developed under classification codes 0910, 0912, 0913 and 0915, to determine the PPAP premium charge. If multiple policies are written to insure a single risk in the Plan, the adjustment factor shall apply to all such policies.

The PPAP premium charge must be separately exhibited in Item 4 of the Policy Information Page under statistical code 0942. The PPAP premium charge is to be shown after the standard premium and is subject to change on audit.

AMENDED

13. Plan Premium Adjustment Program (PPAP)

- A) **Introduction** – The Plan Premium Adjustment Program shall be applied to all risks insured in the New Jersey Workers Compensation Insurance Plan except for those issued or audited at minimum premium. *For purposes of this Program, minimum premium is defined as the total of the policy minimum premium and each applicable minimum charge for Part II (Employers' Liability), FELA (Federal Employers Liability Act), and/or Maritime Increased Limits.* It shall be applied to each qualifying risk by use of a PPAP adjustment factor. The amount of the adjustment factor is determined in accordance with 3:14-8(13B) and 3:14-8(13C) of the Manual. The adjustment factor is to be applied to the standard premium, exclusive of premium developed under classification codes 0910, 0912, 0913 and 0915, to determine the PPAP premium charge. If multiple policies are written to insure a single risk in the Plan, the adjustment factor shall apply to all such policies.

NO CHANGE

This Manual rule is amended to define the basis for determining a minimum premium risk for Plan Premium Adjustment Program (PPAP) purposes. This change is made to ensure consistency in New Jersey Workers Compensation Insurance Plan premium computations.

Amend 3:14-8(17) as follows:

PRESENT

(17) Every insurance company which is or becomes a member of the Rating Bureau shall file an acceptance of this Plan upon such form as the Rating Bureau shall provide, as a condition of its membership in the Rating Bureau, indicating therein the location of the office of the insurance company which will handle Plan risk correspondence and the name and title of the individual in that office to whom such correspondence is to be addressed. Such insurance company shall also indicate therein whether it is or is not a member of the National Workers Compensation Reinsurance Association NFP and whether it is a servicing or non-servicing member thereof. The Rating Bureau authorizes the Administrator of the National Workers Compensation Reinsurance Association NFP to fairly and equitably allocate the expenses associated with the reinsurance provided.

AMENDED

(17) Every insurance company which is or becomes a member of the Rating Bureau shall file an acceptance of this Plan upon such form as the Rating Bureau shall provide, as a condition of its membership in the Rating Bureau, indicating therein the location of the office of the insurance company which will handle Plan risk correspondence and the name and title of the individual in that office to whom such correspondence is to be addressed. Such insurance company shall also indicate therein whether it is or is not a member of the National Workers Compensation Reinsurance Association NFP and whether it is a servicing or non-servicing member thereof. The Rating Bureau authorizes the Administrator of the National Workers Compensation Reinsurance Association NFP (*NWCRA*) to:

- i. Conduct a selection process for NWCRA servicing carriers to insure eligible employers assigned under this Plan, subject to approval and final selection by the New Jersey Compensation Rating and Inspection Bureau;*
- ii. To fairly and equitably allocate the expenses associated with the reinsurance provided;*
- iii. Establish compensation for such servicing carriers in accordance with the selection process conducted, subject to approval by the New Jersey Compensation Rating and Inspection Bureau;*
- iv. Oversee the performance of the servicing carriers; and*
- v. Establish and administer a resolution process for disputes and appeals arising out of the servicing carrier selection, oversight, incentive, or compensation processes, or the reinsurance provided.*

This Manual rule is amended to more closely align the provisions of the New Jersey Workers Compensation Insurance Plan with the By-Laws and Administration Agreement of the National Workers Compensation Reinsurance Association NFP.

An "Authorization for Release of Funds and Certification" form (Authorization Form) is faxed to the Bureau with every electronic request for coverage through the New Jersey Workers Compensation Insurance Plan (Plan) submitted through the Bureau's website. The Authorization Form is used to certify the information in the electronic Plan application and for advance premium payment purposes. It includes the wet (written) signature of the employer or employer representative seeking coverage. The Authorization Form has not heretofore been included in the Manual as a formal document.

An electronic Plan application can include up to four forms, namely: "Application for Designation of Insurance Company," "Notice of Election Form PP-1A," "Supplemental Employee Leasing Application" and "Supplemental Truckers Application." Each form includes a typewritten signature of the employer or employer representative seeking coverage.

Recently, a challenge to the validity of the typewritten signature in the electronic Plan application forms has been raised. To address this issue, the Authorization Form has been amended and **added** to the Manual. It has been amended to include language stating that a written signature on the form constitutes and implies a written signature on all Plan forms containing a typewritten signature. The Authorization Form is included in Exhibit V.

* * * * *



Grover E. Czech, Esq.
Executive Director

GEC:njl
Att.

EXHIBIT I

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1) Bodily injury by accident must occur during the policy period.

- 2) Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

- 1) reasonable expenses incurred at our request, but not loss of earnings;
- 2) premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
- 3) litigation costs taxed against you;
- 4) interest on a judgment as required by law until we offer the amount due under this insurance; and
- 5) expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

- 1) of your serious and willful misconduct;

EXHIBIT I (Continued)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

- 2) you knowingly employ an employee in violation of law;
- 3) you fail to comply with a health or safety law or regulation; or
- 4) you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

- 1) As between an injured worker and us, we have notice of the injury when you have notice.
- 2) Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
- 3) We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
- 4) Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
- 5) This insurance conforms to the parts of the workers compensation law that apply to:
 - a) benefits payable by this insurance;
 - b) special taxes, payments into security or other special funds, and assessments payable by us under that law.
- 6) Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1) The bodily injury must arise out of and in the course of the injured employee's employment by you.
- 2) The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
- 3) Bodily injury by accident must occur during the policy period.
- 4) Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
- 5) If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

- 1) For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
- 2) For care and loss of services; and
- 3) For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

EXHIBIT I (Continued)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

- 4) Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

- 1) Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
- 2) Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
- 3) Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
- 4) Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- 5) Bodily injury intentionally caused or aggravated by you;
- 6) Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
- 7) Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
- 8) Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356a), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Safety and Health Act (30 USC Sections 801-945), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
- 9) Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an

employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;

- 10) Bodily injury to a master or member of the crew of any vessel;
- 11) Fines or penalties imposed for violation of federal or state law; and
- 12) Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

- 1) Reasonable expenses incurred at our request, but not loss of earnings;
- 2) Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
- 3) Litigation costs taxed against you;
- 4) Interest on a judgment as required by law until we offer the amount due under this insurance; and
- 5) Expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

EXHIBIT I (Continued)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

- 1) Bodily Injury by Accident. The limit shown for “bodily injury by accident—each accident” is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
- 2) Bodily Injury by Disease. The limit shown for “bodily injury by disease—policy limit” is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for “bodily injury by disease— each employee” is the most we will pay for all damages because of bodily injury by disease to any one employee. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
- 3) We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

- 1) You have complied with all the terms of this policy; and
- 2) The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

- 1) This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
- 2) If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
- 3) We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
- 4) If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

- 1) Provide for immediate medical and other services required by the workers compensation law.
- 2) Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
- 3) Promptly give us all notices, demands and legal papers related to the injury, claim proceeding or suit.
- 4) Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
- 5) Do nothing after an injury occurs that would interfere with our right to recover from others.
- 6) Do not voluntarily make payments, assume obligation or incur expenses, except at your own cost.

EXHIBIT I (Continued)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

PART FIVE—PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

- 1) all your officers and employees engaged in work covered by this policy; and
- 2) all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the

highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

- 1) If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
- 2) If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX—CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

EXHIBIT I (Continued)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 B

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1) You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2) We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

3) The policy period will end on the day and hour stated in the cancellation notice.

4) Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

Note: Any company operating on a Participating or Mutual basis shall include a participating provision as Paragraph "F" or shall file a Participating Provisions Endorsement for separate approval.

EXHIBIT II

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 01 09 B

OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT

This endorsement applies only to the work described in Item 4 of the Information Page or in the Schedule as subject to the Outer Continental Shelf Lands Act. The policy will apply to that work as though the location shown in the Schedule were, a state named in Item 3.A. of the Information Page.

General Section **C. Workers' Compensation Law** is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Outer Continental Shelf Lands Act (43 U.S.C Sections 1331-1356a). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Outer Continental Shelf Lands Act.

Schedule

Description and Location of Work

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

EXHIBIT III

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± Absence of a version identifier denotes original printing
 ±± The version identifier for these endorsements will be governed by revisions in verbiage or change in the Discount Percentages/Table of Rating Values forming a part of the endorsements
 ★ Revised forms effective July 1, 2011

EXHIBIT IV

INFORMATION PAGE ALGORITHM
MINIMUM PREMIUM POLICY

CLASS	COVERAGE	EXPOSURE	RATE	PREMIUM					
7027	MARITIME	2,000	1.58	O.	32				
7360F	USL	1,000	9.69	P.	97				
6003	STATE	1,000	9.32	Q.	93				
8810	STATE	1,000	0.27	R.	3				
		5000							
6198	SEPARATE INCR LIMITS CHRG MARITIME/FELA ONLY (E x O)			S.	7	MAR/FELA INCR LIMITS CHRG % (x) MAR/FELA PREMS;			(3:6-13)
6199	E.L. PART II INCR LIMITS CHRG A x (P+Q+R)			T.	2	E.L. INCR LIMITS CHRG % (x) NON-MAR/FELA PREMS;			(3:3-73)
9848	PREM TO EQUAL E.L. PART II INCR LIMITS MIN CHRG (B-T)			U.	98	BASED ON NON-MARITIME/FELA PREMS; When NJ is highest EL Min Chrg			(3:3-73)
	TOTAL SUBJECT PREMIUM MODIFICATION			V.	332				
	MODIFIED PREMIUM			W.	332				(3:3-56 & 3:11-23)
0910	OCCASIONAL PRIVATE RESIDENCE EXPOSURE			X.	2	PER CAPITA EXPOSURE - NOT SUBJECT TO MODIFICATION			(3:3-56)
9849	ADD'L PREM TO = SEP MARITIME/FELA MIN CHRG (F) - [(O+S) x (V)]				179	MARITIME/FELA MIN CHRG (-) MOD MARITIME/FELA PREMS			(3:6-10)
0990	ADD'L PREM TO EQUAL POL MP (C+B-G) - [(P+Q+R+T+U) x (V)] - (X)				495	MP & MINCHRG (-) EXP CON (-) (MOD NON-MAR/FELA PREMS) - PC; When NJ is highest MP			(3:3-64&66)
9046	N.J.C.C.P.A.P. CREDIT not applicable on MP policies			Y.	0	NJ CONSTRUCTION CLASS PREM ADJUSTMENT PRG, IF APPLICABLE			(3:8-5)
9874	MANAGED CARE PREMIUM CREDIT not applicable on MP policies			Z.	0	REDUCTION FOR APPROVED MANAGED CARE PROGRAM, IF APPLICABLE			(3:10B-5)
9889	SCHEDULE RATING DEBIT not applicable on MP policies				0	SCHEDULE RATING ADJUSTMENT, IF APPLICABLE			(3:10C-3)
	TOTAL STANDARD PREMIUM				1,008				
0063	PREMIUM DISCOUNT (H) x STD PREM applicable when std prem > \$5,000				0	PREMIUM DISCOUNT, IF APPLICABLE			(3:3-78)
0942	PLAN PREM ADJ PROG not applicable on MP policies				0	ADD'L PREM FROM PLAN POLICIES, IF APPLICABLE			(3:14-8(13B3))
0937	SURCHARGE-REJ. OF VOL. OFFER (K) x STD PREM				151	ADD'L PREM FROM PLAN RISKS REJECTING VOL OFFER, IF APPLICABLE			(3:14-8 (15))
9663	DEDUCTIBLE PREMIUM CREDIT available only when std premium > \$200,000				0	LARGE RISK-LARGE DEDUCTIBLE PROGRAM CREDIT, IF APPLICABLE			(3:10A-11)
0900	EXPENSE CONSTANT (G)				160	APPLICABLE TO ALL POLICIES; When NJ is highest expense constant charge			(3:3-57)
9740	TERRORISM INSURANCE CHARGE (TOTAL EXPOSURE/100) x (AA)				2	TERRORISM INSURANCE CHARGE			(3:9-1)
9741	CATASTROPHE INSURANCE CHARGE (TOTAL EXPOSURE / 100) x (BB)				1	CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) INS CHARGE			(3:9-8)
	TOTAL ESTIMATED PREMIUM				1,322				
0935	SECOND INJ FUND SURCHARGE (L)x[(W)-(V*(O+P+S))]				16	APPLICABLE TO MOD PREM LESS MOD USL AND MARITIME/FELA PREMS.			(3:3-60A)
0936	UNINSURED EMPL FUND SURCHARGE (M) x [(W)-(V*(O+P+S))]				0	APPLICABLE TO MOD PREM LESS MOD USL AND MARITIME/FELA PREMS.			(3:3-60A)
	TOTAL ESTIMATED COST				1,338				

EXHIBIT V

00619262	NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN AUTHORIZATION FOR RELEASE OF FUNDS AND CERTIFICATION	00619262
Employer:		
NJCRIB 60 PARK PLACE NEWARK NJ 07102		NJ Taxpayer ID #: Federal Employer ID or SS#: 1234567890 Date business began: 1917 Coverage requested effective date: 04/30/2010
Check amt: 'as per application'		
If ***final review** has not been completed at time of fax - this fax will be null and void no coverage will be effected until application has passed ** final review **		
Please attach a voided check before faxing: You must print this form and fax to njcrib. Attach voided check here. Only Fax's received at bureau on (973) 622-0553 will be processed! Coverage will become effective in accordance with 3:14-8 of the N.J. manual after receipt of application and fax authorization. Note: Your application (00619262) will not be processed until this fax is received		
You must sign in pen and fax to njcrib. (3 SIGNATURES REQUIRED.) APPLICATION FINAL REVIEW NOT COMPLETED.		
I authorize drafting funds for the above named bank account.		
Signature:	Title:	Date:
A: APPLICANT CERTIFICATION		
I hereby acknowledge that I have fully read the instructions related to the completion of this application as well as above statements and personally certify that the foregoing statements and information contained in this application are true and accurate to the best of my knowledge and, that I, as an owner/officer, am fully authorized to sign this application on behalf of the applicant, and to bind the applicant. I am aware that my typewritten signature is included on the "APPLICATION FOR DESIGNATION OF AN INSURANCE COMPANY"(ACORD 133NJ) and the following forms, if applicable, to obtaining the required insurance through the New Jersey Workers' Compensation Insurance Plan: 1. Notice Of Election. Form PP1A(ACORD 134NJ) 2. Employee Leasing Supplemental Application(ACORD 135NJJN) 3. Truckers Supplemental Application(ACORD 136NJ). I agree that my handwritten signature on this Applicant Certification shall also constitute my original signature on any and all forms required for the completion of the Application process. I have read the completed forms that are part of this application and I agree to be bound by said forms. I understand that under New Jersey criminal law, insurance fraud is punishable by up to ten (10) years imprisonment and fines up to \$150,000, as well as civil penalties authorized by the New Jersey insurance fraud prevention act. If this application for coverage represents an electronic submission for coverage, I further acknowledge receipt of copies of all instruments relating to such submission, including the instructions for completing application, the fully completed application and addendums and the authorization for release of funds and certification. I understand that, as the applicant, the information provided herein is material and will be relied upon by the Compensation Rating & Inspection Bureau, as well as by the designated insurance company, to provide the requested insurance and will be used to calculate my preliminary workers compensation premium. I also understand that I have a continuing obligation to promptly notify the designated carrier of changes in: o The kind of work conducted by the business o The size of and/or classification of our workforce o The amount of remuneration o The business ownership or business structure o Change of mailing address and/or principal physical location I agree to make available all records necessary for a carrier or rating bureau audit and to permit the auditor or other representative to make a physical inspection of our premises/operations. I understand that failure to do this may result in termination of the coverage provided, civil penalties and/or criminal prosecution. It is further understood that if there is workers compensation liability under the law(s) of any other state(s), other arrangements must be made. In accordance with New Jersey law, if I/we intentionally understate or conceal remuneration, or misrepresent or conceal employee duties, so as to avoid proper classification for premium calculations, or misrepresent or conceal information pertinent to the computation and application of an experience rating modification factor, I/we shall be subject to civil penalties authorized by the New Jersey insurance fraud prevention act, as well as prosecution under the criminal laws of this state.		
Applicants Signature:	Title:	Date:
B: PRODUCER CERTIFICATION		
I hereby certify that I have read and understand the instructions related to this application and have fully explained the rules and procedures of the New Jersey workers' compensation insurance plan to the applicant. I understand that intentional misstatement of information in this application may subject me to penalties as are provided by law including, but not limited to loss of license. I further understand that under New Jersey criminal law, insurance fraud is punishable by up to ten (10) years imprisonment and fines up to \$150,000 as well as civil penalties authorized by the New Jersey insurance fraud prevention act. I further certify that I have witnessed the applicant's signature to this application. If this application for coverage represents an electronic submission for coverage, I certify that I have witnessed the applicant's signature to the "authorization for release of funds and certification" and that the applicant has received copies of all instruments relating to such submission, including the instructions for completing application, the fully completed application and addendums and the authorization for release of funds and certification.		
Producers Signature:	Title:	Date: