

**New Jersey
Compensation Rating and Inspection Bureau
60 Park Place
Newark, NJ 07102**



Annual Report 2012

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NINETY-SIXTH ANNUAL REPORT

INTRODUCTION

New Jersey workers compensation insurance rates continued their upward trend for 2013. An increase of 8.3% in rates and rating values was approved effective January 1, 2013. The recent pressure on rates reflects increases in medical costs, stabilizing frequency, low investment returns and the lingering effects of reduced premium. The average medical cost per case for all compensable claims has doubled since 2000, and medical expenses now comprise close to 60% of all losses. Claim frequency has stabilized, reversing the downward pattern seen for many years that served to offset increasing loss costs. Low interest rates are hampering investment income, which has historically helped to temper underwriting losses.

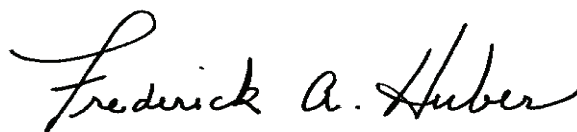
Net premium grew 4.6% in calendar year 2011, the first increase since 2007. The increase is likely due to the recent rate changes and a moderate improvement in employment and wages. Even with the increase, net premium remains 10% less than in 2007 due to the weak economy. The unemployment rate remains high in New Jersey, well above the national average. The economy continues to restrict needed premium growth.

Notwithstanding the recent increases in rate level, the market appears to be tightening. During 2012, the number of risks insuring through the residual market increased 10.1% and the written premium increased 42.0%. This activity contrasts to 2011, when the number of risks decreased 0.1% and the written premium increased by 3.5%. The growth in these statistics in 2012 reflects the reduced availability of coverage through the regular channels of business. Nonetheless, the number of risks and written premium are considerably lower than seven years ago, when pricing differentials for residual market risks were introduced to improve loss ratio results and assist in depopulation efforts.

Finally, the Rating Bureau recently began converting its current legacy mainframe computer system to a server-based system. The new system is used by five other workers compensation rating organizations that have joined together to form "Spectrum Partners." The conversion should be completed in mid to late 2014. The new system will modernize our operations and enable us to provide better service to all our stakeholders.

The discussions and exhibits in this Report present information regarding the latest revision of rates and rating values, historic and recent experience and the activities of the Rating Bureau during 2012.

Respectfully Submitted,



Frederick A. Huber
Executive Director

REVISION OF MANUAL RATES – 2013

RATE LEVEL

The increase in rates and rating values of 8.3% effective January 1, 2013 was based on the latest two policy years and the latest two calendar accident years of experience along with other considerations described below.

Analysis of the latest two policy years and the latest two calendar accident years after adjustments for development and present premium and benefit levels using paid and incurred losses separately produced a rate level increase of 6.5% due to experience. Analysis of the latest experience also indicated that an increase of 2.6% due to trend factor considerations was necessary for inclusion in the rate level determination.

Effective January 1, 2013, the maximum weekly benefit with respect to all types of injuries was increased from \$810 to \$826. The minimum weekly benefit also was increased from \$216 to \$220 for all kinds of injuries except permanent partial disabilities. A rate level increase of 0.7% was necessary to recognize the changes in benefits.

An increase of 0.1% was applied to recognize the effects of changes in the allowances for Production expense, General expense, Loss Adjustment expense and the Security Fund. A decrease of 0.5% was applied to limit the effect of the indicated rate level change on certain expense provisions.

The Employers Liability Limit Table and Charges and the Admiralty and Federal Liability Limit Table were revised to reflect more recent experience. To offset a reduction in premium expected from the use of these Tables, an increase in rate level of 1.7% was applied. The eligibility for the Premium Discount Program was changed from \$5,000 of standard premium to \$10,000. To offset an expected increase in premium from the application of the revised eligibility, a decrease of 2.3% was applied.

The combined effect of all components, including a rate level adjustment to comply with the decision of the Commissioner, produced an overall increase in rates and rating values of 8.3%.

A Terrorism premium charge of \$0.03 per hundred dollars of payroll is applicable to policies effective January 1, 2013 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost. Upward deviation from the \$0.03 rate, to a maximum of \$0.06, is also permitted for voluntary business.

A Catastrophe (Other than Certified Acts of Terrorism) premium charge of \$0.01 per hundred dollars of payroll is applicable to policies effective January 1, 2013 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost.

The Uninsured Employers Fund Surcharge was changed to 0.00% and the Second Injury Fund Surcharge was changed to 6.76%.

Table I shows the historic record of rate level changes since 1918.

RATE RELATIVITIES

The adjustment of rate relativities effective January 1, 2013 was based on the classification experience of policy years 2005 through 2009, as reported through the Statistical Plan.

There were 574 classifications in the Manual effective January 1, 2013, including the codes to accommodate Federal employments. There were 7 classifications that carried no rate assignment. Of the remainder, 451 developed increased rates, 106 showed decreases and 10 were unchanged.

The rates for the classifications under the Admiralty and Federal Employers' Liability Act were adjusted to reflect the most recent experience.

The rates for Private Residence – Household Employee classifications remain unchanged.

The Expense Constant remains at \$220 for all policies except Private Residence – Household Employee policies, which stays at \$30.

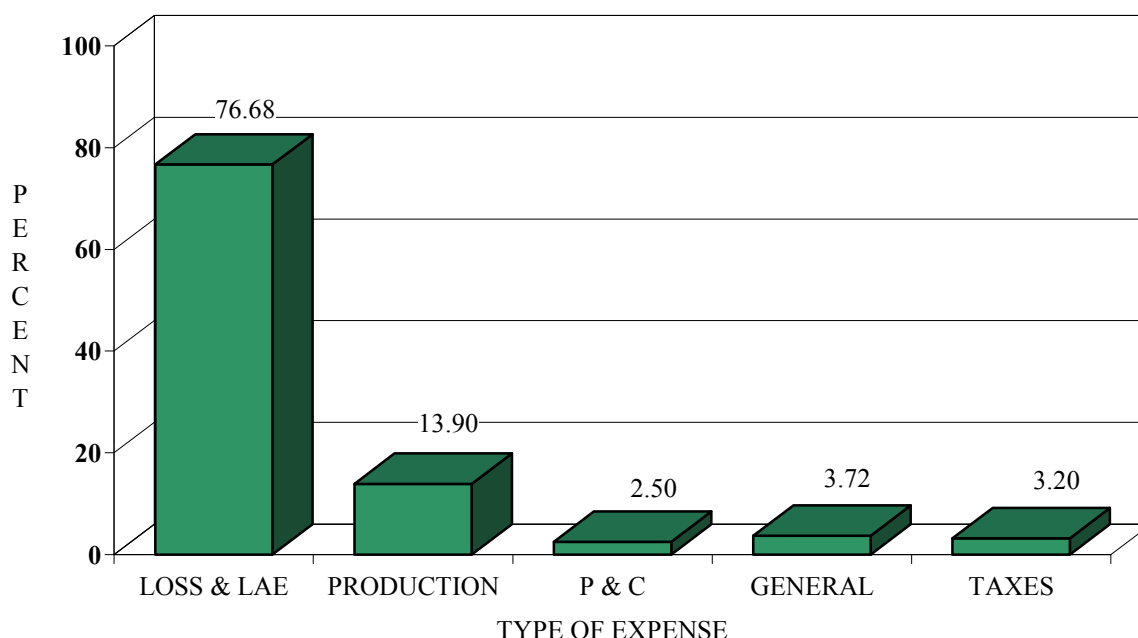
The revised Manual of Rates was included in Circular Letter #1849, dated December 6, 2012.

EXPENSES AND TAXES

The most important purpose of ratemaking is to generate the funds required to meet the cost of benefit obligations, but allowance must also be made for expense and tax requirements. These needs are regularly reviewed each year and adjustments made where appropriate. Since the loss adjustment expense arises from claims against the employer and from the payment of benefits prescribed by statute, it is functionally related to the benefit obligations.

The benefit cost experience of all insured New Jersey employers, as well as the standard expense and tax provisions, constitute the basis of the Manual of Rates which determine standard premium for New Jersey Workers Compensation and Employers Liability Insurance. Standard premium expresses each carrier's results on a common, comparable statistical basis. The standard expense provisions apply only to the first \$10,000 of standard premium per risk. Such provisions are included in the Manual of Rates effective January 1, 2013 in the following amounts:

STANDARD EXPENSE PROVISIONS



Taxes include: Security Fund 0.55%, General State Premium 2.10%, Rate Supervision 0.25%, and Miscellaneous Tax Provision 0.30%. Production includes commissions and branch office support to perform policy preparation functions. General includes administration, payroll audit, inspection and Bureau expense. The P & C allowance provides for profit and contingencies.

With respect to premium in excess of \$10,000 per risk, certain expense provisions are reduced by the application of one of two premium discount systems – Schedule Y or Schedule X. The discounts in Schedule Y are greater than those in Schedule X, and each insurer can choose one or the other to apply uniformly to its policies. The retrospective rating factors contain the same premium discounts. The Schedule Y discounts effective January 1, 2013 are:

	First	Next	Next	Over
Schedule Y	\$10,000	\$190,000	\$1,550,000	\$1,750,000
Applicable Discounts	--	8.5%	10.2%	11.0%

Schedule X discounts, although based on the same principle, result in lower discount percentages. The Schedule X discounts effective January 1, 2012 are:

	First	Next	Next	Over
Schedule X	\$10,000	\$190,000	\$1,550,000	\$1,750,000
Applicable Discounts	--	4.6%	5.5%	6.3%

Premium discount does not apply to policies written through the New Jersey Workers Compensation Insurance Plan.

TABLE I
HISTORY OF RATE LEVEL CHANGES

<u>Effective Date</u>	<u>Experience</u>	<u>Benefit Level</u>	<u>Expenses</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percentage Change (%)</u>
1918 – 1975	0.663	4.537	1.067	0.996	3.197	--
Jan. 1, 1976	1.000	1.017	1.000	1.000	1.017	1.7
July 1, 1976	1.131	1.000	0.985	0.985	1.097	9.7
Jan. 1, 1977	1.000	1.020	1.000	1.000	1.020	2.0
July 1, 1977	1.198	1.000	1.002	0.984	1.182	18.2
July 1, 1978	1.065	1.015	1.019	0.965	1.063	6.3
July 1, 1979	1.157	1.018	0.950	0.970	1.085	8.5
Jan. 1, 1980	1.000	1.225	1.000	0.907	1.111	11.1
Jan. 1, 1981	1.087	1.029	0.986	0.979	1.080	8.0
Jan. 1, 1982	0.847	1.096	1.043	0.972	0.941	(5.9)
Jan. 1, 1983	0.820	1.065	1.023	0.954	0.852	(14.8)
Jan. 1, 1984	0.886	1.059	0.988	0.959	0.889	(11.1)
Jan. 1, 1985	0.882	1.036	0.982	0.968	0.869	(13.1)
Jan. 1, 1986	0.967	1.037	1.010	0.987	1.000	0.0
Jan. 1, 1987	1.032	1.037	1.097	0.942	1.106	10.6
Jan. 1, 1988	1.087	1.036	1.011	0.963	1.096	9.6
Jan. 1, 1989	0.995	1.040	0.874	0.955	0.864	(13.6)
Jan. 1, 1990	1.136	1.037	0.984	0.897	1.040	4.0
Jan. 1, 1991	1.086	1.023	1.008	0.936	1.048	4.8
Jan. 1, 1992	1.194	1.032	0.995	0.895	1.098	9.8
Jan. 1, 1993	1.208	1.032	0.995	0.921	1.143	14.3
Jan. 1, 1994	1.207	1.039	0.998	0.852	1.066	6.6
Jan. 1, 1995	1.125	1.012	1.004	0.926	1.058	5.8
Jan. 1, 1996	1.052	1.015	1.009	0.893	0.962	(3.8)
Jan. 1, 1997	0.915	1.019	0.987	0.994	0.915	(8.5)
Jan. 1, 1998	0.964	1.023	0.993	0.926	0.907	(9.3)
Jan. 1, 1999	1.010	1.025	1.000	0.916	0.948	(5.2)
Jan. 1, 2000	1.082	1.029	1.006	0.871	0.976	(2.4)
Jan. 1, 2001	1.075	1.023	1.003	0.886	0.977	(2.3)
Jan. 1, 2002	1.170	1.030	0.997	0.849	1.020	2.0
Jan. 1, 2003	1.177	1.005	0.998	0.927	1.094	9.4
Jan. 1, 2004	1.081	1.006	1.007	0.974	1.067	6.7
Jan. 1, 2005	1.036	1.012	1.001	1.033	1.084	8.4
Jan. 1, 2006	1.006	1.017	1.005	0.998	1.026	2.6
Jan. 1, 2007	1.016	1.010	0.999	0.988	1.013	1.3
Jan. 1, 2008	1.007	1.020	0.995	1.012	1.034	3.4
Jan. 1, 2009	0.984	1.020	0.998	0.988	0.990	(1.0)
Jan. 1, 2010	0.982	1.010	1.002	0.980	0.974	(2.6)
Jan. 1, 2011	1.045	0.999	1.006	0.989	1.039	3.9
Jan. 1, 2012	1.058	1.008	1.008	0.994	1.069	6.9
Jan. 1, 2013	1.065	1.007	1.001	1.002	1.076	7.6

ANNOUNCEMENTS DURING 2012

In 2012, the Rating Bureau held two meetings with the Governing Committee and two meetings with the Actuarial Subcommittee. Proposals by the Rating Bureau Staff and suggestions made by individuals, associations and others were reviewed and adopted when they appeared to be in the best interest of the New Jersey workers compensation community.

The major considerations, in addition to those previously discussed, are outlined below. All changes are effective January 1, 2013 unless noted differently.

EMPLOYERS LIABILITY LIMIT TABLE AND CHARGES

The table for increased employers liability limits percentages and minimum premiums applicable to all policies, except those written exclusively to cover private residences, was revised. This change was included in Manual Amendment Bulletin #457, dated December 6, 2012.

EXPERIENCE RATING

Rating Values and Factors

The usual annual adjustments were made to the rating values, factors and credibility criteria to be used in experience ratings effective January 1, 2013 and thereafter. The limiting loss values were also changed to reflect increasing loss costs. The changes were included in Manual Amendment Bulletin #457, dated December 6, 2012.

RETROSPECTIVE RATING

Expense Ratio Tables

Revised expense ratio tables were included in Manual Amendment Bulletin #458, dated December 6, 2012. The new tables reflect the adjustments in the expense provisions.

Retrospective Development Factors

As a result of an examination of the latest available loss data, the Retrospective Development Factors were revised. The revised factors were included in Manual Amendment Bulletin #458, dated December 6, 2012.

Hazard Group Differentials

As a result of an examination of the latest available loss data, the Hazard Group Differentials were revised. The revised Hazard Group Differentials were included in Manual Amendment Bulletin #458, dated December 6, 2012.

Excess Loss Premium Factors

As a result of an examination of the latest available loss data, the Excess Loss Premium Factors were revised. The revised Excess Loss Premium Factors were included in Manual Amendment Bulletin #458, dated December 6, 2012.

Tax Multipliers

As a result of adjustments in the tax provisions, the New Jersey and USL Tax Multipliers were revised. The revised Tax Multipliers were included in Manual Amendment Bulletin #458, dated December 6, 2012.

Expected Loss Ratio

As a result of adjustments in the expense and tax provisions, the Expected Loss Ratio used in Retrospective Rating calculations was revised. The revised Expected Loss Ratio was included in Manual Amendment Bulletin #458, dated December 6, 2012.

Table of Expected Loss Ranges

In order to recognize more recent loss experience, the Table of Expected Loss Ranges was updated. The revised Table of Expected Loss Ranges was included in Manual Amendment Bulletin #458, dated December 6, 2012.

PREPARATION AND AUDITING OF POLICIES**Premium Discount**

The eligibility criteria for the Premium Discount Program was changed from Standard Premium in excess of \$5,000 to Standard Premium in excess of \$10,000. Adjustments were made to the Schedule X and Y Schedules/Tables as a result, and to recognize changes to various elements of expense. This announcement was included in Manual Amendment Bulletin #458, dated December 6, 2012.

Executive Officers' Payroll

The maximum weekly payroll chargeable to executive officers and certain other employments was changed from \$2,270 to \$2,320. The minimum weekly payroll was changed from \$570 to \$580. The changes in the maximum and minimum weekly payroll amounts reflect the economic movement in weekly wages. The revised amounts were included in Manual Amendment Bulletin #457, dated December 6, 2012.

Appointed or Elected Public Officers

The minimum payroll for members of boards of education changed from \$5,930 per year to \$6,030 per year, and the minimum payroll for appointed or elected officers was amended from \$1,190 to \$1,210 per year. This announcement was made in Manual Amendment Bulletin #457, dated December 6, 2012.

Taxicab Companies and Drivers – Code 7370

The upset annual payroll applicable to this classification under certain stipulated conditions was increased from \$31,700 to \$32,400. This change was included in Manual Amendment Bulletin #457, dated December 6, 2012.

MARITIME OR FEDERAL EMPLOYMENTS

Limit Table for Admiralty and Federal Employers Liability Act

The Limit Table for Admiralty and Federal Employers Liability Act coverage has been revised to reflect the latest experience and be consistent with values filed nationally. These changes were included in Manual Amendment Bulletin #457, dated December 6, 2012.

STATISTICAL

Transmittal Forms

Transmittal Letter Forms S-30NJ and S-31NJ were revised to clarify that form S-30NJ is to be used for tape submissions of USRs and ICRs, while Form S-31NJ is for use only with hardcopy submissions.

These changes were announced in Statistical Circular #115, dated December 10, 2012.

WORKERS COMPENSATION INSURANCE PLAN

Plan Premium Adjustment Program

The Manual rules containing the minimum Plan Premium Adjustment Program surcharge were amended to provide for a change in the minimum surcharge amount from 15% to 17%. This change was announced in Manual Amendment Bulletin #457, dated December 6, 2012.

Outstanding, Unpaid Premium

The Manual was revised to omit – on a prospective basis – the rule which requires carriers to write coverage through the Plan for an insured which owes uncontested, unpaid premium on a policy that took effect more than two years earlier. The change applies to all new Plan designations on or after July 1, 2012.

This change was included in Manual Amendment Bulletin #456, dated June 4, 2012.

FORMS

Endorsements

New Jersey Premium Discount endorsements were amended to reflect changes to the Premium Discount Program. A new Schedule Y endorsement (WC 29 04 11) was adopted, and the prior endorsement (WC 29 04 06 Y) was withdrawn. Similarly, a new Schedule X endorsement (WC 29 04 12) was adopted, replacing the previous endorsement (WC 29 04 07). These changes were announced in Manual Amendment Bulletin #458, dated December 6, 2012.

Index

The Index for Policy Forms and Endorsements in the Manual was amended to reflect the changes to the Premium Discount endorsements. This change was noted in Manual Amendment Bulletin #457, dated December 6, 2012.

Information Page Algorithm

The Information Page Algorithms were changed, consistent with the revisions to the Premium Discount eligibility. This change was included in Manual Amendment Bulletin #457, dated December 6, 2012.

OTHER ANNOUNCEMENTS

Advisory Bulletins

During the year, the Rating Bureau issued four Advisory Bulletins. Advisory Bulletins contain information pertinent to workers compensation in New Jersey, but do not directly affect rules in the Manual.

Advisory Bulletin #33 was issued on January 10, 2012 to announce the publication of a new, web-based Unit Statistical Reporting Guidebook.

Advisory Bulletin #34 was issued on January 19, 2012 and advised member carriers that the United States Department of Labor had authorized the Rating Bureau to act on the industry's behalf to collect, translate and electronically transmit coverage information about policies issued under the Longshore and Harbor Workers' Compensation Act and its extensions.

The Rating Bureau issued Advisory Bulletin #35 on October 17, 2012 to announce that the Compensation Data Exchange ("CDX") had decided that the Policy Entry and Edit Package ("PEEP") would no longer be available to member companies after December 31, 2014.

Advisory Bulletin #36 was issued on December 21, 2012 to advise members that financial sanctions would be imposed for delinquent unit statistical reports, and that additional data fields must be reported in USRs for new and renewal policies effective January 1, 2014 and thereafter.

Circular Letters

During the year, the Rating Bureau also issued Circular Letters that did not affect rules in the Manual. Every month, a Circular Letter was issued containing certain information about the New Jersey Workers Compensation Insurance Plan. Circular Letters were also used to announce the date and location of the Bureau Annual Meeting; the migration from IAIABC Claims Release 1 to Release 3 for First Report of Injury and Subsequent Report of Injury; and prospective changes to rates and rating values effective January 1, 2013.

FINANCIAL – 2012

An outside accounting firm is retained on a seven-year rotating basis to audit the Bureau. Suplee, Clooney & Company was appointed to complete the audit for the fiscal year ending June 30, 2012. Following the close of the fiscal year, this firm made a complete audit of the books and records of the Bureau, which were found to be proper. The audit report was dated September 10, 2012. Following receipt of the report, the excess between the fiscal year assessments and other income and expenses was returned to Bureau members according to established procedure, through the usual assessment adjustment.

Table II shows the income and expenditures statement for calendar year 2012. The twenty-five-year development of New Jersey workers compensation business and the net cost of administering the Bureau are shown in Exhibit E in the Appendix. This exhibit illustrates the growth of the workers compensation industry in terms of written premium, number of policy and statistical filings, and the number of experience rated risks.

TABLE II**INCOME AND EXPENDITURES STATEMENT FOR CALENDAR YEAR 2012****INCOME**

Total Quarterly Assessments	\$15,297,693
Forms	-
Rating, Inspection and Bulletin Services	21,185
Interest Income	4,929
Miscellaneous Income	<u>442,731</u>
	<u>468,845</u>
Total Income	\$15,766,538

EXPENDITURES

Salaries	\$ 7,071,700
Contract Personnel Service	183,335
FICA Tax	490,684
Employee Relations & Welfare	2,520,323
Rent, Maintenance, Repair & Alteration of Premises	888,874
Printing & Stationery	56,348
Postage & Express	105,572
Telephone	84,562
Insurance	23,306
Furniture, Equipment Rental, Repair, Supplies & Services	134,937
Data Processing	1,417,827
Spectrum	161,425
Legal & Auditing	88,397
Travel & Travel Items	128,882
Employee Recruitment	13,126
Pension	1,024,841
Miscellaneous	75,477
Strategic Plan	195,886
Total Expenditures	\$14,665,502
Excess Income over Expenditures	\$ 1,101,036

STATEMENT OF ASSETS AND LIABILITIES AT DECEMBER 31, 2012**ASSETS**

Cash in Bank – Operating Account	\$ 501,248
Cash in Bank – Payroll Account	16,465
Petty Cash	500
Accounts Receivable	3,888
Money Market Account	3,380,206
Hudson City Bank CD	260,676
Total Assets	\$4,162,983

LIABILITIES

NJ Defined Contrib. Retirement Plan	\$ (9)
Pension – Bureau Accrued	1,064,731
Excess Funds as of January 1	780,550
Excess Funds January 1 thru December 31	1,101,035
Assessment adjustment liability – Fiscal Year 2011/2012	1,216,676
Total Liabilities	\$4,162,983

BUREAU MEMBERSHIP CHANGES

AT THE END OF 2011, THE BUREAU WAS COMPRISED OF 435 MEMBER COMPANIES.

During 2012, the following 16 companies were admitted:

American Modern Home Insurance Company
Bloomington Compensation Insurance Company
Eastern Advantage Assurance Company
Employers Assurance Company
First Dakota Indemnity Company
Laurier Indemnity Company
Penn National Security Insurance Company
Pharmacists Mutual Insurance Company
Sagamore Insurance Company
Selective Casualty Insurance Company
Selective Fire and Casualty Insurance Company
Selective Insurance Company of New England
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Gray Insurance Company
The Hanover American Insurance Company

Membership of the following companies were withdrawn during the year:

Corepointe Insurance Company
Fairfield Insurance Company
Harleysville Mutual Insurance Company
Rural Community Insurance Company

THE TOTAL MEMBERSHIP AT THE END OF 2012 WAS 447.

The membership consists of insurance companies providing workers compensation coverage for commercial risks and for residence employees only. A list of the insurance companies providing workers compensation coverage for commercial risks is included after the “Conclusion” section of this Annual Report.

AUTHORIZED SELF-INSURED EMPLOYERS

Table III is a listing of employers who, pursuant to N.J.S.A. 34:15-77, have received authorization by the Department of Banking and Insurance (DOBI) to self-insure their obligations under the New Jersey Workers Compensation Law.

TABLE III

AUTHORIZED SELF-INSURED EMPLOYERS

(Information Furnished By the Department of Banking and Insurance)

The number of employers is 94. The year of exemption is shown in brackets after the name of the company.

ABF Freight System, Inc. (2001)	Federal Express Corp. (1989)	Newark, Roman Catholic Archdiocese of (1980)	Target Corp. (2000)
Acme Markets, Inc. (2002)	FedEx Freight, Inc. (2006)	Nordstrom, Inc. (1990)	TownePlace Management Corporation (2009)
Atlantic City Electric Company (1981)	FedEx Ground Package System, Inc. (1996)	PSEG Power LLC & Subsidiaries (2000)	Toys "R" US Inc. (1993)
Atlantic Health System, Inc. & Subs. (2006)	FedEx SmartPost, Inc. (2005)	PSEG Services Corp. (2000)	Trenton, Roman Catholic Diocese of (1979)
Atlantic States Cast Iron Pipe Co. (1978)	FirstEnergy Corporation & Subsidiaries (2004)	Parker Hannifin Corp. (1997)	Trinitas Regional Medical (2012)
AtlantiCare Regional Medical Center (2006)	Ford Motor Company (1921)	Paterson, Roman Catholic Diocese of (1974)	United Water New Jersey, Inc. (1917)
Bancroft Neuro Health, Inc. (1994)	Gannett Satellite Inf. Network (1993)	Pathmark Stores, Inc. (1979)	Valley Home Care, Inc. (1999)
Bamabas Health Inc. (2013)	Gerresheimer Glass Inc. (1992)	Plainbridge, Inc. (1993)	Valley Hospital Foundation (1999)
Bergen Regional Medical Center, LP (2003)	Great Atlantic & Pacific Tea Co., Inc. (1959)	Princeton University (1991)	Valley Hospital, Inc. (1998)
BF's Wholesale Club, Inc. (1999)	Herr Foods, Inc. (1992)	Procter & Gamble Distributing Co. (1993)	Valley Medical Services (1999)
CBS Broadcasting Inc. (2002)	Holy Redeemer Health Syst. & Affiliates (2006)	Procter & Gamble Manufacturing Co. (1970)	Valley Physicians Services, Inc. (2008)
CBS Outdoor Group Inc. (2002)	International Paper Company (1942)	Public Service Electric & Gas Co. (1929)	Virtua Health Inc. & Subs. (2000)
CBS Outdoor Inc. (2002)	Kimble Chase Life Science & Research Pro (1997)	Quick Chek Corporation (1993)	Volvo Cars of North America, Inc. (2000)
Camden, Roman Catholic Diocese of (1973)	King World Corporation (2002)	Ralph Clayton & Sons and Affiliates (2002)	Waldbaums, Inc. (1990)
Cape Regional Medical Center, Inc. (2006)	Lowé's Home Centers, Inc. (2001)	Residence Inn by Marriott, LLC (2001)	Wegman's Food Markets, Inc. (1999)
Chevron U.S.A., Inc. (1961)	Macy's, Inc. & Subsidiaries (2005)	Retailers & Manufacturers Dist & Subs (2006)	White Castle System, Inc. (1993)
Colonial Concrete Co. & Subsidiaries (2007)	Marriott Claims Services Corporation (2001)	Robert Wood Johnson Univ. Hospital (1988)	White Rose, Inc. (2008)
ConAgra Foods, Inc. & Subsidiaries (2001)	Marriott Hotel Services, Inc. (1990)	Rose Trucking Corp. (1994)	
Cooper Hospital/Univ. Medical Center (1986)	Marriott International Admin. Serv. Inc. (1996)	St. Peter's University Hospital (1988)	
Costco Wholesale Corporation (1997)	Marriott International Inc. (1993)	Sherwin-Williams Company (1992)	
Courtyard Management Corp. (1990)	Memorial Sloan-Kettering Cancer Center (2006)	Shopwell Inc. (1990)	
CVS/Caremark Corporation (2007)	Merck & Co., Inc. (1980)	Shore Memorial Hospital (1994)	
DCH Auto Group (USA) Inc. & Subs. (2006)	Monmouth Ocean Hospital Serv. Corp. (2005)	Simon & Schuster, Inc. (1991)	
Delhaize America LLC & Subs. (2011)		Springpoint Senior Living, Inc. (2000)	
E.I. Dupont de Nemours & Company (1918)		Super Fresh Food Markets (1981)	
Execustay Corporation (2001)		Supermarket Dist. Service Corp. (1990)	
Exelon Generation Company, LLC (2009)			

RATING DIVISION

EXPERIENCE RATING

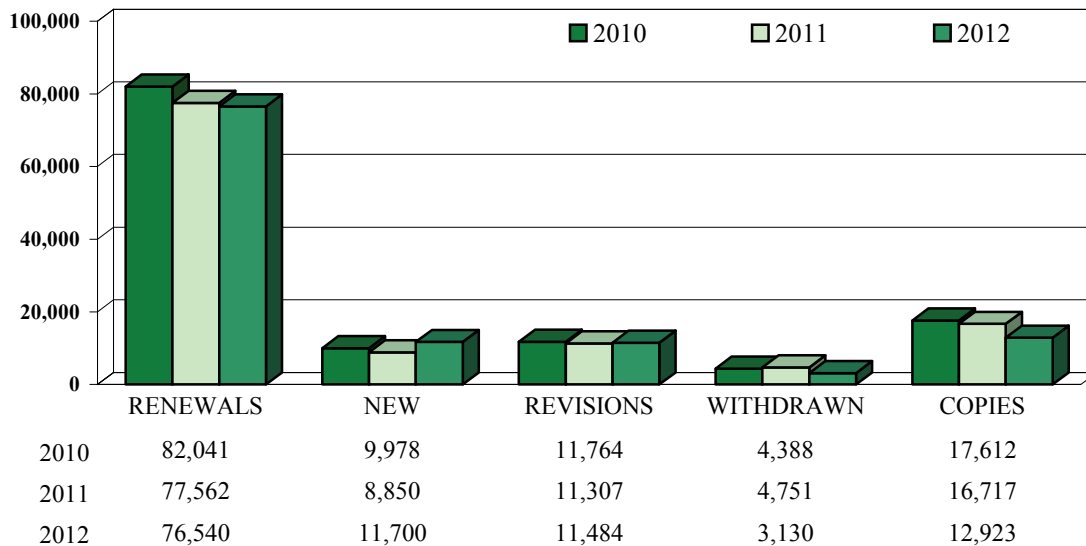
The Rating Division reviews statistical data in order to process experience ratings and their revisions. In addition, the Rating Division issues rating data to insurers and other authorized parties.

The number of risks which qualified for experience rating in 2012 was 92,860 – an increase of 1.5% from the 91,459 risks qualifying for rating in 2011.

There were 88,240 new and renewal experience ratings prepared and issued in calendar year 2012 compared to 86,412 in 2011. The overall activity during 2012 is illustrated by the following graph.

EXPERIENCE RATING ACTIVITY

DURING 2012



Percentage of Ratings Issued in Relation To Effective Date – Calendar Year 2012						
After Effective Date	Prior to Effective Date			More Than Thirty Days Prior To Effective Date		
	1 to 30 Days	30 to 60 Days	More than 60 Days	2010	2011	2012
3.2%	19.4%	25.7%	51.7%	77.4%	77.6%	77.4%

Table IV shows the historic statistical results of calculated experience ratings on the basis of the effective year of rating.

TABLE IV**Twenty-Five Year Historic Record
of Experience Rating Results**

Rating Effective Year	Total Ratings	<u>Premium During Experience Period</u>		Ratio of Adjusted to Manual
		<u>Manual Premium</u>	<u>Adjusted Premium</u>	
1988	54,958	2,500,094,755	2,255,979,321	0.902
1989	52,411	2,400,709,097	2,271,640,130	0.946
1990	66,247	2,736,852,208	2,598,569,338	0.949
1991	73,747	3,270,965,375	3,119,317,828	0.954
1992	69,533	3,703,933,596	3,421,685,950	0.924
1993	72,640	4,250,309,586	4,063,216,350	0.956
1994	73,762	4,486,969,855	4,251,038,829	0.947
1995	75,369	4,688,577,235	4,282,807,608	0.913
1996	75,999	4,631,730,529	4,214,318,712	0.910
1997	75,443	4,268,646,155	3,891,935,525	0.912
1998	74,946	3,951,830,819	3,671,578,610	0.929
1999	74,130	3,884,644,847	3,607,391,660	0.929
2000	75,269	4,059,350,871	3,781,586,890	0.932
2001	77,189	4,213,562,828	3,959,587,845	0.940
2002	80,965	4,532,454,524	4,261,483,623	0.940
2003	87,283	5,273,541,974	4,782,503,648	0.907
2004	91,349	5,879,845,211	5,227,740,497	0.889
2005	96,831	6,625,515,552	6,068,433,564	0.916
2006	93,497	6,965,822,455	6,508,092,145	0.934
2007	96,561	7,332,429,411	6,816,567,968	0.930
2008	98,367	7,824,918,400	7,139,317,016	0.912
2009	98,778	7,978,377,797	7,174,327,136	0.899
2010	97,090	7,977,295,948	7,108,801,143	0.891
2011	91,416	8,070,140,425	7,201,525,804	0.892
2012	92,848	8,455,684,291	7,564,420,243	0.895

POLICY REVIEW FOR EXPERIENCE RATING

The Rating Division reviews policies subject to experience rating which contain non-conforming items. The number of such policies reviewed in 2012 was 23,816 – a decrease of 13.5% from the 27,526 reviewed in 2011.

OWNERSHIP

The Rating Division also examines ownership questions with regard to the combination of entities, changes of ownership interests and mergers involving insured businesses. The number of ownership issues reviewed in 2012 was 12,094 – an increase of 10.6% from the 10,932 handled in 2011.

RETROSPECTIVE RATING

Retrospective Rating was elected by 229 risks in 2012, down from 324 risks in 2011. The estimated premium for the 229 risks was \$46,268,439, compared with \$67,887,020 in 2011. The decrease in premium amounted to 31.8%. Of the 229 retrospectively rated risks, 218 elected the Large Risk Alternative Rating Option, down from 313 in 2011. The premium for risks electing the Large Risk Alternative Rating Option was \$44,018,377, compared to \$64,449,602 in 2011, a decrease of 31.7%. Below is an exhibit of the retrospective rating programs effective in 2012:

RETROSPECTIVE RATING			
<u>TYPE/TERM</u>	<u>NO.</u>	<u>LOSS LIMIT</u>	<u>EST. STD. PREMIUM</u>
V-1	11	5	\$ 2,250,062
V-3	0	0	0
V-Long Term	0	0	0
LRA-1	218	142	44,018,377
LRA-3	0	0	0
LRA-Long Term	<u>0</u>	<u>0</u>	<u>0</u>
Total	229	147	\$46,268,439

LARGE DEDUCTIBLE PROGRAM

The New Jersey Large Risk – Large Deductible Program was introduced effective July 1, 1993. The number of risks electing this program totaled 2,172 in 2012, an increase of 8.2% from the 2,007 risks in 2011. The New Jersey premium subject to this program in 2012 was \$628,477,116, and the resultant deductible premium was \$120,716,270.

UNDERWRITING DIVISION

The Underwriting Division is responsible for general classification studies, field audits, inspections and the New Jersey Workers Compensation Insurance Plan.

During 2012, the number of inspections decreased and the number of audits decreased. There were 32,890 individual pieces of correspondence received dealing with classification, auditing, underwriting and Plan risk matters, representing a decrease of 6.8% from the 35,275 received in 2011. Total correspondence for 2012 included 3,274 pieces resulting directly from employer non-cooperation with Plan Servicing Carriers.

INVESTIGATIONS

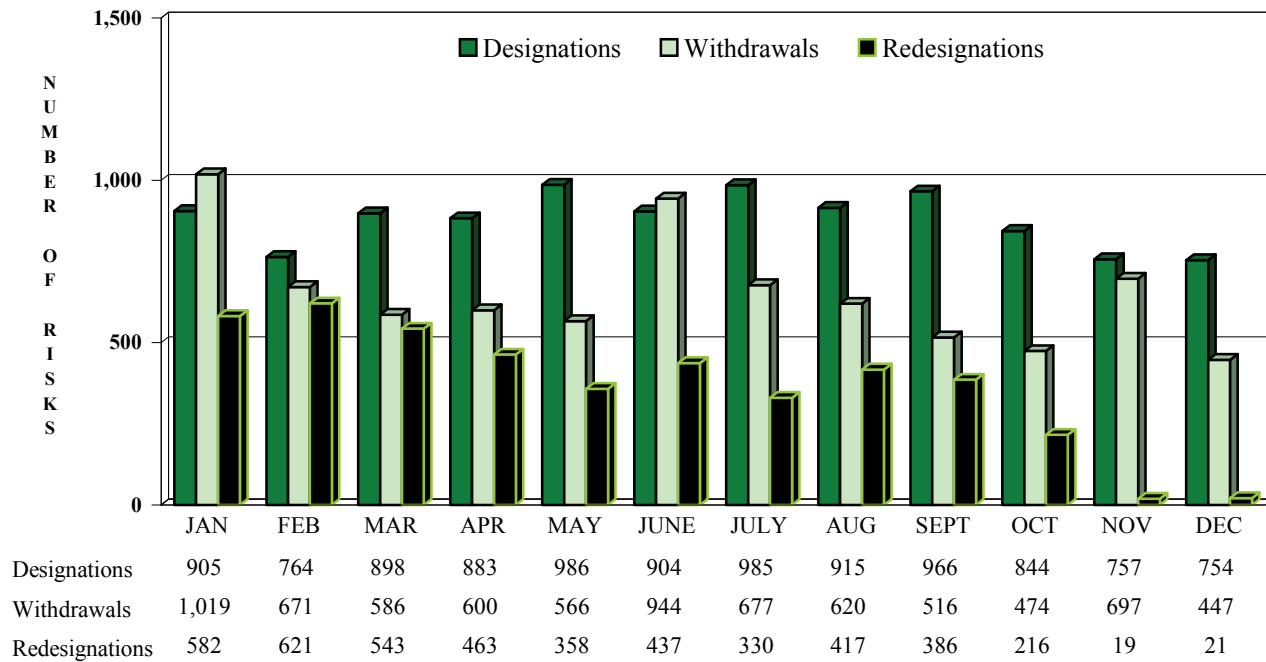
The field activity is outlined in the following exhibit. For comparison, the two preceding years are shown.

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Classification Surveys	3,514	3,496	3,269
Audits	2,639	2,614	2,545
Visits - No Inspection	1,515	1,256	1,055
Visits - No Audit	142	264	214
General Investigations	<u>2</u>	<u>2</u>	<u>2</u>
TOTAL	7,812	7,632	7,085

THE NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

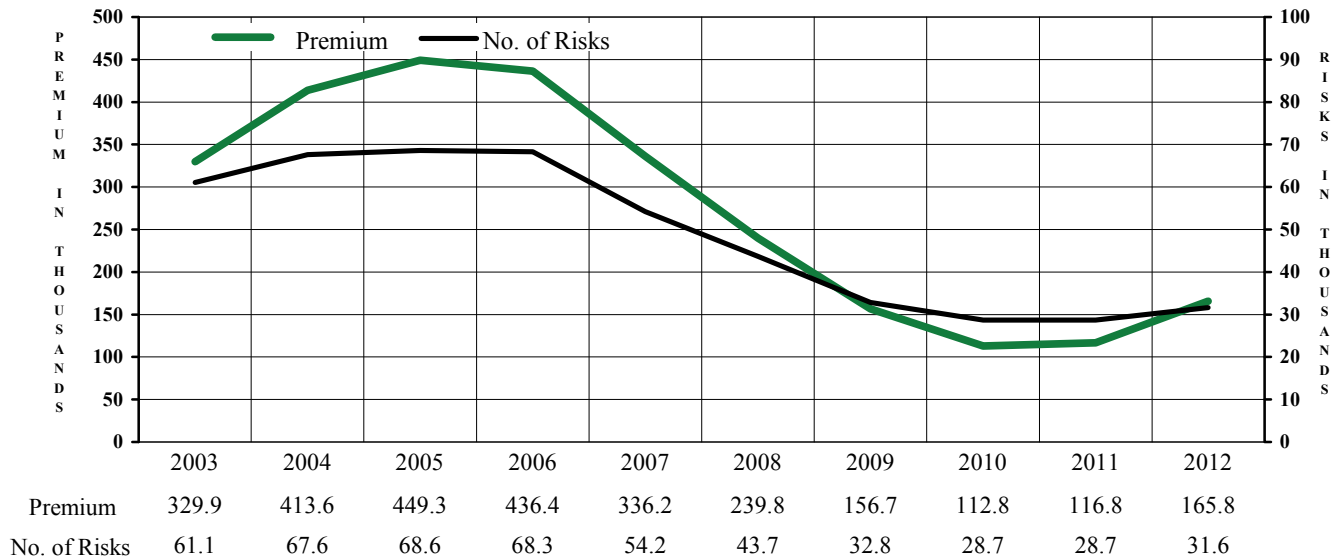
At the end of 2012, there were 31,580 Plan risks with an estimated annual premium of \$165,833,747, which represents approximately 6.0% of the total New Jersey workers compensation market, compared to 4.5% in 2011. The residual market currently provides coverage to approximately 16.3% of New Jersey's insured employers. There were 10,561 new designations in 2012, representing a 18.8% increase from the 8,886 employers newly designated in 2011. There were 7,817 withdrawals in 2012, representing a decrease of approximately 23.4% from the 10,205 withdrawals in 2011. There were 4,393 employers reassigned to new insurance companies, representing a significant increase from the 1,102 in 2011. This increase is primarily the result of changes to Plan servicing carriers that become effective on January 1, 2012. The Web Application Submission System for Plan risks processed 6,585 new designations, accounting for 62% of new Plan activity, compared to 65% in 2011.

MONTHLY PLAN ACTIVITY – 2012



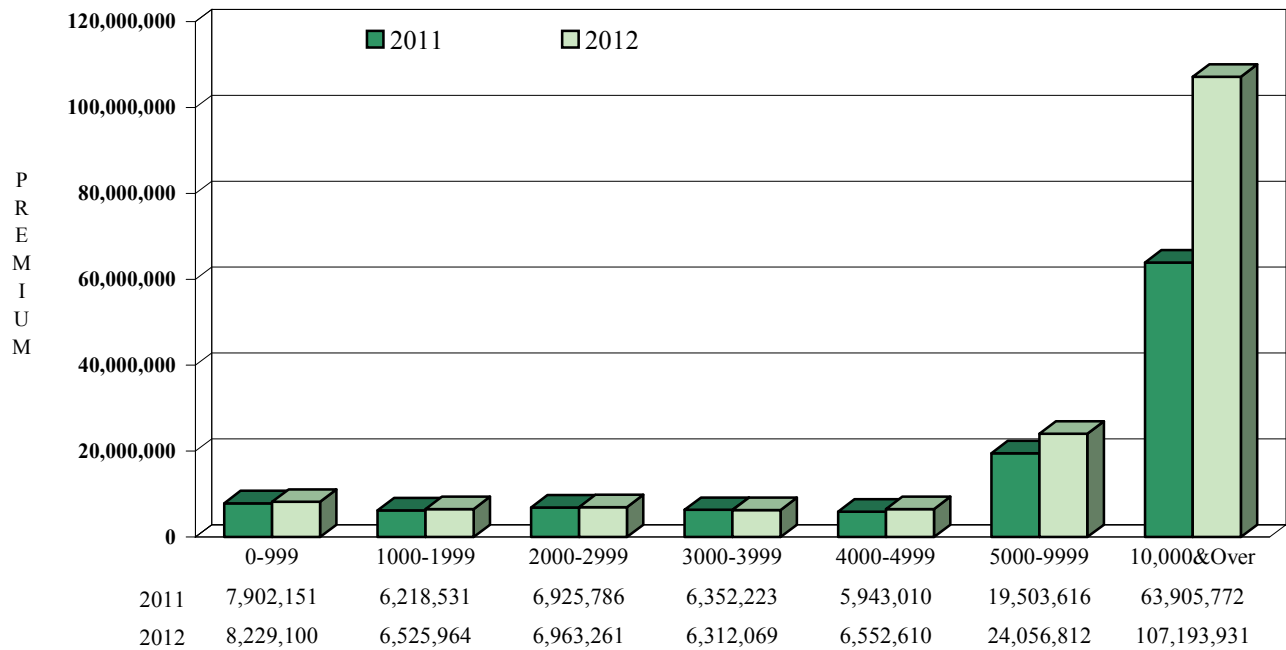
The 31,580 Plan risks with an estimated annual Plan premium of \$165,833,747 is compared with 28,674 risks with an estimated annual Plan premium of \$116,751,089 at the end of 2011. The result is an increase of approximately 10.1% in the total number of Plan risks and an increase of 42.0% in the estimated annual Plan premium. These results reflect an increase in overall Plan activity with a stronger weighting in policies with above average premium. The following graph shows the development since 2003.

RISKS & PREMIUM DEVELOPMENT THROUGH 2012

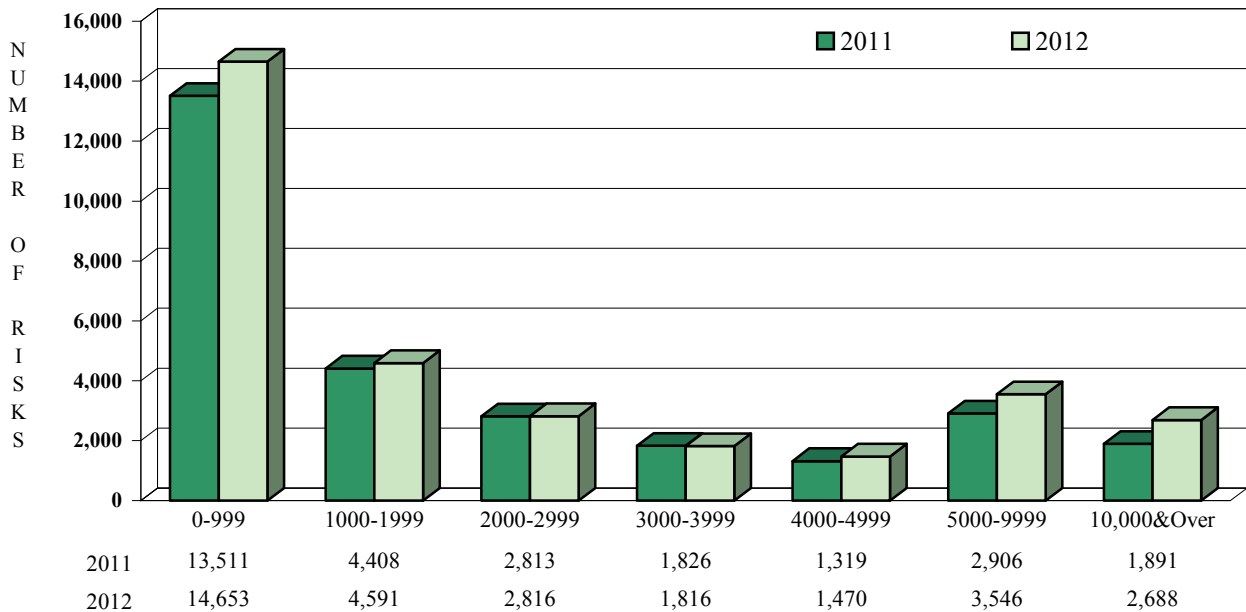


In 2012, 91.5% of Plan risks and 35.4% of the annual Plan premium were in the premium size group of \$0 to \$9,999. Last year, 93.4% of Plan risks and 45.3% of Plan premium were in the same premium size group. The average Plan risk generated premium of \$5,251 in 2012, up from \$4,072 in 2011. The increase in Plan business in 2012 is reflective of growth in Plan risks with premium size of \$10,000 or greater.

PREMIUM DISTRIBUTION BY PREMIUM GROUP SIZE



RISK DISTRIBUTION BY PREMIUM GROUP SIZE



Premium credit of \$423,655,264 was in effect December 31, 2012 for 37,795 Plan risks written as regular business compared to \$471,362,469 of premium for 38,008 risks as of December 31, 2011. The credit procedure has been in effect since July 1, 1963.

The distribution of Plan Risks as of December 31, 2012 is shown in Table V, and the historic exhibit of claim experience under the Plan is shown in Table VI.

TABLE V

**New Jersey Workers Compensation Insurance Plan
Business by Companies as of December 31, 2012
(Premium is Policy or Plan Estimate)**

Insurance Company*	Completed Transactions		Outstanding Renewals		Outstanding New		Total Assignments		Voluntary Credits		Grand Totals		Factor
	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium	
Amguard Insurance Company (P)	2,154	\$9,100,402			278	603,990	2,432	\$9,704,392			2,432	\$9,704,392	0.998
Continental Insurance Co. of NJ	564	2,250,642	57	204,604			621	2,455,246	972	8,888,408	1,593	11,343,654	1.016
Hartford Underwriters Ins. Co.	498	1,967,858	69	604,846	3	3,489	570	2,576,193	9,648	60,644,650	10,218	63,220,843	1.025
Liberty Insurance Corporation (P)	7,976	44,316,957	360	1,710,560	256	2,550,806	8,592	48,578,323			8,592	48,578,323	1.000
New Jersey Casualty Ins. Co.	12,113	59,700,473	814	3,312,745	101	594,418	13,028	63,607,636	774	23,108,595	13,802	86,716,231	1.007
Technology Insurance. Co. (P)	2,536	9,299,135	3	5,369	129	440,650	2,668	9,745,154			2,668	9,745,154	1.000
Travelers Prop. Cas. Co. (P)	3,420	27,414,186	115	438,091	131	1,299,672	3,666	29,151,949			3,666	29,151,949	1.000
All Pool Companies			3	14,854			3	14,854	26,401	331,023,611	26,404	331,038,465	
Total	29,261	\$154,049,653	1,421	\$6,291,069	898	\$5,493,025	31,580	\$165,833,747	37,795	\$423,665,264	69,375	\$589,499,011	

P - Servicing Member of National Workers Compensation Reinsurance Association NFP.

* - Including Companies under the same management.

TABLE VI**Historical Plan Experience**

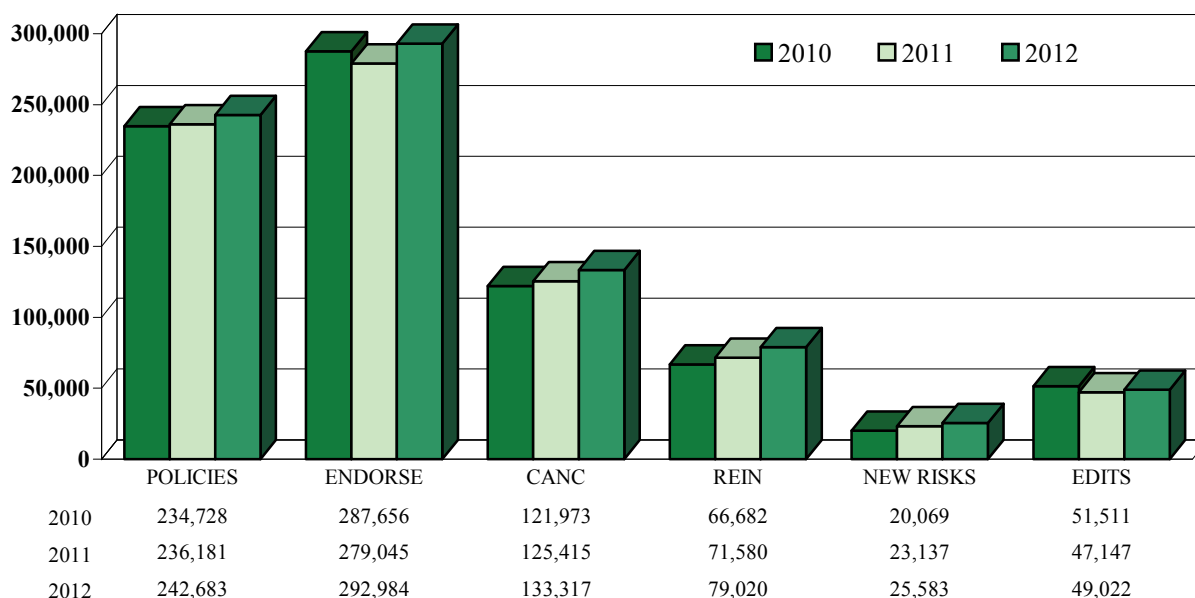
<u>Policy Year</u>	<u>Number of Policies</u>	<u>Percentage of Total</u>	<u>Standard Premium Incl. L & E Constant</u>	<u>Percentage of Total</u>	<u>Total Incurred Losses</u>	<u>Loss Ratio</u>
1976	18,953	12.9%	\$ 24,923,363	6.0%	\$ 19,355,848	77.66%
1977	30,145	19.1	42,369,210	8.5	24,420,735	57.64
1978	41,444	24.0	76,230,056	12.9	42,544,850	55.81
1979	46,860	26.0	88,406,063	12.8	42,289,122	47.84
1980	44,885	27.0	95,777,392	12.0	47,962,246	50.08
1981	37,229	25.9	72,533,154	8.4	31,500,105	43.43
1982	32,731	22.4	44,745,514	5.0	24,967,992	55.80
1983	27,550	18.1	29,283,820	3.4	20,126,267	68.73
1984	26,552	16.6	27,669,562	3.1	20,345,537	73.53
1985	34,777	20.8	54,553,834	6.5	49,321,110	90.41
1986	42,971	24.9	80,071,439	8.9	73,781,916	92.15
1987	47,727	26.8	102,026,176	9.6	92,172,890	90.34
1988	48,742	27.0	118,973,937	10.1	102,050,081	85.78
1989	49,926	27.6	118,668,817	11.0	131,916,139	111.16
1990	50,527	28.7	143,849,745	12.2	138,850,602	96.52
1991	53,911	31.4	168,111,234	15.0	177,046,294	105.31
1992	61,759	36.4	216,892,457	17.5	199,604,902	92.03
1993	67,965	40.9	359,253,876	24.7	200,578,867	55.83
1994	69,760	42.3	352,742,899	21.7	178,709,781	50.66
1995	68,643	41.9	296,942,975	18.3	148,686,259	50.07
1996	56,451	34.7	177,571,390	10.9	98,814,752	55.65
1997	42,170	25.7	95,271,639	6.0	57,247,973	60.09
1998	29,742	17.3	56,858,821	3.6	37,941,190	66.73
1999	25,586	14.0	49,091,964	3.0	40,843,491	83.20
2000	26,707	14.1	72,193,510	4.4	51,259,189	71.00
2001	33,778	17.4	140,034,917	8.3	109,176,323	77.96
2002	47,021	24.6	244,450,916	14.0	194,869,241	79.72
2003	58,838	30.7	357,598,535	18.6	273,486,110	76.48
2004	64,145	33.3	420,642,338	20.1	269,705,716	64.12
2005	67,557	34.1	469,161,779	19.5	293,286,674	62.51
2006	60,605	30.4	413,975,542	16.1	278,807,701	67.35
2007	52,164	26.0	317,136,678	12.0	187,423,894	59.10
2008	42,020	21.2	223,322,559	8.7	125,555,574	56.22
2009	31,889	16.3	150,422,902	6.2	77,438,187	51.48
2010	27,510	14.0	118,477,112	5.0	65,269,932	55.09

POLICY REVIEW DIVISION

POLICY FILINGS

In 2012, the total filings of policies, endorsements, cancellations and reinstatements received amounted to 748,004 compared to 712,221 the previous year. This change represents an increase of 5.0%. Policies and endorsements increased 4.0%. Cancellations and reinstatements increased by 7.8%. New risks increased 10.6%. The computer edit error rate for all policies increased 4.0%.

RECEIPT AND DISTRIBUTION OF POLICY MATERIAL



POLICY FORMS

In 2011, the amount of specimen policy forms, information pages, endorsements, cancellations or reinstatements reviewed was 551. During the previous year, 604 were reviewed.

COVERAGE RECORDS

The Bureau has been designated by the Commissioner of Banking and Insurance to receive policy filings to establish the record of coverage required by N.J.S.A. 34:15-78. The filings include the information page and all endorsements, cancellations and reinstatements notices applicable to each policy.

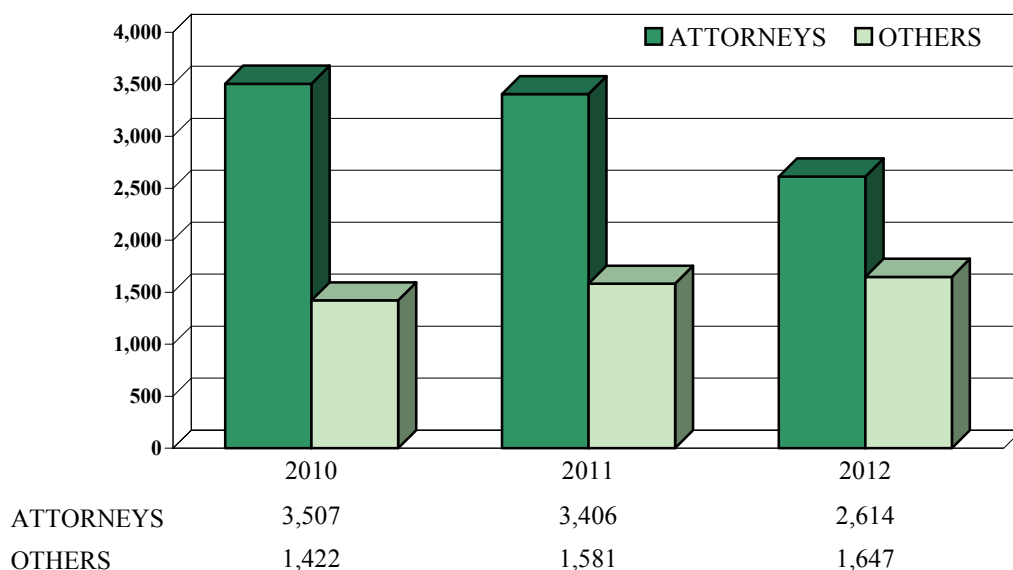
Policy material, correspondence, reports of experience and inspection reports with respect to a given New Jersey employer are housed in individual risk files. Each file is identified by a six-digit number. The file number is determined from the name of the employer through the use of a computer inquiry system by the Alpha Search Department of the Policy Review Division.

In 2012, a total of 185,135 documents consisting of correspondence, as well as inspection and audit reports and transmittal letters were imaged. Each Bureau employee has immediate access to all information for a risk, including correspondence, policies, endorsements, cancellations, reinstatements, audits, inspections, statistical reports and rating data.

The record of coverage filed with the Bureau is often subpoenaed in cases where the State of New Jersey prosecutes an employer for failing to carry workers compensation insurance. A representative of the Bureau is often required to appear with records before a grand jury or in court to provide testimony.

Most inquiries into the record of coverage are made via correspondence from attorneys representing claimants. Other inquiries come from the Department of Labor and Workforce Development or from insurance companies seeking to confirm their own records or to identify subcontractors with respect to premium audit matters. Coverage records are also available at the Bureau's website. As illustrated below, the 2,614 written requests from attorneys in 2012 represented a decrease of 23.3% from 2011. This decrease is likely the result of an increased use of the Bureau's website. The Bureau also received 1,272 letters from the Department of Labor and Workforce Development, 124 e-mails from insurance companies seeking policy information, 57 letters requesting copies of cancellation notices and transmittal letters, and 194 letters from insurance companies and labor unions regarding policy matters.

RECORD OF COVERAGE INQUIRIES (Paper Format Only)



INFORMATION TECHNOLOGY SERVICES DIVISION

The processing of statistical reports of experience, experience ratings, field audit selections, policy coverage requests, Plan Risk accounting and selection of carriers to provide coverage on behalf of employers unable to secure voluntary coverage are handled in large measure through the use of the Bureau's IBM mainframe equipment. Specific information from the policies, as well as all data from the carriers' reporting of experience, are stored on direct access storage and magnetic tape devices, thus facilitating the automated processing and review. The proper functioning of this division has a direct impact on the quality of work that the Bureau staff performs each day.

Carriers have the option to subscribe to the national standard formatted electronic data packages of rates, surcharges and classification data (WC RATE), experience modification data (WC MODS) and policy pre-delinquent and delinquent data (WC CNTL) for unit statistical filing purposes. The ability of a carrier to be able to immediately input policy year rates, surcharges and classification data eliminates the high percentage of rate and surcharge errors usually found in January and February policies.

Carriers are encouraged to use policy and statistical electronic filing methods. The flow of hard copy submissions increases expense costs for the carrier and Bureau. Electronic reporting improves the timeliness of data submission and enhances the credibility and quality of the data being submitted. National WCIO data reporting specifications (WC POLS and WC STAT) for electronic submissions of data are in place, and the Bureau is committed to assisting any carrier to reduce and eliminate hard copy filings.

The ITS Division maintains the Bureau's website, www.njcrib.com, which provides the New Jersey workers compensation insurance community with electronic services and information. Carriers may submit WC POLS and WC STAT data records to the Bureau via the website through the File Transfer Protocol (FTP) or through the Compensation Data Exchange (CDX). Other online services include the New Jersey Workers Compensation Online Insurance Plan Application for Designation of an Insurance Company, the Financial Data Reporting Application and the E-mail Notification Service.

The following information is also available at the Bureau's website: a list of Bureau contacts, Bureau News, the latest Annual Report, Circulars and Bulletins, the Bureau Manual, Actuarial Statistics, New Jersey Forms and Workers Compensation Rates. The website also makes available data searches for Classification Experience, Experience Rating Modifications and Residual market population information. The Policy Coverage Search Inquiry contains six years of policy data including cancellations and reinstatements. This data is updated every 24 hours.

Additionally, the Bureau offers carrier members a secure portal to obtain Experience Rating worksheets (eRatings) and Plan Risk Daily Assignments and corresponding documents.

ACTUARIAL SERVICES DIVISION

Statistics constitute the foundation of the workers compensation insurance pricing system, and are necessary in the continuous work of maintaining rates and rating plans on a current basis. They are also important for research and the formulation of new rating concepts.

The reporting of individual policy experience through the Statistical Plan forms the basis of the policy year experience referred to as Schedule "Z." These detailed reports are used for various analyses, experience and retrospective ratings as well as for classification pure premium relativities. For each policy, these reports include the audited payrolls, premium rates charged, experience modification (if any) and all items affecting the cost of coverage. They also include a separate listing of the incurred indemnity and medical losses for each compensable accident. Each report is valued by the carrier as of the eighteenth month after the month in which the policy became effective, and is filed with the Bureau approximately twenty and one-half months after the inception month of the policy. Tables VII through X flow from this data.

Calendar year Schedule "W" data (Exhibits A and B in the appendix) show the developments which occurred during 2012 with respect to both premiums and losses under all policies in effect since January 1, 1942. These Exhibits illustrate the reason for retaining a long period of years in the Schedule "W" report. The data show there is significant claim activity indicating that ultimate payments may be more or less than originally estimated. Exhibits C and D in the appendix also flow from the Schedule "W" data.

It should be noted that the premium data included in Tables VII through X and in Exhibits A through D are on a gross or "standard" basis. Standard premium is primarily used for ratemaking purposes and does not represent the premium that is ultimately collected by the insurance carriers ("net" premium). Net premium results from the application of various rating programs that affect the final cost to employers. The loss ratios displayed in the Tables and Exhibits are determined by dividing the incurred losses by the standard premium. Loss adjustment expenses and any operating expenses must be considered along with the loss ratio when assessing the profitability of the system.

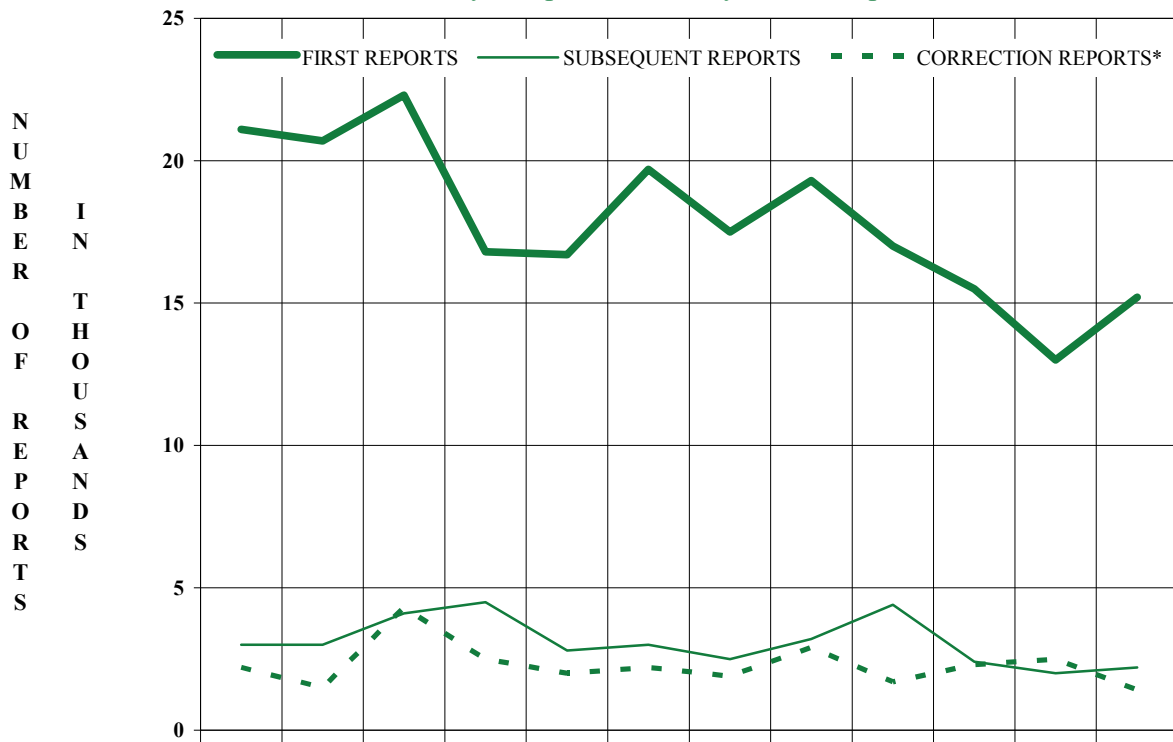
Statistics are not meaningful unless they have been subjected to quality analyses. Such quality with respect to the data filed through the Statistical Plan is, in large measure, dependent on whether payrolls have been audited properly and claims have been assigned to the proper classifications. In this regard, an extensive test payroll audit program and a data quality processing system directed toward the classification of claims are in place. Schedule "W" data can be filed electronically at the Bureau's website, using the Financial Data Reporting Application (FDRA). FDRA subjects data to an extensive series of edits to assure the reasonableness of the data. As a result of these ongoing quality control programs, the Bureau has confidence in the credibility of the data used in the pricing of insurance.

The Bureau's website contains useful actuarial information, which is updated throughout the year. The latest paid and incurred policy and accident year loss development factors on an aggregate basis, as well as data concerning the latest trend factor, are some of the information available at the website.

STATISTICAL

Reports of policy year experience are received on a routine, scheduled basis related to the policy effective date. After the first report is filed, nine subsequent reports are required at annual intervals. These reports are necessary to establish and maintain appropriate classification pure premiums and in the calculation of individual risk ratings. Approximately 99.37% are received electronically and 0.63% are received in paper format.

EXPERIENCE REPORTS RECEIVED DURING 2012
Policy Inception Date May 2010 to April 2011



CALENDAR MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
POLICY MONTH	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
FIRST REPORTS	21.1	20.7	22.3	16.8	16.7	19.7	17.5	19.3	17.0	15.5	13.0	15.2
SUBSEQUENT REPORTS	3.0	3.0	4.1	4.5	2.8	3.0	2.5	3.2	4.4	2.4	2.0	2.2
CORRECTION REPORTS*	2.2	1.5	4.3	2.5	2.0	2.2	1.9	2.9	1.7	2.3	2.5	1.4

The number of first reports received by the Bureau decreased from 215,082 for calendar year 2011 to 214,755 in calendar year 2012. The number of subsequent reports decreased from 40,604 in calendar year 2011 to 37,212 in calendar year 2012. The number of “late” first reports, i.e., reports for policy inception months outside of the range in the above graph totaled 1,962 and the number of “late” subsequent reports was 1,582. The number of correction reports* received by the Bureau increased from 24,736 in calendar year 2011 to 27,359 in calendar year 2012.

* The figure for Correction Reports reflects all corrections received, including those that fall outside of this Policy Inception Date range.

TABLE VII
Historical Record
New Jersey Workers Compensation Insurance
Policy Year Experience – Schedule “Z”

<u>Policy Year</u>	<u>Payrolls</u>	<u>Standard Premium</u>	<u>Benefits (Incurred Losses)</u>	<u>Loss Ratio</u>
1917 – 1966	\$158,310,141,123	\$2,352,476,545	\$1,334,076,065	56.71%
1967	12,064,028,385	216,412,747	124,968,868	57.75
1968	13,041,009,169	244,453,296	136,710,750	55.93
1969	14,359,295,241	269,152,306	146,152,948	54.30
1970	15,505,945,738	279,521,408	154,399,390	55.24
1971	16,567,193,740	292,022,218	165,021,354	56.51
1972	18,159,136,673	325,648,401	190,081,640	58.37
1973	19,438,340,466	349,400,396	218,316,790	62.48
1974	20,604,436,767	352,158,561	235,838,780	66.97
1975	21,667,396,678	360,418,423	252,638,790	70.10
1976	23,397,036,246	412,598,232	266,307,728	64.54
1977	25,744,549,233	500,291,693	288,710,021	57.71
1978	28,303,648,446	590,066,853	294,332,539	49.88
1979	30,562,909,053	687,751,366	307,291,953	44.68
1980	33,418,523,291	794,096,282	322,120,476	40.56
1981	35,622,703,963	860,794,357	334,541,486	38.86
1982	38,061,276,672	884,799,224	347,929,544	39.32
1983	42,026,040,816	865,418,501	406,298,137	46.95
1984	46,783,172,626	878,439,267	464,541,392	52.88
1985	51,474,675,840	834,609,822	516,628,882	61.90
1986	55,801,445,075	892,564,167	593,008,576	66.44
1987	61,081,724,912	1,049,255,787	693,429,183	66.09
1988	64,812,682,582	1,162,668,484	763,295,250	65.65
1989	67,852,361,291	1,071,937,741	853,526,272	79.62
1990	68,827,366,854	1,094,360,686	869,900,637	79.49
1991	69,946,595,509	1,112,582,886	884,135,777	79.47
1992	73,520,899,303	1,226,607,863	907,663,021	74.00
1993	76,291,094,882	1,433,085,707	903,536,103	63.05
1994	77,607,894,202	1,605,540,592	857,700,458	53.42
1995	78,450,694,603	1,623,163,094	830,544,570	51.17
1996	85,762,092,960	1,633,459,838	837,417,547	51.27
1997	89,623,613,674	1,590,829,767	877,032,669	55.13
1998	97,266,119,996	1,567,887,889	942,381,442	60.11
1999	107,118,565,196	1,609,757,126	1,071,757,349	66.58
2000	113,818,367,589	1,625,320,242	1,138,515,346	70.05
2001	120,146,478,705	1,696,374,327	1,196,648,775	70.54
2002	123,866,694,409	1,747,631,963	1,287,181,500	73.65
2003	127,094,274,564	1,921,315,768	1,317,064,869	68.55
2004	133,084,170,363	2,089,426,998	1,282,670,203	61.39
2005	141,088,854,099	2,407,614,717	1,385,834,339	57.56
2006	147,321,261,508	2,570,410,531	1,428,020,134	55.56
2007	155,048,490,407	2,640,331,740	1,372,980,198	52.00
2008	151,117,130,577	2,567,745,591	1,281,090,560	49.89
2009	149,407,902,549	2,409,040,244	1,188,270,079	49.33
2010	153,193,071,089	2,384,035,634	1,052,512,611	44.15
Total:	\$3,254,261,307,064	\$55,083,479,280	\$32,323,025,001	58.68%

TABLE VIII
Experience by Size – All Risks
Policy Year 2010 – 1st Report

Premium Size		Number of Risks on Annual Basis	Standard Premiums	Total Incurred Losses	Loss Ratio
From	To				
Minimum	Premium	21,601.11	\$ 7,917,723	\$ 6,940,847	87.66%
\$ 0	99	4,436.41	307,466	12,875	4.19
100	199	10,128.16	1,526,002	505,212	33.11
200	299	9,312.30	2,328,376	501,724	21.55
300	399	8,207.76	2,857,004	832,161	29.13
400	499	6,484.63	2,907,027	1,671,303	57.49
500	599	5,839.74	3,210,983	1,430,654	44.56
600	699	7,641.99	4,958,041	3,109,661	62.72
700	799	4,939.58	3,682,495	1,119,926	30.41
800	899	4,211.36	3,577,020	1,289,729	36.06
900	1,099	7,317.34	7,288,307	5,946,916	81.60
1,100	4,999	62,397.09	158,490,787	70,247,389	44.32
5,000	9,999	19,289.05	136,019,227	64,024,005	47.07
10,000	24,999	15,085.12	234,200,177	96,562,923	41.23
25,000	49,999	6,029.21	210,962,023	88,962,933	42.17
50,000	99,999	3,439.95	239,016,350	109,064,917	45.63
100,000	249,999	2,307.28	352,267,676	154,658,108	43.90
250,000	499,999	740.87	259,443,373	122,017,462	47.03
500,000	999,999	325.66	224,772,025	95,163,557	42.34
1,000,000	& Over	194.95	486,882,289	229,529,952	47.14
Total		199,929.56	\$2,342,614,371	\$1,053,592,254	44.98%
Over					
Min. Prem.	1,099	68,519.27	\$ 32,642,721	\$ 16,420,161	50.30%
1,100	& Over	109,809.18	2,302,053,927	1,030,231,246	44.75

TABLE IX
SIZE OF RISK EXPERIENCE – HISTORIC
Premium in Thousands of Dollars

Policy Year	Minimum Premium Risks Only		Premiums \$0 – \$1,099 Inc. Min Prem.		Premiums \$1,100 and Over		Total All Risks	
	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio
1986	1,667.4	130.97%	34,337.0	86.93%	858,227.2	65.70%	892,564.2	66.44%
1987	2,164.5	131.05	35,134.5	73.04	1,014,003.2	65.85	1,049,137.7	66.09
1988	2,803.4	137.85	35,327.5	86.23	1,127,341.0	65.01	1,162,668.5	65.65
1989	2,772.3	151.26	36,169.1	102.90	1,041,268.0	78.66	1,077,437.1	79.47
1990	2,888.9	155.82	35,733.4	111.42	1,064,580.1	78.33	1,100,313.5	79.40
1991	3,016.0	146.62	35,047.6	103.37	1,083,776.0	78.62	1,118,823.6	79.39
1992	3,372.7	118.37	34,479.1	91.79	1,198,569.1	73.36	1,233,048.2	73.87
1993	5,292.7	59.22	34,243.0	81.50	1,415,850.2	62.06	1,450,093.2	62.52
1994	7,308.8	78.07	34,525.1	63.96	1,583,764.6	52.87	1,618,289.7	53.11
1995	8,072.9	50.49	35,295.8	57.68	1,600,433.7	50.72	1,635,729.5	50.87
1996	8,137.7	36.02	35,762.3	57.79	1,609,462.4	50.81	1,645,224.7	50.96
1997	8,105.6	51.43	37,367.4	73.14	1,513,239.3	56.21	1,550,606.7	56.62
1998	9,348.7	33.26	41,200.7	65.66	1,446,227.1	63.43	1,487,427.8	63.49
1999	8,604.0	46.82	44,107.7	67.17	1,500,932.4	69.59	1,545,040.1	69.52
2000	8,452.4	49.95	45,905.1	69.71	1,539,341.5	72.10	1,585,246.6	72.04
2001	7,735.0	61.97	45,453.4	80.66	1,650,834.4	70.82	1,696,287.9	71.09
2002	6,957.6	53.17	43,377.4	58.33	1,728,436.3	73.06	1,771,813.8	72.70
2003	7,185.3	38.11	41,291.5	69.47	1,912,931.9	67.41	1,954,223.3	67.45
2004	7,171.1	46.87	40,530.8	65.15	2,090,527.0	60.23	2,131,057.9	60.32
2005	7,865.3	43.34	40,650.0	53.75	2,414,496.4	56.65	2,455,146.4	56.60
2006	8,155.0	46.46	40,579.1	56.36	2,573,436.5	54.72	2,614,015.6	54.74
2007	8,268.3	52.08	40,671.7	62.26	2,622,081.1	51.48	2,662,752.8	51.65
2008	8,161.1	54.65	40,548.8	47.18	2,527,041.6	50.01	2,567,590.3	49.97
2009	7,960.2	44.19	40,681.7	53.37	2,353,211.3	49.67	2,393,893.0	49.73
2010	7,917.7	87.66	40,560.4	57.60	2,302,053.9	44.75	2,342,614.4	44.98

The data included for policy years 2007 through 2010 are from the latest statistical report. All other policy years are from the fifth statistical report.

MINIMUM PREMIUM FORMULA CHANGES

Effective July 1, 1971 – Eight times the rate plus the loss and expense constant.
 Effective July 1, 1976 – Twelve times the rate plus the loss and expense constant.
 Effective July 1, 1977 – Fifteen times the rate plus the loss and expense constant.
 Effective July 1, 1978 – Eighteen times the rate plus the loss and expense constant.
 Effective Jan. 1, 1987 – Twenty-One times the rate plus the loss and expense constant.
 Effective Jan. 1, 1989 – Twenty-Five times the rate plus the expense constant.
 Effective Jan. 1, 1991 – Twenty-Eight times the rate plus the expense constant.
 Effective Jan. 1, 1993 – Forty times the rate plus the expense constant.
 Effective Jan. 1, 1994 – Sixty times the rate plus the expense constant.
 Effective Jan. 1, 1995 – Seventy times the rate plus the expense constant.
 Effective Jan. 1, 1996 – Eighty times the rate plus the expense constant.
 Effective Jan. 1, 1997 – Ninety times the rate plus the expense constant.
 Effective Jan. 1, 1998 – One Hundred times the rate plus the expense constant.

TABLE X

UNIT PLAN
POLICY YEAR EXPERIENCE – NEW JERSEY
BY REPORT LEVEL

<u>Report</u>	<u>Number</u> <u>of</u> <u>Policies</u>	<u>Payroll</u>	<u>Standard</u> <u>Premium</u>		<u>Death</u>	<u>Permanent</u> <u>Total</u>	<u>Permanent</u> <u>Partial</u> <u>Major</u>	<u>Permanent</u> <u>Partial</u> <u>Minor</u>	<u>Temporary</u> <u>Total</u>	<u>Medical</u> <u>Only</u>	<u>Total</u>
<u>2006</u>											
First	199,106	146,885,658,241	2,579,192,127	Number	49	31	905	11,899	18,254	73,444	104,582
				Indemnity	11,091,988	8,360,532	88,040,282	244,985,194	114,255,121	--	466,733,117
				Medical	2,277,941	53,121,700	101,335,844	191,424,085	153,348,576	80,132,706	581,640,852
Second	199,341	147,199,252,607	2,571,726,461	Number	53	46	1,255	13,469	18,504	74,551	107,878
				Indemnity	12,521,595	13,325,701	137,675,702	288,878,915	124,693,488	--	577,095,401
				Medical	3,263,438	68,519,415	132,820,790	199,437,267	151,819,169	81,111,069	636,971,148
Third	199,407	147,387,361,586	2,570,595,988	Number	54	65	1,496	13,507	18,524	74,696	108,342
				Indemnity	15,251,912	20,174,536	176,541,073	306,289,498	126,467,211	--	644,724,230
				Medical	3,189,742	91,676,636	157,967,586	202,405,398	138,132,139	80,694,638	674,066,139
Fourth	199,401	147,314,147,517	2,570,072,974	Number	58	76	1,640	13,389	18,530	74,761	108,454
				Indemnity	15,939,287	23,289,093	192,851,547	317,811,858	135,696,375	--	685,588,160
				Medical	3,383,320	89,392,875	171,538,206	207,708,719	142,341,296	80,202,036	694,566,452
Fifth	199,400	147,321,261,508	2,570,410,531	Number	59	108	1,729	13,388	18,464	74,814	108,562
				Indemnity	16,491,371	31,389,536	213,334,299	322,961,883	131,010,550	--	715,187,639
				Medical	3,360,182	98,433,717	183,779,198	207,416,618	139,710,331	80,132,449	712,832,495
<u>2007</u>											
First	199,550	154,541,444,012	2,652,327,001	Number	54	36	766	11,354	18,194	71,597	102,001
				Indemnity	14,857,659	6,522,608	82,654,524	234,956,770	128,964,988	--	467,956,549
				Medical	520,745	18,081,181	98,332,392	190,184,784	171,336,666	79,636,243	558,092,011
Second	199,969	155,102,456,962	2,646,098,143	Number	62	45	1,148	13,014	18,276	72,128	104,673
				Indemnity	18,167,108	9,010,374	135,436,582	294,358,366	142,547,022	--	599,519,452
				Medical	534,820	22,152,001	141,880,071	210,369,311	165,003,053	79,075,450	619,014,706
Third	200,041	155,037,729,187	2,640,847,215	Number	64	52	1,378	13,369	18,209	72,120	105,192
				Indemnity	19,852,853	13,186,728	168,698,522	318,494,682	148,545,007	--	668,777,792
				Medical	5,067,951	23,014,324	160,013,360	219,243,696	157,825,492	78,480,746	643,645,569
Fourth	200,406	155,048,490,407	2,640,331,740	Number	65	82	1,574	13,475	17,976	72,176	105,348
				Indemnity	21,367,057	24,375,510	182,981,336	330,754,657	150,845,116	--	710,323,676
				Medical	5,773,991	35,173,290	163,786,275	221,321,872	157,935,292	78,665,802	662,656,522
<u>2008</u>											
First	198,274	152,587,618,199	2,580,045,626	Number	50	22	666	9,978	16,847	64,735	92,298
				Indemnity	17,838,535	4,951,840	73,313,020	218,067,477	134,004,892	--	448,175,764
				Medical	1,837,874	20,074,544	69,244,067	173,836,775	175,743,066	77,866,767	518,603,093
Second	198,446	151,111,477,225	2,569,030,911	Number	60	30	1,014	11,565	16,726	64,806	94,201
				Indemnity	19,734,168	8,317,531	118,034,363	276,098,498	149,345,562	--	571,530,122
				Medical	3,061,757	24,424,647	107,048,362	208,960,643	173,842,925	76,743,517	594,081,851
Third	198,470	151,117,130,577	2,567,745,591	Number	69	47	1,320	12,145	16,302	64,862	94,745
				Indemnity	22,991,362	20,549,010	151,631,950	305,180,145	148,465,263	--	648,817,730
				Medical	3,016,538	22,224,796	145,582,168	219,920,694	165,533,673	75,994,961	632,272,830
<u>2009</u>											
First	195,727	149,350,413,666	2,417,093,274	Number	47	61	710	9,550	15,987	60,358	86,713
				Indemnity	18,540,983	7,905,981	65,890,488	212,837,436	131,143,567	--	436,318,455
				Medical	1,794,774	28,940,699	81,186,471	176,206,811	180,767,873	76,996,661	545,893,289
Second	196,018	149,407,902,549	2,409,040,244	Number	51	69	1,180	10,907	15,859	60,983	89,049
				Indemnity	18,031,562	11,071,105	121,757,780	262,329,421	148,733,508	--	561,923,376
				Medical	1,497,515	29,955,558	130,270,823	202,850,870	185,024,234	76,747,703	626,346,703
<u>2010</u>											
First	196,582	153,193,071,089	2,384,035,634	Number	55	46	770	10,317	16,240	60,376	87,804
				Indemnity	13,390,697	5,977,056	69,771,029	223,773,000	149,153,000	--	462,064,782
				Medical	11,154,638	12,636,457	77,468,143	190,783,926	214,689,567	83,715,098	590,447,829

CONCLUSION

The responsibilities and operations of the Bureau are numerous, varied and often complex. In addition to the Bureau, there are many other participants who have contributed to the success of New Jersey's Workers Compensation System including employers, legislators, governmental agencies, attorneys, judges of compensation, insurers, insurance producers, and others. The Bureau looks forward to working with these individuals and groups to ensure the continued success of the system.

To maintain an effective operation capable of addressing its day-to-day activities, it is necessary to rely on dedicated persons, many of whom have committed their working careers to the Bureau. We are privileged to have such a group. During 2012, the following individuals were honored for service of 25 years or more:

Carmen Ayaso	25 Years
Iroon Khan	25 Years
Madeline Montalvo	25 Years
Maria Osorio	25 Years
Roxanne Sherrod	30 Years
Patricia Bell	30 Years
Janet Sawh	30 Years
John Skidmore	40 Years

The following individuals retired in 2012. We extend our appreciation for their service and best wishes in their retirements.

Jean Appling	43 Years
Richard Kerber	14 Years

Our thanks also go out to each Bureau employee who has contributed to the Bureau's objectives and goals. While it is not possible to identify all who have contributed to the success of the Bureau, special acknowledgements are appropriate for: **Paul G. Witko** – Associate Executive Director, **Robert Eichler** – Director of ITS, **Salvatore A. Nardone** – Director of Rating, **Janet Nicolai** – Director of Human Resources, **John T. Skidmore** – Director of Policy Review, **Stanley R. Markow** – Director of Actuarial Services, **James O'Hare** – Acting Director of Underwriting, and **Charu Mehta** – Controller.

IN MEMORIAM

On March 7, 2013, *JEAN AUGUSTOWICZ* passed away. Jean had been employed with the Bureau since 1989 in various capacities. Her passing has left a void in the hearts of all who knew her.

This Annual Report is dedicated to Jean Augustowicz.

List of Members as of December 31, 2012

A

Acadia Insurance Company	American Insurance Company
Acceptance Indemnity Insurance Company	American Manufacturers Mutual Insurance Company
Accident Fund General Insurance Company	American Millennium Insurance Company
Accident Fund National Insurance Company	American Mining Insurance Company
ACE American Insurance Company	American Modern Home Insurance Company
ACE Fire Underwriters Insurance Company	American Motorists Insurance Company
ACE Property and Casualty Insurance Company	American Safety Casualty Insurance Company
Accident Fund Insurance Company of America	American States Insurance Company
ACIG Insurance Company	American Universal Insurance Company
Admiral Insurance Company	American Zurich Insurance Company
Advantage Workers Compensation Insurance Co.	Americas Insurance Company
Affiliated FM Insurance Company	AmeriHealth Casualty Insurance Company
AIOI Nissa Dowa Ins. Company of America	Amerisure Insurance Company
AIU Insurance Company	Amerisure Mutual Insurance Company
Alamance Insurance Company	Ameritrust Insurance Corporation
Alea North America Insurance Company	AmGuard Insurance Company
All America Insurance Company	Amica Mutual Insurance Company
Alliance Assurance Company of America	Arch Indemnity Insurance Company
Alliance National Insurance Company	Arch Insurance Company
Allianz Insurance Company	Argonaut Great Central Insurance Company
Allied Eastern Indemnity Company	Argonaut Insurance Company
Allmerica Financial Alliance Insurance Company	Argonaut-Midwest Insurance Company
Allmerica Financial Benefit Insurance Company	Argonaut-Southwest Insurance Company
Allstate New Jersey Insurance Company	ARI Casualty Company
Alterra Reinsurance USA Inc.	ARI Mutual Insurance Company
American Alternative Insurance Corporation	Arrowood Indemnity Company
American Automobile Insurance Company	Associated Indemnity Corporation
American Casualty Company of Reading, PA	Assurance Company of America
American Centennial Insurance Company	Atlanta International Insurance Company
American Compensation Insurance Company	Atlantic Employers Insurance Company
American European Insurance Company	Atlantic Specialty Insurance Company
American Fire and Casualty Company	Automobile Insurance Company of Hartford
American Fuji Fire & Marine Insurance Company	AXA Corporate Solutions Reinsurance Company
American Guarantee and Liability Insurance Co.	AXA Insurance Company
American Home Assurance Company	

B

Balboa Insurance Company	Berkley Regional Insurance Company
BancInsure Inc.	Berkshire Hathaway Homestate Ins. Co.
Bankers Standard Insurance Company	Bituminous Casualty Corporation
Beacon Insurance Company of America	Bituminous Fire and Marine Insurance Company
Benchmark Insurance Company	Bloomington Compensation Ins. Co.
Berkley National Insurance Company	Brotherhood Mutual Insurance Company

C

California Insurance Company	Capitol Indemnity Corporation
Catlin Insurance Company, Inc.	Carolina Casualty Insurance Company
Camden Fire Insurance Association	

List of Members as of December 31, 2012

C

CastlePoint Insurance Company
 CastlePoint National Insurance Company
 Caterpillar Insurance Company
 Central Mutual Insurance Company
 Centre Insurance Company
 Century Indemnity Company
 Charter Oak Fire Insurance Company
 Chartis Property Casualty Company
 Cherokee Insurance Company
 Chubb Indemnity Insurance Company
 Chubb Insurance Company of New Jersey
 Chubb National Insurance Company
 Church Mutual Insurance Company
 Cincinnati Insurance Company
 Cincinnati Casualty Company
 Cincinnati Indemnity Company
 Citizens Insurance Company of America

Clarendon America Insurance Company
 Clarendon National Insurance Company
 Clearwater Insurance Company
 Colonial American Casualty Surety Company
 Commerce and Industry Insurance Company
 Companion Property & Casualty Insurance Co.
 Continental Casualty Company
 Continental Indemnity Company
 Continental Insurance Company
 Continental Insurance Company of New Jersey
 Continental Western Insurance Company
 Corepoint Insurance Company
 Countryway Insurance Company
 Crum and Forster Indemnity Company
 Crum and Forster Insurance Company
 Cumberland Insurance Company, Inc.

D

Dallas National Insurance Company
 Deerfield Insurance Company
 Diamond State Insurance Company

Direct National Insurance Company
 Discover Property and Casualty Insurance Company
 Drive New Jersey Insurance Company

E

Eastern Advantage Assurance Company
 Eastern Casualty Insurance Company
 EastGuard Insurance Company
 Eastern Alliance Insurance Company
 Electric Insurance Company
 Empire Insurance Company
 Employers Assurance Company
 Employers Fire Insurance Company
 Employers Insurance Company of Wausau

Employers Mutual Casualty Company
 Employers Preferred Insurance Company
 Endurance American Insurance Company
 Endurance Reinsurance Corporation of America
 Euler American Credit Indemnity Company
 Everest National Insurance Company
 Excalibur Reinsurance Company
 Excelsior Insurance Company
 Executive Risk Indemnity Insurance

F

Fairmont Premier Insurance Company
 Fairmont Specialty Insurance Company
 Farm Family Casualty Insurance Company
 Farmers Insurance Company of Flemington
 Farmers Insurance Exchange
 Farmers Mutual Fire Insurance Co of Salem County
 Farmington Casualty Company
 Federal Insurance Company
 Federated Rural Electric Insurance Exchange
 Federated Mutual Insurance Company

Fidelity & Deposit Company of Maryland
 Fidelity & Guaranty Insurance Company
 Fidelity & Guaranty Insurance Underwriters, Inc.
 Finial Reinsurance Company
 Fireman's Fund Indemnity Corporation
 Fireman's Fund Insurance Company
 Firemen's Insurance Company of Washington, DC
 First Dakota Indemnity Company
 First Financial Insurance Company
 First Liberty Insurance Corporation

List of Members as of December 31, 2012

F

First National Insurance Company of America
First Nonprofit Insurance Company
Firstline National Insurance Company
Fitchburg Mutual Fire Insurance Company
Florists Mutual Insurance Company
FMI Insurance Company
Foremost Insurance Company Grand Rapids, MI

Foremost Property & Casualty Insurance Company
Foremost Signature Insurance Company
Founders Insurance Company
Frankenmuth Mutual Insurance Company
Franklin Mutual Insurance Company
Frank Winston Crum Insurance, Inc.
Frontier Insurance Company

G

General Casualty Company of Wisconsin
General Insurance Company of America
General Security National Insurance Company
General Star National Insurance Company
Genesis Insurance Company
Granite State Insurance Company
Graphic Arts Mutual Insurance Company
Gray Insurance Company
Great American Alliance Insurance Company
Great American Assurance Company

Great American Insurance Company
Great American Insurance Company of NY
Great Divide Insurance Company
Great Northern Insurance Company
Great West Casualty Company
Greater New York Mutual Insurance Company
Greenwich Insurance Company
Guarantee Insurance Company
GuideOne Mutual Insurance Company

H

Hanover Insurance Company
Hanover American Ins. Company
Harbor Specialty Insurance Company
Harco National Insurance Company
Harford Mutual Insurance Company
Harleysville Insurance Company
Harleysville Insurance Company of New Jersey
Harleysville Preferred Insurance Company
Harleysville Worcester Insurance Company
Hartford Accident and Indemnity Company
Hartford Casualty Insurance Company

Hartford Fire Insurance Company
Hartford Insurance Company of the Midwest
Hartford Underwriters Insurance Company
Highlands Insurance Company
Highmark Casualty Insurance Company
High Point Preferred Insurance Company
Homesite Insurance Company
Homestead Insurance Company
Housing Authority Property Insurance A Mutual Co.
Houston General Insurance Company
Hudson Insurance Company

I

Illinois Insurance Company
Illinois National Insurance Company
Imperium Insurance Company
Indemnity Insurance Company of North America
Indiana Insurance Company

Infinity Assurance Insurance Company
Insurance Company of Greater New York
Insurance Company of North America
Insurance Company of the State of Pennsylvania
Insurance Company of the West

K

Keystone Insurance Company
Key Risk Insurance Company

Koa Fire & Marine Insurance Company

List of Members as of December 31, 2012

L

Lancer Insurance Company
Leading Insurance Group Ins. Co. Ltd.
Liberty Insurance Corporation
Liberty Insurance Underwriters, Inc.
Liberty Mutual Fire Insurance Company
Liberty Mutual Insurance Company
Liberty Mutual Mid-Atlantic Insurance Company

Lincoln General Insurance Company
Lion Insurance Company
LM Insurance Corporation
Lumber Mutual Insurance Company
Lumbermens Mutual Casualty Company
Lumbermens Underwriting Alliance

M

Maine Employers Mutual Insurance Company
Manufacturers Alliance Insurance Company
Markel Insurance Company
Maryland Casualty Company
Massachusetts Bay Insurance Company
MEMIC Indemnity Company
Mercer Insurance Company
Mercer Insurance Company of New Jersey, Inc.
Merchants Mutual Insurance Company
Merchants Preferred Insurance Company
Meridian Security Insurance Company

Metlife Insurance Company of CT
MIC Property & Casualty Insurance Corporation
Mid-Century Insurance Company
Middlesex Insurance Company
Midwest Employers Casualty Company
Midwestern Indemnity Company
Mitsui Sumitomo Insurance Company of America
Mitsui Sumitomo Insurance USA Inc.
Motors Insurance Corporation
Motorists Commercial Mutual Insurance Company

N

National Casualty Company
National Fire Insurance Company of Hartford
National Interstate Insurance Company
National Interstate Insurance Company of Hawaii
National Specialty Insurance Company
National Surety Corporation
National Union Fire of Pittsburgh, Pa.
Nationwide Agribusiness Insurance Company
Nationwide Mutual Fire Insurance Company
Nationwide Mutual Insurance Company
Netherlands Insurance Company
New England Insurance Company
New Hampshire Insurance Company
New Jersey Casualty Insurance Company
New Jersey Indemnity Insurance Company
New Jersey Manufacturers Insurance Company

New Jersey Re-Insurance Company
New York Marine and General Ins. Company
NGM Insurance Company
Nipponkoa Insurance Company, Ltd.
Norfolk and Dedham Mutual Fire Insurance Company
NorGuard Insurance Company
North American Elite Insurance Company
North American Specialty Insurance Company
North Pointe Insurance Company
North River Insurance Company
Northbrook Indemnity Company
Northern Assurance Company of America
Northern Insurance Company of New York
North Sea Insurance Company
Nova Casualty Company

O

Occidental Fire & Casualty Co of North Carolina
Ohio Casualty Insurance Company
Ohio Farmers Insurance Company
Ohio Security Insurance Company

Old Republic Insurance Company
Old Republic General Insurance Corporation
OneBeacon America Insurance Company
OneBeacon Insurance Company

P

Pacific Employers Insurance Company
Pacific Indemnity Company
Pacific Pioneer Insurance Company

Paramount Insurance Company
Partner Re Insurance Company of New York
Pawtucket Insurance Company

List of Members as of December 31, 2012

P

Peerless Indemnity Insurance Company
 Peerless Insurance Company
 Penn Millers Insurance Company
 Penn National Security Insurance Company
 Pennsylvania General Insurance Company
 Pennsylvania Lumbermens Mutual Insurance Co.
 Pennsylvania Manufacturers Association Ins Co.
 Pennsylvania Manufacturers Indemnity Company
 Pennsylvania National Mutual Casualty Ins. Co.
 Petroleum Casualty Company
 Pharmacists Mutual Ins. Company
 Phoenix Insurance Company

Platte River Insurance Company
 Praetorian Insurance Company
 Preferred Mutual Insurance Company
 Preferred Professional Insurance Company
 Preserver Insurance Company
 Princeton Insurance Company
 Progressive Garden State Insurance Company
 Property & Casualty Insurance Co. of Hartford
 Protective Insurance Company
 Providence Washington Insurance Company
 Public Service Mutual Insurance Company

Q

QBE Insurance Corporation

Quincy Mutual Fire Insurance Company

R

Rampart Insurance Company
 Regent Insurance Company
 Republic-Franklin Insurance Company
 Repwest Insurance Company
 Riverport Insurance Company

RLI Insurance Company
 Rochdale Insurance Company
 Royal & SunAlliance Personal Insurance Company
 RVI National Insurance Company

S

SAFECO Insurance Company of America
 Safety First Insurance Company
 Safety National Casualty Company
 Sagamore Insurance Company
 Samsung Fire & Marine Insurance Company Ltd.
 St. Paul Fire and Marine Insurance Company
 St. Paul Mercury Insurance Company
 St. Paul Protective Insurance Company
 SeaBright Insurance Company
 Selective Casualty Insurance Company
 Selective Fire and Casualty Ins. Company
 Selective Insurance Co. of New England
 Select Markets Insurance Company
 Selective Insurance Company of America
 Selective Insurance Company of New York
 Selective Insurance Company of South Carolina
 Selective Insurance Company of Southeast
 Selective Way Insurance Company

Seneca Insurance Company Inc.
 Sentinel Insurance Company, Ltd.
 Sentry Casualty Company
 Sentry Insurance A Mutual Company
 Sentry Select Insurance Company
 Sampo Japan Insurance Company of America
 SPARTA Insurance Company
 Specialty Surplus Insurance Company
 Standard Fire Insurance Company
 Starr Indemnity & Liability Company
 Star Insurance Company
 StarNet Insurance Company
 State Automobile Mutual Insurance Company
 State Auto Property & Casualty Insurance Company
 State Farm Fire and Casualty Company
 State Farm General Insurance Company
 State National Insurance Company, Inc.
 Strathmore Insurance Company

T

Technology Insurance Company, Inc.
 T.H.E. Insurance Company
 TIG Insurance Company

Titan Indemnity Company
 TNUS Insurance Company
 Toa Reinsurance Company of America

List of Members as of December 31, 2012

T

Tokio Marine America Insurance Company	Travelers Commercial Casualty Company
Tokio Marine and Nichido Fire Insurance Co	Travelers Commercial Insurance Company
Tower Insurance Company of New York	Travelers Constitution State Ins. Company
Tower National Insurance Company	Travelers Indemnity Company
Transguard Insurance Company of America Inc.	Travelers Indemnity Company of America
Trans Pacific Insurance Company	Travelers Indemnity Company of Connecticut
Transport Insurance Company	Travelers Property Casualty Co. of America
Transportation Insurance Company	Tri-State Insurance Co. of Minnesota
Travelers Casualty Company	Truck Insurance Exchange
Travelers Casualty Insurance Company of America	Trumbull Insurance Company
Travelers Casualty & Surety Company	Twin City Fire Insurance Company
Travelers Casualty & Surety Company of America	21 st Century Centennial Insurance Company
Travelers Casualty Company of Connecticut	

U

ULLICO Casualty Company	Unitrin Auto & Home Insurance Company
United National Casualty Insurance Company	Unitrin Preferred Insurance Company
United National Specialty Insurance Company	Universal Underwriters Insurance Company
United States Fidelity and Guaranty Company	Universal Underwriters of Texas Insurance Company
United States Fire Insurance Company	U.S. Specialty Insurance Company
United States Liability Insurance Company	Utica Mutual Insurance Company
United Wisconsin Insurance Company	

V

Valiant Insurance Company	Vigilant Insurance Company
Valley Forge Insurance Company	Virginia Insurance Reciprocal
VanLiner Insurance Company	Virginia Surety Company Inc

W

Washington International Insurance Company	Westchester Fire Insurance Company
Wausau Business Insurance Company	Western Diversified Casualty Insurance Company
Wausau Underwriters Insurance Company	Westport Insurance Corporation
Wesco Insurance Company	Work First Casualty Company
West American Insurance Company	

X

XL Insurance America, Inc.	XL Reinsurance America Inc.
XL Insurance Company of New York, Inc.	XL Specialty Insurance Company

Y

York Insurance Company	
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Z

Zenith Insurance Company	Zurich American Insurance Company
ZNAT Insurance Company	Zurich American Insurance Company of Illinois

APPENDIX

EXHIBIT A

Calendar Year 2012
New Jersey Schedule "W" – Total Experience
Policy Year Analysis

Showing premium written, earned & losses incurred under all policies of Workers Compensation and Employers Liability Insurance issued in the State of New Jersey

Cal. Year Ended (a)	Amount To End Of Period In Dollars Only (b)	1942–2006 incl (c)	Experience Under Policies Becoming Effective in Calendar Year						All Years (j)	Experience For Cal. Year (k)
			2007 (d)	2008 (e)	2009 (f)	2010 (g)	2011 (h)	2012 (i)		
Dec. 31, 2007	1-Losses Paid	24,588,401,022	140,519,420	***	***	***	***	***	24,728,920,442	***
	2-Losses Outstanding	6,398,362,706	701,072,527	***	***	***	***	***	7,099,435,233	***
	3-Losses Incurred	30,986,763,728	841,591,947	***	***	***	***	***	31,828,355,675	***
	4-Std Prem Written	45,183,613,522	2,367,129,138	***	***	***	***	***	47,550,742,660	***
	5-Std Prem Earned	45,237,803,789	1,582,633,638	***	***	***	***	***	46,820,437,427	***
	6-Loss Ratio (3/5)	68.50%	53.18%	***	***	***	***	***	67.98%	***
Dec. 31, 2008	7-Losses Paid	25,423,951,651	542,681,371	146,604,375	***	***	***	***	26,113,237,397	1,384,316,955
	8-Losses Outstanding	5,696,823,066	1,004,722,841	723,157,493	***	***	***	***	7,424,703,400	325,268,167
	9-Losses Incurred	31,120,774,717	1,547,404,212	869,761,868	***	***	***	***	33,537,940,797	1,709,585,122
	10-Std Prem Written	45,153,734,287	2,775,413,893	2,386,174,194	***	***	***	***	50,315,322,374	2,764,579,714
	11-Std Prem Earned	45,203,540,326	2,797,516,803	1,619,679,248	***	***	***	***	49,620,736,377	2,800,298,950
	12-Loss Ratio (9/11)	68.85%	55.31%	53.70%	***	***	***	***	67.59%	61.05%
Dec. 31, 2009	13-Losses Paid	26,084,069,465	776,992,220	533,310,225	127,747,259	***	***	***	27,522,119,169	1,408,881,772
	14-Losses Outstanding	5,177,613,153	855,013,877	950,589,766	642,155,838	***	***	***	7,625,372,634	200,669,234
	15-Losses Incurred	31,261,682,618	1,632,006,097	1,483,899,991	769,903,097	***	***	***	35,147,491,803	1,609,551,006
	16-Std Prem Written	45,152,981,154	2,755,839,863	2,733,746,987	2,246,212,921	***	***	***	52,888,780,925	2,573,458,551
	17-Std Prem Earned	45,203,595,173	2,759,208,367	2,737,114,985	1,502,706,253	***	***	***	52,202,624,778	2,581,888,401
	18-Loss Ratio (15/17)	69.16%	59.15%	54.21%	51.23%	***	***	***	67.33%	62.34%
Dec. 31, 2010	19-Losses Paid	26,584,476,090	953,014,504	763,808,414	529,297,340	143,426,954	***	***	28,974,023,302	1,451,904,133
	20-Losses Outstanding	4,729,860,063	700,439,219	816,015,017	918,481,238	619,144,998	***	***	7,783,940,535	158,567,901
	21-Losses Incurred	31,314,336,153	1,653,453,723	1,579,823,431	1,447,778,578	762,571,952	***	***	36,757,963,837	1,610,472,034
	22-Std Prem Written	45,143,653,592	2,749,746,876	2,669,643,040	2,549,284,128	2,116,637,568	***	***	55,228,965,204	2,340,184,279
	23-Std Prem Earned	45,202,012,025	2,753,570,562	2,665,600,190	2,542,373,369	1,414,777,393	***	***	54,578,333,539	2,375,708,761
	24-Loss Ratio (21/23)	69.28%	60.05%	59.27%	56.95%	53.90%	***	***	67.35%	67.79%
Dec. 31, 2011	25-Losses Paid	27,012,547,857	1,073,628,051	947,748,476	765,945,260	571,259,030	144,336,746	***	30,515,465,420	1,541,442,118
	26-Losses Outstanding	4,372,079,115	589,385,099	637,614,053	782,170,222	947,638,113	659,821,984	***	7,988,708,586	204,768,051
	27-Losses Incurred	31,384,626,972	1,663,013,150	1,585,362,529	1,548,115,482	1,518,897,143	804,158,730	***	38,504,174,006	1,746,210,169
	28-Std Prem Written	45,140,648,093	2,748,453,010	2,665,337,860	2,529,904,494	2,487,698,395	2,230,617,179	***	57,802,659,031	2,573,693,827
	29-Std Prem Earned	45,198,714,413	2,752,003,393	2,662,624,601	2,510,954,086	2,512,167,061	1,453,507,490	***	57,089,971,044	2,511,637,505
	30-Loss Ratio (27/29)	69.44%	60.43%	59.54%	61.65%	60.46%	55.33%	***	67.44%	69.52%
Dec. 31, 2012	31-Losses Paid	27,378,847,187	1,166,280,697	1,062,638,690	942,866,044	826,630,632	580,581,024	139,285,994	32,097,130,268	1,581,664,848
	32-Losses Outstanding	4,122,827,291	506,625,658	567,797,633	653,022,748	810,665,010	1,007,090,390	676,053,953	8,344,082,683	355,374,097
	33-Losses Incurred	31,501,674,478	1,672,906,355	1,630,436,323	1,595,888,792	1,637,295,642	1,587,671,414	815,339,947	40,441,212,951	1,937,038,945
	34-Std Prem Written	45,133,089,029	2,754,706,135	2,662,834,266	2,525,410,190	2,495,511,123	2,632,132,622	2,413,298,049	60,616,981,414	2,814,322,383
	35-Std Prem Earned	45,186,283,552	2,758,232,328	2,659,316,850	2,505,229,384	2,514,639,858	2,634,601,329	1,598,552,429	59,856,855,730	2,766,884,686
	36-Loss Ratio (33/35)	69.72%	60.65%	61.31%	63.70%	65.11%	60.26%	51.00%	67.56%	70.01%

EXHIBIT B**New Jersey Schedule "W"****Exhibit of Policy Year Experience
Policy Years 1942–2006****As Developed to December 31, 2012**

Policy Year	Losses			Standard Premium		Loss Ratio
	<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Written</u>	<u>Earned</u>	
1942–1988	\$9,019,482,068	\$422,070,902	\$9,441,552,970	\$15,051,945,784	\$15,062,960,096	62.68%
1989	874,277,318	58,027,247	932,304,565	1,101,573,726	1,112,028,504	83.84
1990	905,519,161	83,431,633	988,950,794	1,113,851,253	1,121,479,689	88.18
1991	897,638,205	70,837,489	968,475,694	1,126,587,707	1,133,241,261	85.46
1992	957,387,667	98,744,023	1,056,131,690	1,249,236,534	1,278,977,995	82.58
1993	941,317,449	100,329,561	1,041,647,010	1,493,887,810	1,463,959,806	71.15
1994	890,506,777	95,293,798	985,800,575	1,612,070,592	1,582,310,468	62.30
1995	895,922,366	109,002,165	1,004,924,531	1,598,957,473	1,601,290,167	62.76
1996	882,211,526	119,221,144	1,001,432,670	1,636,331,091	1,636,975,696	61.18
1997	894,682,770	159,281,700	1,053,964,470	1,550,764,012	1,562,339,846	67.46
1998	935,271,005	204,322,401	1,139,593,406	1,541,436,919	1,547,990,605	73.62
1999	1,008,208,149	266,152,407	1,274,360,556	1,599,576,390	1,597,133,045	79.79
2000	1,067,065,890	308,686,869	1,375,752,759	1,608,289,138	1,609,594,708	85.47
2001	1,157,209,074	310,117,276	1,467,326,350	1,695,293,538	1,687,421,938	86.96
2002	1,209,218,804	293,694,717	1,502,913,521	1,795,642,293	1,812,136,592	82.94
2003	1,229,033,204	275,281,306	1,504,314,510	2,027,613,138	2,011,394,092	74.79
2004	1,186,015,063	317,890,320	1,503,905,383	2,147,831,348	2,175,030,317	69.14
2005	1,239,861,700	396,263,511	1,636,125,211	2,508,345,699	2,503,594,858	65.35
2006	1,188,018,991	434,178,822	1,622,197,813	2,673,854,584	2,686,423,869	60.39
Total:	\$27,378,847,187	\$4,122,827,291	\$31,501,674,478	\$45,133,089,029	\$45,186,283,552	69.72%

EXHIBIT C

Historical Record
New Jersey Workers Compensation Insurance
Calendar Year Experience – Schedule "W"

Calendar Year	Earned Standard Premiums	Available for Benefits (Expected Loss Ratio)	Available for Benefits	Benefits (Incurred Losses)	Actual Loss Ratio	Difference Between Available & Incurred	
						Amount	% of Standard Earned Premium
1917–1967	\$2,440,447,091	58.34%	\$1,423,675,880	\$1,435,193,438	58.81%	(\$11,517,558)	-0.47%
1968	232,314,072	58.22	135,253,253	137,477,633	59.18	(2,224,380)	-0.96
1969	253,468,183	58.09	147,239,668	143,146,697	56.48	4,092,971	1.61
1970	273,993,821	58.16	159,354,806	157,716,621	57.56	1,638,185	0.60
1971	284,666,161	59.07	168,152,301	176,777,315	62.10	(8,625,014)	-3.03
1972	305,410,864	59.04	180,314,574	183,786,341	60.18	(3,471,767)	-1.14
1973	336,940,156	59.05	198,963,162	179,863,173	53.38	19,099,989	5.67
1974	357,401,962	58.51	209,115,888	205,176,270	57.41	3,939,618	1.10
1975	362,243,531	58.12	210,535,940	248,213,049	68.52	(37,677,109)	-10.40
1976	381,091,154	59.15	225,415,418	282,649,183	74.17	(57,233,765)	-15.02
1977	438,187,092	59.31	259,888,764	312,498,866	71.32	(52,610,102)	-12.01
1978	552,686,782	59.32	327,853,799	415,701,778	75.21	(87,847,979)	-15.89
1979	612,366,005	59.84	366,439,817	423,656,759	69.18	(57,216,942)	-9.34
1980	750,623,435	64.33	482,876,056	440,490,276	58.68	42,385,780	5.65
1981	862,414,850	67.03	578,076,674	439,803,819	51.00	138,272,855	16.03
1982	882,140,561	66.25	584,418,122	415,786,560	47.13	168,631,562	19.12
1983	851,705,162	64.94	553,097,332	362,883,241	42.61	190,214,091	22.33
1984	859,093,068	64.85	557,121,855	443,300,073	51.60	113,821,782	13.25
1985	846,301,589	64.94	549,588,252	507,532,527	59.97	42,055,725	4.97
1986	879,321,035	63.81	561,094,752	599,491,622	68.18	(38,396,870)	-4.37
1987	1,012,085,295	61.44	621,825,205	598,253,645	59.11	23,571,560	2.33
1988	1,088,105,229	59.23	644,484,727	783,365,290	71.99	(138,880,563)	-12.76
1989	1,185,371,547	62.20	737,301,102	767,708,837	64.77	(30,407,735)	-2.57
1990	1,110,714,820	68.64	762,394,652	913,281,629	82.22	(150,886,977)	-13.58
1991	1,116,578,810	70.48	786,964,745	1,079,159,030	96.65	(292,194,285)	-26.17
1992	1,233,154,194	70.97	875,169,531	1,201,185,416	97.41	(326,015,885)	-26.44
1993	1,332,883,000	72.25	963,007,968	1,155,279,101	86.68	(192,271,133)	-14.43
1994	1,548,457,360	70.58	1,092,901,205	1,119,208,233	72.28	(26,307,028)	-1.70
1995	1,612,865,810	69.00	1,112,877,409	895,183,292	55.50	217,694,117	13.50
1996	1,604,338,813	70.00	1,123,037,169	850,869,366	53.04	272,167,803	16.96
1997	1,630,785,137	70.33	1,146,931,187	856,328,184	52.51	290,603,003	17.82
1998	1,550,453,461	69.48	1,077,255,065	899,290,060	58.00	177,965,005	11.48
1999	1,524,338,873	67.86	1,034,416,359	1,039,593,140	68.20	(5,176,781)	-0.34
2000	1,610,490,995	67.84	1,092,557,091	1,070,096,941	66.45	22,460,150	1.39
2001	1,624,787,076	67.32	1,093,806,660	1,317,862,836	81.11	(224,056,176)	-13.79
2002	1,907,479,905	67.38	1,285,259,960	1,487,310,185	77.97	(202,050,225)	-10.59
2003	1,963,595,170	65.77	1,291,456,543	1,516,793,157	77.25	(225,336,614)	-11.48
2004	2,099,241,468	63.34	1,329,659,546	1,744,594,609	83.11	(414,935,063)	-19.77
2005	2,370,590,292	62.39	1,479,011,283	1,799,955,355	75.93	(320,944,072)	-13.54
2006	2,636,785,057	62.40	1,645,353,876	1,790,133,165	67.89	(144,779,289)	-5.49
2007	2,739,233,296	62.54	1,713,116,503	1,697,730,533	61.98	15,385,970	0.56
2008	2,800,298,950	62.94	1,762,508,159	1,709,585,122	61.05	52,923,037	1.89
2009	2,581,888,401	63.16	1,630,720,714	1,609,551,006	62.34	21,169,708	0.82
2010	2,375,708,761	62.88	1,493,845,669	1,610,472,034	67.79	(116,626,365)	-4.91
2011	2,511,637,505	62.39	1,567,010,639	1,746,210,169	69.52	(179,199,530)	-7.13
2012	2,766,884,686	61.97	1,714,638,440	1,937,038,945	70.01	(222,400,505)	-8.04
Total:	\$60,301,570,485	64.60%	\$38,955,987,720	\$40,707,184,521	67.51%	(\$1,751,196,801)	-2.90%

EXHIBIT D

Calendar Year 2012 Exhibit of Written Premium by Carrier or Group
(Member Companies with less than \$250,000 Written Premium Summarized)

<u>Company</u>	<u>Written Premium</u>	<u>Company</u>	<u>Written Premium</u>	<u>Company</u>	<u>Written Premium</u>
ACE USA Group	\$183,518,321	Farmers Insurance Company of Flemington	\$1,823,847	New York Marine & General Insurance Co.	\$283,942
ACIG Insurance Company	1,981,762	Farmers Mutual Fire Ins. Co. of Salem Cty.	1,366,606	Old Republic General Insurance Group	124,609,404
Alliance National Insurance Co.	1,076,219	Federated Mutual Insurance Company	3,338,159	OneBeacon Insurance Group	3,391,374
Allianz Societas Europaea	3,053,511	Fitchburg Mutual Insurance Company	1,646,518	Pennsylvania National Mutual Cas. Ins. Co.	11,397,748
Allmerica Financial Prop. & Cas. Cos.	12,130,758	Florists' Mutual Insurance Company	855,295	Petroleum Casualty Company	455,589
American Alternative Insurance Corporation	1,853,249	Frank Winston Crum Insurance, Inc.	3,589,830	Protective Insurance Company	6,066,804
American Financial Group, Inc.	12,229,288	Franklin Mutual Group	6,720,301	QBE Insurance Group Limited	17,558,642
American International Group	273,526,674	Greater New York Group	2,163,948	Safety National Group	30,893,994
AmeriHealth Casualty Insurance Company	526,541	Guarantee Insurance Company	27,193,087	Samsung Fire & Marine Insurance Co., Ltd.	692,324
Amerisure Companies	485,843	GUARD Insurance Group	47,432,770	SeaBright Insurance Company	8,508,884
AmTrust Financial Services, Inc.	77,418,389	GuideOne Mutual Insurance Company	770,985	Selective Insurance Group	63,749,071
Arch Insurance Company	34,597,194	Harford Mutual Insurance Companies	950,941	Sentry Insurance Group	20,216,897
Argonaut Insurance Group	2,383,260	Hartford Insurance Group	270,273,888	Sompo Japan Ins. Co. of America	4,186,491
Berkshire Hathaway Insurance Group	5,938,069	HDI-Gerling America Insurance Company	2,490,095	SPARTA Insurance Company	2,819,191
Blue Cross Blue Shield of Michigan	323,676	Highmark Casualty Insurance Company	276,112	Starr Indemnity & Liability Company	2,731,287
Cherokee Insurance Company	556,296	Homesite Insurance Company	321,257	State Farm Fire and Casualty Company	7,069,020
Chubb Group of Insurance Companies	45,526,864	Leading Insurance Group Ins. Co. Ltd. USB	1,175,546	State National Insurance Company, Inc.	1,999,706
Church Mutual Insurance Company	1,344,284	Liberty Mutual Holding Company Inc.	304,710,418	T.H.E. Insurance Company	377,392
Cincinnati Insurance Company	1,192,756	Lumbermen's Underwriting Alliance	4,839,638	Tokio Marine Holdings, Inc.	4,199,972
CNA Insurance Companies	45,776,202	Magna Carta Companies	14,420,801	Tower Group, Inc.	18,952,281
Companion Property & Casualty Ins. Co.	39,172,601	MEMIC Indemnity Company	3,612,056	Transguard Insurance Co. of America	500,639
Continental Indemnity Company	24,203,441	Majestic Insurance Company	1,105,157	Travelers Group	241,484,449
Cumberland Insurance Company Inc.	7,686,887	Meadowbrook Insurance Group	13,605,666	Utica National Insurance Group	7,863,506
Dallas National Insurance Company	2,295,946	Mercer Insurance Co. of New Jersey, Inc.	5,651,335	W. R. Berkley Insurance Group	7,426,974
Eastern Alliance Insurance Group	3,497,536	Merchants Insurance Group	6,061,028	Work First Casualty Company	746,775
Electric Insurance Company	4,194,352	Mitsui Sumitomo US Insurance Group	4,832,963	XL Group plc	20,136,495
Employers Holdings, Inc.	1,529,975	Mutual Insurers Holding Company	296,030	Zenith Insurance Company	11,214,905
Everest National Insurance Company	3,992,440	Nationwide Mutual Insurance Companies	25,412,024	Zurich (U.S. Pool) Insurance Group Ltd.	140,515,256
Fairfax Financial Holdings Limited	20,497,268	NJM Insurance Group	464,784,103	Companies under \$250,000	794,787
Farm Family Casualty Insurance Company	19,248,578				

Total: \$2,814,322,383

EXHIBIT E**Financial****Historical Calendar Year Development**

<u>Calendar Year</u>	<u>Bureau Net Expenditures</u>	<u>Standard Written Premium</u>	<u>Bureau Expense Ratio</u>	<u>Policy Declarations and Associated Filings</u>	<u>Statistical Plan 1st Reports</u>	<u>Experience Rated Risks</u>
1988	\$4,431,583	\$1,137,597,624	0.0039	407,110	180,461	57,788
1989	5,161,495	1,140,266,617	0.0045	434,597	185,546	57,803
1990	5,443,122	1,102,312,788	0.0049	497,596	187,809	69,685
1991	5,933,205	1,113,340,830	0.0053	464,956	198,858	75,693
1992	6,676,642	1,225,195,453	0.0054	449,838	195,616	72,843
1993	7,258,742	1,443,256,655	0.0050	485,439	188,039	73,584
1994	7,252,193	1,614,662,905	0.0045	481,663	181,950	74,941
1995	7,565,671	1,639,936,184	0.0046	495,458	176,423	75,483
1996	7,734,540	1,593,966,361	0.0049	488,018	173,239	76,060
1997	7,884,305	1,603,704,350	0.0049	500,026	174,810	75,474
1998	8,321,782	1,522,151,816	0.0055	524,839	164,474	74,978
1999	8,243,514	1,546,245,652	0.0053	535,162	171,232	74,191
2000	8,679,637	1,585,759,208	0.0055	588,323	175,059	75,324
2001	9,054,951	1,642,028,174	0.0055	603,179	194,193	77,228
2002	9,638,108	1,936,271,395	0.0050	613,378	203,313	81,018
2003	9,887,336	2,003,283,947	0.0049	660,775	228,957	87,333
2004	9,540,680	2,188,110,264	0.0044	614,795	209,849	91,439
2005	9,911,579	2,481,562,377	0.0040	638,004	221,098	96,899
2006	10,988,212	2,689,091,121	0.0041	680,862	213,355	93,527
2007	11,205,950	2,750,912,978	0.0041	701,089	219,937	96,626
2008	11,522,995	2,764,579,714	0.0042	748,934	219,592	98,411
2009	11,923,656	2,573,458,551	0.0046	673,191	220,318	98,834
2010	13,008,195	2,340,184,279	0.0056	711,039	217,317	97,137
2011	13,684,860	2,573,693,827	0.0053	712,221	215,082	91,459
2012	14,196,657	2,814,322,383	0.0050	748,004	214,755	92,860

EXHIBIT F**New Jersey Workers Compensation Experience
Unit Statistical Reports and Schedule "W"****Loss Development Ratios by Policy Year & Report Level**

Policy Year	Statistical Plan Reports				Schedule "W" 2012 to:		
	Second to <u>First</u>	Third to <u>Second</u>	Fourth to <u>Third</u>	Fifth to <u>First</u>	Statistical <u>Third</u>	Statistical <u>Fifth</u>	Statistical <u>Fifth</u>
1996	1.175	1.073	1.040	1.347	1.494	1.184	1.109
1997	1.170	1.101	1.034	1.355	1.454	1.129	1.073
1998	1.206	1.085	1.063	1.442	1.450	1.108	1.005
1999	1.210	1.081	1.040	1.402	1.467	1.121	1.046
2000	1.192	1.066	1.045	1.359	1.443	1.136	1.062
2001	1.183	1.077	1.034	1.346	1.406	1.104	1.044
2002	1.156	1.080	1.029	1.318	1.395	1.117	1.058
2003	1.149	1.069	1.030	1.294	1.418	1.155	1.096
2004	1.154	1.069	1.038	1.313	1.308	1.060	0.997
2005	1.158	1.086	1.047	1.362	1.404	1.116	1.031
2006	1.188	1.077	1.046	XXXX	1.416	1.107	XXXX
2007	1.206	1.099	XXXX	XXXX	1.491	1.125	XXXX
2008	1.210	XXXX	XXXX	XXXX	1.379	XXXX	XXXX
2009	XXXX	XXXX	XXXX	XXXX	1.247	XXXX	XXXX
Average:	1.180	1.080	1.040	1.350	1.406	1.120	1.050

