

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



**Annual Report 2010**



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## NINETY-FOURTH ANNUAL REPORT

### INTRODUCTION

The New Jersey workers compensation premium level effective January 1, 2011 was increased 3.9% following two successive years of decreases. The upward pressure on rate level was due in large part to a decline in the premium base related to the recent economic downturn. Even with a decline in claim frequency and a decrease in losses, the reduction in the premium base was significant enough to adversely impact the rate level. The unemployment rate in New Jersey continues to average near the nationwide level and wages for those employed have remained static.


Marketplace activity remained strong during 2010. The strength of the voluntary market is often measured by the activity in the residual market. As of December 31, 2010, residual market premium represented approximately 5% of the statewide total. In 2005, the residual market premium represented close to 20% of the total. The number of policies in the residual market has declined by close to 60% over the past five years. The rate of decline, however, slowed during 2010. The residual market may be reaching its expected population, or the market may be hardening.

The introduction of the Schedule Rating Plan in 2006 has provided for more competition between insurers and better pricing for employers. The use of Schedule Rating increased during 2010. Effective January 1, 2011, the maximum schedule rating debit and credit was increased from 15% to 20%.

Although there is a sense of comfort in the present marketplace environment, there is concern. Questions remain whether the current level of competitive activity can be sustained, or whether it will spin into its historic, cyclical pattern.

Finally, the one-hundredth anniversary of the New Jersey Workers Compensation system is being celebrated this year. There are various events planned and more information is available at the New Jersey Department of Labor and Workplace Development website. As a major participant in the workers compensation system in New Jersey for almost ninety-five years, the Bureau also celebrates the system's centennial, and recognizes those individuals who have contributed to its success. The Bureau 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 affected by the system.

Respectfully Submitted,



Grover E. Czech, Esq.  
Executive Director

## REVISION OF MANUAL RATES – 2011

### RATE LEVEL

The rate level increase of 3.9% effective January 1, 2011 was based on the latest two policy years and latest calendar accident year of experience along with other considerations described below.

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 4.5% due to experience. Analysis of the latest experience also indicated that a decrease of 1.1% due to trend factor considerations was necessary for inclusion in the premium level determination.

Effective January 1, 2011, the maximum weekly benefit with respect to all types of injuries was decreased from \$794 to \$792. The minimum weekly benefit also was decreased from \$212 to \$211 for all kinds of injuries except permanent partial disabilities. A premium level decrease of 0.1% was necessary to recognize the changes in benefits.

An increase of 0.6% was applied to recognize the effects of changes in the allowances for general expense and the Security Fund.

The combined effect of all components produced an overall **premium level** increase of 3.9%. Since there were no changes to other premium producing items, the overall **rate level** change is also an increase of 3.9%.

A Terrorism premium charge of \$0.03 per hundred dollars of payroll is applicable to policies effective January 1, 2011 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost. Upward deviation from the \$0.03 rate, to a maximum of \$0.06, is also permitted for voluntary business.

A Catastrophe (Other than Certified Acts of Terrorism) premium charge of \$0.01 per hundred dollars of payroll is applicable to policies effective January 1, 2011 and thereafter, except for those policies providing coverage exclusively for private estate or residence employees or those policies where negotiations determine the premium cost.

The Uninsured Employers Fund Surcharge was changed to 0.15% and the Second Injury Fund Surcharge was changed to 7.60%.

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

## **RATE RELATIVITIES**

The adjustment of rate relativities effective January 1, 2011 was based on the classification experience of policy years 2003 through 2007 for one-year policies and policy years 2001 through 2005 for the three-year, fixed-rate policies as reported under the New Jersey Statistical Plan.

There were 577 classifications in the Manual effective January 1, 2011, including the codes to accommodate Federal employments. There were 8 classifications that carried no rate assignment. Of the remainder, 340 developed increased rates, 211 showed decreases and 18 were unchanged.

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

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

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

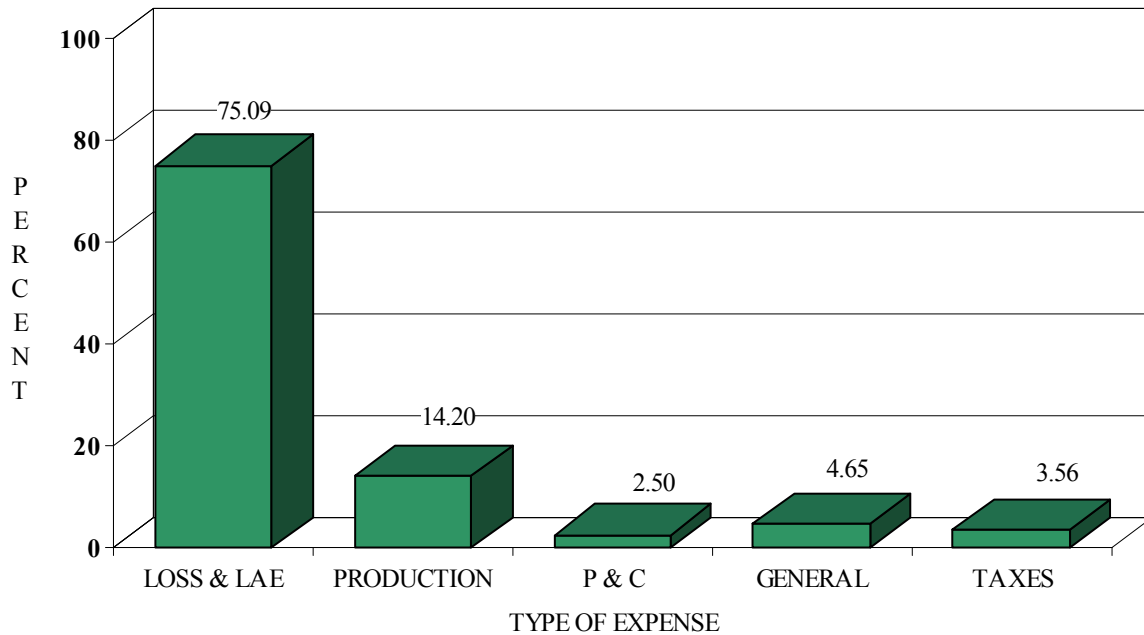
The revised Manual of Rates was included in Circular Letter #1810, dated November 8, 2010.

## **EXPENSES AND TAXES**

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

The benefit cost experience of all insured New Jersey employers, as well as the standard expense and tax provisions, constitute the basis of the Manual of Rates which determine standard premium for New Jersey Workers Compensation and Employers Liability Insurance. Standard premium expresses each carrier's results on a common, comparable statistical basis. The standard expense provisions apply only to the first \$5,000 of standard premium per risk. Such provisions are included in the Manual of Rates effective January 1, 2011 in the following amounts:

STANDARD EXPENSE PROVISIONS



Taxes include: Security Fund 0.91%, General State Premium 2.10%, Rate Supervision 0.25%, and Miscellaneous Tax Provision 0.30%. Production includes commissions and branch office support to perform policy preparation functions. General includes administration, payroll audit, inspection and Bureau expense. The P & C allowance provides for profit and contingencies.

With respect to premium in excess of \$5,000 per risk, certain expense provisions are reduced by the application of one of two premium discount systems – Schedule Y or Schedule X. The discounts in Schedule Y are greater than those in Schedule X, and each insurer can choose one or the other to apply uniformly to its policies. The retrospective rating factors contain the same premium discounts. The Schedule Y discounts effective January 1, 2011 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%

Schedule X discounts, although based on the same principle, result in lower discount percentages. The Schedule X discounts effective January 1, 2011 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 does not apply to policies written through the New Jersey Workers Compensation Insurance Plan.



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

<u>Effective Date</u>	<u>Experience</u>	<u>Benefit Level</u>	<u>Taxes</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percentage Change (%)</u>
1918 – 1973	0.686	4.443	1.043	1.032	3.282	--
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
Jan. 1, 2009	0.984	1.020	0.998	0.988	0.990	(1.0)
Jan. 1, 2010	0.982	1.010	1.002	0.980	0.974	(2.6)
Jan. 1, 2011	1.045	0.999	1.006	0.989	1.039	3.9

## **ANNOUNCEMENTS DURING 2010**

In 2010, the Rating Bureau held two meetings with the Governing Committee and two meetings with the Actuarial Subcommittee. Proposals by the Rating Bureau Staff and suggestions made by individuals, associations and others were reviewed and adopted when they appeared to be in the best interest of the New Jersey workers compensation community.

The major considerations, in addition to those previously discussed, are outlined below. All changes are effective January 1, 2011 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, 2011 and thereafter. The limiting loss values were also changed to reflect increasing loss costs. The changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

#### **Qualification Basis**

The Manual rule citing the qualification basis for experience rating eligibility was amended to substitute a qualifying premium of \$5,100 in lieu of \$4,500 during the experience period. This change was included in Manual Amendment Bulletin #450, dated November 8, 2010.

### **RETROSPECTIVE RATING – PREMIUM DISCOUNT**

#### **Expense Ratio Tables**

Revised expense ratio tables were included in Manual Amendment Bulletin #451, dated November 8, 2010. The new tables reflect the adjustments in the expense provisions.

#### **Retrospective Development Factors**

As a result of an examination of the latest available loss data, the Retrospective Development Factors were revised. The revised factors were included in Manual Amendment Bulletin #451, dated November 8, 2010.

#### **Hazard Group Differentials**

As a result of an examination of the latest available loss data, the Hazard Group Differentials for the seven group system were revised. The four Hazard Group system has been eliminated. The revised Hazard Group Differentials were included in Manual Amendment Bulletin #451, dated November 8, 2010.

**Excess Loss Premium Factors**

As a result of an examination of the latest available loss data, the Excess Loss Premium Factors for the seven Hazard Group system were revised. The revised factors are intended for use with all classifications. The Excess Loss Premium Factors applicable to classifications contemplating coverage under the United States Longshore and Harbor Workers Compensation Act were eliminated. These changes were included in Manual Amendment Bulletin #451, dated November 8, 2010.

**Tax Multipliers**

As a result of adjustments in the tax provisions, the State and USL Tax Multipliers were revised. The revised Tax Multipliers were included in Manual Amendment Bulletin #451, dated November 8, 2010.

**Expected Loss Ratio**

As a result of adjustments in the expense and tax provisions, the Expected Loss Ratio used in Retrospective Rating calculations was revised. The revised Expected Loss Ratio was included in Manual Amendment Bulletin #451, dated November 8, 2010.

**Table of Classifications by Hazard Group**

The Table of Classifications by Hazard Group was revised to remove classification codes that were discontinued effective January 1, 2011. Further, the Table was revised to remove the four Hazard Group system since it has been eliminated. The revised Table of Classifications by Hazard Group was included in Manual Amendment Bulletin #451, dated November 8, 2010.

**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 #451, dated November 8, 2010.

**PREPARATION AND AUDITING OF POLICIES****Executive Officers**

The maximum weekly payroll chargeable to executive officers and certain other employments was adjusted to \$2,270. The minimum weekly payroll was adjusted to \$570. The changes in the maximum and minimum weekly payroll amounts reflect the economic movement in weekly wages. The revised amounts were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Appointed or Elected Public Officers**

The minimum annual payroll for members of Boards of Education was increased to \$5,930 and for appointed or elected officers to \$1,190. These routine adjustments were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Taxicab Companies and Drivers – Code 7370**

The upset annual payroll applicable with this classification under certain stipulated conditions was increased to \$31,700. This change was included in Manual Amendment Bulletin #450, dated November 8, 2010.

**CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM****Classifications**

The Manual rule containing the table of classifications to which the Construction Classification Premium Adjustment Program applies was amended to remove classification code 5651, which was eliminated effective January 1, 2011. This change was included in Manual Amendment Bulletin #450, dated November 8, 2010.

**SCHEDULE RATING PLAN****Maximum Credit and Debit**

The Manual rule containing the maximum schedule rating credit and debit amounts was amended to provide for a change from 15% to 20% for both values. This announcement was included in Manual Amendment Bulletin #450, dated November 8, 2010.

**STATISTICAL****Injury Description Code Table**

The Statistical Plan was amended to add “Gunshot” as a cause of accident in the Injury Description Code Table. The new coding applies to Unit Statistical Reports for policies effective on or after January 1, 2010. The Table update is included in Statistical Circular #112, dated November 8, 2010.

**Unit Statistical Reporting Form**

The Statistical Plan was amended to include the latest version of the Primary Unit Statistical Reporting Form (USR-ASWG-A) used nationally. The amended form is included in Statistical Circular #112, dated November 8, 2010.

**Individual Claim Reports (ICRs)**

The Statistical Plan was amended to reflect the discontinuation of reporting ICRs for policies effective January 1, 2009 and thereafter, and to limit the filing of ICRs to a fifth reporting basis for policies effective prior to January 1, 2009. The amended rules appear in Statistical Circular #112, dated November 8, 2010.

**WORKERS COMPENSATION INSURANCE PLAN****New Jersey Workers Compensation Insurance Plan – Advance Premium**

The section of the Manual containing the rules of the New Jersey Workers Compensation Insurance Plan (Plan) was amended to change the procedure followed when Plan applications are received with insufficient advance premium. Applications accompanied with less than the required advance premium will now be rejected. This change became effective on July 1, 2010 and was announced in Manual Amendment Bulletin #449, dated May 14, 2010.

**Authorization for Release of Funds and Certification Form**

The Manual was amended to add an Authorization for Release of Funds and Certification Form (Authorization Form). The Authorization Form, which is used to certify information in the electronic Plan application and for advance payment purposes, has not heretofore been included in the Manual. The Authorization Form has now been added and has been amended to state that a written signature on the form constitutes a written signature on all Plan forms containing a typewritten signature. The new form became effective on July 1, 2010 and was included in Manual Amendment Bulletin #449, dated May 14, 2010.

**Plan Premium Adjustment Program (PPAP) – Minimum Premium Risk**

The Manual was amended to define the basis for determining a minimum premium risk for PPAP purposes. This amendment became effective on July 1, 2010 and was included in Manual Amendment Bulletin #449, dated May 14, 2010.

**National Workers Compensation Reinsurance Association NFP**

The Manual was amended to clarify that the rules governing insurer participation in the National Workers Compensation Reinsurance Association NFP (NWCRA) are referred to as “By-Laws” rather than “Articles of Agreement”. The update became effective on July 1, 2010 and was announced in Manual Amendment Bulletin #449, dated May 14, 2010.

The rules of the Plan were also amended to define the services that the NWCRA has been authorized to perform on behalf of the Plan. This amendment became effective on July 1, 2010 and was included in Manual Amendment Bulletin #449, dated May 14, 2010.

## CLASSIFICATIONS

**Carpentry – Shop Only – & Drivers .....2802**

The descriptive footnote for class code 2802 has been amended to provide for the inclusion of operations previously assigned to class codes 2731 and 2737, which have been eliminated. These changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Furniture Manufacturing & Cabinet Shop – Assembly by Hand – Wood.....2881**  
**Furniture Manufacturing & Cabinet Shop – Wood – NOC .....2883**

The primary phraseology and descriptive footnotes for class codes 2881 and 2883 have been amended to provide for the consolidation of cross-references that are being eliminated. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Ceramic Tile, Indoor Stone, Marble or Mosaic Work & Drivers .....5348**

The primary phraseology and footnotes for class code 5348 have been amended to clarify the operations subject to the code. All cross-references for class code 5348 have been eliminated. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Carpentry – Construction of Residential Dwellings Exceeding Three Stories in Height,  
 or Commercial Buildings and Structures & Drivers .....5403**  
**Siding Installation – All Types – All Other Buildings or Structures – Including  
 Residential Dwellings Exceeding Three Stories in Height & Drivers .....5403**

A new cross-reference phraseology and descriptive footnote have been added for class code 5403 due to the elimination of class code 5651. In addition, an existing cross-reference phraseology and descriptive footnote for class code 5403 have been amended to clarify the operations to be classified under this code. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Carpentry – Installation of Cabinet Work or Interior Trim & Drivers .....5437**

The primary phraseology and footnotes for class code 5437 have been amended to clarify the operations subject to the code. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Iron or Steel Erection – Steel Frame-Interior-Light Gauge Steel -- By Contractors  
 Engaged in Wallboard Installation & Drivers .....5445**  
**Interior Framing Incidental to Wallboard Installation & Drivers .....5445**

Cross-reference phraseologies and descriptive footnotes have been added for class code 5445 to clarify the operations to be classified under this code. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Cleaner – Debris Removal – Construction .....5610**  
**Watchguards – Construction .....5610**

The primary phraseology and descriptive footnote for class code 5610 have been amended. Further, a cross-reference phraseology and descriptive footnote have been amended, and a cross-reference phraseology and descriptive footnote have been eliminated. These changes clarify the operations subject to the code. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Carpentry – Construction of Residential Dwellings Not Exceeding Three Stories in  
 Height & Drivers .....5645**  
**Siding Installation – All Types – Residential Dwellings Not Exceeding Three Stories  
 in Height & Drivers .....5645**

A new cross-reference phraseology and descriptive footnote have been added for class code 5645 to incorporate operations previously categorized under class code 5651, which has been eliminated. In addition, a cross-reference phraseology and descriptive footnote have been added for class code 5645 to clarify the operations to be classified under this code. Changes were included in Manual Amendment Bulletin #450, dated November 8, 2010.

**Planning or Molding Mill .....2731**  
**Door, Sash or Assembled Millwork Mfg - Wood - & Drivers .....2737**  
**Carpentry – Dwellings – Three Stories or Less .....5651**

Class codes 2731, 2737 and 5651 have been eliminated for underwriting reasons. Changes were announced in Manual Amendment Bulletin #450, dated November 8, 2010.

**FORMS**

**Policy Form**

The Manual was amended to include a revised Workers Compensation and Employers Liability Insurance Policy, WC 00 00 00 B, to become effective on July 1, 2011 on a new and renewal basis. The form has been revised for editorial purposes and is included in Manual Amendment Bulletin #449, dated May 14, 2010. The current form, WC 00 00 00 A, is withdrawn effective July 1, 2011.

**Endorsements**

The Manual was amended to include a revised New Jersey Premium Discount Endorsement – Schedule Y, WC 29 04 06 X. The endorsement was revised to accommodate changes in the expense provisions and replaces the current endorsement, WC 29 04 06 W. The revised endorsement was included in Manual Amendment Bulletin #451, dated November 8, 2010.

The Manual was amended to include a revised Outer Continental Shelf Lands Act Coverage Endorsement, WC 00 01 09 B, to become effective on July 1, 2011 on a new and renewal basis. The new endorsement reflects editorial changes only and is included in Manual Amendment Bulletin #449, dated May 14, 2010. The current endorsement, WC 00 01 09 A, is withdrawn effective July 1, 2011.

### **Policy Information Page Algorithm**

The Manual was amended to revise the Policy Information Page Algorithm (Other Than Minimum Premium Policy). The revision was made to account for the change in the determination of the premium charge for the Plan Premium Adjustment Program. The revised Algorithm became effective on July 1, 2010 and was included in Manual Amendment Bulletin #449, dated May 14, 2010.



## **OTHER ANNOUNCEMENTS**

### **Advisory Bulletins**

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

Advisory Bulletin #29 was issued on May 25, 2010 to announce that the Rating Bureau would now accept carrier audits in PDF format via e-mail in an effort to modernize the Test Audit Program, and that a dedicated e-mail address had been established for this purpose.

Advisory Bulletin #30 was issued on June 23, 2010 to notify members that administrative sanctions would be levied for non-compliance with Manual rules beginning on September 1, 2010.

Advisory Bulletin #31 was issued on July 30, 2010 to notify members that the filing of Individual Claim Reports – required for certain claims included in Unit Statistical Reports (USRs) – would be eliminated with the submission of USRs for policies effective January 1, 2009 and thereafter, and would limit the filing of ICRs to a fifth reporting basis for policies effective prior to January 1, 2009.

### **Circular Letters**

During the year, the Rating Bureau also issued Circular Letters that did not affect rules in the Manual. Every month, a Circular Letter was issued containing certain information about the New Jersey Workers Compensation Insurance Plan. A Circular Letter was also used to announce the date and location of the Bureau Annual Meeting.

## **FINANCIAL – 2010**

An outside accounting firm is retained on a seven- year rotating basis to audit the Bureau. Suplee, Clooney & Company was appointed to complete the audit for the fiscal year ending June 30, 2010. 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 August 31, 2010. Following receipt of the report, the excess between the fiscal year assessments and other income and expenses was returned to Bureau members according to established procedure, through the usual assessment adjustment.

Table II shows the income and expenditures statement for calendar year 2010. The twenty-five-year development of New Jersey workers compensation business and the net cost of administering the Bureau are shown in Exhibit E in the Appendix. This exhibit illustrates the growth of the workers compensation industry in terms of written premium, number of policy and statistical filings, and the number of experience rated risks.

**TABLE II**

**INCOME AND EXPENDITURES STATEMENT FOR CALENDAR YEAR 2010**

**INCOME**

Total Quarterly Assessments.....		\$13,646,887
Forms.....	360.00	
Rating, Inspection and Bulletin Services.....	23,463.00	
Interest Income.....	11,400.00	
Miscellaneous Income.....	<u>651,921.00</u> .....	<u>687,144</u>
<b>Total Income</b> .....		<b>\$14,334,031</b>

**EXPENDITURES**

Salaries.....	\$ 7,145,088
Contract Personnel Service.....	65,618
FICA Tax.....	511,307
Employee Relations & Welfare.....	2,160,427
Rent, Maintenance, Repair & Alteration of Premises.....	824,590
Printing & Stationery.....	61,299
Postage & Express.....	101,266
Telephone.....	72,945
Insurance.....	61,060
Furniture, Equipment Rental, Repair, Supplies & Services.....	140,119
Data Processing.....	1,348,537
Legal & Auditing.....	93,217
Travel & Travel Items.....	133,589
Employee Recruitment.....	8,260
Pension.....	887,655
Miscellaneous.....	80,362
<b>Total Expenditures</b> .....	<b>\$13,695,339</b>
<b>Excess Income over Expenditures</b> .....	<b>\$ 638,692</b>

**STATEMENT OF ASSETS AND LIABILITIES AT DECEMBER 31, 2010**

**ASSETS**

Cash in Bank – Operating Account.....	\$ 792,229
Cash in Bank – Payroll Account.....	12,451
Petty Cash.....	500
Accounts Receivable.....	31,020
Money Market Account.....	2,423,942
Hudson City Bank CD.....	258,037
<b>Total Assets</b> .....	<b>\$3,518,178</b>

**LIABILITIES**

Commuter Benefit-Accrued.....	\$ 2,232
Pension – Bureau Accrued.....	887,655
N.J. Sales Tax.....	3
Excess Funds as of January 1.....	1,245,445
Excess Funds January 1 thru December 31.....	638,692
Assessment adjustment liability – Fiscal Year 2009/2010.....	744,151
<b>Total Liabilities</b> .....	<b>\$3,518,178</b>

## **BUREAU MEMBERSHIP CHANGES**

**AT THE END OF 2009, THE BUREAU WAS COMPRISED OF 417 MEMBER COMPANIES.**

**During 2010, the following 14 companies were admitted:**

- American Mining Insurance Company
- Argonaut Great Central Insurance Company
- Benchmark Insurance Company
- Employers Preferred Insurance Company
- Foremost Property & Casualty Insurance Company
- Frank Winston Crum Insurance Company
- Maine Employers Mutual Insurance Company
- Meridian Security Insurance Company
- National Casualty Company
- Nationwide Agribusiness Insurance Company
- North Pointe Insurance Company
- State Automobile Mutual Insurance Company
- State Auto Property & Casualty Insurance Company
- United National Casualty Insurance Company

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

- Atlantic Mutual Insurance Company
- Centennial Insurance Company
- Imperial Casualty & Indemnity Company
- Palisades Property & Casualty Insurance Company
- Redland Insurance Company

**THE TOTAL MEMBERSHIP AT THE END OF 2010 WAS 426.**

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

## **AUTHORIZED SELF-INSURED EMPLOYERS**

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

## TABLE III

### AUTHORIZED SELF-INSURED EMPLOYERS

(Information Furnished By the Department of Banking and Insurance)

The number of employers is 99. The year of exemption is shown in brackets after the name of the company.

ABF Freight System, Inc. (2001)	Merck & Co., Inc. (1980)	Shore Memorial Hospital (1994)
Acme Markets, Inc. (2002)	Metuchen, Roman Catholic Diocese of (1988)	Shorewood Packaging Corporation (2001)
Atlantic City Electric Company (1981)	Monmouth Ocean Hospital Serv. Corp. (2005)	Simon & Schuster, Inc. (1991)
Atlantic Health System, Inc. & Subs. (2006)	Newark, Roman Catholic Archdi. of (1980)	Springpoint Senior Living, Inc. (2000)
Atlantic States Cast Iron Pipe Co. (1978)	Nordstrom, Inc. (1990)	Super Fresh Food Markets (1981)
AtlantiCare Regional Medical Center (2006)	PPG Industries, Inc. (1926)	Supermarket Dist. Service Corp. (1990)
Bancroft Neuro Health, Inc. (1994)	PRC-DeSoto International, Inc. (2008)	Target Corp. (2000)
Bergen Regional Medical Center, LP (2003)	PSEG Power LLC & Subsidiaries (2000)	TownePlace Management Corporation (2001)
BJ's Wholesale Club, Inc. (1999)	PSEG Services Corp. (2000)	Toys "R" US Inc. (1993)
CBS Broadcasting Inc. (2002)	Parker Hannifin Corp. (1997)	Trenton, Roman Catholic Diocese of (1979)
CBS Outdoor Group Inc. (2002)	Paterson, Roman Catholic Diocese of (1974)	United Water New Jersey, Inc. (1917)
CBS Outdoor Inc. (2002)	Pathmark Stores, Inc. (1979)	Valley Home Care, Inc. (1999)
Camden, Roman Catholic Diocese of (1973)	Plainbridge, Inc. (1993)	Valley Hospital Foundation (1999)
Cape Regional Medical Center, Inc. (2006)	Princeton University (1991)	Valley Hospital, Inc. (1998)
Chevron U.S.A., Inc. (1961)	Procter & Gamble Distributing Co. (1993)	Valley Medical Services (1999)
Colonial Concrete Co. & Subsidiaries (2007)	Procter & Gamble Manufacturing Co. (1970)	Valley Physicians Services, Inc. (2008)
ConAgra Foods, Inc. & Subsidiaries (2001)	Public Service Electric & Gas Co. (1929)	Virtua Health Inc. & Subs. (2000)
Cooper Hospital/Univ. Medical Center (1986)	Quick Check Corporation (1993)	Volvocars of North America, Inc. (2000)
Costco Wholesale Corporation (1997)	Ralph Clayton & Sons and Affiliates (2002)	Waldbaums, Inc. (1990)
Courtyard Management Corp. (1990)	Residence Inn by Marriott, Inc. (2001)	Wegman's Food Markets, Inc. (1999)
CVS/Caremark Corporation (2007)	Retailers & Manufacturers Dist & Subs (2006)	Weyerhaeuser Company (1958)
DCH Auto Group (USA) Inc. & Subs. (2006)	Robert Wood Johnson Univ. Hospital (1988)	White Castle System, Inc. (1993)
DuPont Performance Elastomers L.L.C. (1996)	Rose Trucking Corp. (1994)	White Rose, Inc. (2008)
E.I. Dupont de Nemours & Company (1918)	St. Peter's University Hospital (1988)	
Execustay Corporation (2001)	Sherwin-Williams Company (1992)	
Exelon Generation Company, LLC (2009)	Shopwell Inc. (1990)	
Federal Express Corp. (1989)		
FedEx Freight, Inc. (2006)		
FedEx Ground Package System, Inc. (1996)		
FedEx SmartPost, Inc. (2005)		
FirstEnergy Corporation & Subsidiaries (2004)		
Ford Motor Company (1921)		
Gannett Satellite Inf. Network (1993)		
Gerresheimer Glass Inc. (1992)		
Great Atlantic & Pacific Tea Co., Inc. (1959)		
Herr Foods, Inc. (1992)		
Hilton Worldwide, Inc. (1984)		
Holy Redeemer Health Syst. & Affiliates (2006)		
International Paper Company (1942)		
Kimble Chase Life Science & Research Pro (1997)		
King World Corporation (2002)		
Lowe's Home Centers, Inc. (2001)		
Macy's, Inc. & Subsidiaries (2007)		
Marriott Claims Services Corporation (2001)		
Marriott Hotel Services, Inc. (1990)		
Marriott International Admin. Serv. Inc. (1996)		
Marriott International Inc. (1993)		
Marriott Ownership Resorts, Inc. (1992)		
Marriott Resort at Seaview, Inc. (1988)		
Marriott Resorts Hospitality Corporation (2001)		
Memorial Sloan-Kettering Cancer Center (2006)		

## RATING DIVISION

### EXPERIENCE RATING

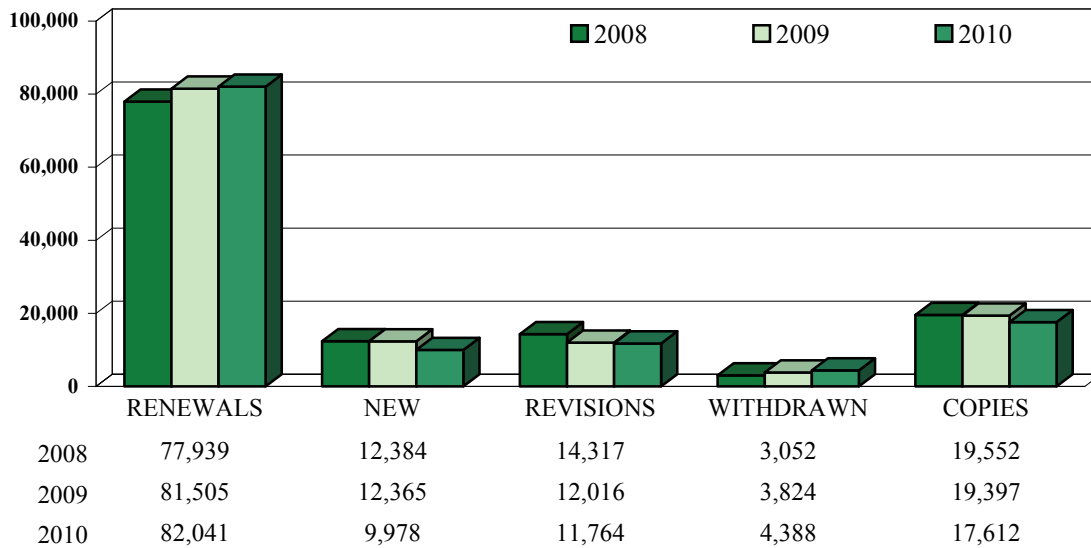
The Rating Division reviews statistical data in order to process experience ratings and their revisions. In addition, the Rating Division issues rating data to insurers and other authorized parties.

The number of risks which qualified for experience rating in 2010 was 97,137 – a decrease of 1.7% from the 98,834 risks qualifying for rating in 2009.

There were 92,019 new and renewal experience ratings prepared and issued in calendar year 2010 compared to 93,870 in 2009. The overall activity during 2010 is illustrated by the following graph.

### EXPERIENCE RATING ACTIVITY

DURING 2010



Percentage of Ratings Issued in Relation To Effective Date – Calendar Year 2010						
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	2008	2009	2010
3.2%	19.4%	25.7%	51.7%	78.0%	77.3%	77.4%

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

TABLE IV

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

<b>Rating Effective Year</b>	<b>Total Ratings</b>	<b><u>Premium During Experience Period</u></b>		<b>Ratio of Adjusted to Manual</b>
		<b><u>Manual Premium</u></b>	<b><u>Adjusted Premium</u></b>	
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
2008	98,367	7,824,918,400	7,139,317,016	0.912
2009	98,778	7,978,377,797	7,174,327,136	0.899
2010	97,090	7,977,295,948	7,108,801,143	0.891

**POLICY REVIEW FOR EXPERIENCE RATING**

The Rating Division reviews policies subject to experience rating which contain non-conforming items. The number of such policies reviewed in 2010 was 25,633 – a decrease of 9.5% from the 28,332 reviewed in 2009.

**OWNERSHIP**

The Rating Division also examines ownership questions with regard to the combination of entities, changes of ownership interests and mergers involving insured businesses. The number of ownership issues reviewed in 2010 was 9,474 – an increase of 4.3% from the 9,085 handled in 2009.

**RETROSPECTIVE RATING**

Retrospective Rating was elected by 333 risks in 2010, up from 319 risks in 2009. The estimated premium for the 333 risks was \$73,179,158, compared with \$82,947,090 in 2009. The decrease in premium amounted to 11.8%. Of the 333 retrospectively rated risks, 310 elected the Large Risk Alternative Rating Option, up from 277 in 2009. The premium for risks electing the Large Risk Alternative Rating Option was \$68,113,197, compared to \$78,328,288 in 2009, a decrease of 13.0%. Below is an exhibit of the retrospective rating programs effective in 2010:

RETROSPECTIVE RATING			
<u>TYPE/TERM</u>	<u>NO.</u>	<u>LOSS LIMIT</u>	<u>EST. STD. PREMIUM</u>
V-1	23	9	\$ 5,065,961
V-3	0	0	0
V-Long Term	0	0	0
LRA-1	310	204	68,113,197
LRA-3	0	0	0
LRA-Long Term	<u>0</u>	<u>0</u>	<u>0</u>
Total	333	213	\$73,179,158

**LARGE DEDUCTIBLE PROGRAM**

The New Jersey Large Risk – Large Deductible Program was introduced effective July 1, 1993. The number of risks electing this program totaled 1,975 in 2010, a decrease of 0.1% from the 1,995 risks in 2009. The New Jersey premium subject to this program in 2010 was \$612,899,594, and the resultant deductible premium was \$41,231,219.



## UNDERWRITING DIVISION

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

During 2010, the number of inspections decreased and the number of audits increased. There were 42,180 individual pieces of correspondence received dealing with classification, auditing, underwriting and Plan risk matters, representing a decrease of 22.5% from the 54,394 received in 2009. Total correspondence for 2010 included 6,772 pieces resulting directly from employer non-cooperation with Plan Servicing Carriers.

### INVESTIGATIONS

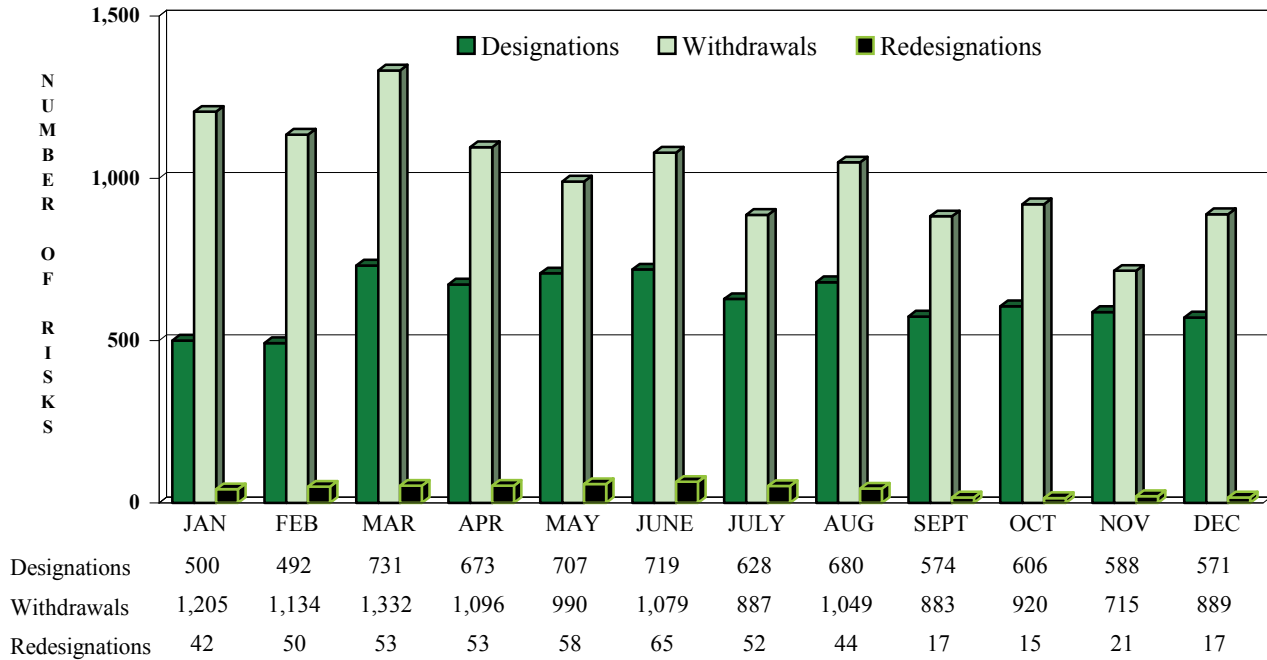
The field activity is outlined in the following exhibit. For comparison, the two preceding years are shown.

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Classification Surveys	3,416	3,529	3,514
Audits	2,367	2,352	2,639
Visits - No Inspection	1,152	1,308	1,515
Visits - No Audit	208	186	142
General Investigations	<u>0</u>	<u>3</u>	<u>2</u>
TOTAL	7,143	7,378	7,812

### THE NEW JERSEY WORKERS COMPENSATION INSURANCE PLAN

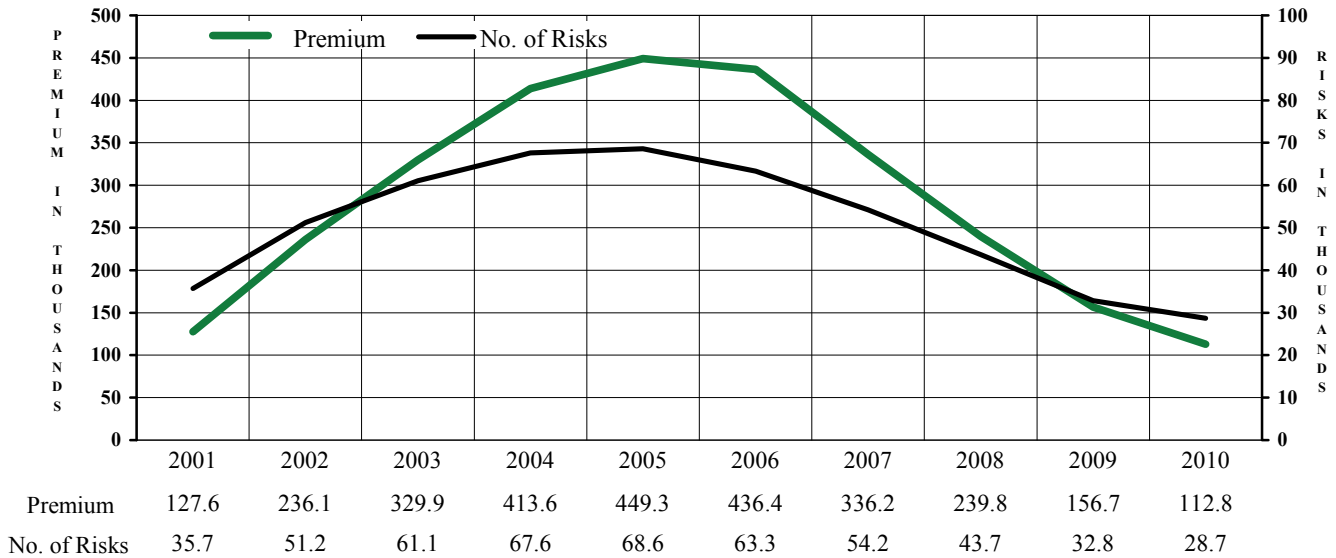
At the end of 2010, the Plan contained 28,713 Plan risks with an estimated annual premium of \$112,843,022, which represents approximately 4.9% of the total New Jersey workers compensation market, compared to 6.2% in 2009. The residual market currently provides coverage to approximately 15% of New Jersey's insured employers. There were 7,469 new designations in 2010, representing an 8.0% decrease from the 8,120 employers newly designated in 2009. There were 12,179 withdrawals in 2010, representing a decrease of approximately 38.9% from the 19,931 withdrawals in 2009. There were 487 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 52.8% from the 1,032 in 2009. The Web Application Submission System for Plan risks processed 4,457 new designations, accounting for 60% of new Plan activity, compared to 57% in 2009.

MONTHLY PLAN ACTIVITY – 2010



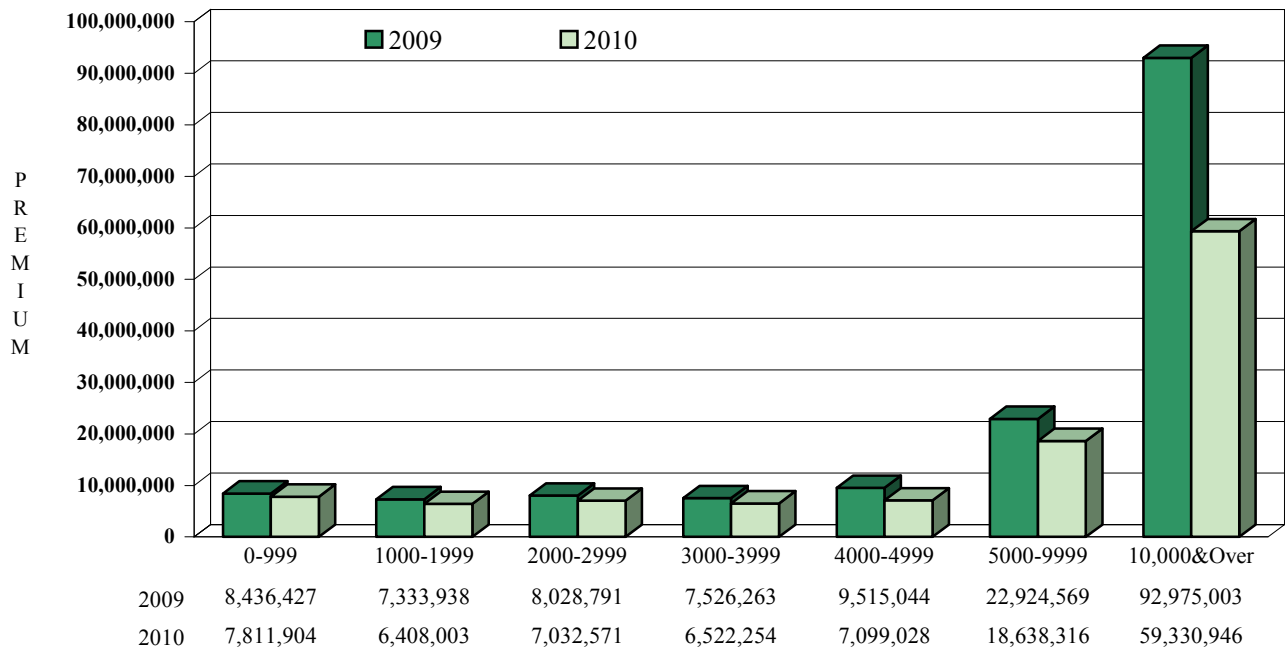
The 28,713 Plan risks with an estimated annual Plan premium of \$112,843,022 is compared with 32,808 risks with an estimated annual Plan premium of \$156,740,035 at the end of 2009. The result is a decrease of approximately 12.5% in the total number of Plan risks and a decrease of 28.0% in the estimated annual Plan premium. These results are encouraging and reflect a continuing reduction in overall Plan activity. The following graph shows the development since 2001.

RISKS & PREMIUM DEVELOPMENT THROUGH 2010

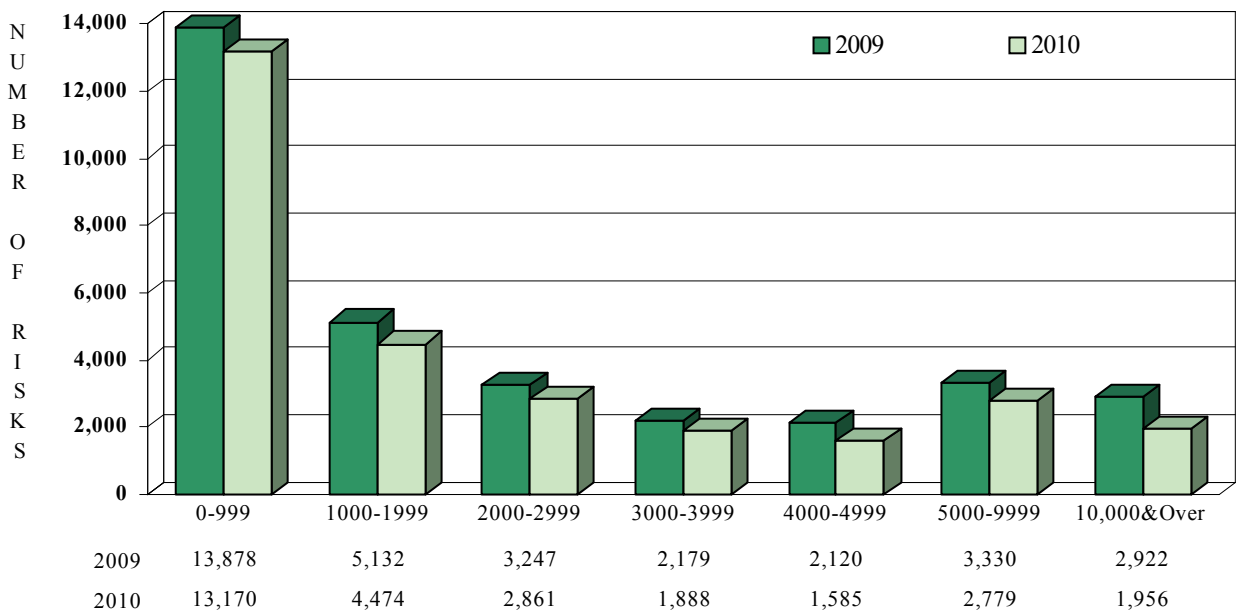


In 2010, 93% of Plan risks and 47% of the annual Plan premium were in the premium size group of \$0 to \$9,999. The average Plan risk generated premium of \$3,930. The 2010 distribution of Plan business by premium size was reasonably consistent with the previous year. The decrease in number of Plan risks and total Plan premium are indicative of overall market improvement and stabilization in New Jersey, as well as the effects of the current economic climate and the employing community’s efforts to maintain safer workplaces.

PREMIUM DISTRIBUTION BY PREMIUM GROUP SIZE



RISK DISTRIBUTION BY PREMIUM GROUP SIZE



Premium credit of \$482,770,327 was in effect December 31, 2010 for 37,149 Plan risks written as regular business, compared to \$457,527,372 of premium for 35,116 risks as of December 31, 2009.

The status of the distribution of Plan Risks as of December 31, 2010 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, 2010  
(Pro-Rata Share Based on Premium Writings of Fiscal Year Ending June 30, 2009)  
(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.	5,301	22,050,117	300	1,148,667	180	490,644	5,781	23,689,428	765	7,067,620	6,546	30,757,048	37,898,877	0.812
-Companion Prop. & Cas. Ins. Co.	960	4,171,269	27	70,464			987	4,241,733	564	20,549,785	1,551	24,791,518	59,561,335	0.213
Continental Insurance Co. of NJ	694	2,515,062	31	95,128			725	2,610,190	880	10,049,304	1,605	12,659,494	13,711,019	0.923
Hartford Underwriters Ins. Co.	660	2,264,487	29	158,368	8	25,397	697	2,448,252	9,045	63,832,330	9,742	66,280,582	52,628,396	1.259
-Liberty Insurance Corporation	5,119	20,498,112	259	1,027,993	7	47,743	5,385	21,573,848	1,804	37,076,988	7,189	58,650,836	327,587,342	0.039
New Jersey Casualty Ins. Co.	11,938	39,945,105	496	1,681,387	181	498,064	12,615	42,124,556	821	32,253,927	13,436	74,378,483	92,308,157	0.806
-Travelers Indemnity Company	2,424	15,655,564	93	460,160	6	39,291	2,523	16,155,015	2,369	16,935,767	4,892	33,090,782	208,464,672	0.148
All Non-Servicing Members of WC Reinsurance Association									20,899	294,960,133	20,899	294,960,133		
Total	27,096	107,099,716	1,235	4,642,167	382	1,101,139	28,713	112,843,022	37,149	482,770,327	65,862	595,613,349	792,159,798	

- Servicing Member of National Workers Compensation Reinsurance Association NFP.

\* Including Companies under the same management.

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

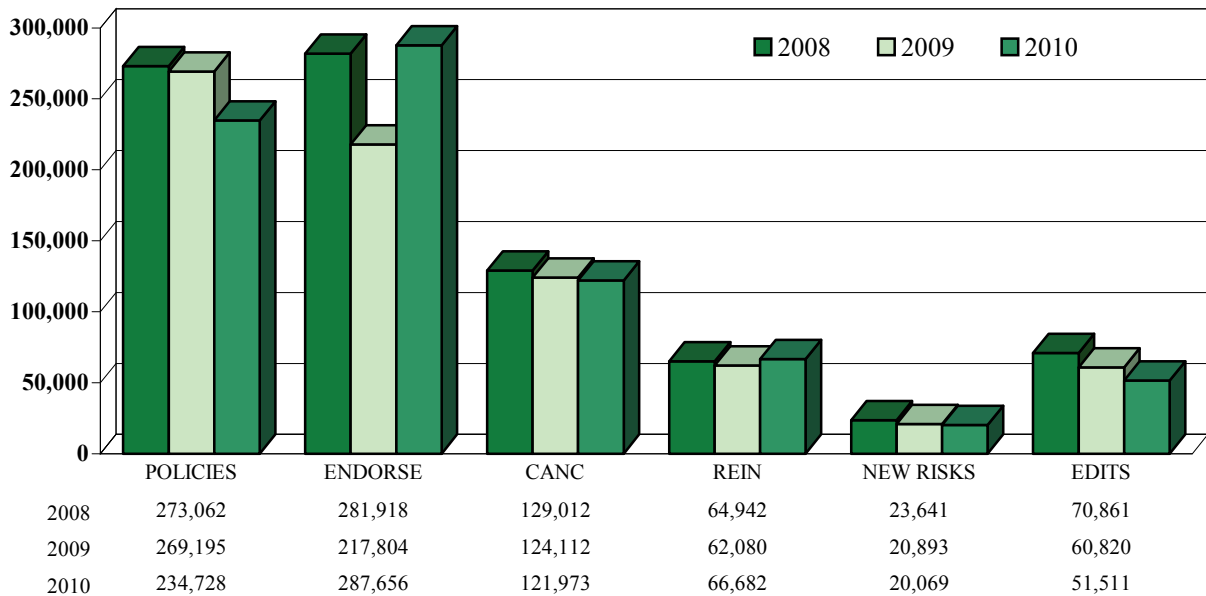
<u>Policy Year</u>	<u>Number of Policies</u>	<u>Percentage of Total</u>	<u>Standard Premium Incl. L &amp; E Constant</u>	<u>Percentage of Total</u>	<u>Total Incurred Loss</u>	<u>Loss Ratio</u>
1974	11,628	8.6%	\$ 6,096,150	1.7%	\$ 5,112,611	83.87%
1975	12,605	9.2	8,073,206	2.2	6,724,147	83.29
1976	18,953	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	244,450,916	14.0	194,869,241	79.72
2003	58,838	30.7	357,598,535	18.6	273,486,110	76.48
2004	64,145	33.3	420,642,338	20.1	269,705,716	64.12
2005	67,557	34.1	469,170,398	19.5	291,338,205	62.10
2006	60,605	30.4	414,178,839	16.1	277,424,752	66.98
2007	52,164	26.1	317,282,946	12.0	186,139,430	58.67
2008	42,021	21.2	223,835,411	8.7	113,715,462	50.80

## POLICY REVIEW DIVISION

### POLICY FILINGS

In 2010, the total filings of policies, endorsements, cancellations and reinstatements received amounted to 711,039 compared to 673,191 the previous year. This change represents an increase of 5.6%. Policies and endorsements increased 7.3%. Cancellations and reinstatements increased by 1.3%. New risks decreased 3.9%. The computer edit error rate for all policies decreased 15.3%.

### RECEIPT AND DISTRIBUTION OF POLICY MATERIAL



### POLICY FORMS

In 2010, the amount of specimen policy forms, information pages, endorsements, cancellations or reinstatements reviewed was 623. During the previous year, 666 were reviewed.

### COVERAGE RECORDS

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

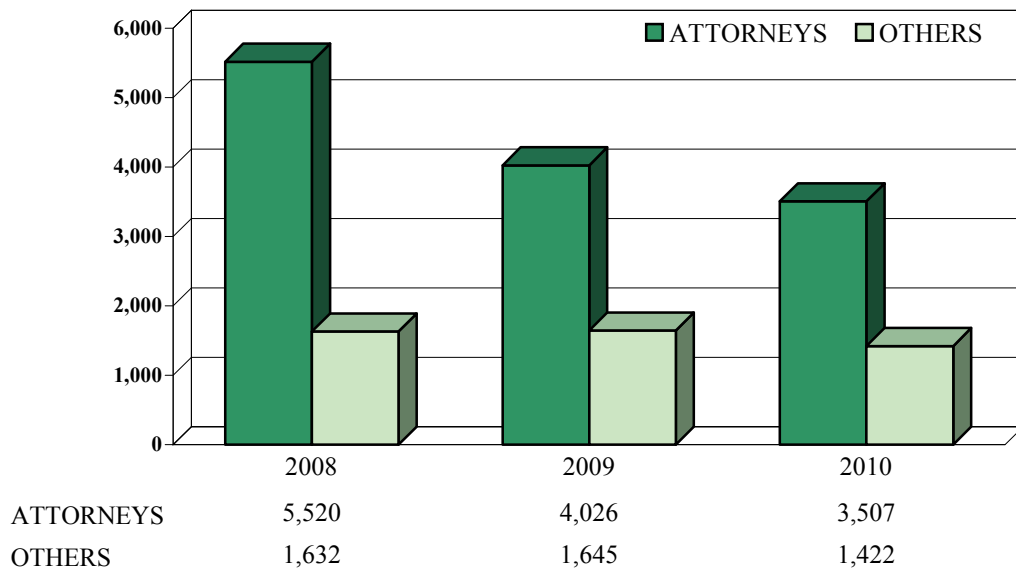
Policy material, correspondence, reports of experience and inspection reports with respect to a given New Jersey employer are housed in individual risk files. Each file is identified by a six-digit number. The file number is determined from the name of the employer through the use of a computer inquiry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

In 2010, a total of 209,161 documents consisting of correspondence, as well as inspection and audit reports were imaged. Each Bureau employee has immediate access to all information for a risk, including correspondence, policies, endorsements, cancellations, reinstatements, audits, inspections, statistical reports and rating data.

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

Most inquiries into the record of coverage are made via correspondence from attorneys representing claimants. Other inquiries come from the Department of Labor and Workforce Development or from insurance companies seeking to confirm their own records or to identify subcontractors with respect to premium audit matters. Coverage records are also available at the Bureau’s website. As illustrated below, the 3,507 written requests from attorneys in 2010 represented a decrease of 12.9% from 2009. This decrease is likely the result of an increased use of the Bureau’s website. The Bureau also received 1,058 letters from the Department of Labor and Workforce Development, 121 e-mails from insurance companies seeking policy information, 45 letters requesting copies of cancellation notices and transmittal letters, and 198 letters from insurance companies and labor unions regarding policy matters.

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

Carriers have the option to subscribe to the national standard formatted electronic data packages of rates, surcharges and classification data (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. National WCIO data reporting specifications (WCPOLS and WCSTAT) for electronic submissions of data are in place, and the Bureau is committed to assisting any carrier to reduce and eliminate hard copy filings.

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

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

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



## ACTUARIAL DIVISION

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

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

Calendar year Schedule "W" data (Exhibits A and B in the appendix) show the developments which occurred during 2010 with respect to both premiums and losses under all policies in effect since January 1, 1942. These Exhibits illustrate the reason for retaining a long period of years in the Schedule "W" report. The data show there is significant claim activity indicating that ultimate payments may be more or less than originally estimated. Exhibits C and D in the appendix also flow from the Schedule "W" data.

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

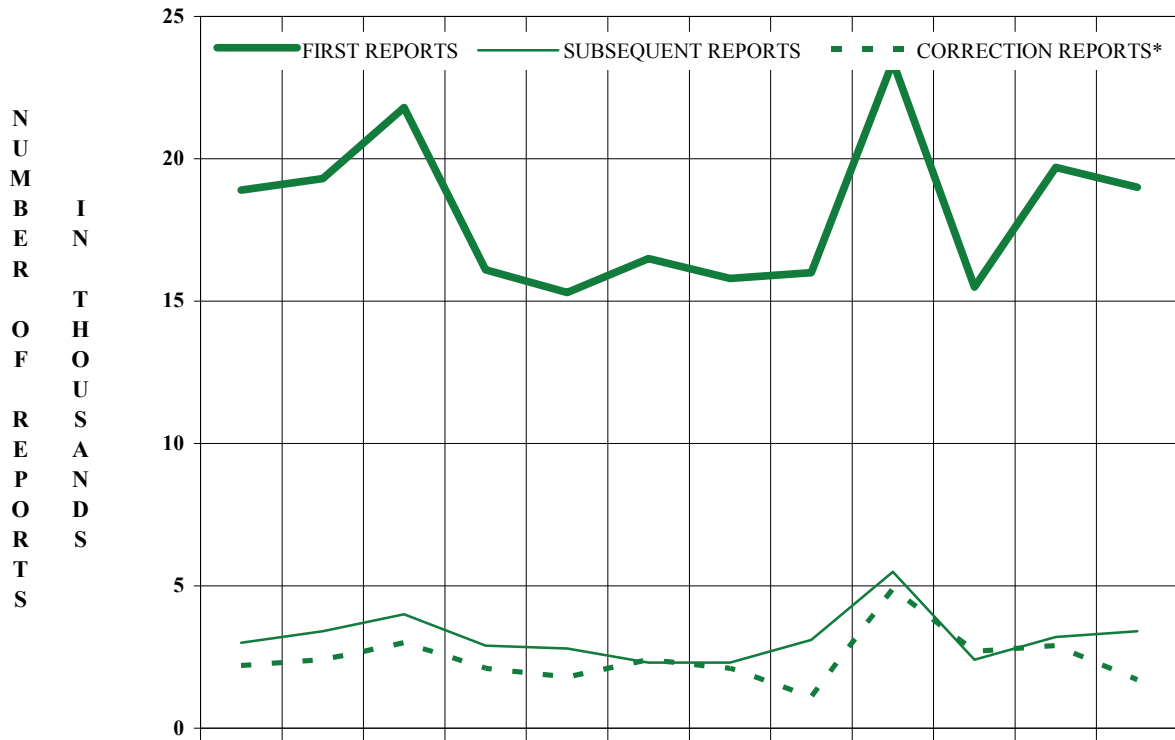
Statistics are not meaningful unless they have been subjected to quality analyses. Such quality with respect to the data filed through the Statistical Plan is, in large measure, dependent on whether payrolls have been audited properly and claims have been assigned to the proper classifications. In this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

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

**STATISTICAL**

Reports of policy year experience are received on a routine, scheduled basis related to the policy effective date. After the first report is filed, nine subsequent reports are required at annual intervals. These reports are necessary to establish and maintain appropriate classification pure premiums and in the calculation of individual risk ratings. Approximately 99.62% are received electronically and 0.38% are received in paper format.

**EXPERIENCE REPORTS RECEIVED DURING 2010**  
Policy Inception Date May 2008 to April 2009



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	18.9	19.3	21.8	16.1	15.3	16.5	15.8	16.0	23.4	15.5	19.7	19.0
SUBSEQUENT REPORTS	3.0	3.4	4.0	2.9	2.8	2.3	2.3	3.1	5.5	2.4	3.2	3.4
CORRECTION REPORTS*	2.2	2.4	3.0	2.1	1.8	2.4	2.1	1.1	4.9	2.7	2.9	1.7

The number of first reports received by the Bureau decreased from 220,318 for calendar year 2009 to 217,317 in calendar year 2010. The number of subsequent reports decreased from 39,021 in calendar year 2009 to 38,088 in calendar year 2010. The number of “late” first reports, that is, reports for policy inception months outside of the range in the above graph totaled 2,816 and the number of “late” subsequent reports was 2,714. The number of correction reports\* received by the Bureau decreased from 29,969 in calendar year 2009 to 29,143 in calendar year 2010.

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

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

<b>Policy Year</b>	<b>Payrolls</b>	<b>Standard Premium</b>	<b>Benefits (Incurred Losses)</b>	<b>Loss Ratio</b>
1917 – 1964	\$136,987,808,704	\$2,021,974,674	\$1,145,097,095	56.63%
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	123,866,694,409	1,747,631,963	1,287,181,500	73.65
2003	127,094,274,564	1,921,315,768	1,317,064,869	68.55
2004	133,084,170,363	2,089,426,998	1,282,670,203	61.39
2005	141,052,327,113	2,407,255,326	1,352,453,570	56.18
2006	147,387,361,586	2,570,595,988	1,318,790,369	51.30
2007	155,102,456,962	2,646,098,143	1,218,534,158	46.05
2008	152,587,618,199	2,580,045,626	966,778,857	37.47
Total:	\$2,953,214,360,695	\$50,308,295,906	\$29,470,874,034	58.58%

TABLE VIII

**Experience by Size – All Risks  
Policy Year 2008 – 1st Report**

Premium Size		Number of Risks on Annual Basis	Standard Premiums	Total Incurred Losses	Loss Ratio
From	To				
Minimum	Premium	19,573.27	\$ 8,138,814	\$ 3,219,776	39.56%
\$ 0	99	4,000.11	276,291	75,445	27.31
100	199	9,666.74	1,453,796	1,021,295	70.25
200	299	9,051.92	2,266,464	749,958	33.09
300	399	8,305.35	2,891,791	1,152,724	39.86
400	499	6,432.69	2,878,457	887,309	30.83
500	599	5,756.06	3,157,440	562,619	17.82
600	699	7,406.47	4,805,840	2,719,183	56.58
700	799	5,238.34	3,912,614	970,790	24.81
800	899	4,124.77	3,501,728	1,854,617	52.96
900	1,099	7,228.55	7,198,976	2,530,817	35.16
1,100	4,999	63,653.47	162,400,472	56,825,151	34.99
5,000	9,999	20,434.09	144,360,543	58,088,571	40.24
10,000	24,999	16,550.11	257,913,433	95,160,801	36.90
25,000	49,999	6,772.38	235,272,618	89,950,796	38.23
50,000	99,999	3,874.49	270,561,034	102,326,266	37.82
100,000	249,999	2,503.73	381,990,557	155,659,865	40.75
250,000	499,999	796.06	274,876,024	108,733,332	39.56
500,000	999,999	353.41	247,264,717	86,757,304	35.09
1,000,000	& Over	214.78	564,564,197	198,575,838	35.17
<b>Total</b>		201,886.79	\$2,579,685,806	\$967,822,457	37.52%
Over					
Min. Prem.	1,099	67,211.00	\$ 32,343,397	\$ 12,524,757	38.72%
1,100	& Over	115,102.52	2,539,203,595	952,077,924	37.50

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

Policy Year	Minimum Premium Risks Only		Premiums \$0 – \$1,099 Inc. Min Prem.		Premiums \$1,100 and Over		Total All Risks	
	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio	Standard Premium	Loss Ratio
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	6,957.6	53.17	43,377.4	58.33	1,728,436.3	73.06	1,771,813.8	72.70
2003	7,185.3	38.11	41,291.5	69.47	1,912,931.9	67.41	1,954,223.3	67.45
2004	7,171.1	46.87	40,530.8	65.15	2,090,527.0	60.23	2,131,057.9	60.32
2005	7,861.5	43.71	40,643.3	55.32	2,414,110.4	55.19	2,454,753.7	55.19
2006	8,153.5	30.58	40,575.0	51.49	2,573,700.2	50.53	2,614,275.2	50.55
2007	8,257.4	55.65	40,651.3	56.86	2,627,957.8	45.53	2,668,609.1	45.70
2008	8,138.8	39.56	40,482.2	38.89	2,539,203.6	37.50	2,579,685.8	37.52

The data included for policy years 2005 through 2008 are from the latest statistical report. All other policy years are from the fifth statistical report.

**MINIMUM PREMIUM FORMULA CHANGES**

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

**TABLE X**  
**UNIT PLAN**  
**POLICY YEAR EXPERIENCE – NEW JERSEY**  
**BY REPORT LEVEL**

<u>Report</u>	<u>Number</u> <u>of</u> <u>Policies</u>	<u>Payroll</u>	<u>Standard</u> <u>Premium</u>		<u>Death</u>	<u>Permanent</u> <u>Total</u>	<u>Permanent</u> <u>Partial</u> <u>Major</u>	<u>Permanent</u> <u>Partial</u> <u>Minor</u>	<u>Temporary</u> <u>Total</u>	<u>Medical</u> <u>Only</u>	<u>Total</u>
<u>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
Third	192,886	133,891,584,616	2,095,094,719	Number	85	65	1,495	15,582	19,828	80,401	117,456
				Indemnity	29,072,116	12,005,398	165,478,352	309,595,796	112,159,348	--	628,311,010
				Medical	6,755,454	31,587,554	148,340,141	195,948,431	126,032,702	80,344,833	589,009,115
Fourth	192,870	132,770,766,788	2,088,075,993	Number	86	95	1,690	15,356	19,737	80,457	117,421
				Indemnity	28,289,829	20,885,129	193,477,866	307,356,742	109,238,260	--	659,247,826
				Medical	5,524,289	39,591,759	160,910,712	189,268,096	119,769,241	79,955,299	595,019,396
Fifth	192,872	133,084,170,363	2,089,426,998	Number	83	110	1,718	15,197	19,736	80,452	117,296
				Indemnity	26,941,004	24,229,758	201,073,750	314,314,201	110,506,273	--	677,064,986
				Medical	5,020,579	38,191,056	167,341,794	195,204,679	119,521,709	80,325,400	605,605,217
<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
Second	197,820	140,954,830,316	2,401,831,248	Number	70	52	1,446	14,677	19,256	78,080	113,581
				Indemnity	17,393,307	10,893,454	142,503,752	295,548,371	119,090,960	--	585,429,844
				Medical	3,912,926	52,312,076	148,476,840	209,429,888	138,224,225	80,625,591	632,981,546
Third	197,866	141,027,765,162	2,401,366,418	Number	66	69	1,645	15,020	19,127	78,108	114,035
				Indemnity	20,970,737	15,973,363	176,836,665	311,660,727	118,048,595	--	643,490,087
				Medical	4,317,330	74,414,339	163,815,239	207,101,598	129,718,795	80,151,121	659,518,422
Fourth	197,866	141,052,327,113	2,407,255,326	Number	70	84	1,762	14,790	19,151	78,263	114,120
				Indemnity	22,863,704	20,212,063	201,072,489	318,606,981	118,384,817	--	681,140,054
				Medical	4,279,689	76,797,681	172,846,098	204,502,637	132,802,249	80,085,162	671,313,516
<u>2006</u>											
First	199,106	146,885,658,241	2,579,192,127	Number	49	31	905	11,899	18,254	73,444	104,582
				Indemnity	11,091,988	8,360,532	88,040,282	244,985,194	114,255,121	--	466,733,117
				Medical	2,277,941	53,121,700	101,335,844	191,424,085	153,348,576	80,132,706	581,640,852
Second	199,341	147,199,252,607	2,571,726,461	Number	53	46	1,255	13,469	18,504	74,551	107,878
				Indemnity	12,521,595	13,325,701	137,675,702	288,878,915	124,693,488	--	577,095,401
				Medical	3,263,438	68,519,415	132,820,790	199,437,267	151,819,169	81,111,069	636,971,148
Third	199,407	147,387,361,586	2,570,595,988	Number	54	65	1,496	13,507	18,524	74,696	108,342
				Indemnity	15,251,912	20,174,536	176,541,073	306,289,498	126,467,211	--	644,724,230
				Medical	3,189,742	91,676,636	157,967,586	202,405,398	138,132,139	80,694,638	674,066,139
<u>2007</u>											
First	199,550	154,541,444,012	2,652,327,001	Number	54	36	766	11,354	18,194	71,597	102,001
				Indemnity	14,857,659	6,522,608	82,654,524	234,956,770	128,964,988	--	467,956,549
				Medical	520,745	18,081,181	98,332,392	190,184,784	171,336,666	79,636,243	558,092,011
Second	199,969	155,102,456,962	2,646,098,143	Number	62	45	1,148	13,014	18,276	72,128	104,673
				Indemnity	18,167,108	9,010,374	135,436,582	294,358,366	142,547,022	--	599,519,452
				Medical	534,820	22,152,001	141,880,071	210,369,311	165,003,053	79,075,450	619,014,706
<u>2008</u>											
First	198,274	152,587,618,199	2,580,045,626	Number	50	22	666	9,978	16,847	64,735	92,298
				Indemnity	17,838,535	4,951,840	73,313,020	218,067,477	134,004,892	--	448,175,764
				Medical	1,837,874	20,074,544	69,244,067	173,836,775	175,743,066	77,866,767	518,603,093

## CONCLUSION

The responsibilities and operations of the Bureau are numerous, varied and often complex. They are described in the previous thirty-four 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. The Bureau looks forward to working with these individuals and groups to ensure the continued success of the system.

To maintain an effective operation capable of addressing its day-to-day activities, it is necessary to rely on dedicated persons, many of whom have committed their working careers to the Bureau. We are privileged to have such a group. During 2010, the following individuals were honored for service of 25 years or more:

<b>Frances De Luisi</b>	<b>– 25 Years</b>
<b>Michele Langevin</b>	<b>– 25 Years</b>
<b>Frederick Huber</b>	<b>– 30 Years</b>
<b>Inetta Kirkland</b>	<b>– 30 Years</b>
<b>Diana Mollica</b>	<b>– 30 Years</b>
<b>Anthony Priore</b>	<b>– 30 Years</b>
<b>Isabel Santos</b>	<b>– 30 Years</b>
<b>Dorothy Mitchell</b>	<b>– 35 Years</b>
<b>Salvatore Nardone</b>	<b>– 35 Years</b>
<b>Elizabeth Gordon</b>	<b>– 40 Years</b>

On December 30, 2010, **Deborah Cabalar** retired after 29 years of service. We extend our appreciation for her service and best wishes in her retirement.

Our thanks also go out to each Bureau employee who has contributed to the Bureau's objectives and goals. While it is not possible to identify all who have contributed to the success of the Bureau, special acknowledgements are appropriate for: **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, **Paul Witko** – Director, Special Assistant to the Executive Director and **Charu Mehta** – Financial Controller.

## *List of Members as of December 31, 2010*

### **A**

Acadia Insurance Company  
 Acceptance Indemnity Insurance Company  
 Accident Fund General Insurance Company  
 Accident Fund National 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 Centennial Insurance Company  
 AIOI Insurance Company Of America  
 AIU Insurance Company  
 Alamance Insurance Company  
 Alea North America Insurance Company  
 All America Insurance Company  
 Alliance Assurance Company of America  
 Alliance National Insurance Company  
 Allianz Insurance Company  
 Allied Eastern Indemnity 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 Mining 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 Indemnity Insurance Company  
 Arch Insurance Company  
 Argonaut Great Central 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 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  
 Benchmark Insurance Company

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

### **C**

California Insurance Company  
 Camden Fire Insurance Association

Capitol Indemnity Corporation  
 Carolina Casualty Insurance Company



## *List of Members as of December 31, 2010*

### **C**

CastlePoint Insurance Company  
 CastlePoint National Insurance Company  
 Caterpillar Insurance Company  
 Catlin Insurance Company, Inc.  
 Central Mutual Insurance Company  
 Centre Insurance Company  
 Century Indemnity Company  
 The Charter Oak Fire Insurance Company  
 Chartis Property Casualty Company  
 Cherokee Insurance Company  
 Chrysler 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  
 Continental Western Insurance Company  
 Countryway Insurance Company  
 Cornhusker Casualty Company  
 Crum and Forster Indemnity Company  
 Crum and Forster Insurance Company  
 Cumberland Insurance Company, Inc.

### **D**

Dallas National Insurance Company  
 Deerfield Insurance Company  
 Delos Insurance Company  
 Diamond State Insurance Company

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

### **E**

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

Employers Mutual Casualty Company  
 Employers Preferred Insurance Company  
 Endurance American Insurance Company  
 Endurance Reinsurance Corporation of America  
 Euler American Credit Indemnity Company  
 Everest National Insurance Company  
 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 Insurance Exchange  
 Farmers Mutual Fire Insurance Co of Salem County  
 Farmington Casualty Company  
 Federal Insurance Company  
 Federated Rural Electric Insurance Exchange

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

## *List of Members as of December 31, 2010*

### **F**

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

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

### **G**

General Casualty Company of Wisconsin  
 General Insurance Company of America  
 General Security National Insurance Company  
 General Star National Insurance Company  
 Genesis Insurance Company  
 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  
 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

## *List of Members as of December 31, 2010*

### **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

### **M**

Maine Employers Mutual Insurance Company  
 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

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

### **N**

National Casualty Company  
 National Fire Insurance Company of Hartford  
 National Interstate Insurance Company  
 National Interstate Insurance Company of Hawaii  
 National Surety Corporation  
 National Union Fire of Pittsburgh, Pa.  
 Nationwide Agribusiness Insurance Company  
 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  
 NGM Insurance Company  
 Nipponkoa Insurance Company, Ltd.  
 Norfolk and Dedham Mutual Fire Insurance Company  
 NorGuard Insurance Company  
 North American Elite Insurance Company  
 North American Specialty Insurance Company  
 North Pointe Insurance Company  
 North River Insurance Company  
 Northbrook Indemnity Company  
 Northern Assurance Company of America  
 Northern Insurance Company of New York  
 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

## *List of Members as of December 31, 2010*

### **P**

Pawtucket Mutual Insurance Company	PMA Capital Insurance Company
Peerless Indemnity Insurance Company	Praetorian Insurance Company
Peerless Insurance Company	Preferred Mutual Insurance Company
Penn Millers Insurance Company	Preferred Professional Insurance Company
Pennsylvania General Insurance Company	Preserver Insurance Company
Pennsylvania Lumbermens Mutual Insurance Co	Princeton Insurance Company
Pennsylvania Manufacturers Association Ins Co	Progressive Garden State Insurance Company
Pennsylvania Manufacturers Indemnity Company	Property & Casualty Insurance Co of Hartford
Pennsylvania National Mutual Casualty Ins Co	Protective Insurance Company
Petroleum Casualty Company	Providence Washington Insurance Company
Phoenix Insurance Company	Public Service Mutual Insurance Company
Platte River Insurance Company	

### **Q**

QBE Insurance Corporation	Quincy Mutual Fire Insurance Company
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### **R**

Rampart Insurance Company	Republic Western Insurance Company
Regent Insurance Company	Riverport Insurance Company
Reinsurance Company of America Inc.	Rochdale Insurance Company
Republic-Franklin Insurance Company	Royal and SunAlliance Personal Insurance Company
Republic Insurance Company	Rural Community Insurance Company
Regent Insurance Company	RVI National Insurance Company

### **S**

SAFECO Insurance Company of America	Sentinel Insurance Company, Ltd.
Safety First Insurance Company	Sentry Casualty Company
Safety National Casualty Company	Sentry Insurance A Mutual Company
St. Paul Fire and Marine Insurance Company	Sentry Select Insurance Company
St. Paul Medical Liability Insurance Company	Sompo Japan Insurance Company of America
St. Paul Mercury Insurance Company	Sparta Insurance Company
St. Paul Protective Insurance Company	Specialty Surplus Insurance Company
SeaBright Insurance Company	The Standard Fire Insurance Company
Select Markets Insurance Company	Star Insurance Company
Selective Insurance Company of America	Star Net Insurance Company
Selective Insurance Company of New York	State Automobile Mutual Insurance Company
Selective Insurance Company of South Carolina	State Auto Property & Casualty Insurance Company
Selective Insurance Company of the Southeast	State Farm Fire and Casualty Company
Selective Way Insurance Company	State Farm General Insurance Company
Seneca Insurance Company Inc.	State National Insurance Company, Inc.
	Strathmore Insurance Company

### **T**

T.H.E. Insurance Company	Titan Indemnity Company
TIG Insurance Company	TM Casualty Insurance Company

***List of Members as of December 31, 2010*****T**

TNUS 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  
 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  
 United National Casualty Insurance Company  
 United National Specialty Insurance Company  
 United States Fidelity and Guaranty Company  
 United States Fire Insurance Company  
 United States Liability Insurance Company  
 United Wisconsin Insurance Company

Unitrin Auto & Home Insurance Company  
 Unitrin Preferred Insurance Company  
 Universal Underwriters Insurance Company  
 Universal Underwriters of Texas Insurance Company  
 U.S. Specialty 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  
 Western Diversified Casualty 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

Zurich American Insurance Company of Illinois



# APPENDIX





**EXHIBIT A**  
**Calendar Year 2010**  
**New Jersey Schedule "W" – Total Experience**  
**Policy Year Analysis**

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

Cal. Year Ended (a)	Amount To End Of Period In Dollars Only (b)	1942-2004 incl (c)	Experience Under Policies Becoming Effective in Calendar Year 2005 (d)	2006 (e)	2007 (f)	2008 (g)	2009 (h)	2010 (i)	All Years (j)	Experience For Cal. Year (k)
Dec. 31, 2005	1-Losses Paid	21,972,046,032	139,181,080	***	***	***	***	***	22,111,227,112	***
	2-Losses Outstanding	5,507,379,788	721,645,196	***	***	***	***	***	6,229,024,984	***
	3-Losses Incurred	27,479,425,820	860,826,276	***	***	***	***	***	28,340,252,096	***
	4 Std Prem Written	40,031,545,626	2,079,192,935	***	***	***	***	***	42,110,738,561	***
	5-Std Prem Earned	40,059,906,375	1,384,512,699	***	***	***	***	***	41,444,419,074	***
	6-Loss Ratio (3/5)	68.60%	62.18%	***	***	***	***	***	68.38%	***
Dec. 31, 2006	7-Losses Paid	22,694,870,850	541,405,917	133,935,863	***	***	***	***	23,370,212,630	1,258,985,518
	8-Losses Outstanding	5,022,897,181	1,025,296,956	711,978,494	***	***	***	***	6,760,172,631	531,147,647
	9-Losses Incurred	27,717,768,031	1,566,702,873	845,914,357	***	***	***	***	30,130,385,261	1,790,133,165
	10-Std Prem Written	39,999,319,351	2,495,064,865	2,302,849,267	***	***	***	***	44,797,233,483	2,686,494,922
	11-Std Prem Earned	40,042,308,981	2,493,853,783	1,544,064,627	***	***	***	***	44,080,227,391	2,635,808,317
	12-Loss Ratio (9/11)	69.22%	62.82%	54.78%	***	***	***	***	68.35%	67.92%
Dec. 31, 2007	13-Losses Paid	23,290,354,136	766,778,442	531,051,099	140,586,608	***	***	***	24,728,770,285	1,358,557,655
	14-Losses Outstanding	4,524,394,075	848,866,390	1,025,005,086	701,079,958	***	***	***	7,099,345,509	339,172,878
	15-Losses Incurred	27,814,748,211	1,615,644,832	1,556,056,185	841,666,566	***	***	***	31,828,115,794	1,697,730,533
	16-Std Prem Written	39,980,239,358	2,500,035,272	2,699,941,782	2,360,056,934	***	***	***	47,540,273,346	2,743,039,863
	17-Std Prem Earned	40,023,915,798	2,493,897,808	2,716,593,073	1,578,575,996	***	***	***	46,812,982,675	2,732,755,284
	18-Loss Ratio (15/17)	69.50%	64.78%	57.28%	53.32%	***	***	***	67.99%	62.13%
Dec. 31, 2008	19-Losses Paid	23,742,454,960	929,016,876	752,114,141	542,236,596	147,294,290	***	***	26,113,116,863	1,384,346,578
	20-Losses Outstanding	4,141,278,928	695,329,372	860,223,605	1,004,664,789	724,027,606	***	***	7,425,524,300	326,178,791
	21-Losses Incurred	27,883,733,888	1,624,346,248	1,612,337,746	1,546,901,385	871,321,896	***	***	33,538,641,163	1,710,525,369
	22-Std Prem Written	39,973,448,126	2,498,576,372	2,678,398,143	2,767,252,376	2,372,261,163	***	***	50,289,936,180	2,749,662,834
	23-Std Prem Earned	40,016,830,512	2,493,517,943	2,689,880,225	2,789,114,427	1,611,415,497	***	***	49,600,758,604	2,787,775,929
	24-Loss Ratio (21/23)	69.68%	65.14%	59.94%	55.46%	54.07%	***	***	67.62%	61.36%
Dec. 31, 2009	25-Losses Paid	24,120,491,192	1,042,478,524	920,732,803	776,543,877	533,974,263	127,806,581	***	27,522,027,240	1,408,910,377
	26-Losses Outstanding	3,840,665,144	604,760,675	732,219,868	855,109,994	951,068,602	642,035,714	***	7,625,859,997	200,335,697
	27-Losses Incurred	27,961,156,336	1,647,239,199	1,652,952,671	1,631,653,871	1,485,042,865	769,842,295	***	35,147,887,237	1,609,246,074
	28-Std Prem Written	39,976,081,186	2,499,530,005	2,674,065,129	2,747,798,016	2,719,285,266	2,230,220,466	***	52,846,980,068	2,557,043,888
	29-Std Prem Earned	40,019,601,006	2,494,831,258	2,685,858,075	2,750,925,668	2,722,653,616	1,493,895,228	***	52,167,764,851	2,567,006,247
	30-Loss Ratio (27/29)	69.87%	66.03%	61.54%	59.31%	54.54%	51.53%	***	67.37%	62.69%
Dec. 31, 2010	31-Losses Paid	24,423,324,797	1,120,123,900	1,040,406,066	953,501,823	763,330,700	529,363,207	143,405,933	28,973,456,426	1,451,429,186
	32-Losses Outstanding	3,561,498,458	521,789,989	646,021,193	693,716,076	808,679,353	903,110,864	595,170,949	7,729,986,882	104,126,866
	33-Losses Incurred	27,984,823,255	1,641,913,889	1,686,427,259	1,647,217,899	1,572,010,053	1,432,474,071	738,576,882	36,703,443,308	1,555,556,071
	34-Std Prem Written	39,968,480,485	2,508,478,981	2,665,632,475	2,741,875,729	2,655,113,104	2,532,593,277	2,096,909,461	55,169,073,512	2,322,093,444
	35-Std Prem Earned	40,018,798,806	2,503,890,790	2,678,261,657	2,745,425,919	2,650,865,379	2,520,219,695	1,396,158,442	54,513,620,688	2,345,855,837
	36-Loss Ratio (33/35)	69.93%	65.57%	62.97%	60.00%	59.30%	56.84%	52.90%	66.31%	66.31%

**EXHIBIT B****New Jersey Schedule "W"****Exhibit of Policy Year Experience  
Policy Years 1942–2004****As Developed to December 31, 2010**

Policy Year	Losses			Standard Premium		Loss Ratio
	<u>Paid</u>	<u>Outstanding</u>	<u>Incurred</u>	<u>Written</u>	<u>Earned</u>	
1942–1988	\$8,952,518,511	\$442,094,276	\$9,394,612,787	\$15,050,512,384	\$15,061,531,506	62.37%
1989	865,909,877	61,380,423	927,290,300	1,101,539,762	1,112,001,127	83.39
1990	895,859,899	87,700,451	983,560,350	1,113,636,492	1,121,267,635	87.72
1991	887,162,240	77,156,667	964,318,907	1,126,391,550	1,133,047,626	85.11
1992	943,929,324	102,033,233	1,045,962,557	1,248,503,233	1,278,249,170	81.83
1993	928,360,916	102,500,793	1,030,861,709	1,493,822,946	1,463,903,625	70.42
1994	874,042,183	98,201,328	972,243,511	1,612,083,888	1,582,333,733	61.44
1995	879,194,867	118,976,859	998,171,726	1,598,958,224	1,601,299,739	62.34
1996	867,922,611	127,204,919	995,127,530	1,636,324,420	1,636,976,446	60.79
1997	879,372,681	159,237,733	1,038,610,414	1,550,545,401	1,562,357,016	66.48
1998	914,269,524	209,853,276	1,124,122,800	1,540,695,420	1,547,986,880	72.62
1999	979,897,842	308,273,051	1,288,170,893	1,598,634,255	1,597,071,132	80.66
2000	1,035,377,019	335,798,809	1,371,175,828	1,606,116,622	1,608,553,485	85.24
2001	1,108,927,913	301,196,611	1,410,124,524	1,694,342,160	1,686,969,938	83.59
2002	1,153,943,195	325,882,335	1,479,825,530	1,795,287,663	1,811,739,715	81.68
2003	1,160,208,918	328,234,978	1,488,443,896	2,050,002,961	2,034,436,711	73.16
2004	1,096,427,277	375,772,716	1,472,199,993	2,151,083,104	2,179,073,322	67.56
Total:	\$24,423,324,797	\$3,561,498,458	\$27,984,823,255	\$39,968,480,485	\$40,018,798,806	69.93%

## 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
1917–1965	\$2,087,492,929	58.34%	\$1,217,859,196	\$1,213,573,967	58.14%	\$4,285,229	0.21%
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		561,094,752	599,491,622	68.18	(38,396,870)	-4.37
1987	1,012,085,295	61.44	621,825,205	598,253,645	59.11	23,571,560	2.33
1988	1,088,105,229	59.23	644,484,727	783,365,290	71.99	(138,880,563)	-12.76
1989	1,185,371,547	62.20	737,301,102	767,708,837	64.77	(30,407,735)	-2.57
1990	1,110,714,820	68.64	762,394,652	913,281,629	82.22	(150,886,977)	-13.58
1991	1,116,578,810	70.48	786,964,745	1,079,159,030	96.65	(292,194,285)	-26.17
1992	1,233,154,194	70.97	875,169,531	1,201,185,416	97.41	(326,015,885)	-26.44
1993	1,332,883,000	72.25	963,007,968	1,155,279,101	86.68	(192,271,133)	-14.43
1994	1,548,457,360	70.58	1,092,901,205	1,119,208,233	72.28	(26,307,028)	-1.70
1995	1,612,865,810	69.00	1,112,877,409	895,183,292	55.50	217,694,117	13.50
1996	1,604,338,813	70.00	1,123,037,169	850,869,366	53.04	272,167,803	16.96
1997	1,630,785,137	70.33	1,146,931,187	856,328,184	52.51	290,603,003	17.82
1998	1,550,453,461	69.48	1,077,255,065	899,290,060	58.00	177,965,005	11.48
1999	1,524,338,873	67.86	1,034,416,359	1,039,593,140	68.20	(5,176,781)	-0.34
2000	1,610,490,995	67.84	1,092,557,091	1,070,096,941	66.45	22,460,150	1.39
2001	1,624,787,076	67.32	1,093,806,660	1,317,862,836	81.11	(224,056,176)	-13.79
2002	1,907,479,905	67.38	1,285,259,960	1,487,310,185	77.97	(202,050,225)	-10.59
2003	1,963,595,170	65.77	1,291,456,543	1,516,793,157	77.25	(225,336,614)	-11.48
2004	2,099,241,468	63.34	1,329,659,546	1,744,594,609	83.11	(414,935,063)	-19.77
2005	2,370,590,292	62.39	1,479,011,283	1,799,955,355	75.93	(320,944,072)	-13.54
2006	2,635,808,317	62.40	1,644,744,390	1,790,133,165	67.92	(145,388,775)	-5.52
2007	2,732,755,284	62.54	1,709,065,155	1,697,730,533	62.13	11,334,622	0.41
2008	2,787,775,929	62.94	1,754,626,170	1,710,525,369	61.36	44,100,801	1.58
2009	2,567,006,247	63.16	1,621,321,146	1,609,246,074	62.69	12,075,072	0.47
2010	2,345,855,837	62.88	1,475,074,150	1,555,556,071	66.31	(80,481,921)	-3.43
Total:	\$54,958,335,443	64.84%	\$35,633,624,731	\$36,969,654,759	67.27%	(\$1,336,030,028)	-2.43%

## EXHIBIT D

**Calendar Year 2010 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>
Accident Fund Ins Co of America	\$408,926	Farmers Mutual Fire Ins Co of Salem County	\$1,203,845	Penn Millers Insurance Company	\$2,062,792
Ace USA Insurance Group	168,499,365	Fitchburg Mutual Insurance Company	1,847,335	Pennsylvania National Mutual Cas. Ins. Co.	9,241,461
ACIG Insurance Company	2,134,227	Florists Mutual Insurance Company	601,455	Petroleum Casualty Company	966,792
Allianz Societas Europaea	3,016,679	Franklin Mutual Group	6,975,131	PMA Capital Insurance Group	74,386,551
Allmerica Financial Prop. & Cas. Cos.	9,792,281	Great American P & C Insurance Group	1,279,499	Protective Insurance Company	3,421,824
American Alternative Insurance Company	342,993	Great Divide Insurance Company	4,813,604	QBE Insurance Group, Ltd.	2,001,522
American Hardware Mutual Ins. Company	1,556,799	Greater New York Group	2,474,502	Safety National Group	7,210,122
AmeriHealth Casualty Insurance Company	522,403	Guarantee Insurance Company	24,788,139	Seabright Insurance Company	10,536,785
Amerisure Insurance Group	842,482	Guard Insurance Group	26,945,500	Selective Insurance Group	56,374,458
AmTrust Financial Services, Inc.	36,791,011	GuideOne Mutual Insurance Company	717,721	Sentry Insurance Group	17,384,104
Arch Insurance Company	44,793,687	Harford Mutual Ins Companies	513,322	Sompo Japan Insurance Company	2,403,718
Argonaut Insurance Group	2,809,014	Harleysville Insurance Group	24,811,951	SPARTA Insurance Company	7,250,672
Chartis Insurance Group	236,131,294	Hartford Insurance Group	219,233,658	State Farm Fire & Casualty Ins. Co.	6,259,780
Cherokee Insurance Company	353,374	Imperium Insurance Company	1,590,629	Tokio Marine & Fire USB Group	3,270,509
Chubb Group of Insurance Companies	34,769,476	Liberty Mutual Holding Company, Inc.	253,722,949	Tower Insurance Companies	16,212,866
Church Mutual Insurance Company	1,960,868	Lumbermen's Underwriting Alliance	3,218,012	Transguard Insurance Company	940,683
Cincinnati Insurance Company	1,055,565	Magna Carta Companies	10,208,077	Travelers Insurance Companies	178,443,021
CNA Insurance Group	40,986,633	Majestic Insurance Company	8,358,165	ULLICO Casualty Co.	7,116,834
Companion Property & Casualty Ins. Co.	40,855,333	Meadowbrook Insurance Group	13,781,246	Ulta National Insurance Group	5,482,599
Continental Indemnity Company	21,630,600	Mercer Insurance Company of New Jersey	3,393,764	Vanliner Insurance Company	2,158,464
Cumberland Insurance Company	7,901,566	Merchants Insurance Group	6,137,567	W. R. Berkley Group	2,051,391
Dallas National Insurance Company	1,354,877	Midwest Employers Casualty Company	569,810	Westport Insurance Company	258,591
Electric Insurance Company	3,584,889	Mitsui Sumitomo Insurance Group	5,735,187	Work First Casualty Company	2,025,799
Everest National Insurance Company	1,862,103	National Interstate Insurance Company	2,722,559	XL Capital Group	6,495,855
Fairfax Financial Group	5,881,520	New Jersey Manufacturers Group	402,090,196	Zenith Insurance Company	3,261,585
Farm Family Casualty Insurance Company	16,785,126	Old Republic General Group	32,435,414	Zurich U.S. Insurance Companies	141,508,907
Farmers Insurance Company of Flemington	1,386,960	One Beacon Insurance Group	4,107,465	Companies under \$250,000	1,079,006

**Total: \$2,322,093,444**

**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>
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	2,481,562,377	0.0040	638,004	221,098	96,899
2006	10,988,212	2,686,494,922	0.0041	680,862	213,355	93,527
2007	11,205,950	2,743,039,863	0.0041	701,089	219,937	96,626
2008	11,522,995	2,749,662,834	0.0042	748,934	219,592	98,411
2009	11,923,656	2,557,043,888	0.0047	673,191	220,318	98,834
2010	13,008,195	2,322,093,444	0.0056	711,039	217,317	97,137

**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" 2010 to:		
	Second to <u>First</u>	Third to <u>Second</u>	Fourth to <u>Third</u>	Fifth to <u>First</u>	Statistical <u>Third</u>	Statistical <u>Fifth</u>	Schedule "W" <u>Twenty-Four Months</u>
1995	1.145	1.052	1.019	1.242	1.240	1.202	1.020
1996	1.147	1.058	1.033	1.302	1.276	1.188	1.084
1997	1.175	1.073	1.040	1.347	1.264	1.184	1.116
1998	1.170	1.101	1.034	1.355	1.255	1.193	1.130
1999	1.206	1.085	1.063	1.442	1.325	1.202	1.219
2000	1.210	1.081	1.040	1.402	1.291	1.204	1.206
2001	1.192	1.066	1.045	1.359	1.260	1.178	1.151
2002	1.183	1.077	1.034	1.346	1.215	1.150	1.104
2003	1.156	1.080	1.029	1.318	1.193	1.130	1.059
2004	1.149	1.069	1.030	1.294	1.209	1.148	1.013
2005	1.154	1.069	1.038	XXXX	1.260	XXXX	1.048
2006	1.158	1.086	XXXX	XXXX	1.279	XXXX	1.084
2007	1.188	XXXX	XXXX	XXXX	XXXX	XXXX	1.065
2008	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1.059
Average:	1.171	1.075	1.037	1.341	1.253	1.175	1.092









