

**NEW JERSEY COMPENSATION RATING & INSPECTION BUREAU**  
60 Park Place Newark, NJ 07102



**ANNUAL REPORT**  
**2007**

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## **NINETY-FIRST ANNUAL REPORT**

### **INTRODUCTION**


The year 2007 has been a successful one for the Bureau. The adoption of Schedule Rating and a cost differential in the Residual market are continuing to make the market more competitive to the benefit of all employers. This has encouraged carriers to write more business in the voluntary market and to continue to depopulate the Plan. In addition, the financial results for calendar year 2007 have moved closer to a positive number after several years of underwriting losses. The changes to the rating system have brought the New Jersey system more in line with what is in effect in most other states.

The Bureau's ability to deliver services, its physical facilities, its staffing and its reputation with the business community, producers, labor and the public have never been better. With the cooperation of the Department of Banking and Insurance, we continue to make good progress in addressing the issue of rate adequacy and residual market deficits. In addition, we continue to make great strides in developing our ability to receive and send information electronically and our recent membership in ACCCT and CDX will make it even easier for carriers to comply with electronic filing requirements.

Each year we have updated our series of graphic presentations showing various important aspects of the cost of the New Jersey Workers Compensation system. Of significance is the exhibit showing that rate increases over the past six years have been necessary to keep up with the automatic annual increase in the maximum weekly benefit over this same period of time. Remarkably, even with these increases, the statewide average rate for all classes remains about the same as that in effect in 1995. Further, there appears to be a leveling out of the increases we have seen in recent years and both medical and indemnity claim frequency continue to decline.

The Compensation Rating and Inspection Bureau continues to function effectively and efficiently and will strive to serve the public as well as it has in its long history and will work to maintain a stable market for New Jersey employers, insurers and all those impacted by the system.

Respectfully Submitted,



Grover E. Czech, Esq.  
Executive Director

## REVISION OF MANUAL RATES - 2008

### RATE LEVEL

The rate level change of 3.4% effective January 1, 2008 was based on the latest two policy years and latest calendar accident year of experience along with other considerations. Analysis of the latest two policy years and the latest calendar accident year after adjustments for development and present premium and benefit levels using paid and incurred losses separately produced a premium level increase of 0.7% due to experience. Analysis of the latest experience also indicated that a trend factor of 1.5% was necessary for inclusion in premium level determination.

Effective January 1, 2008 the maximum weekly benefit with respect to all types of injuries was increased from \$711 to \$742. The minimum weekly benefit also was increased from \$190 to \$198 for all kinds of injuries except permanent partial disabilities. A premium level increase of 2.0% was necessary to recognize the changes in benefits on a new and renewal basis only.

A decrease of 0.1% was applied to recognize a change in the allowance for general expense. The change in premium level resulting from adjustment to the allowance for the Security Fund assessment was a decrease of 0.5% and the change in premium level resulting from adjustment to the allowance for Rating Bureau expense was an increase of 0.1%.

The combined effect of the changes for the components above produced an **overall premium level** increase of 3.7%.

As a result of a change in the expense constant for commercial classifications from \$200 to \$220, and for domestic servant coverage only from \$15 to \$30, the overall premium level was reduced by 0.2% to recognize the increased cost. In addition, the maximum surcharge adjustments in the Plan Premium Adjustment Program, applicable to risks written through the New Jersey Workers Compensation Insurance Plan that qualify for a surcharge greater than the minimum, have been increased. As a result, the additional premium to be collected decreased the overall premium level by 0.1%.

The combined effect of the overall premium level change, the expense constant changes, and the changes to the maximum adjustments in the Plan Premium Adjustment Program results in an **overall rate level** increase of 3.4%.

A Foreign Terrorism premium charge of \$0.03 per hundred of payroll is applicable to policies effective January 1, 2008 and thereafter except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiation is used to determine the premium cost. Upward deviation from the \$0.03 rate, to a maximum of \$0.06, is also permitted.

A Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents premium charge of \$0.01 per hundred of payroll is applicable to policies effective January 1, 2008 and thereafter except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiation is used to determine the premium cost.

Finally, the Uninsured Employers Fund Surcharge was changed to 0.10% and the Second Injury Fund Surcharge was changed to 6.22%.

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

## **RATE RELATIVITY**

The adjustment of rate relativity effective January 1, 2008 was based on the classification experience of policy years 2000 through 2004 for one year policies and policy years 1998 through 2002 for the three year fixed rate policies as reported under the New Jersey Statistical Plan.

There were 586 classifications in the Manual effective January 1, 2008, including the codes in the Admiralty and Federal Employers' Liability Schedule. There were 8 classifications, which carried no rate assignment. Of the remainder, 397 developed increased rates, 165 showed decreases and 16 were unchanged.

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

The rates for Private Residence – Household Employee Classifications remained unchanged.

The Expense Constant was changed to \$220 for all policies except Private Residence – Household Employee policies, which was changed to \$30.

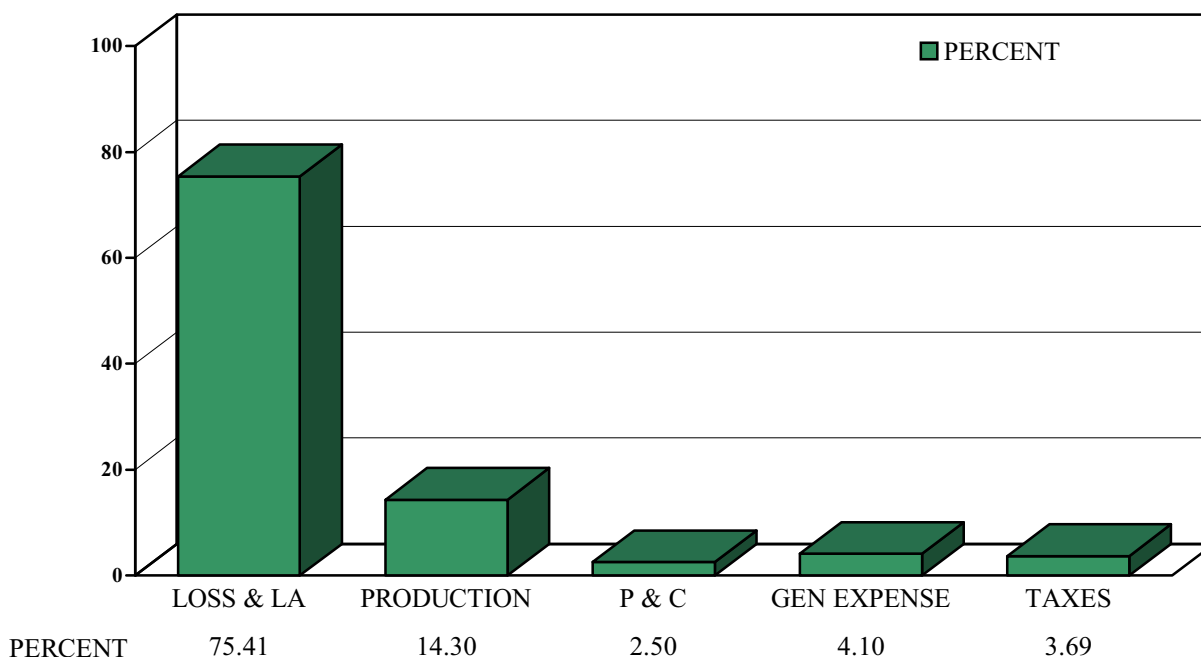
The revised Manual of Rates was included in Circular Letter #1756, dated November 26, 2007.

## **EXPENSES AND TAXES**

The most important purpose of pricing 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 loss adjustment expense arises from claims against the employer and 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 and 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 is a device to express results on a common and comparable statistical basis. The standard expense provisions apply only to the first \$5,000 of standard premium per risk. Such provisions are included in the Manual of Rates effective January 1, 2008 in the following amounts:

### STANDARD EXPENSE PROVISIONS



Taxes include: Security Funds 0.59%, General State Premium 2.10%, Rate Supervision 0.25%, Rating Bureau 0.45%, Miscellaneous Fees and Federal Taxes 0.30%. Production includes commissions and branch office support to perform policy preparation functions. General Expenses include general administration, payroll audit and inspection. The P & C allowance provides for profit and contingencies.

In respect to premium in excess of \$5,000 per risk, certain of the expense provisions are reduced by the application of one of two systems of premium discount – Schedule Y or Schedule X. The discounts in Schedule Y are greater than those in Schedule X and each company may 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, 2008 are:

	First	Next	Next	Over
<b>Schedule Y</b>	\$5,000	\$95,000	\$400,000	\$500,000
<b>Applicable Discounts</b>	--	9.3%	11.0%	12.0%

The Schedule X discounts are applicable to policies written by carriers electing this Schedule. Schedule X discounts, while based on the same principle as indicated above, result in lower discount percentages. The Schedule X discounts effective January 1, 2008 are:

	First	Next	Next	Over
<b>Schedule X</b>	\$5,000	\$95,000	\$400,000	\$500,000
<b>Applicable Discounts</b>	--	3.5%	5.0%	7.0%

As of January 1, 2006, premium discount is not applicable to policies written in accordance with the New Jersey Workers Compensation Insurance Plan.

**TABLE I**  
**HISTORY OF RATE LEVEL CHANGES**

<u>Eff. Date</u>	<u>Experience</u>	<u>Benefit Level</u>	<u>Taxes</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percentage Change (%)</u>
1918 - 1971	0.679	4.330	1.031	1.034	3.038	--
July 1, 1972	1.037	1.011	0.999	1.000	1.047	4.7
Dec. 1, 1972	1.000	1.002	1.000	1.000	1.002	0.2
July 1, 1973	0.974	1.013	1.013	0.998	0.998	(0.2)
July 1, 1974	0.955	1.007	1.014	1.000	0.975	(2.5)
July 1, 1975	1.012	1.014	1.009	0.965	0.999	(0.1)
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

## ANNOUNCEMENTS DURING 2007

During the year, there were 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, 2008 unless noted differently.

### 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, 2008 and thereafter. The changes were included in Manual Amendment Bulletin #437, dated November 26, 2007.

#### Catastrophe Number 87

Manual rules were amended effective July 1, 2007 to provide for the exclusion of losses coded as Catastrophe Number 87 from experience rating calculations. The changes were included in Manual Amendment Bulletin #436, dated May 24, 2007.

### RETROSPECTIVE RATING – PREMIUM DISCOUNT

#### Expense Ratio Tables – Expected Loss Ratio

Revised expense ratio tables and a revised expected loss ratio were included in Manual Amendment Bulletin #438, dated November 26, 2007. The new tables and expected loss ratio reflect the annual adjustments in the expense provisions.

#### Hazard Group Differentials

As a result of an examination of the latest available loss data, the Hazard Group Differentials were revised. A four group and a seven group system of Hazard Group Differentials were approved to reflect the adoption of revised Hazard Group assignments for all classifications. The changes were included in Manual Amendment Bulletin #438, dated November 26, 2007.

#### Excess Loss Premium Factors

As a result of an examination of the latest available loss data, the Excess Loss Premium Factors were revised. A four group and a seven group system of New Jersey Excess Loss Premium Factors were approved to reflect the adoption of revised Hazard Group assignments for all classifications. The changes were included in Manual Amendment Bulletin #438, dated November 26, 2007.

## **Tax Multipliers**

As a result of adjustments in the tax provisions, the State and USL Tax Multipliers were revised. The changes were included in Manual Amendment Bulletin #438, dated November 26, 2007.

## **Table of Expected Loss Ranges**

A new Table of Expected Loss Ranges was announced in Manual Amendment Bulletin #438, dated November 26, 2007. This change was made to recognize more recent loss experience.

## **Table of Classifications by Hazard Group**

A new Table of Classifications by Hazard Group was announced in Manual Amendment Bulletin #438, dated November 26, 2007. The new Table included a seven group and four group system of Hazard Group assignments. The new Hazard Group assignments will provide for greater equity in the determination of retrospective premium.

In connection with the new Hazard Group assignments, rules in the Retrospective Rating Plan section of the Manual that referenced these values required amendment. The amended Manual rules were included in Manual Amendment Bulletin #438, dated November 26, 2007.

## **Large Construction Projects**

Manual rules were amended to provide for a change in the eligibility criteria for retrospective rating of Large Construction Projects to \$1,000,000 of estimated standard premium. This announcement was included in Manual Amendment Bulletin #438, dated November 26, 2007.

## **Premium Discount**

Adjustments were made to Schedule Y discounts in the premium discount Schedules/Tables as a result of the related expense element alterations. Schedule X discounts were not altered. This announcement was included in Manual Amendment Bulletin #438, dated November 26, 2007.

# **PREPARATION AND AUDITING OF POLICIES**

## **Executive Officers**

The maximum weekly payroll chargeable to executive officers, spouses of an individual proprietor or partner and certain other employments was adjusted to \$2,030. The minimum weekly payroll was adjusted to \$510. The change in the maximum and minimum weekly payroll amounts recognizes the economic movement in weekly wages. The new amounts were included in Manual Amendment Bulletin #437, dated November 26, 2007.

## **Appointed or Elected Public Officers**

The minimum annual payroll for members of Boards of Education was increased to \$5,300 and for appointed or elected officers to \$1,060. These routine adjustments were included in Manual Amendment Bulletin #437, dated November 26, 2007.

## **Large Construction Projects**

Manual rules were amended to provide for a change in the eligibility criteria for premium discount for Large Construction Projects to \$1,000,000 of estimated standard premium. This announcement was included in Manual Amendment Bulletin #437, dated November 26, 2007.

## **Taxicab Companies and Drivers – Code 7370**

The upset annual payroll applicable with this classification under certain stipulated conditions was increased to \$28,400. This change was included in Manual Amendment Bulletin #437, dated November 26, 2007.

## **THREE YEAR FIXED RATE POLICIES**

### **Expense Constant**

Manual rules were amended to provide for the changes to the expense constants applicable to commercial Workers Compensation and Employers Liability Insurance policies and to Workers Compensation and Employers Liability Insurance policies providing exclusive residence employee coverage. The changes were announced in Manual Amendment Bulletin #437, dated November 26, 2007.

## **CATASTROPHE PROVISIONS**

The rules in this section of the Manual were changed to provide for the implementation of the Terrorism Risk Insurance Program Reauthorization Act of 2007. The changes were announced in Manual Amendment Bulletin #439, dated January 18, 2008.

## **PRIVATE RESIDENCES, ESTATES AND FARMS**

### **Expense Constant**

The Manual rule containing the expense constant applicable to Workers Compensation and Employers Liability Insurance policies providing exclusive residence employee coverage was amended to show an expense constant of \$30. This change was announced in Manual Amendment Bulletin #437, dated November 26, 2007.

## **EMPLOYEE LEASING**

### **Definition**

The definition of Employee Leasing was amended to clarify the types of organizations subject to the rules in this section of the Manual. This change was announced in Manual Amendment Bulletin #437, dated November 26, 2007.

### **Policy Filing**

The Manual rule pertaining to the submission of Employee Leasing policies was amended to clarify the filing requirements. This change was announced in Manual Amendment Bulletin #437, dated November 26, 2007.

## **LARGE RISK – LARGE DEDUCTIBLE PROGRAM**

### **Large Construction Projects**

Manual rules were amended to provide for a change in the eligibility for a Large Risk – Large Deductible Program for Large Construction Projects to \$1,000,000 of estimated standard premium. This announcement was included in Manual Amendment Bulletin #438, dated November 26, 2007.

## **WORKERS COMPENSATION INSURANCE PLAN**

### **Plan Premium Adjustment Program**

The Maximum Adjustment Factors applicable to Plan risks that are eligible for surcharges greater than the minimum surcharge have been increased. Manual rules were amended to show the new Factors. These changes were announced in Manual Amendment Bulletin #437, dated November 26, 2007.

### **New Jersey Workers Compensation Insurance Plan Application Form**

A revised page (2) of the “Application for Designation of Insurance Company” was included in Manual Amendment Bulletin #437, dated November 26, 2007. The page was revised to provide for the inclusion of additional information from the applicant.

## **STATISTICAL**

### **Catastrophe Number 87**

The Statistical Plan was amended to include Manual rules to provide for the reporting of claims coded as Catastrophe Number 87. These changes were effective July 1, 2007 and included in Statistical Circular #109, dated May 24, 2007.

## CLASSIFICATIONS

### **Residential Cleaning Services by Contractor-Inside .....0917**

Effective July 1, 2007, the phraseology for code 0917 was amended to clarify the type of operations assignable to the classification. Further, cross-reference phraseology was added to clarify the assignment of pet sitters to code 0917. These changes were included in Manual Amendment Bulletin #436, dated May 24, 2007.

### **Boat Building or Repair & Drivers .....6824**

The directional footnote to code 6824 was amended to remove reference to recently discontinued code 6843F. This change was included in Manual Amendment Bulletin #437, dated November 26, 2007.

### **Athletic Sports or Park: Contact Sports .....9179**

### **Athletic Sports or Park: Non-Contact Sports.....9178**

### **Athletic Sports or Park: Operation & Drivers .....9182**

The phraseologies and footnotes for codes 9178, 9179 and 9182 were amended to clarify the exposures applicable to these classifications. The footnotes for codes 9178 and code 9179 were further amended to clarify that only exposures for professional and semi-professional sports were assignable to codes 9178 and 9179. These changes were included in Manual Amendment Bulletin #437, dated November 26, 2007.

### **YMCA, YWCA, YMHA or YWHA Institution - Clerical.....9063**

The footnote for code 9063 was amended to clarify that only exposures for amateur, youth or recreational sports are assignable to the classification. This change was included in Manual Amendment Bulletin #437, dated November 26, 2007.

### **Typewriter Mfg .....3565**

Code 3565 was discontinued because of a lack of experience reported during the latest five-year period. This change was announced in Manual Amendment Bulletin #437, dated November 26, 2007.

## FORMS

Effective July 1, 2007, the Manual was amended to include a revised New Jersey Part Two Employers Liability Endorsement, WC 29 03 06 B. A ruling by the New Jersey Supreme Court increased the scope of coverage for intentional injury under Part Two of the policy. The endorsement was revised to address the findings of the Court and to restore the intent of the policy exclusion for intentional injury. The revised endorsement was included in Manual Amendment Bulletin #436, dated May 24, 2007.

The Manual was amended to include a revised New Jersey Premium Discount Endorsement – Schedule Y, WC 29 04 06 U. The endorsement was revised to accommodate changes in the expense provisions. It was included in Manual Amendment Bulletin #438, dated November 26, 2007.

The Manual was amended to include the Terrorism Risk Insurance Program Reauthorization Act Endorsement, WC 00 01 13 A. This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. The endorsement was included in Manual Amendment Bulletin #439, dated January 18, 2008.

The Manual was amended to include a revised Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents Premium Endorsement, WC 00 04 21 B. The endorsement was revised to provide that the premium for domestic terrorism applies to all acts of domestic terrorism. The revised endorsement was included in Manual Amendment Bulletin #439, dated January 18, 2008.

## MISCELLANEOUS

The Manual was amended to reflect the current title of the Commissioner of Banking and Insurance. The Manual provisions that were affected were cited in Manual Amendment Bulletin #437, dated November 26, 2007.

## **FINANCIAL - 2007**

In accordance with established practice, an outside accounting firm is retained on a three year rotating basis to audit the Bureau. Deloitte & Touche LLP was appointed to complete the audit for the fiscal year ending June 30, 2007. 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 12, 2007. Following receipt of the report, the difference between the fiscal year assessments, and other income and expenses was returned through the usual assessment adjustment. The result is to establish for the fiscal year an exact balance between the assessments levied upon the member companies and the expenses of the Bureau.

The Bureau loading factor, included annually in the premium rate structure, is based on the current approved budget with due consideration of the funds generated by application of the preceding factor and the premium to which it is applied. The result is a continuing balance between the expenses of the Bureau and the funds developed for this purpose through the premium rate structure.

Table II shows the income and expenditures statement for calendar year 2007. 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 is of interest because it shows the growth of the business in terms of written premium, number of policy and statistical filings, and the number of experience rated risks.

**TABLE II****INCOME AND EXPENDITURE STATEMENT FOR CALENDAR YEAR 2007****INCOME**

Total Quarterly Assessments .....		\$12,028,181
Forms .....	30	
Rating, Inspection & Bulletin Services .....	\$ 42,290	
Interest Income .....	44,088	
Miscellaneous Income .....	<u>778,025</u>	<u>864,433</u>
<b>Total Income</b> .....		<b>\$12,892,614</b>

**EXPENDITURES**

Salaries .....		6,203,246
Contract Personnel Service .....		102,896
FICA Tax .....		459,616
Employee Relations & Welfare .....		2,059,806
Rent, Maintenance, Repair & Alteration of Premises .....		719,402
Printing & Stationery .....		98,903
Postage & Express .....		91,434
Telephone .....		55,515
Insurance .....		53,947
Furniture, Office Machines & Equipment Rental .....		243,229
Data Processing .....		1,185,651
Legal & Auditing .....		49,196
Travel & Travel Items .....		120,299
Employee Recruitment .....		62,555
Pension .....		543,002
Miscellaneous .....		21,686
<b>Total Expenditures</b> .....		<b>\$12,070,383</b>
<b>Excess Income over Expenditures</b> .....		<b>\$ 822,231</b>

**STATEMENT OF ASSETS AND LIABILITIES AT DECEMBER 31, 2007****ASSETS**

Cash in Bank – Regular Account .....	\$154,542
Cash in Bank – Payroll Account .....	251,579
Petty Cash .....	500
Accounts Receivable .....	150,672
Money Market Account .....	2,212,326
<b>Total Assets</b> .....	<b>\$2,769,619</b>

**LIABILITIES**

Audit Adjustment .....	7,006
Expense Lease Commitment .....	88,492
Pension – Bureau Accrued .....	543,002
Pension – Employee Contribution .....	0
Pension - Loans .....	0
Pension Supplemental Annuity .....	0
Contributory Group Life Insurance - Employees .....	0
Accounts Payable .....	0
State Unemployment Insurance - Employees .....	0
State Unemployment Insurance - Employer .....	0
N.J. Sales Tax .....	0
Excess Funds as of January 1 .....	803,529
Excess Funds January 1, thru December 31 .....	822,231
Assessment adjustment liability – Fiscal Year 2006/2007 .....	505,359
<b>Total Liabilities</b> .....	<b>\$2,769,619</b>

## **BUREAU MEMBERSHIP CHANGES**

**AT THE END OF 2006 THERE WERE 390 MEMBER COMPANIES.**

**During 2007 the following 13 companies were admitted:**

AmeriHealth Insurance Company  
CastlePoint Insurance Company  
Employers Reinsurance Corp.  
Federated Rural Electric Insurance Exchange  
General Casualty Company of Wisconsin  
Harleysville Worcester Insurance Company  
Merchants Preferred Insurance Company  
NGM Insurance Company  
Proformance Insurance Company  
Regent Insurance Company  
Riverport Insurance Company  
Washington International Insurance Company  
Wesco Insurance Company

**Membership of the following companies was withdrawn during the year:**

Coregis Insurance Company  
Security Insurance Company of Hartford  
TransContinental Insurance Company  
Travelers Insurance Company

**THE TOTAL MEMBERSHIP AT THE END OF 2007 WAS 399.**

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

## **AUTHORIZED SELF INSURED EMPLOYERS**

Table III is a listing of employers who by reason of R.S.N.J. 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 131. The year of exemption is shown in brackets after the name of the company.

ABF Freight System, Inc. (2001)	Federal Express Corp. (1989)	Merek & Co., Inc. (1980)	Rose Trucking Corp. (1994)
Acme Markets, Inc. (2002)	FedEx Freight East, Inc. (2006)	Merrill Lynch Asset Mgmt., L.P. (1995)	Ryder System, Inc. & Subsidiaries (1991)
Adamar of New Jersey, Inc. (2001)	FedEx Ground Package System, Inc. (1996)	Merrill Lynch Bank & Trust Co. (1995)	
Amsted Industries, Inc. (1978)	FedEx SmartPost, Inc. (2005)	Merrill Lynch Bus. Financial Serv. Inc. (1995)	St. Peter's University Hospital (1988)
Aqualon Company (1990)	FirstEnergy Corporation & Subsidiaries (2004)	Merrill Lynch Futures Inc. (1995)	Sherwin-Williams Automotive Finishes Corp. (1996)
AtlantiCare Regional Medical Center (2006)	Ford Motor Company (1921)	Merrill Lynch Ins. Group, Inc. (1995)	Sherwin-Williams Company (1992)
Atlantic City Electric Company (1981)	Frito-Lay, Inc. (1991)	Merrill Lynch Life Agency Inc. (1995)	Shopwell Inc. (1990)
Atlantic Health System, Inc. & Subs. (2006)	Gannett Satellite Inf. Network (1993)	Merrill Lynch Pierce, Fenner & Smith (1995)	Shore Memorial Hospital (1994)
Atlantic States Cast Iron Pipe Co. (1978)	General Motors Corp. (1927)	Merrill Lynch Trust Company (1995)	Shorewood Packing Company (2001)
	Giant of Maryland LLC (1999)	Monmouth Ocean Hospital Services Corp. (2005)	Simon & Schuster, Inc. (1991)
Bancroft Neuro Health, Inc. (1994)	Great Atlantic & Pacific Tea Co., Inc. (The) (1959)	New York Times Co. & Subs. (1994)	Society of the Valley Hospital Inc. & Subs. (1998)
Bergen Regional Medical Center, LP (2003)	Hercules, Inc. (1917)	Nordstrom, Inc. (1990)	Super Fresh Food Markets (1981)
BJ's Wholesale Club, Inc. (1999)	Herr Foods, Inc. (1992)	Owens-Brockway Glass Container, Inc. (1993)	Supermarket Dist. Service Corp. (1990)
BJ's NJ Distribution Center, LLC (2005)	Hilton Hotels Corp. (1984)	PPG Industries, Inc. (1926)	Target Corp. (2000)
Bon Secours Health System, Inc. & Subs. (2003)	Holy Redeemer Health System & Affiliates (2006)	PSEG Power LLC & Subsidiaries (2000)	TownePlace Management Corporation (2001)
		Parker Hannifin Corp. (1997)	Toys "R" Us NJ Inc. (1993)
CBS Broadcasting Inc. (2002)	International Paper Company (1942)	Pathmark Stores, Inc. (1979)	
CVS/Caremark Corporation (2007)	International Processing Corp. (2004)	Plainbridge, Inc. (1993)	United States Pipe and Foundry Co. (1969)
Cape Regional Medical Center, Inc. (2006)	Kimball Medical Center (1993)	Presbyterian Homes & Services Inc. (2000)	United Water New Jersey, Inc. (1917)
Certain Teed Corporation (1979)	Kimble Glass, Inc. (1992)	Princeton University (1991)	
Chevron Energy Solutions LP (2002)	King World Corporation (2002)	Proctor & Gamble Distributing Co. (1993)	Valley Home Care, Inc. (1999)
Chevron U.S.A., Inc. (1961)	Kontes Glass Company (1997)	Proctor & Gamble Manufacturing Co. (1970)	Valley Hospital Foundation (1999)
Colonial Pipeline Company & Subsidiaries (2007)	Lowe's Home Centers, Inc. (2001)	Public Service Electric & Gas Company (1929)	Valley Medical Services (1999)
Colonial Concrete Company (1966)	Macy's, Inc. & Subsidiaries (2007)	Quick Check Corporation (1993)	Verizon New Jersey Inc. (2000)
ConAgra Foods, Inc. & Subsidiaries (2001)	Marcal Paper Mills, Inc. (1967)	Ralph Clayton & Sons and Affiliates (2002)	Verizon Services Corp. (2000)
Cooper Hospital/University Medical Center (1986)	Marriott Claims Services Corporation (2001)	Residence Inn by Marriott, Inc. (2001)	Viacom Outdoor Group Inc. (2002)
Coosco Wholesale Corporation (1997)	Marriott Hotel Services, Inc. (1990)	Retailers & Manuf. Dist Marketing & Subs (2006)	Viacom Outdoor Inc. (2002)
Courtyard Management Corp. (1990)	Marriott International Inc. (1993)	Robert Wood Johnson University Hospital (1988)	Virtua Health Inc. & Subs. (2000)
	Marriott International Admin. Services Inc. (1996)	Roman Catholic Diocese of Camden (1973)	Volvo Cars of North America, Inc. (2000)
DCH Auto Group (USA) Inc. & Subs. (2006)	Marriott Ownership Resorts, Inc. (1992)	Roman Catholic Diocese of Metuchen (1988)	
Di Giorgio Corp. (1986)	Marriott Resort at Seaview, Inc. (1988)	Roman Catholic Diocese of Newark (1980)	Waldbaums, Inc. (1990)
Dolgencorp. Incorporated (2003)	Marriott Resorts Hospitality Corporation (2001)	Roman Catholic Diocese of Paterson (1974)	Wegman's Food Markets, Inc. (1999)
DuPont Performance Elastomers L.L.C. (1996)	Memorial Sloan-Kettering Cancer Center (2006)	Roman Catholic Diocese of Trenton (1979)	Weyerhaeuser Company (1958)
			White Castle System, Inc. (1993)
E.I. Dupont de Nemours & Company (1918)			WFC Air Inc. (1995)
Execustay Corporation (2001)			
Exxonmobile Research & Engineering Co. (1927)			Yellow Transportation, Inc. (2002)

## RATING DIVISION

### EXPERIENCE RATING

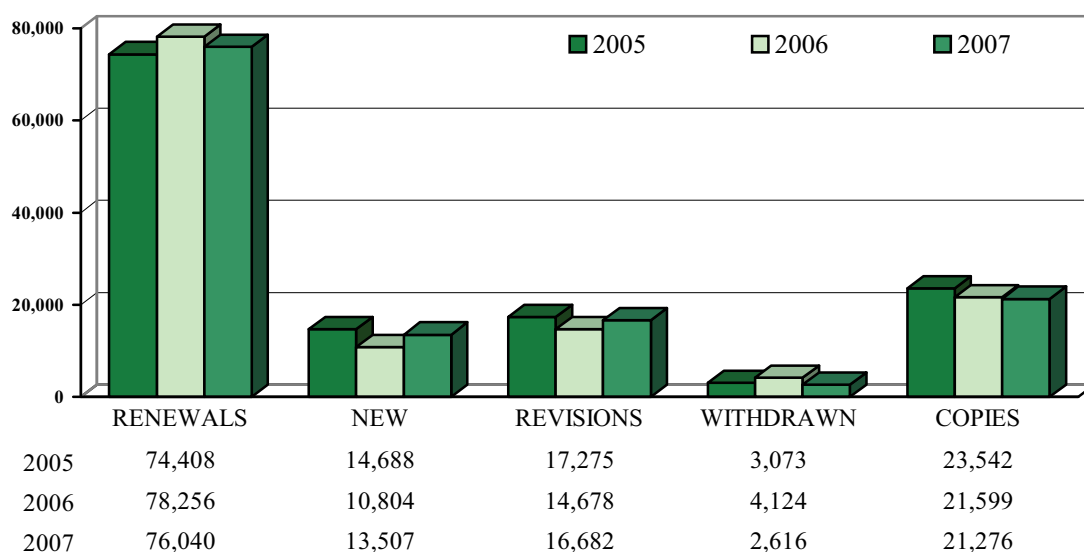
The Rating Division is responsible for the review of statistical data in the processing of experience ratings and their revisions. It is required to issue rating data to insurers and other authorized parties.

The number of active risks which qualified for experience rating in 2007 was 96,626, an increase of 3.3% from the 93,527 active risks qualifying for rating in 2006.

There were 89,547 new and renewal experience ratings prepared and issued in calendar year 2007 compared to 89,060 in 2006. The overall activity during 2007 is illustrated by the following graph.

### EXPERIENCE RATING ACTIVITY

DURING 2007



Percentage of Ratings Issued in Relation To Effective Date – Calendar Year 2007						
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	2005	2006	2007
3.9%	19.2%	25.5%	51.4%	77.2%	76.8%	76.9%

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**

<b>Effective Year</b>	<b>Ratings Number Calculated</b>	<b>Premium During Experience Period</b>		<b>Ratio of Adjusted to Manual</b>
		<b>Manual</b>	<b>Adjusted</b>	
1983	46,006	\$2,079,649,401	\$1,916,350,942	0.921
1984	44,467	1,966,323,323	1,838,053,910	0.935
1985	42,727	1,772,822,537	1,671,274,975	0.943
1986	44,489	1,716,886,779	1,620,573,487	0.944
1987	48,377	2,066,892,242	1,892,721,377	0.916
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

## POLICY REVIEW

The Rating Division is required to review policies subject to experience rating which contain non-conforming items. The number of policies handled in 2007 was 25,520, an increase of 1.5% from the 25,150 handled in 2006.

## OWNERSHIP

The Rating Division also is required to examine ownership with regard to combination of entities, changes of interests and mergers involving insured businesses. The number of ownership handled in 2007 was 11,478, an increase of 6.9% from the 10,733 handled in 2006.

## RETROSPECTIVE RATING

Retrospective Rating was elected by 364 risks in 2007, up from 325 risks in 2006. The estimated premium for the 364 risks was \$75,652,182 as compared with \$50,965,826 in 2006. The increase in the premium amounted to 48.4%. Of the 364 risks, 325 elected the Large Risk Alternative Rating Option, up from 273 in 2006. The premium for risks electing the Large Risk Alternative Rating Option was \$69,310,091 compared to \$44,467,291 in 2006, an increase of 55.9%. Following is an exhibit of the retrospective rating programs effective in 2007:

RETROSPECTIVE RATING			
<u>TYPE/TERM</u>	<u>NO.</u>	<u>LOSS LIMIT</u>	<u>EST. STD. PREMIUM</u>
V-1	39	16	\$ 6,342,091
V-3	0	0	0
V-Long Term	0	0	0
LRA-1	325	193	69,310,091
LRA-3	0	0	0
LRA-Long Term	<u>0</u>	<u>0</u>	<u>0</u>
Total	364	209	\$75,652,182

## LARGE DEDUCTIBLE PROGRAM

The New Jersey Large Risk - Large Deductible Program was introduced effective July 1, 1993. The number of risks electing this program amounted to 1,960 in 2007. This represents a decrease of 0.8% over the 1,976 risks that elected this program in 2006. The New Jersey premium subject to this program in 2007 was \$615,026,663 and the resultant deductible premium was \$163,306,827.

## UNDERWRITING DIVISION

The Underwriting Division is responsible for general classification studies, field audits, inspections and the New Jersey Workers Compensation Insurance Plan. The Division is also responsible for reviewing individual disability reports to assure proper classification assignment.

During 2007, the number of inspections and the number of audits decreased. There were 54,972 individual pieces of correspondence received dealing with classification, auditing, underwriting and Plan risk matters, representing a decrease of 23.2% from the 71,547 received in 2006. Total correspondence for 2007 included 6,963 pieces resulting directly from employer non-cooperation with Plan Servicing Carriers.

### INVESTIGATIONS

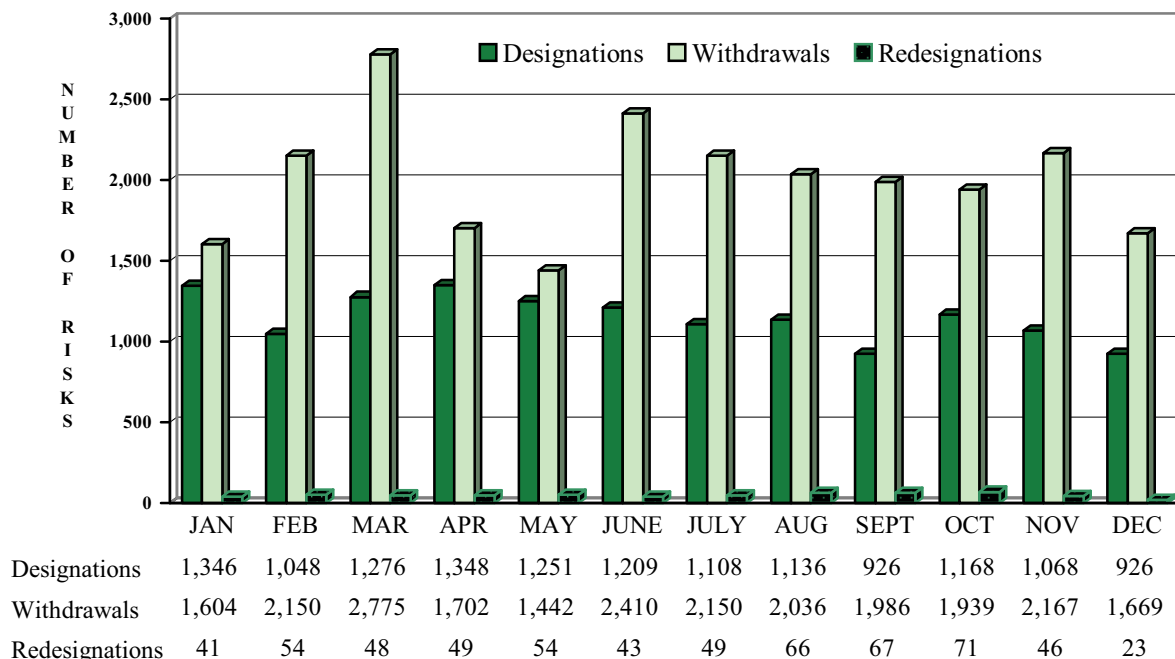
The field activity is outlined in the following exhibit. For comparison, the two preceding years are shown.

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Classification Surveys	3,279	3,724	3,005
Audits	2,420	2,676	2,572
Visits - No Inspection	1,034	1,131	1,049
Visits - No Audit	339	290	216
General Investigations	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	7,072	7,821	6,842

### THE NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

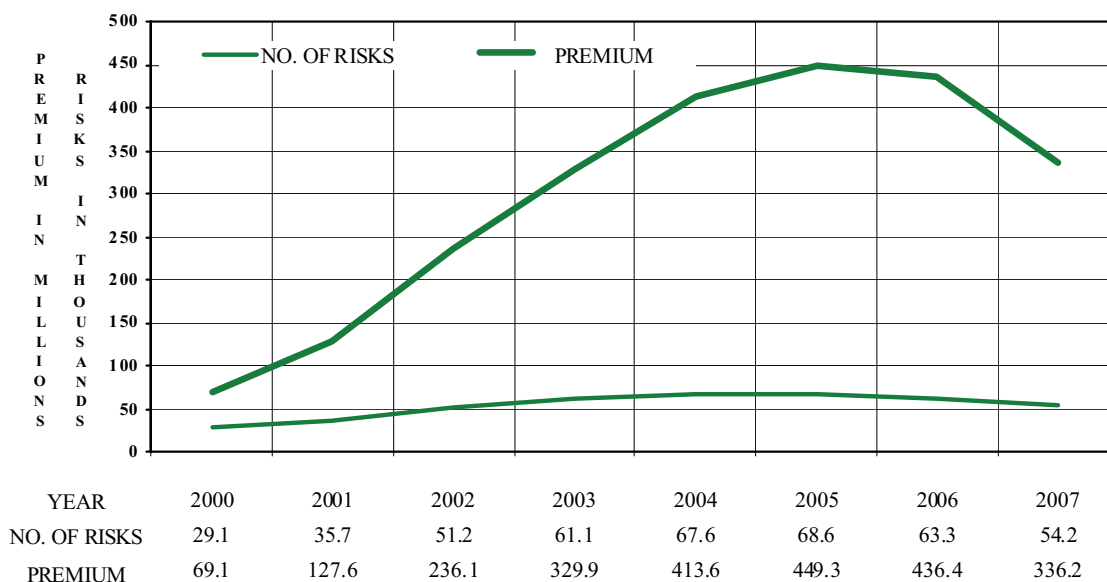
At the end of the year 2007 there were 54,220 Plan risks with an estimated annual premium of \$336,166,204, which represents approximately 12.4% of the total New Jersey workers compensation market, compared to 16.7% in 2006. The Residual Market currently provides coverage to approximately one quarter of New Jersey's insured employers. There were 13,810 new designations in 2007 representing a 13.8% decrease from the 16,026 employers newly designated in 2006. There were 24,030 withdrawals in 2007 representing an increase of approximately 12.7% from the 21,325 withdrawals in 2006. There were 611 employers designated to new insurance companies upon notice by the designated company that it wished to be relieved of providing renewal coverage (Paragraph 14 of the Plan), representing a decrease of 75.6% from the 2,508 in 2006. The Web Application Submission System for Plan risks processed 6,236 new designations, accounting for 45% of new Plan activity compared to 45% in 2006.

### MONTHLY PLAN ACTIVITY – 2007



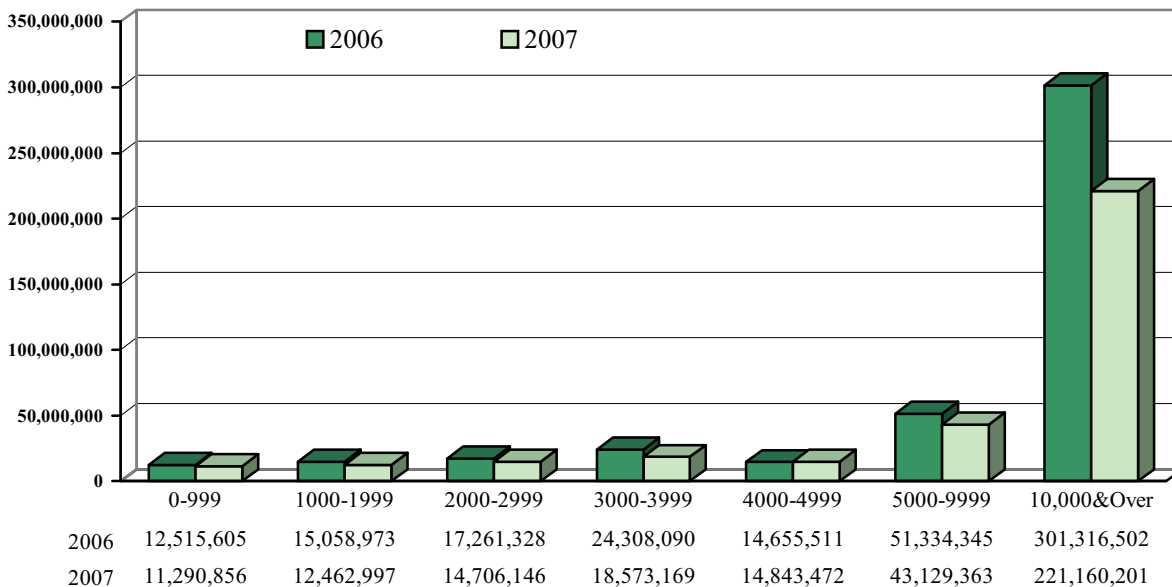
The 54,220 Plan risks with an estimated annual Plan premium of \$336,166,204 is compared with 63,344 risks with an estimated annual Plan premium of \$436,450,354 at the end of 2006. The result is a decrease of approximately 14.4% in the total number of Plan risks and a decrease of 23.0% in the estimated annual Plan premium. These results are encouraging and reflect a continuing gradual reduction in overall Plan activity. This is also reflective of increased Plan depopulation resulting from additional incentives implemented by the Bureau in 2006, including elimination of Premium Discount for Plan risks and expansion of the Plan Premium Adjustment Program. The following graph shows the development since 2000.

### RISKS & PREMIUM DEVELOPMENT THROUGH 2007

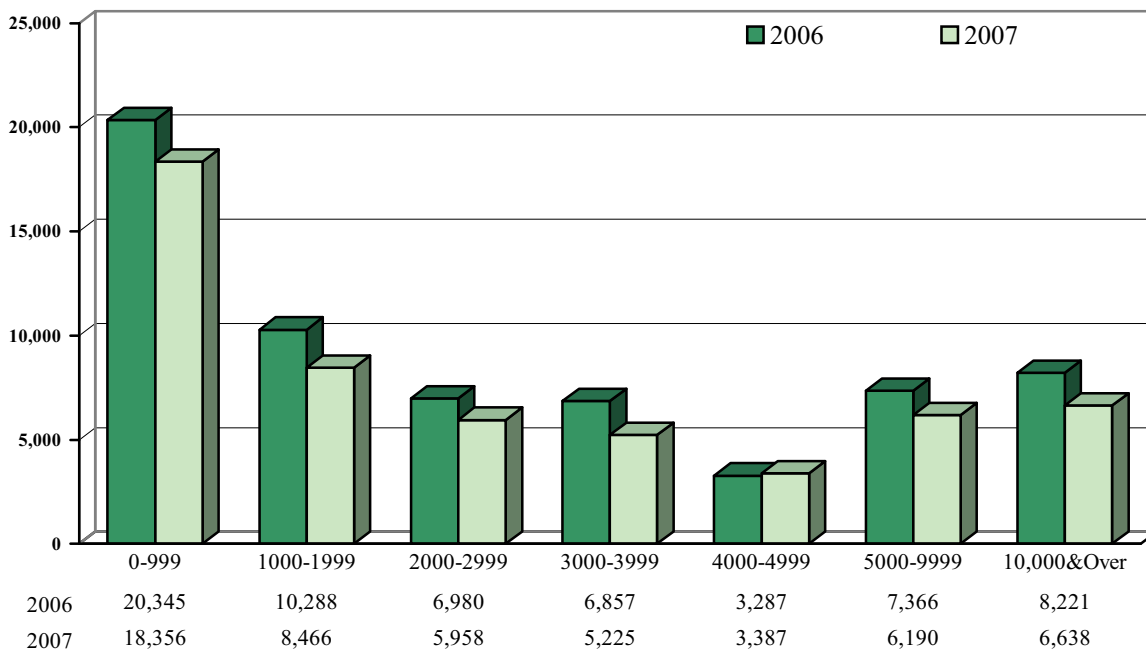


In 2007, 87.8% of Plan risks and 34.2% of the annual Plan premium were in the premium size group of \$0 to \$9,999. The average Plan risk generated premium of \$6,200. The 2007 distribution of Plan business by premium size was reasonably consistent with the previous year. The decrease in number of Plan risks and total Plan premium are indicative of overall market improvement and stabilization in New Jersey.

PREMIUM DISTRIBUTION BY GROUP SIZE



RISK DISTRIBUTION BY GROUP SIZE



Premium credit of \$320,295,071 was in effect December 31, 2007 for 31,083 Plan risks written as regular business compared to \$231,161,312 premium for 32,645 risks as of December 31, 2006. The credit procedure has been in effect since July 1, 1963.

The status of the distribution of Plan Risks as of December 31, 2007 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, 2007  
(Pro-Rata Share Based on Premium Writings of Fiscal Year Ending June 30, 2006)  
(Premium is Policy or Plan Estimate)**

Insurance Company*	Completed Transactions		Outstanding Renewals		Outstanding New		Total Assignments		Voluntary Credits		Grand Totals		Quota	Factor
	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium	Number	Premium		
American Zurich Ins. Co.	7,008	34,709,501	488	3,530,436	306	1,233,082	7,802	39,473,019	632	4,657,256	8,434	44,130,275	46,142,663	0.956
Castlepoint Insurance Company									55	473,980	55	473,980		
P-Companion Prop. & Cas. Ins. Co.	1,096	6,944,569	23	51,280	1	2,532	1,120	6,998,381	278	13,343,321	1,398	20,341,702	20,166,490	1.425
Continental Indemnity Company									133	3,988,469	133	3,988,469		
Continental Insurance Co. of NJ	1,371	6,176,698	70	286,731			1,441	6,463,429	556	7,295,237	1,997	13,758,666	8,960,696	1.538
Hartford Underwriters Ins. Co.	2,633	14,807,312	278	1,771,251	4	177,762	2,915	16,756,325	5,169	37,523,292	8,084	54,279,617	50,967,653	1.065
P-Liberty Insurance Corporation	15,025	98,140,431	1,123	7,936,865	230	1,938,615	16,378	108,015,911	787	22,911,454	17,165	130,927,365	241,984,755	0.960
New Jersey Casualty Ins. Co.	14,163	78,052,239	920	5,303,963	449	1,692,602	15,532	85,048,804	834	33,469,487	16,366	118,518,291	124,090,875	0.955
Selective Ins. Co. of America*	893	4,531,233	257	984,350	9	45,455	1,159	5,561,038	2,130	18,203,373	3,289	23,764,411	22,989,274	1.034
P-Travelers Indemnity Company*	7,262	60,361,768	494	5,965,478	117	1,522,051	7,873	67,849,297	1,414	9,349,297	9,287	77,198,594	141,158,868	0.965
Work First Casualty Company									1	214,854	1	214,854		
All Non-Servicing Members of Workers' Comp. Reinsurance Pool									19,094	168,865,051	19,094	168,865,051		
<b>Total</b>	<b>49,451</b>	<b>303,723,751</b>	<b>3,653</b>	<b>25,830,354</b>	<b>1,116</b>	<b>6,612,099</b>	<b>54,220</b>	<b>336,166,204</b>	<b>31,083</b>	<b>320,295,071</b>	<b>85,303</b>	<b>656,461,275</b>	<b>656,461,274</b>	

P - Servicing Member of National Workers' Compensation Reinsurance Pool.

\* Including Companies under the same management

**TABLE VI****Historical Plan Experience**

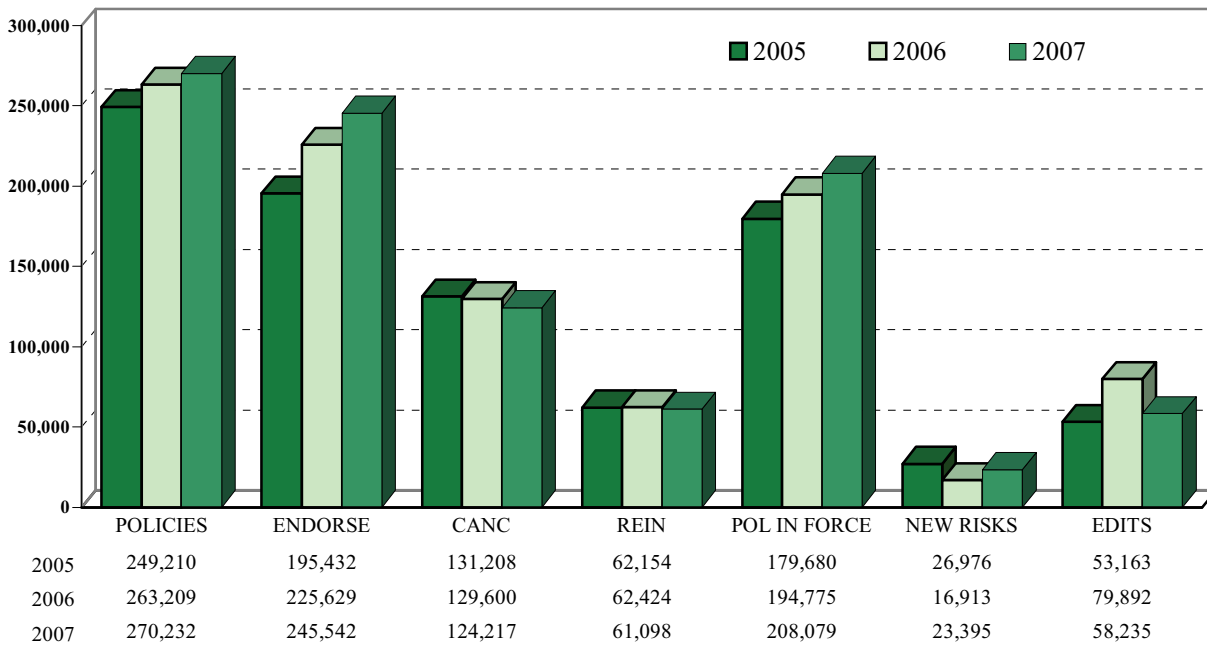
<b>Policy Year</b>	<b>Number of Policies</b>	<b>% of Total</b>	<b>Standard Premium Incl. L &amp; E Constant</b>	<b>% of Total</b>	<b>Total Incurred Loss</b>	<b>Loss Ratio %</b>
1971	16,074	13.7	\$ 10,491,006	3.6	\$ 6,984,726	66.58
1972	15,706	12.5	9,751,301	3.0	7,060,701	72.41
1973	13,634	10.3	7,260,486	2.1	4,945,611	68.12
1974	11,628	8.6	6,096,150	1.7	5,112,611	83.87
1975	12,605	9.2	8,073,206	2.2	6,724,147	83.29
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	244,485,201	14.0	198,882,269	81.35
2003	58,839	30.7	358,010,788	18.6	263,440,554	73.58
2004	64,146	33.3	420,617,780	20.1	263,150,836	62.56
2005	67,562	34.2	471,232,907	19.6	250,129,657	53.08

## POLICY REVIEW DIVISION

### POLICY FILINGS

In 2007 the total filings of policies, endorsements, cancellations and reinstatements received amounted to 701,089 compared to 680,862 the previous year. This represents an increase of 3.0%. Policies and endorsements increased 5.5%. Policies in force increased 6.8%. Cancellations and reinstatements decreased by 3.5%. New risks increased 38.3%. The computer edit error rate for total policies decreased 27.1% in 2007.

### RECEIPT AND DISTRIBUTION OF POLICY MATERIAL



### POLICY FORMS

Forms must be filed before a policy, information page, endorsement, cancellation or reinstatement form may be used. In 2007, the amount of specimen policy forms reviewed was 1,041. During the previous year, 1,113 were reviewed.

### COVERAGE RECORDS

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

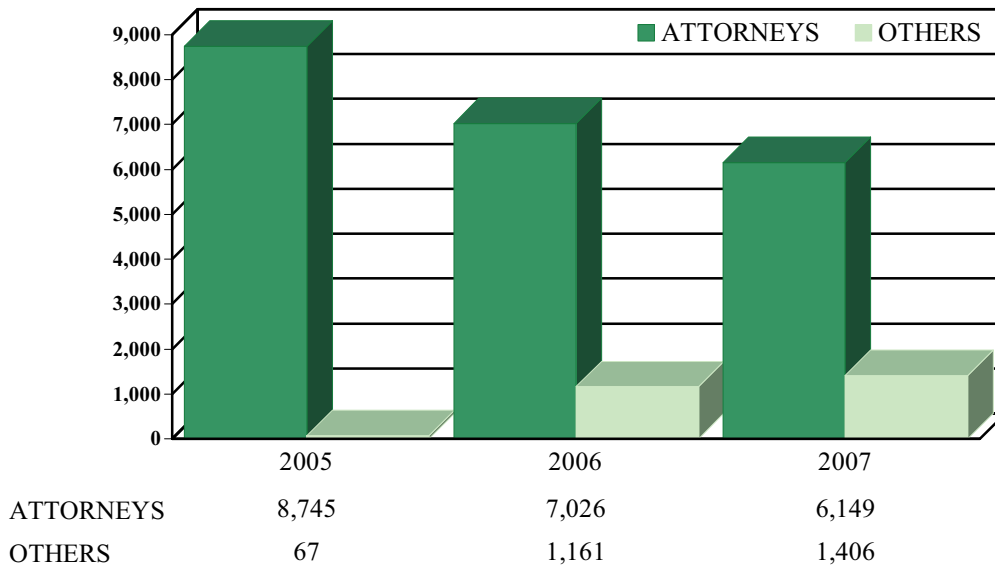
Policy material, correspondence, reports of experience and inspection reports with respect to a given New Jersey employer are housed in individual risk files. Each file is identified by a six-digit number. The file number is determined from the name of the employer through the use of a computer inquiry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

During 1998, the Bureau completed the conversion of all hard copy individual risk files to a computerized data filing system. A total of 1,074,123 documents consisting of correspondence as well as inspection and audit reports were imaged. From 1999 through 2006 an additional 1,571,832 documents were imaged. Most of these documents represented new incoming material as well as material located by reviewing the existing filing system for documents that were not previously imaged. In 2007, 146,646 documents were imaged. At the present time, each Bureau employee has immediate access to all information for a risk. This includes correspondence, policies, endorsements, cancellations, reinstatements, audits, inspections, statistical reports and rating data.

Record of coverage filed with the Rating Bureau is subpoenaed in certain cases where the State prosecutes an employer for failure to carry workers compensation insurance. A representative of the Rating Bureau is required to appear with the records to give testimony regarding such records either before a Grand Jury or in court in connection with a trial.

Most inquiries into the record of coverage are received by letter from attorneys representing claimants. Other inquiries are received from the Department of Labor and Workforce Development and from insurance companies to confirm their records or to identify subcontractors as respects premium audit matters. Coverage records are also available at the NJCRIB Web site. As displayed below, the 6,149 written requests from attorneys resulted in a decrease of 12.5% from 2006. This decrease is a result of increased use of the Web site. Inquiries made via the Web site cannot be quantified. We also received 927 letters from the Department of Labor and Workforce Development, 76 e-mails from insurance companies, 98 letters requesting copies of cancellation notices and transmittal letters and 305 letters from insurance companies and labor unions.

RECORD OF COVERAGE INQUIRIES (Paper Format Only)



## MANAGEMENT INFORMATION SYSTEMS DIVISION

The processing of statistical reports of experience, experience ratings, field audit selections, policy coverage requests, Plan risk accounting and selection of carriers to afford coverage on behalf of employers unable to secure voluntary coverage are handled in large measure through the use of the Bureau's mainframe equipment. Specific information from the policies of insurance and all of the data from the carriers reporting of experience are stored on direct access storage and magnetic tape devices thus facilitating the automated processing and review of data. 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 (WCRATE), experience modification data (WCMODS) and policy pre-delinquent and delinquent data (WCCNTL) 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. Standard national WCIO data reporting specifications (WCPOLS and WCSTAT) are in place and we are committed to assist any carrier to reduce and eliminate hard copy filings.

The MIS Division provides the New Jersey workers compensation insurance community with a number of electronic services via our Web site, which are intended to provide large amounts of data to users. Also available, is the File Transfer Protocol (FTP), which allows member carriers to submit WCPOLS and WCSTAT data records via electronic transmissions.

The following information and online applications are available at the NJCRIB Web site: a list of Bureau contacts, the latest Annual Report, E-mail Notification Service, the New Jersey Workers Compensation Online Insurance Plan Application for Designation of an Insurance Company, Aggregate Financial Reporting, Circulars and Bulletins, Bureau Manual, Exploring the Cost of a Workers Compensation Policy booklet, Exploring Experience Rating booklet, New Jersey Forms, Workers Compensation Rates, and FROI/SROI EDI Reporting. Also available are: data searches for Actuarial Statistics, Classification Experience, Loss Claim Characteristics, Policy Coverage Search, Rates & Classifications, Experience Rating Modifications and Residual Market information.

In 2007 NJCRIB started offering Experience Rating worksheets (eRatings) on the Bureau website for access by the carrier community. Further, NJCRIB began to accept data from ACCCT and CDX.

The NJCRIB Web site is available at [www.njcrib.com](http://www.njcrib.com).

## ACTUARIAL DIVISION

Statistics constitute the foundation of the workers compensation insurance pricing system. They 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 concepts.

There is constant review of procedures with the objective of producing, on a timely basis and as cost effective as possible, useful statistics as well as appropriate premium rates. Exhibits and Tables of statistical information are included in this report to assist those engaged in the business of workers compensation insurance in the State of New Jersey.

The reporting of individual policy experience through the Statistical Plan forms the basis of policy year experience (Schedule "Z"). After checking and processing, these detailed reports are used for various analyses, experience and retrospective ratings as well as for classification pure premiums relativities. For each policy, these reports include the audited payrolls, premium rates charged, experience modification (if any) and all items affecting the cost of the coverage. Each compensable accident is separately listed with the amount of incurred indemnity and medical losses. Medical only cases costing less than \$500 are aggregated to a total amount by classification. Other medical only cases are listed separately. 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 Rating Bureau approximately twenty and one-half months after the inception month of the policy. Tables VII through X flow from these data.

Calendar year Schedule "W" data, Exhibits A and B in the appendix, show the developments which occurred during 2007 with respect to both premiums and losses under all policies which have been effective 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.

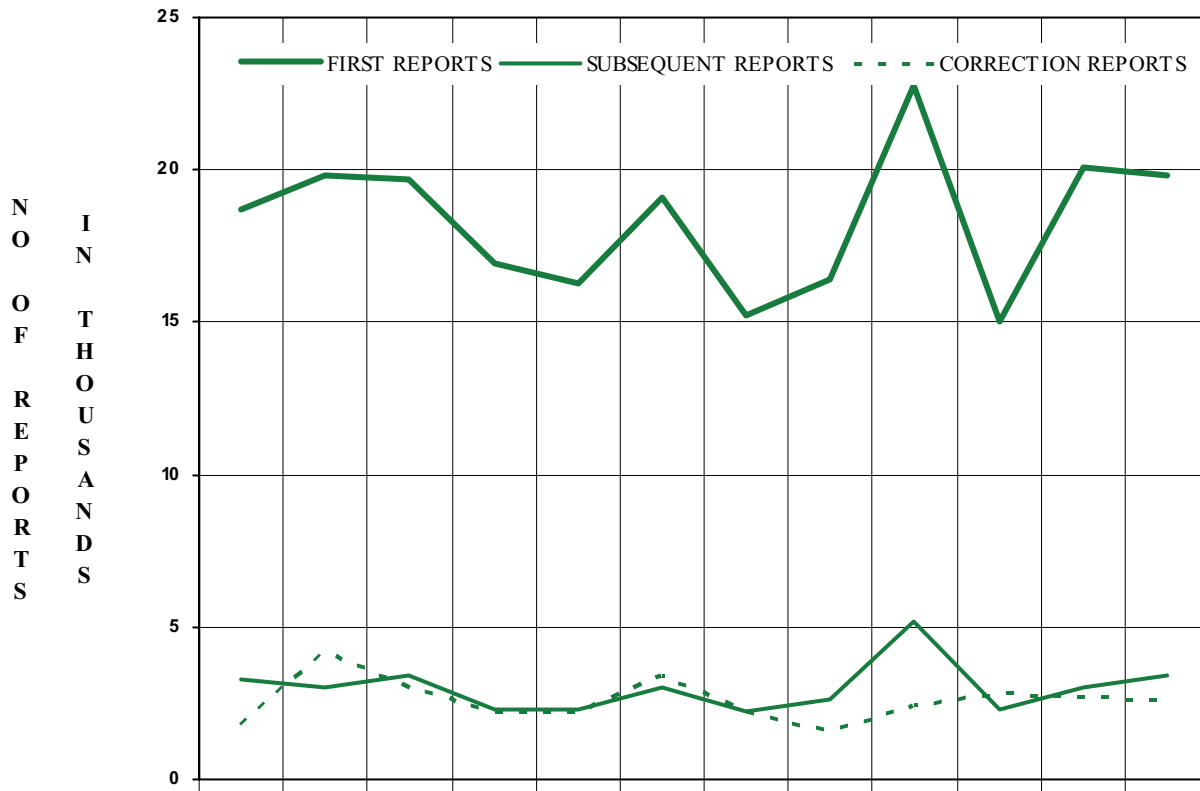
Statistics are not meaningful unless they have been subjected to quality analyses. Such quality as respects the data filed through the Statistical Plan is in large measure dependent on whether payrolls have been audited properly and claims have been assigned to the proper classifications. In this regard, an extensive test payroll audit program, and data quality process directed toward the classification of claims are in place. Schedule "W" data can be filed electronically at the Rating Bureau Web site ([www.njcrib.com](http://www.njcrib.com)) 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 it is possible to have confidence in the reliability of the data used in the pricing of the insurance.

The Rating Bureau Web site also contains actuarial information, which is updated annually. 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 site.

**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 68.0% are received via the NJCRIB – FTP electronic transmission method, 31.3% are received via CDX, 0.2% are received via magnetic tape and 0.5% are received in paper format.

**EXPERIENCE REPORTS RECEIVED DURING 2007**



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	18.7	19.8	19.7	16.9	16.3	19.1	15.2	16.4	22.8	15.0	20.1	19.8
SUBSEQUENT REPORTS	3.3	3.0	3.4	2.3	2.3	3.0	2.2	2.6	5.2	2.3	3.0	3.4
CORRECTION REPORTS	1.8	4.2	3.0	2.2	2.2	3.4	2.2	1.6	2.4	2.8	2.7	2.6

The number of first reports received increased from 213,335 for calendar year 2006 to 219,937 in calendar year 2007. The number of subsequent reports received increased from 33,680 in calendar year 2006 to 35,749 in calendar year 2007. The number of correction reports received decreased from 38,898 in calendar year 2006 to 30,986 in calendar year 2007.

**TABLE VII**

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

<b>Policy Year</b>	<b>Payrolls</b>	<b>Earned Standard Premium</b>	<b>Benefits (Incurred Losses)</b>	<b>Loss Ratio %</b>
1917 - 1961	\$110,631,968,219	\$1,615,497,532	\$915,649,599	56.68
1962	8,243,827,700	127,920,705	71,553,722	55.94
1963	8,710,394,846	135,156,401	75,719,217	56.02
1964	9,401,617,939	143,400,036	82,174,557	57.30
1965	10,227,029,873	154,541,867	88,912,406	57.53
1966	11,095,302,546	175,960,004	100,066,564	56.87
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	123,884,303,627	1,748,828,979	1,259,542,918	72.02
2003	127,177,453,513	1,920,043,653	1,247,256,866	64.96
2004	131,729,937,826	2,096,362,849	1,139,024,854	54.33
2005	140,616,450,021	2,405,579,045	1,055,730,277	43.89
Total:	\$2,496,447,602,486	\$42,516,740,620	\$25,428,955,423	59.81

**TABLE VIII**

**Experience by Size – All Risks  
Policy Year 2005 – 1st Report**

Premium Size From	Premium Size To	Number of Risks on Annual Basis	Earned Standard Premiums	Total Incurred Losses	Loss Ratio %
Minimum	Premium	17,850.74	\$ 7,839,779	\$ 2,858,473	36.46
\$ 0	99	4,001.01	271,863	66,421	24.43
100	199	9,461.23	1,411,709	1,249,159	88.49
200	299	8,828.07	2,200,282	945,134	42.96
300	399	7,940.03	2,757,331	1,051,095	38.12
400	499	6,393.27	2,867,698	606,381	21.15
500	599	6,859.86	3,757,271	1,187,079	31.59
600	699	6,438.80	4,173,103	1,955,832	46.87
700	799	5,342.17	3,975,473	2,813,381	70.77
800	899	4,145.20	3,513,480	947,046	26.95
900	1,099	7,717.12	7,713,536	2,707,805	35.10
1,100	4,999	64,371.05	163,157,485	66,582,368	40.81
5,000	9,999	20,814.89	147,146,762	59,485,374	40.43
10,000	24,999	16,748.15	260,941,631	123,057,316	47.16
25,000	49,999	6,798.76	236,530,098	102,965,440	43.53
50,000	99,999	3,825.35	267,751,452	110,490,214	41.27
100,000	249,999	2,351.51	360,022,162	185,163,372	51.43
250,000	499,999	802.20	275,899,490	114,787,491	41.60
500,000	999,999	304.14	207,845,088	83,274,631	40.07
1,000,000	& Over	198.58	493,288,152	195,227,023	39.58
<b>Total</b>		201,192.13	\$2,453,063,845	\$1,057,421,035	43.11
Over Min. Prem. 1,100	1,099 & Over	67,126.76 116,214.63	32,641,746 2,412,582,320	13,529,333 1,041,033,229	41.45 43.15

## 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 Over \$1,100		Total All Risks	
	Premium	Loss Ratio	Premium	Loss Ratio	Premium	Loss Ratio	Premium	Loss Ratio
1981	\$1,423.1	44.90%	\$29,559.6	42.12%	\$ 831,234.7	38.75%	\$ 860,794.3	38.86%
1982	1,408.5	62.37	30,246.3	46.07	854,552.9	46.07	884,799.2	39.32
1983	1,317.2	93.63	31,884.2	75.89	833,534.3	45.84	865,418.5	46.95
1984	1,518.9	87.88	33,374.2	64.62	845,065.0	52.42	878,439.2	52.88
1985	1,537.2	99.37	34,416.0	75.92	800,193.8	61.30	834,609.8	61.90
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	7,625.6	71.00	43,421.6	58.85	1,729,564.6	71.41	1,772,986.2	71.10
2003	7,185.1	43.20	41,283.4	64.63	1,912,261.8	63.89	1,953,545.3	63.90
2004	7,176.9	41.97	40,530.1	59.22	2,097,856.2	53.21	2,138,386.3	53.32
2005	7,839.8	36.46	40,481.5	40.48	2,412,582.3	43.15	2,453,063.8	43.11

The data included for policy years 2002 through 2005 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 of Policies</u>	<u>Payroll</u>	<u>Total Premium Excluding Expense Constant</u>	<u>Death</u>	<u>Permanent Total</u>	<u>Permanent Partial Major</u>	<u>Permanent Partial Minor</u>	<u>Temporary Total</u>	<u>Medical Only</u>	<u>Total</u>
<u>2001</u>										
First	193,961	119,450,198,955	1,689,727,520	Number 90	55	1,079	14,909	21,176	85,928	123,237
				Indemnity 24,148,665	6,361,831	73,411,732	221,722,139	111,278,165	--	436,922,532
				Medical 3,710,870	20,888,050	75,899,368	154,567,773	125,775,361	62,957,125	443,798,547
Second	194,365	120,375,206,538	1,702,526,434	Number 85	75	1,651	16,954	21,400	89,448	129,613
				Indemnity 22,470,803	11,132,022	128,176,336	260,416,356	134,065,674	--	556,261,191
				Medical 3,886,303	31,774,397	105,629,346	161,612,586	124,250,106	66,490,656	493,643,394
Third	194,482	120,216,068,291	1,698,282,002	Number 82	103	1,956	17,400	21,053	89,534	130,128
				Indemnity 19,478,242	16,642,230	165,252,170	271,992,466	125,573,731	--	598,938,839
				Medical 3,189,982	35,678,377	132,362,591	160,561,437	121,537,720	66,634,520	519,964,627
Fourth	194,557	120,134,869,614	1,696,197,506	Number 91	134	2,203	17,119	20,884	89,839	130,270
				Indemnity 22,783,432	24,765,663	199,866,279	272,738,450	117,758,283	--	637,912,107
				Medical 5,942,097	37,865,012	151,107,553	156,019,423	112,666,356	67,782,774	531,383,215
Fifth	194,575	120,146,478,705	1,696,374,327	Number 88	171	2,179	16,933	20,939	89,932	130,242
				Indemnity 21,336,041	32,547,139	199,549,756	282,883,626	123,400,063	--	659,716,625
				Medical 5,400,553	42,703,482	147,898,211	157,465,796	115,259,142	68,204,966	536,932,150
<u>2002</u>										
First	190,584	122,476,878,740	1,755,922,079	Number 58	38	1,097	16,183	19,263	82,003	118,642
				Indemnity 10,243,543	8,049,080	85,159,449	254,932,526	98,574,948	--	456,959,546
				Medical 2,359,068	28,215,096	96,176,942	184,613,863	120,368,155	67,511,063	499,244,187
Second	190,862	122,757,140,354	1,748,574,591	Number 65	48	1,390	17,184	20,174	84,273	123,134
				Indemnity 12,850,053	11,007,095	137,245,201	290,014,115	116,696,026	--	567,812,490
				Medical 2,493,017	36,402,273	130,817,363	194,238,305	129,176,244	70,081,965	563,209,167
Third	190,913	123,844,637,418	1,749,342,538	Number 72	73	1,785	17,214	19,975	84,712	123,831
				Indemnity 13,463,506	16,627,692	186,538,497	299,184,951	112,400,821	--	628,215,467
				Medical 2,188,589	47,307,354	160,075,477	191,004,326	118,148,567	70,703,777	589,428,090
Fourth	190,913	123,884,303,627	1,748,828,979	Number 71	93	1,849	17,021	19,988	84,895	123,917
				Indemnity 14,995,057	20,163,809	193,560,155	314,140,024	116,790,419	--	659,649,464
				Medical 2,087,488	52,259,954	157,799,546	194,485,402	122,401,682	70,859,382	599,893,454
<u>2003</u>										
First	191,271	125,831,213,658	1,960,740,147	Number 59	42	925	14,413	20,759	79,685	115,883
				Indemnity 16,039,474	9,934,485	84,501,332	246,653,333	110,984,429	--	468,113,053
				Medical 1,424,783	47,958,356	88,277,432	188,917,144	132,442,307	71,806,251	530,826,273
Second	191,540	127,131,769,242	1,931,467,224	Number 70	63	1,472	15,521	21,255	81,607	119,988
				Indemnity 17,827,145	13,235,050	145,731,121	280,149,278	118,963,595	--	575,906,189
				Medical 1,354,890	46,255,992	136,643,023	191,007,480	129,558,833	73,630,707	578,450,925
Third	191,528	127,177,453,513	1,920,043,653	Number 70	70	1,716	15,611	21,359	82,061	120,887
				Indemnity 18,619,537	17,271,559	176,240,891	298,882,551	129,017,159	--	640,031,697
				Medical 1,485,500	54,884,367	153,888,945	192,952,578	129,919,025	74,094,754	607,225,169
<u>2004</u>										
First	192,794	131,569,622,697	2,111,742,217	Number 71	29	914	14,444	19,192	78,482	113,132
				Indemnity 23,356,515	3,771,221	91,363,323	256,527,698	93,457,688	--	468,476,445
				Medical 5,209,965	15,741,203	104,689,496	194,125,966	126,009,308	77,362,989	523,138,927
Second	192,856	131,729,937,826	2,096,362,849	Number 81	51	1,337	15,481	19,662	80,265	116,877
				Indemnity 26,848,660	5,926,255	137,905,589	294,248,765	104,457,181	--	569,386,450
				Medical 5,141,589	22,674,251	136,759,696	197,329,487	127,090,037	80,643,344	569,638,404
<u>2005</u>										
First	197,377	140,616,450,021	2,405,579,045	Number 52	39	1,084	13,434	18,798	76,845	110,252
				Indemnity 13,610,648	7,527,771	90,985,945	259,069,272	106,167,815	--	477,361,451
				Medical 4,248,890	39,473,937	110,349,982	206,770,606	137,323,995	80,201,416	578,368,826

## CONCLUSION

The Statutory responsibilities and operations of NJCRIB are numerous, varied and often complex. They are described in the front-inside cover and in the previous thirty-two pages of this Report. There are many 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, academicians, consultants, actuaries and others. Additionally, to provide a high level of information, it also is necessary to maintain a variety of sophisticated electronic systems involving the Internet Web-Site, Optical Imaging and Networking.

To maintain an effective operation capable of addressing the day-to-day activity, it is necessary to rely on dedicated persons, many of whom have committed their working careers to NJCRIB. We are privileged to have such a group. During 2007, the following individuals were honored for service of 25 years or more:

<b>Patricia A. Bell</b>	<b>- 25 Years</b>
<b>Janet Sawh</b>	<b>- 25 Years</b>
<b>Roxanne Sherrod</b>	<b>- 25 Years</b>
<b>John T. Skidmore</b>	<b>- 35 Years</b>

Our thanks also go out to each Bureau employee who has contributed to NJCRIB'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: **Frederick A. Huber** - Associate Executive Director, **Roland E. Brazda III** - Director of Underwriting, **Salvatore A. Nardone** - Director of Rating, **Janet Nicolai** - Human Resources Director, **John T. Skidmore** - Director of Policy Review, **Robert Eichler** - Director of MIS, **Stanley R. Markow** - Acting Director of Actuarial Services and **Charu Mehta** - Manager of Finance.

This Report would not be complete without an expression of thanks to **Donald Bryan**, Director of Insurance, Department of Banking and Insurance. His involvement in several issues during the year has been much appreciated.

## IN MEMORIAM

**On May 28, 2007, after an extended illness, *THERESA BUTTACAVOLI* passed away. Theresa had been employed with the Bureau since 1953 in various capacities. Her passing has left a void in the hearts of all who knew her.**

**This Annual Report is dedicated to Theresa Buttacavoli.**

## *List of Members as of December 31, 2007*

### **A**

Acceptance Indemnity Insurance Company  
ACE American Insurance Company  
ACE Fire Underwriters Insurance Company  
ACE Indemnity Insurance Company  
ACE Property and Casualty Insurance Company  
Accident Fund Insurance Company of America  
ACIG Insurance Company  
Admiral Insurance Company  
Advantage Workers Compensation Insurance Co  
Affiliated FM Insurance Company  
AIG Casualty Company  
AIG Centennial Insurance Company  
AIOI Insurance Company Of America  
AIU Insurance Company  
Alea North America Insurance Company  
All America Insurance Company  
Alliance Assurance Company of America  
Alliance National Insurance Company  
Allianz Insurance Company  
Allmerica Financial Alliance Insurance Company  
Allmerica Financial Benefit Insurance Company  
Allstate New Jersey Insurance Company  
American Alternative Insurance Corporation  
American Automobile Insurance Company  
American Casualty Company of Reading, PA  
American Centennial Insurance Company  
American Compensation Insurance Company  
American European Insurance Company  
American Fire and Casualty Company  
American Fuji Fire & Marine Insurance Company  
American Guarantee and Liability Insurance Co  
American Hardware Mutual Insurance Company  
American Home Assurance Company

The American Insurance Company  
American Manufacturers Mutual Insurance Company  
American Millennium Insurance Company  
American Motorists Insurance Company  
American Safety Casualty Insurance Company  
American States Insurance Company  
American Universal Insurance Company  
American Zurich Insurance Company  
Americas Insurance Company  
AmeriHealth Casualty Company  
Amerisure Insurance Company  
Amerisure Mutual Insurance Company  
Ameritrust Insurance Corporation  
AmGuard Insurance Company  
Amica Mutual Insurance Company  
Arch Insurance Company  
Argonaut Insurance Company  
Argonaut-Midwest Insurance Company  
Argonaut-Southwest Insurance Company  
ARI Casualty Company  
ARI Mutual Insurance Company  
Arrowood Indemnity Company  
Associated Indemnity Corporation  
Assurance Company of America  
Athena Assurance Company  
Atlanta International Insurance Company  
Atlantic Employers Insurance Company  
Atlantic Mutual Insurance Company  
Atlantic Specialty Insurance Company  
The Automobile Insurance Company of Hartford  
AXA Corporate Solutions Reinsurance Company  
AXA Insurance Company

### **B**

Balboa Insurance Company  
BancInsure Inc.  
Bankers Standard Insurance Company  
Beacon Insurance Company of America

Berkley Regional Insurance Company  
Bituminous Casualty Corporation  
Bituminous Fire and Marine Insurance Company  
Brotherhood Mutual Insurance Company

### **C**

Camden Fire Insurance Association  
Carolina Casualty Insurance Company  
CastlePoint Insurance Company  
Caterpillar Insurance Company

Centennial Insurance Company  
Central Mutual Insurance Company  
Centre Insurance Company  
Century Indemnity Company

## *List of Members as of December 31, 2007*

### **C**

The Charter Oak Fire Insurance 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  
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  
The Continental Insurance Company  
The Continental Insurance Company of New Jersey  
Countryway Insurance Company  
Crum and Forster Indemnity Company  
Crum and Forster Insurance Company  
Cumberland Insurance Company, Inc.  
Cumis Insurance Society, Inc.

### **D**

DaimlerChrysler Insurance Company  
Deerfield Insurance Company  
Delos Insurance Company

Diamond State Insurance Company  
Discover Property and Casualty Insurance Company  
Drive New Jersey Insurance Company

### **E**

Eagle Insurance Company  
Eastern Casualty Insurance Company  
EastGuard Insurance Company  
Electric Insurance Company  
Empire Insurance Company  
Employers Fire Insurance Company  
Employers Insurance Company of Wausau

Employers Mutual Casualty Company  
Employers Reinsurance Corporation  
Euler American Credit Indemnity Company  
Everest National Insurance Company  
Excelsior Insurance Company  
Executive Risk Indemnity Inc.

### **F**

Fairfield Insurance Company  
Fairmont Premier Insurance Company  
Fairmont Specialty Insurance Company  
Farm Family Casualty Insurance Company  
Farmers Insurance Company of Flemington  
Farmers Mutual Fire Insurance Co of Salem County  
Farmington Casualty Company  
Federal Insurance Company  
Federated Mutual Insurance Company  
Federal Rural Electric Insurance Exchange  
Fidelity & Deposit Company of Maryland  
Fidelity & Guaranty Insurance Company  
Fidelity and 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 Financial Insurance Company  
First Liberty Insurance Corporation  
First National Insurance Company of America  
Firstline National Insurance Company  
Fitchburg Mutual Fire Insurance Company  
Florists Mutual Insurance Company  
FMI Insurance Company  
Founders Insurance Company  
Frankenmuth Mutual Insurance Company  
Franklin Mutual Insurance Company  
Frontier Insurance Company

*List of Members as of December 31, 2007*

**G**

General Casualty Company of Wisconsin  
General Insurance Company of America  
General Security National Insurance Company  
General Star National Insurance Company  
Genesis Insurance Company  
Gerling America Insurance Company  
Granite State Insurance Company  
Graphic Arts Mutual 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**

The Hanover Insurance Company  
Harbor Point Reinsurance U.S. Inc.  
Harbor Specialty Insurance Company  
Harco National Insurance Company  
Harford Mutual Insurance Company  
Harleysville Insurance Company  
Harleysville Insurance Company of New Jersey  
Harleysville Mutual Insurance Company  
Harleysville Preferred Insurance Company  
Harleysville Worcester Insurance Company  
Hartford Accident and Indemnity Company  
The Hartford Casualty Insurance Company

The 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 National Insurance Company  
Imperial Casualty & Indemnity 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  
The Insurance Company of the State of Pennsylvania  
Insurance Company of the West

**K**

Keystone Insurance Company

Koa Fire & Marine Insurance Company

**L**

Lancer Insurance Company  
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  
LM Insurance Corporation  
Lumber Mutual Insurance Company  
Lumbermens Mutual Casualty Company  
Lumbermens Underwriting Alliance

*List of Members as of December 31, 2007*

**M**

Majestic 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  
Metlife Insurance Company of CT  
MIC Property & Casualty Insurance Corporation  
Middlesex Insurance Company  
Midwest Employers Casualty Company  
Midwestern Indemnity Company  
Mitsui Sumitomo Insurance Company of America  
Mitsui Sumitomo Insurance USA Inc.  
Motors Insurance Corporation

**N**

National Fire Insurance Company of Hartford  
National Insurance Underwriters  
National Interstate Insurance Company  
National Interstate Insurance Company of Hawaii  
National Surety Corporation  
National Union Fire of Pittsburgh, Pa.  
Nationwide Mutual Fire Insurance Company  
The 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

Newark Insurance Company  
NGM Insurance Company  
Nichido Fire & Marine Insurance Co. Ltd.  
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 River Insurance Company  
Northbrook Indemnity Company  
Northern Assurance Company of America  
Northern Insurance Company of New York  
Northwestern National Insurance Company  
Nova Casualty Company

**O**

Occidental Fire & Casualty Co of North Carolina  
The 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 Mutual Insurance Company  
Peerless Indemnity Insurance Company  
Peerless Insurance Company  
Penn Millers 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  
Phoenix Insurance Company  
Platte River Insurance Company  
PMA Capital Insurance Company  
Praetorian Insurance Company  
Preferred Mutual Insurance Company  
Preserver Insurance Company  
Princeton Insurance Company

## *List of Members as of December 31, 2007*

### **P**

Proformance Insurance Company  
Progressive Garden State Insurance Company  
Property & Casualty Insurance Co of Hartford  
Protective Insurance Company

Providence Washington Insurance Company  
Providence Washington Insurance Company of NY  
Public Service Mutual Insurance Company

### **Q**

QBE Insurance Corporation

Quincy Mutual Fire Insurance Company

### **R**

Rampart Insurance Company  
Redland Insurance Company  
Regent Insurance Company  
Reinsurance Company of America Inc.  
Republic-Franklin Insurance Company  
Republic Insurance Company

Republic Western Insurance Company  
Riverport Insurance Company  
Rochdale Insurance Company  
Royal and SunAlliance Personal Insurance Company  
Rural Community Insurance Company  
RVI National Insurance Company

### **S**

SAFECO Insurance Company of America  
Safety First Insurance Company  
Safety National Casualty Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Medical Liability Insurance Company  
St. Paul Mercury Insurance Company  
St. Paul Protective Insurance Company  
SeaBright Insurance Company  
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 the 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  
Sompo Japan Insurance Company of America  
Sparta Insurance Company  
Specialty Surplus Insurance Company  
The Standard Fire Insurance Company  
Star Insurance Company  
Star Net Insurance Company  
State Farm Fire and Casualty Company  
State Farm General Insurance Company  
State National Insurance Company, Inc.  
Strathmore Insurance Company  
SUA Insurance Company

### **T**

T.H.E. Insurance Company  
Titan Indemnity Company  
TIG Insurance Company  
TM Casualty Insurance Company  
Toa Reinsurance Company of America  
The Tokio Marine and Nichido Fire Insurance Co  
Tower Insurance Company of New York  
Tower National Insurance Company  
Transguard Insurance Company of America Inc.  
Trans Pacific Insurance Company

Transport Insurance Company  
Transportation Insurance Company  
Travelers Casualty Insurance Company of America  
The Travelers Casualty & Surety Company  
The Travelers Casualty & Surety Co of America  
The Travelers Casualty & Surety Co of Connecticut  
The Travelers Commercial Casualty Company  
The Travelers Commercial Insurance Company  
The Travelers Indemnity Company  
The Travelers Indemnity Company of America

***List of Members as of December 31, 2007***

**T**

The Travelers Indemnity Company of Connecticut  
The Travelers Property Casualty Co. of America  
Truck Insurance Exchange

Trumbull Insurance Company  
Twin City Fire Insurance Company

**U**

ULLICO Casualty Company  
U.S. Specialty Insurance Company  
United States Fidelity and Guaranty Company  
United States Fire Insurance Company  
United States Liability Insurance Company

Unitrin Auto & Home Insurance Company  
Unitrin Preferred Insurance Company  
Universal Underwriters Insurance Company  
Universal Underwriters of Texas Insurance Company  
Utica Mutual Insurance Company

**V**

Valiant Insurance Company  
Valley Forge Insurance Company  
VanLiner Insurance Company

Vigilant Insurance Company  
Virginia Surety Company Inc.

**W**

Washington International Insurance Company  
Wausau Business Insurance Company  
Wausau Underwriters Insurance Company  
Wesco Insurance Company

West American Insurance Company  
Westchester Fire Insurance Company  
Westport Insurance Corporation  
Work First Casualty Company

**X**

XL Insurance America Inc.  
XL Insurance Company Of New York, Inc.

XL Reinsurance America Inc  
XL Specialty Insurance Company

**Y**

York Insurance Company

**Z**

Zenith Insurance Company

Zurich American Insurance Company

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# APPENDIX

**EXHIBIT A**

**Calendar Year 2007  
New Jersey Schedule "W" - Total Experience  
Policy Year Analysis**

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

Cal. Year Ended (a)	Amount To End Of Period In Dollars Only (b)	1942-2001 incl (c)	2002 (d)	2003 (e)	2004 (f)	2005 (g)	2006 (h)	2007 (i)	All Years (j)	Experience For Cal Year (k)
Dec. 31, 2002	1-Losses Paid	18,465,199,563	124,375,656	***	***	***	***	***	18,589,575,219	***
	2-Losses Outstanding	4,135,386,493	553,947,263	***	***	***	***	***	4,689,333,756	***
	3-Losses Incurred	22,600,586,056	678,322,919	***	***	***	***	***	23,278,908,975	***
	4-Std Prem Written	33,940,049,618	1,497,732,355	***	***	***	***	***	35,437,781,973	***
	5-Std Prem Earned	33,961,770,332	1,049,221,812	***	***	***	***	***	35,010,992,144	***
	6-Loss Ratio (3/5)	66.55%	64.65%	***	***	***	***	***	66.49%	***
Dec. 31, 2003	7-Losses Paid	19,121,542,836	497,529,839	124,419,110	***	***	***	***	19,743,491,785	1,153,916,566
	8-Losses Outstanding	3,619,098,518	842,457,279	590,654,550	***	***	***	***	5,052,210,347	362,876,591
	9-Losses Incurred	22,740,641,354	1,339,987,118	1,715,073,660	***	***	***	***	24,795,702,132	1,516,793,157
	10-Std Prem Written	33,961,184,033	1,855,842,260	1,624,039,627	***	***	***	***	37,441,065,920	2,003,283,947
	11-Std Prem Earned	33,965,350,382	1,865,641,176	1,143,595,756	***	***	***	***	36,974,587,314	1,963,595,170
	12-Loss Ratio (9/11)	66.95%	71.82%	62.53%	***	***	***	***	67.06%	77.25%
Dec. 31, 2004	13-Losses Paid	19,572,061,656	683,077,653	488,022,723	130,784,025	***	***	***	20,873,946,057	1,130,454,272
	14-Losses Outstanding	3,386,885,156	737,119,438	917,584,338	624,761,752	***	***	***	5,666,350,684	614,140,337
	15-Losses Incurred	22,958,946,812	1,420,197,091	1,405,607,061	755,545,777	***	***	***	26,540,296,741	1,744,594,609
	16-Std Prem Written	33,957,692,304	1,876,212,461	2,008,602,287	1,786,669,132	***	***	***	39,629,176,184	2,188,110,264
	17-Std Prem Earned	33,966,217,174	1,878,530,511	2,019,674,479	1,209,406,618	***	***	***	39,073,828,782	2,099,241,468
	18-Loss Ratio (15/17)	67.59%	75.60%	69.60%	62.47%	***	***	***	67.92%	83.11%
Dec. 31, 2005	19-Losses Paid	19,932,559,719	834,018,417	698,283,785	502,706,757	136,744,669	***	***	22,104,313,347	1,230,367,290
	20-Losses Outstanding	3,208,159,028	605,498,053	785,646,209	968,395,303	721,771,985	***	***	6,289,470,578	623,119,894
	21-Losses Incurred	23,140,718,747	1,439,516,470	1,483,929,994	1,471,102,060	858,516,654	***	***	28,393,783,925	1,853,487,184
	22-Std Prem Written	33,957,631,934	1,865,218,784	2,040,736,053	2,147,481,234	2,052,480,730	***	***	42,063,548,735	2,434,372,551
	23-Std Prem Earned	33,959,035,633	1,874,711,366	2,031,967,723	2,183,899,638	1,367,056,640	***	***	41,416,671,000	2,342,842,218
	24-Loss Ratio (21/23)	68.14%	76.79%	73.03%	67.36%	62.80%	***	***	68.56%	79.11%
Dec. 31, 2006	25-Losses Paid	20,221,226,630	934,213,602	845,865,817	710,692,847	534,500,062	132,384,810	***	23,378,883,768	1,274,570,421
	26-Losses Outstanding	3,062,861,679	536,814,606	628,582,285	766,305,303	1,012,482,254	704,953,311	***	6,711,999,438	422,528,860
	27-Losses Incurred	23,284,088,309	1,471,028,208	1,474,448,102	1,476,998,150	1,546,983,316	837,338,121	***	30,090,883,206	1,697,099,281
	28-Std Prem Written	33,965,494,517	1,868,779,625	2,036,004,289	2,137,746,240	2,461,297,595	2,247,380,911	***	44,716,703,177	2,653,154,442
	29-Std Prem Earned	33,992,098,215	1,881,574,353	2,026,842,523	2,167,520,283	2,443,885,315	1,505,823,788	***	44,017,744,477	2,601,073,477
	30-Loss Ratio (27/29)	68.50%	78.18%	72.75%	68.14%	63.30%	55.61%	***	68.36%	65.25%
Dec. 31, 2007	31-Losses Paid	20,490,074,006	1,005,432,229	950,924,524	860,559,191	760,325,609	541,003,841	140,252,624	24,748,572,024	1,369,688,256
	32-Losses Outstanding	2,842,296,381	458,638,685	547,529,516	636,443,579	841,772,334	1,006,780,551	696,619,495	7,030,080,541	318,081,103
	33-Losses Incurred	23,332,370,387	1,464,070,914	1,498,454,040	1,497,002,770	1,602,097,943	1,547,784,392	836,872,119	31,778,652,565	1,687,769,359
	34-Std Prem Written	33,953,950,440	1,868,663,354	2,023,890,381	2,125,506,709	2,460,172,915	2,643,924,456	2,347,638,756	47,233,747,211	2,707,044,034
	35-Std Prem Earned	33,979,933,982	1,881,295,207	2,014,249,802	2,156,109,132	2,439,116,399	2,670,869,915	1,574,985,232	46,716,559,669	2,698,815,192
	36-Loss Ratio (33/35)	68.67%	77.82%	74.39%	69.43%	65.68%	57.95%	53.14%	68.02%	62.54%

**EXHIBIT B****New Jersey Schedule "W"****Exhibit of Policy Year Experience  
Policy Years 1942-2001****As Developed to December 31, 2007**

Policy Year	Losses			Standard Premium		Loss Ratio
	Paid	Outstanding	Incurred	Written	Earned	
1942 - 1989	\$9,702,947,743	\$561,701,234	\$10,264,648,977	\$16,153,905,612	\$16,174,493,165	63.46%
1990	876,952,384	92,432,742	969,385,126	1,112,601,490	1,120,265,784	86.53
1991	871,389,753	77,939,866	949,329,619	1,125,751,572	1,132,329,104	83.84
1992	917,234,529	119,945,288	1,037,179,817	1,247,558,092	1,277,198,598	81.21
1993	905,278,513	114,010,796	1,019,289,309	1,494,323,322	1,464,284,492	69.61
1994	849,413,034	115,811,642	965,224,676	1,611,970,602	1,582,153,108	61.01
1995	848,025,062	125,411,853	973,436,915	1,599,330,998	1,601,463,552	60.78
1996	841,096,950	164,391,366	1,005,488,316	1,636,901,766	1,637,037,049	61.42
1997	850,571,346	183,619,353	1,034,190,699	1,550,698,558	1,562,477,990	66.19
1998	895,905,172	235,401,849	1,131,307,021	1,531,826,649	1,532,997,453	73.80
1999	957,299,028	311,000,928	1,268,299,956	1,587,655,412	1,588,960,626	79.82
2000	974,095,437	374,799,722	1,348,895,159	1,594,693,816	1,603,474,743	84.12
2001	999,865,055	365,829,742	1,365,694,797	1,706,732,551	1,702,798,318	80.20
Total:	\$20,490,074,006	\$2,842,296,381	\$23,332,370,387	\$33,953,950,440	\$33,979,933,982	68.67%

## 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
1917-1962	\$1,670,768,776	58.45%	\$976,538,583	\$968,540,613	57.97%	\$7,997,970	0.48%
1963	131,669,519	57.95	76,302,486	76,528,275	58.12	(225,789)	-0.17
1964	138,090,265	57.89	79,940,454	79,510,521	57.58	429,933	0.31
1965	146,964,369	57.89	85,077,673	88,994,558	60.56	(3,916,885)	-2.67
1966	161,290,435	58.28	94,000,066	99,912,786	61.95	(5,912,720)	-3.67
1967	191,663,727	58.34	111,816,618	121,706,685	63.50	(9,890,067)	-5.16
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	2,342,842,218	62.39	1,461,699,260	1,853,487,184	79.11	(391,787,924)	-16.72
2006	2,601,073,477	62.40	1,623,069,850	1,697,099,281	65.25	(74,029,431)	-2.85
2007	2,698,815,192	62.54	1,687,839,021	1,687,769,359	62.54	69,662	0.00
Total:	\$47,161,274,424	65.14%	\$30,722,390,568	\$32,044,864,016	67.95%	(\$1,322,473,448)	-2.80%

## EXHIBIT D

**Calendar Year 2007 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 Insurance Group	\$163,003,384	Florists Mutual Insurance Company	\$596,936	Petroleum Casualty Company	\$440,943
ACIG Insurance Company	649,083	Franklin Mutual Group	7,067,287	PMA Capital Insurance Group	73,998,704
Alea North America Insurance Company	1,495,170	Great American P & C Insurance Group	1,847,639	Protective Insurance Company	1,467,154
Alliance National Insurance Company	1,207,279	Great Divide Insurance Company	899,243	Quincy Mutual Fire Insurance Company	3,427,651
Allianz of America, Inc.	2,855,151	Greater New York Group	7,678,192	Reinsurance Company of America	2,126,999
Allmerica Financial Prop. & Cas. Cos.	9,943,597	Guarantee Insurance Company	4,078,750	Rochdale Insurance Company	48,396,617
American Alternative Insurance Company	582,951	Guard Insurance Group	30,896,411	SAFECO Insurance Companies	2,821,582
American Hardware Mutual Ins. Company	911,409	GuideOne Mutual Insurance Company	800,423	Safety National Group	3,448,208
American International Group	331,087,196	Harleysville Insurance Group	30,586,998	Seabright Insurance Co.	3,417,426
Atlantic Mutual Insurance Cos.	1,024,566	Hartford Insurance Group	182,942,294	Selective Insurance Group	90,154,229
Arch Insurance Company	5,856,646	HDI US Group	1,710,261	Sentry Insurance Group	19,402,203
Argonaut Insurance Group	5,144,981	Highmark Casualty Insurance Company	319,067	Sompo Japan Insurance Company	2,875,304
CastlePointe Insurance Company	3,513,146	Imperial Casualty & Indentity Company	1,662,918	SPARTA Insurance Company	1,595,113
Central Insurance Companies	3,106,652	Liberty Mutual Insurance Companies	345,318,966	Star Insurance Company	7,270,064
Chubb Group of Insurance Companies	45,877,609	Lumbermen's Underwriting Alliance	904,361	State Farm Fire & Casualty Ins. Co.	7,768,024
Church Mutual Insurance Company	827,866	Magna Carta Companies	10,344,606	SUA Insurance Company	1,018,644
Cincinnati Insurance Company	694,548	Majestic Insurance Company	7,107,890	Tokio Marine & Fire USB Group	4,950,720
CNA Insurance Group	55,345,426	Mercer Insurance Co. of New Jersey	4,680,991	Tower Group Companies	9,287,178
Companion Property & Casualty Ins. Co.	42,104,299	Merchants Insurance Group	6,194,492	Transguard Insurance Company	1,646,089
Continental Indemnity Company	3,558,532	Midwest Employers Casualty Company	534,762	Travelers Insurance Companies	191,545,010
Cumberland Insurance Company	11,190,512	Mitsui Sumitomo Insurance Group	4,480,328	Utica National Insurance Group	7,075,783
CUMIS Insurance Society	310,450	National Interstate Insurance Company	587,390	Vanliner Insurance Company	3,030,531
Electric Insurance Company	1,558,222	New Jersey Manufacturers Group	534,726,642	Virginia Surety Company	372,992
Everest National Insurance Company	2,162,774	Nova Casualty Company	3,286,892	Westport Insurance Company	1,209,882
Fairfax Financial Group	16,947,251	Old Republic General Group	43,011,583	Work First Insurance Co.	2,286,242
Farm Family Casualty Insurance Co.	19,216,699	One Beacon Insurance Group	4,983,047	XL Capital Group	9,866,655
Farmers Insurance Co. of Flemington	2,372,905	Penn Millers Insurance Company	2,644,248	Zenith Insurance Company	2,065,013
Farmers Mutual Fire Ins Co of Salem Cty.	2,156,764	Pennsylvania Lumbermens Mutual Ins. Co.	434,464	Zurich U.S. Insurance Companies	215,127,952
Fitchburg Mutual Insurance Company	1,773,120	Pennsylvania Nat'l. Mutual Cas. Ins. Co.	10,031,280	Companies under \$250,000	2,114,573

**Total: \$2,707,044,034**

**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>
1983	\$3,113,506	\$834,302,171	0.0037	342,002	165,511	46,006
1984	3,258,164	856,247,774	0.0038	340,429	155,506	44,467
1985	3,608,338	830,594,598	0.0043	360,911	161,290	44,551
1986	3,866,345	892,848,710	0.0043	365,577	169,326	48,650
1987	3,954,529	1,043,816,401	0.0038	386,392	171,529	52,331
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	2,434,372,551	0.0041	638,004	221,098	96,899
2006	10,988,212	2,653,154,442	0.0041	680,862	213,355	93,527
2007	11,205,950	2,707,044,034	0.0041	701,089	219,937	96,626

**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" 2007 to:		
	Second to First	Third to Second	Fourth to Third	Fifth to First	Statistical Third	Statistical Fifth	Schedule "W" Twenty-Four Months
1992	1.110	1.023	1.017	1.173	1.180	1.143	0.953
1993	1.141	1.055	1.011	1.227	1.150	1.128	0.929
1994	1.156	1.036	1.033	1.260	1.184	1.125	0.940
1995	1.145	1.052	1.019	1.242	1.209	1.172	0.995
1996	1.147	1.058	1.033	1.302	1.289	1.201	1.096
1997	1.175	1.073	1.040	1.347	1.259	1.179	1.111
1998	1.170	1.101	1.034	1.355	1.263	1.200	1.139
1999	1.206	1.085	1.063	1.442	1.304	1.183	1.201
2000	1.210	1.081	1.040	1.402	1.270	1.185	1.187
2001	1.192	1.066	1.045	1.359	1.221	1.141	1.115
2002	1.183	1.077	1.034	XXXX	1.202	XXXX	1.093
2003	1.156	1.080	XXXX	XXXX	1.201	XXXX	1.066
2004	1.149	XXXX	XXXX	XXXX	XXXX	XXXX	1.018
2005	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1.036
Average:	1.165	1.066	1.034	1.311	1.228	1.166	1.063