



COMPENSATION RATING AND INSPECTION BUREAU

60 PARK PLACE

NEWARK, NEW JERSEY 07102

(973) 622-6014

PAUL G. WITKO
Executive Director

November 14, 2018

MANUAL AMENDMENT BULLETIN #485

To: All Bureau Members and Subscribers

Re: **Premium Discounts and Retrospective Rating Plan Values – Effective January 1, 2019**

The Commissioner of Banking and Insurance has approved the changes set forth in this Manual Amendment Bulletin, issued concurrently with [Circular Letter #1953](#) and [Manual Amendment Bulletin #484](#), effective January 1, 2019 on a new and renewal basis. Changes to Manual rules are indicated in *italics* and **bold**.

PREMIUM DISCOUNTS

The Bureau adopted the National Premium Discount Program effective January 1, 2018. The values in the Premium Discount Schedules (2:3-1) and Tables (2:3-2 and 2:3-3) remain unchanged for policies effective on or after January 1, 2019.

RETROSPECTIVE RATING PLAN VALUES

Amend 2:6-1, 2:6-2 and 2:6-3 as follows:

1. Retrospective Development Factors

1 st Adjustment	<i>0.15</i>
2 nd Adjustment	<i>0.08</i>
3 rd Adjustment	<i>0.04</i>
Subsequent Adjustments	<i>0.00</i>

2. Hazard Group Differentials

<u>Group</u>	<u>Differentials</u>
A	<i>1.499</i>
B	<i>1.310</i>
C	<i>1.188</i>
D	<i>0.999</i>
E	<i>0.822</i>
F	<i>0.682</i>
G	<i>0.606</i>

The group to which each classification is assigned is shown in 2:6-10 of this Manual.

3. (a) Excess Loss Premium Factors

Group	A	B	C	D	E	F	G
Loss Limit							
\$25,000	0.327	0.368	0.382	0.408	0.427	0.453	0.469
30,000	0.306	0.346	0.361	0.388	0.408	0.436	0.453
40,000	0.271	0.311	0.327	0.354	0.377	0.406	0.426
50,000	0.244	0.284	0.299	0.327	0.350	0.381	0.402
75,000	0.197	0.234	0.249	0.276	0.301	0.332	0.357
100,000	0.167	0.201	0.215	0.241	0.265	0.296	0.322
125,000	0.146	0.177	0.191	0.215	0.239	0.268	0.296
150,000	0.130	0.159	0.172	0.195	0.218	0.246	0.274
175,000	0.117	0.144	0.157	0.178	0.201	0.228	0.256
200,000	0.106	0.132	0.145	0.165	0.187	0.213	0.241
250,000	0.091	0.114	0.125	0.144	0.165	0.189	0.217
300,000	0.079	0.100	0.111	0.128	0.148	0.171	0.198
350,000	0.070	0.090	0.100	0.116	0.134	0.156	0.183
400,000	0.063	0.081	0.091	0.106	0.124	0.144	0.170
450,000	0.057	0.074	0.083	0.097	0.114	0.134	0.160
500,000	0.052	0.068	0.077	0.090	0.107	0.125	0.150
600,000	0.044	0.059	0.067	0.079	0.094	0.111	0.135
700,000	0.039	0.051	0.059	0.070	0.084	0.100	0.123
800,000	0.034	0.046	0.053	0.063	0.076	0.091	0.113
900,000	0.030	0.041	0.048	0.057	0.070	0.084	0.105
1,000,000	0.027	0.037	0.044	0.052	0.064	0.077	0.098
2,000,000	0.013	0.019	0.023	0.028	0.036	0.044	0.060
3,000,000	0.008	0.012	0.015	0.019	0.024	0.031	0.043
4,000,000	0.006	0.009	0.011	0.014	0.018	0.023	0.033
5,000,000	0.004	0.007	0.008	0.011	0.014	0.018	0.027
6,000,000	0.003	0.005	0.007	0.008	0.012	0.015	0.023
7,000,000	0.003	0.004	0.006	0.007	0.010	0.013	0.019
8,000,000	0.002	0.004	0.005	0.006	0.008	0.011	0.017
9,000,000	0.002	0.003	0.004	0.005	0.007	0.009	0.015
10,000,000	0.002	0.003	0.003	0.004	0.006	0.008	0.013

3. (b) Excess Loss Premium Factors – ALAE Option

Group	A	B	C	D	E	F	G
Loss Limit							
\$25,000	0.375	0.419	0.434	0.462	0.482	0.510	0.526
30,000	0.352	0.396	0.412	0.440	0.462	0.492	0.509
40,000	0.314	0.358	0.374	0.404	0.428	0.460	0.480
50,000	0.284	0.327	0.344	0.374	0.400	0.432	0.455
75,000	0.233	0.273	0.290	0.319	0.345	0.379	0.405
100,000	0.199	0.236	0.252	0.280	0.307	0.340	0.368
125,000	0.175	0.210	0.225	0.251	0.277	0.310	0.339
150,000	0.157	0.189	0.204	0.229	0.254	0.285	0.315
175,000	0.142	0.173	0.187	0.211	0.236	0.266	0.295
200,000	0.131	0.160	0.173	0.196	0.220	0.249	0.279
250,000	0.112	0.139	0.151	0.172	0.195	0.222	0.252
300,000	0.099	0.123	0.135	0.154	0.176	0.202	0.231
350,000	0.088	0.110	0.122	0.140	0.161	0.185	0.214
400,000	0.079	0.100	0.111	0.128	0.148	0.171	0.200
450,000	0.072	0.092	0.102	0.119	0.138	0.160	0.187
500,000	0.066	0.085	0.095	0.110	0.129	0.150	0.177
600,000	0.057	0.074	0.083	0.097	0.114	0.134	0.160
700,000	0.050	0.065	0.073	0.086	0.102	0.121	0.146
800,000	0.044	0.058	0.066	0.078	0.093	0.110	0.135
900,000	0.040	0.052	0.060	0.071	0.085	0.101	0.125
1,000,000	0.036	0.048	0.055	0.065	0.079	0.094	0.117
2,000,000	0.018	0.024	0.029	0.035	0.044	0.054	0.071
3,000,000	0.011	0.016	0.019	0.023	0.030	0.038	0.051
4,000,000	0.008	0.011	0.014	0.017	0.023	0.028	0.040
5,000,000	0.006	0.009	0.011	0.013	0.018	0.023	0.032
6,000,000	0.005	0.007	0.009	0.011	0.015	0.018	0.027
7,000,000	0.004	0.006	0.007	0.009	0.012	0.016	0.023
8,000,000	0.003	0.005	0.006	0.007	0.010	0.013	0.020
9,000,000	0.003	0.004	0.005	0.006	0.009	0.011	0.017
10,000,000	0.002	0.003	0.004	0.006	0.008	0.010	0.015

The group to which each classification is assigned is shown in 2:6-10 of this Manual.

The rules that pertain to the election of loss limitation in retrospective rating agreements are found in 3:12-20(e) of this Manual.

The Excess Loss Premium Factors in 2:6-3 apply to all classifications, including those that contemplate coverage under the United States Longshore and Harbor Workers Compensation Act.

Amend 2:6-5 and 2:6-6 as follows:

5. **Tax Multipliers** New Jersey - **1.056**
USL - **1.111**
6. **Expected Loss Ratio - 0.578**
Expected Loss and Allocated Expense Ratio – 0.630

The **Expense Ratio Tables** appearing in 2:6-7 and 2:6-8 are **amended** as shown in Exhibits I through IV.



Paul G. Witko
Executive Director

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Att.

EXHIBIT I

SECTION 6. RETROSPECTIVE RATING VALUES

7. (a) Expense Ratios (Excluding Taxes-Including Profit & Contingency) – Schedule Y*

	Total Standard Premium	Expense Ratio	Total Standard Premium		Expense Ratio		Standard Premium		Expense Ratio
0-	10055	.369	19570-	19999	.326	225958-	235999		.284
10056-	10167	.368	20000-	20449	.325	236000-	246976		.283
10168-	10282	.367	20450-	20919	.324	246977-	259024		.282
10283-	10399	.366	20920-	21411	.324	259025-	272307		.281
10400-	10520	.365	21412-	21927	.323	272308-	287027		.280
10521-	10643	.364	21928-	22469	.322	287028-	303428		.279
10644-	10769	.363	22470-	23037	.321	303429-	321818		.278
10770-	10898	.362	23038-	23636	.320	321819-	342580		.277
10899-	11030	.361	23637-	24266	.319	342581-	366206		.276
11031-	11165	.360	24267-	24931	.318	366207-	393333		.275
11166-	11304	.360	24932-	25633	.317	393334-	424799		.274
11305-	11446	.359	25634-	26376	.316	424800-	461739		.273
11447-	11592	.358	26377-	27164	.315	461740-	505714		.272
11593-	11741	.357	27165-	27999	.314	505715-	558947		.271
11742-	11895	.356	28000-	28888	.313	558948-	624705		.270
11896-	12052	.355	28889-	29836	.312	624706-	707999		.270
12053-	12214	.354	29837-	30847	.311	708000-	816923		.269
12215-	12380	.353	30848-	31929	.310	816924-	965454		.268
12381-	12551	.352	31930-	33090	.309	965455-	1179999		.267
12552-	12727	.351	33091-	34339	.308	1180000-	1517142		.266
12728-	12907	.350	34340-	35686	.307	1517143-	1824799		.265
12908-	13093	.349	35687-	37142	.306	1824800-	1983478		.264
13094-	13284	.348	37143-	38723	.306	1983479-	2172380		.263
13285-	13481	.347	38724-	40444	.305	2172381-	2401052		.262
13482-	13684	.346	40445-	42325	.304	2401053-	2683529		.261
13685-	13893	.345	42326-	44390	.303	2683530-	3041333		.260
13894-	14108	.344	44391-	46666	.302	3041334-	3509230		.259
14109-	14330	.343	46667-	49189	.301	3509231-	4147272		.258
14331-	14559	.342	49190-	51999	.300	4147273-	5068888		.257
14560-	14796	.342	52000-	55151	.299	5068889-	6517142		.256
14797-	15041	.341	55152-	58709	.298	6517143-	9123999		.255
15042-	15294	.340	58710-	62758	.297	9124000-	15206666		.254
15295-	15555	.339	62759-	67407	.296	15206667-	45619999		.253
15556-	15826	.338	67408-	72799	.295	45620000-	& OVER		.252
15827-	16106	.337	72800-	79130	.294				
16107-	16396	.336	79131-	86666	.293				
16397-	16697	.335	86667-	95789	.292				
16698-	17009	.334	95790-	107058	.291				
17010-	17333	.333	107059-	121333	.290				
17334-	17669	.332	121334-	139999	.289				
17670-	18019	.331	140000-	165454	.288				
18020-	18383	.330	165455-	200377	.288				
18384-	18762	.329	200378-	208235	.287				
18763-	19157	.328	208236-	216734	.286				
19158-	19569	.327	216735-	225957	.285				

* These expense ratios are based on the following expense provisions:

First	\$ 10,000.....	0.369
Next	190,000.....	0.282
Next	1,550,000.....	0.261
Over	1,750,000.....	0.252

EXHIBIT II

SECTION 6. RETROSPECTIVE RATING VALUES

7. (b) Expense Ratios (Excluding Taxes and ALAE – Including Profit & Contingency) – Schedule Y*

	Total Standard Premium	Expense Ratio	Total Standard Premium	Expense Ratio	Standard Premium	Expense Ratio
0-	10055	.317	19570-	19999	225958-	.274
10056-	10167	.316	20000-	20449	236000-	.273
10168-	10282	.315	20450-	20919	246977-	.272
10283-	10399	.314	20920-	21411	259025-	.272
10400-	10520	.313	21412-	21927	272308-	.271
10521-	10643	.312	21928-	22469	287028-	.270
10644-	10769	.311	22470-	23037	303429-	.269
10770-	10898	.310	23038-	23636	321819-	.268
10899-	11030	.309	23637-	24266	342581-	.267
11031-	11165	.308	24267-	24931	366207-	.266
11166-	11304	.308	24932-	25633	393334-	.265
11305-	11446	.307	25634-	26376	424800-	.264
11447-	11592	.306	26377-	27164	461740-	.263
11593-	11741	.305	27165-	27999	505715-	.262
11742-	11895	.304	28000-	28888	558948-	.261
11896-	12052	.303	28889-	29836	624706-	.260
12053-	12214	.302	29837-	30847	708000-	.259
12215-	12380	.301	30848-	31929	816924-	.258
12381-	12551	.300	31930-	33090	965455-	.257
12552-	12727	.299	33091-	34339	1180000-	.256
12728-	12907	.298	34340-	35686	1517143-	.255
12908-	13093	.297	35687-	37142	1824800-	.254
13094-	13284	.296	37143-	38723	1983479-	.254
13285-	13481	.295	38724-	40444	2172381-	.253
13482-	13684	.294	40445-	42325	2401053-	.252
13685-	13893	.293	42326-	44390	2683530-	.251
13894-	14108	.292	44391-	46666	3041334-	.250
14109-	14330	.291	46667-	49189	3509231-	.249
14331-	14559	.290	49190-	51999	4147273-	.248
14560-	14796	.290	52000-	55151	5068889-	.247
14797-	15041	.289	55152-	58709	6517143-	.246
15042-	15294	.288	58710-	62758	9124000-	.245
15295-	15555	.287	62759-	67407	15206667-	.244
15556-	15826	.286	67408-	72799	45620000-	.243
15827-	16106	.285	72800-	79130	& OVER	.242
16107-	16396	.284	79131-	86666		.241
16397-	16697	.283	86667-	95789		.240
16698-	17009	.282	95790-	107058		.239
17010-	17333	.281	107059-	121333		.238
17334-	17669	.280	121334-	139999		.237
17670-	18019	.279	140000-	165454		.236
18020-	18383	.278	165455-	200377		.236
18384-	18762	.277	200378-	208235		.235
18763-	19157	.276	208236-	216734		.234
19158-	19569	.275	216735-	225957		.233

* These expense ratios are based on the following expense provisions:

First	\$ 10,000.....	0.317
Next	190,000.....	0.230
Next	1,550,000.....	0.209
Over	1,750,000.....	0.200

EXHIBIT III

SECTION 6. RETROSPECTIVE RATING VALUES

8. (a) Expense Ratios (Excluding Taxes-Including Profit & Contingency) – Schedule X*

	Total Standard Premium	Expense Ratio	Total Standard Premium	Expense Ratio	
0-	10099	.369	44348-	48571	.331
10100-	10303	.368	48572-	53684	.330
10304-	10515	.367	53685-	59999	.329
10516-	10736	.366	60000-	67999	.328
10737-	10967	.365	68000-	78461	.327
10968-	11208	.364	78462-	92727	.326
11209-	11460	.363	92728-	113333	.325
11461-	11724	.362	113334-	145714	.324
11725-	11999	.361	145715-	200606	.324
12000-	12289	.360	200607-	213548	.323
12290-	12592	.360	213549-	228275	.322
12593-	12911	.359	228276-	245185	.321
12912-	13246	.358	245186-	264799	.320
13247-	13599	.357	264800-	287826	.319
13600-	13972	.356	287827-	315238	.318
13973-	14366	.355	315239-	348421	.317
14367-	14782	.354	348422-	389411	.316
14783-	15223	.353	389412-	441333	.315
15224-	15692	.352	441334-	509230	.314
15693-	16190	.351	509231-	601818	.313
16191-	16721	.350	601819-	735555	.312
16722-	17288	.349	735556-	945714	.311
17289-	17894	.348	945715-	1323999	.310
17895-	18545	.347	1324000-	1809565	.309
18546-	19245	.346	1809566-	1981904	.308
19246-	19999	.345	1981905-	2190526	.307
20000-	20816	.344	2190527-	2448235	.306
20817-	21702	.343	2448236-	2774666	.306
21703-	22666	.342	2774667-	3201538	.305
22667-	23720	.342	3201539-	3783636	.304
23721-	24878	.341	3783637-	4624444	.303
24879-	26153	.340	4624445-	5945714	.302
26154-	27567	.339	5945715-	8323999	.301
27568-	29142	.338	8324000-	13873333	.300
29143-	30909	.337	13873334-	41619999	.299
30910-	32903	.336	41620000-	& OVER	.298
32904-	35172	.335			
35173-	37777	.334			
37778-	40799	.333			
40800-	44347	.332			

* These expense ratios are based on the following expense provisions:

First	\$ 10,000.	0.369
Next	190,000.	0.321
Next	1,550,000.	0.307
Over	1,750,000.	0.298

EXHIBIT IV

SECTION 6. RETROSPECTIVE RATING VALUES

8. (b) Expense Ratios (Excluding Taxes and ALAE – Including Profit & Contingency) – Schedule X*

	Total Standard Premium	Expense Ratio	Total Standard Premium	Expense Ratio	
0-	10099	.317	44348-	48571	.279
10100-	10303	.316	48572-	53684	.278
10304-	10515	.315	53685-	59999	.277
10516-	10736	.314	60000-	67999	.276
10737-	10967	.313	68000-	78461	.275
10968-	11208	.312	78462-	92727	.274
11209-	11460	.311	92728-	113333	.273
11461-	11724	.310	113334-	145714	.272
11725-	11999	.309	145715-	200606	.272
12000-	12289	.308	200607-	213548	.271
12290-	12592	.308	213549-	228275	.270
12593-	12911	.307	228276-	245185	.269
12912-	13246	.306	245186-	264799	.268
13247-	13599	.305	264800-	287826	.267
13600-	13972	.304	287827-	315238	.266
13973-	14366	.303	315239-	348421	.265
14367-	14782	.302	348422-	389411	.264
14783-	15223	.301	389412-	441333	.263
15224-	15692	.300	441334-	509230	.262
15693-	16190	.299	509231-	601818	.261
16191-	16721	.298	601819-	735555	.260
16722-	17288	.297	735556-	945714	.259
17289-	17894	.296	945715-	1323999	.258
17895-	18545	.295	1324000-	1809565	.257
18546-	19245	.294	1809566-	1981904	.256
19246-	19999	.293	1981905-	2190526	.255
20000-	20816	.292	2190527-	2448235	.254
20817-	21702	.291	2448236-	2774666	.254
21703-	22666	.290	2774667-	3201538	.253
22667-	23720	.290	3201539-	3783636	.252
23721-	24878	.289	3783637-	4624444	.251
24879-	26153	.288	4624445-	5945714	.250
26154-	27567	.287	5945715-	8323999	.249
27568-	29142	.286	8324000-	13873333	.248
29143-	30909	.285	13873334-	41619999	.247
30910-	32903	.284	41620000-	& OVER	.246
32904-	35172	.283			
35173-	37777	.282			
37778-	40799	.281			
40800-	44347	.280			

* These expense ratios are based on the following expense provisions:

First	\$ 10,000.	0.317
Next	190,000.	0.269
Next	1,550,000.	0.255
Over	1,750,000.	0.246