



COMPENSATION RATING AND INSPECTION BUREAU

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

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January 22, 2003

STATISTICAL CIRCULAR #100

To all Bureau Members and Subscribers:

Re: **Terrorism Risk Insurance Act of 2002**

The Commissioner of Banking and Insurance has approved the following changes to the New Jersey Statistical Plan. The changes are applicable to new and renewal policies effective January 1, 2003 and thereafter. *Changes are indicated in italics.*

STATISTICAL PLAN

Amend 3:13-25(f) as follows:

(f) The three blank lines immediately following Line G (Lines J, K and L) shall be used for reporting the following items which are not subject to experience modification and are **not included in the "Total Standard Premium"**.

- 0935 Second Injury Fund Surcharge (3:13-33A)
- 0936 Uninsured Employers Fund Surcharge (3:13-33A)
- 0937 Rejection of Voluntary Offer Surcharge (3:13-33D)
- 0942 Plan Premium Adjustment Program (3:13-33B)
- 0941 Plan Rating Program (3:13-33E)
- 0945 Retrospective Rating Program (3:13-33C)
- 9663 Deductible Premium Credit Amount (3:13-33F)
- *9740 Terrorism Risk Insurance Act of 2002 (3:13-33I)*

Add 3:13-33I as follows:

33I. *Terrorism Risk Insurance Act of 2002.* Premium resulting from the Terrorism Risk Insurance Act of 2002 in accordance with 3:9 of this Manual shall be assigned to statistical code (9740).

(See Illustration #17)

Amend 3:13-138 as follows:

138. Summary of Special Statistical Plan Code Numbers. The reference in parentheses, following each code number, refers to the rule of this Manual governing the use of the code number.

0063 – Schedule Y Premium Discount (3:13-29)

0064 – Schedule X Premium Discount (3:13-29)

0900 – Expense Constant – All classifications (3:13-33)

0931 – Short Rate Penalty Premium (3:13-32)

0935 – Second Injury Fund Surcharge (3:13-33A)

0936 – Uninsured Employers Fund Surcharge (3:13-33A)

0937 – New Jersey Workers Compensation Insurance Plan Surcharge for *employers* rejecting voluntary coverage (3:14-7g)

0941 – Premium resulting from the application of the New Jersey Plan Rating Program [3:14-8 (11)]. Applicable only to policies effective 1/1/93 through 12/31/95

0942 – Premium Resulting from the application of the Plan Premium Adjustment Program [3:14-8(13)]

0945 – Retrospective Rating Premium for Risks Electing New Jersey Retrospective Rating (3:12)

0990 – Additional Premium to equal policy Minimum Premium (3:13-28a)

0998 – For reporting premium resulting from flat increase for law amendment on aggregate premium earned on outstanding policies after effective date of amendment (3:13-31)

6198 – Additional Premium for Increased Limits Under Part Two Coverage – Admiralty/FELA (3:13-30b)

6199 – Additional Premium for Increased Limits Under Part Two Coverage – Other than Admiralty/FELA (3:13-30a)

7777 – Exposure, Premium and Losses Under U.S. Longshore Act for code numbers where rates do not include U.S. Coverage (Non-“F” code numbers 3:13-37b) on policies with effective dates prior to 1/1/96

9046 – Premium Credit amount resulting from the application of the N.J. Construction Classification Premium Adjustment Program (3:13-33H)

9663 – Premium Credit amount for Large Deductible Coverage (3:13-33F) which is to be applied after mod

9740 – Premium for the Terrorism Risk Insurance Act of 2002 (3:13-33I)

9848 – Additional Premium to equal increased limits Part Two minimum charge – Other than Admiralty/FELA (3:13-30a)

9849 – Additional Premium to equal minimum premium for Admiralty/FELA Coverage (3:13-28b)

9874 – Premium reduction resulting from the application of an Approved Managed Care Program (3:13-33G)

Amend 3:13-139 page 22(g) to include a new coding in the Injury Description Code Table for reporting of losses due to certified acts of terrorism. The revised page is attached as Exhibit I.

Amend 3:13-139 page 71 to add a premium charge for the Terrorism Risk Insurance Act of 2002 to Illustration #17. The revised page is attached as Exhibit II.

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Grover E. Czech
Executive Director

GEC:njl
Att.

EXHIBIT I

INJURY DESCRIPTION CODE TABLE

★ See 3:13-98 for the proper use of this table

Code	CAUSE OF ACCIDENT (cont'd)	Narrative Description
VIII. STRUCK or INJURED BY – INCLUDES KICKED, STABBED, BIT, ETC.		
74.	Fellow Worker, Patient	Not in Act of a Crime
75.	Falling or Flying Object	
76.	Hand Tool or Machine in Use	
77.	Motor Vehicle	
78.	Moving Parts of Machine	
79.	Object Being Lifted or Handled	
80.	Object Handled By Others	
81.	Struck or Injured by, NOC	Includes Kicked, Stabbed, Bit, Etc.
85.	Animal or Insect	
86.	Explosion or Flare Back	
IX. RUBBED or ABRADED BY		
94.	Repetitive Motion	Callous, Blister, Etc.
95.	Rubbed or Abraded, NOC	
X. MISCELLANEOUS CAUSES		
82.	Absorption, Ingestion or Inhalation, NOC	
87.	Foreign Matter (Body) in Eye(s)	
89.	Person in Act of A Crime	Robbery or Criminal Assault
90.	Other Than Physical Cause of Injury	
96.	<i>Terrorism</i>	<i>For use with an assigned Catastrophe Code Only</i>
98.	Cumulative, NOC	All Other
99.	Other Miscellaneous, NOC	

Exhibit II

ILLUSTRATION 17 – 1st Report. An experience rated risk with an approved managed care premium reduction *and a premium charge under the Terrorism Risk Insurance Act of 2002.*

This illustration shows the procedures to be used in determining the Second Injury and Uninsured Employers Funds Surcharges where the policy is effective January 1, 1999 and thereafter. The surcharge percentages are applied to modified premiums.

See Illustration 3 regarding policies effective prior to January 1, 1999 where the surcharge percentages are applied to standard premiums.

The premium charge for the Terrorism Risk Insurance Act of 2002 is determined by applying the rate to the total exposure per hundred.

UNIT STATISTICAL REPORT

POLICY INFORMATION																	
Reprt. No.	Corr. No.	Corr. Type	Repl. Ind.	Carrier Code	Policy Number	Policy Effective Date	Policy Expiration Date	Expos. State	State Effective Date	Certificate Number	Card Serial No.	Risk ID Number	Page No.	Last Page No.			
1				66666	WC 34567	01/01/03	01/01/04	29									
Insured's Name: PQR Machine Parts, Inc.												F.E.I.N.		Pending File No.			
Insured's Address: (OPTIONAL BUT PREFERRED)																	
Mod. Effective Date	Rate Effective Date	Policy Conditions							Policy Type ID	Deduct. Type	Deduct. Percent	Deductible Amount Per Claim/Accident	Deductible Amount Aggregate	For Carrier Use	For Bureau Use		
		BYR F/R Policy	Multistate Policy	Interstate Rating	Estimated Exposures	Retro Policy	Cancelled Mid-Term	MCO	Type Cov	Plan Ind	Non Std Ind						
EXPOSURE INFORMATION					LOSS INFORMATION												
Upd	Cov	Class Code	Exposure Amount	Manual Rate	Premium Amount	Upd	Claim Number	Acc. Date/No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status	Loss Conditions	Jurisdic. State	Cat.No.	MCO Type
	1	3632	740,000	3.50	25,900									Act Type Recv Cov Sett			
C O D E S	1	8810	175,000	0.26	455		Social Security No.	Part Nature Cause	Occupation Description	Voc. Lump Fraud Deduct					Paid Indemnity		Paid Medical
							Claimant's Attorney Fees	Employer's Attorney Fees	Reserved						ALAE Paid		ALAE Incurred
S U B J E C T							Claim Number	Acc. Date/No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status	Act Type Recv Cov Sett	Jurisdic. State	Cat.No.	MCO
							Social Security No.	Part Nature Cause	Occupation Description	Voc. Lump Fraud Deduct					Paid Indemnity		Paid Medical
							Claimant's Attorney Fees	Employer's Attorney Fees	Reserved						ALAE Paid		ALAE Incurred
A. Total Subject Premium					26,355		Claim Number	Acc. Date/No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status	Act Type Recv Cov Sett	Jurisdic. State	Cat.No.	MCO
B. Experience Mod(XX.XXX)					.875		Social Security No.	Part Nature Cause	Occupation Description	Voc. Lump Fraud Deduct					Paid Indemnity		Paid Medical
C. Total Modified Premium					23,061		Claimant's Attorney Fees	Employer's Attorney Fees	Reserved						ALAE Paid		ALAE Incurred
N O T S U B J	D.	9874	(10%)		(2,306)		Claim Number	Acc. Date/No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status	Act Type Recv Cov Sett	Jurisdic. State	Cat.No.	MCO
	E.						Social Security No.	Part Nature Cause	Occupation Description	Voc. Lump Fraud Deduct					Paid Indemnity		Paid Medical
	F.						Claimant's Attorney Fees	Employer's Attorney Fees	Reserved						ALAE Paid		ALAE Incurred
G.			Total Standard Exposure	915,000	Total Standard Premium	20,755	Claim Number	Acc. Date/No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status	Act Type Recv Cov Sett	Jurisdic. State	Cat.No.	MCO
A F T E R S T D	H.	0063	Premium Discount Amount		(1,474)		Social Security No.	Part Nature Cause	Occupation Description	Voc. Lump Fraud Deduct					Paid Indemnity		Paid Medical
	I.	0900	Expense Constant Amount		200		Claimant's Attorney Fees	Employer's Attorney Fees	Reserved						ALAE Paid		ALAE Incurred
	J.	0935	(7.77%)		1,792	LOSS TOTALS											
K.	0936	(0.06%)		14		Total No. Claims	Total Incurred Indemnity	Total Incurred Medical						Total Paid Indemnity	Total Paid Medical		
L.	9740	(\$0.02)		183		Total Claimant's Attry. Fees	Tot. Employer's Attry. Fees							Total ALAE Paid	Total ALAE Incurred		