

APPENDIX A

Date of Filing Out Form: _____

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NEW JERSEY INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COST
SUMMARY OF SUPPORTING INFORMATION FORM

1. INSURER NAME: _____

ADDRESS: _____

PERSON RESPONSIBLE FOR FILING: _____

TITLE: _____ TELEPHONE #: _____

2. INSURER GROUP NAIC #: _____

2A. INSURER COMPANY NAIC #: _____

3. LINE OF INSURANCE: _____

4. ADVISORY ORGANIZATION: _____

5. ADVISORY ORGANIZATION REFERENCE FILING #: _____

6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers.

7. PROPOSED RATE LEVEL CHANGE _____ % EFFECTIVE DATE: _____

8. PRIOR RATE LEVEL CHANGE _____ % EFFECTIVE DATE: _____

9. ATTACH 'SUMMARY OF SUPPORTING INFORMATION FORM'
(Use a separate Summary for each insurer – selected loss cost multiplier.)

"The Filed Loss Cost Level Change Factor for the initial filing is the Ratio of Revised Loss Costs to Current Rates divided by the Deviation which the insurer applied to the Current Rates (expressed as a decimal); and for subsequent filings, the Ratio of Revised Loss Cost Level to Current Loss Cost Level."

Insurer Name: _____ Date of Filing Out Form: _____
 NAIC #: Group: _____ Company: _____

NEW JERSEY INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION
 PROSPECTIVE LOSS COSTS
 REFERENCE FILING ADOPTION FORM

CALCULATION OF COMPANY LOSS COST MULTIPLIER

10. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: _____

11. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (CHECK ONE)

Without modification. (factor = 1.000)

With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)

B. Loss Cost Modification Expressed as a Factor: _____
 (See examples below.)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION, AND DO NOT COMPLETE ITEMS 12-16 BELOW.

12. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expense	_____ %
B. General Expense	_____ %
C. Taxes, Licenses & Fees	_____ %
D. Underwriting Profit & Contingencies	_____ %
E. Other (Explain)	_____ %
F. TOTAL	_____ %

13A. Expected Loss Ratio: ELR = 100% - 12F = _____ %

13B. ELR IN Decimal Form = _____ %

14. Company Loss Cost Multiplier: (11B/13B = _____

15. Company Current Loss Cost Multiplier (only on Subsequent Loss Cost Filings): _____

16. Rate level change for the coverages to which this page applies: _____ %
 i.e. [(14/15) Filed Loss Cost Level Change Factor] - 1.00.
 (Note that for the initial Loss Cost Filing, Item 15 = 1.000).

Example 1: Loss Cost Modification Factor: If your company's loss cost modification is - 10%, a factor of 0.9 (1.000 - .100) should be used.

Example 2: Loss Cost Modification Factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

Insurer Name: _____ Date of Filling Out Form: _____
 NAIC #: Group: _____ Company: _____

NEW JERSEY EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER

17. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____ %	_____ %	_____ %
B. General Expense	_____ %	_____ %	_____ %
C. Taxes, Licenses & Fees	_____ %	_____ %	_____ %
D. Underwriting Profit & Contingencies	_____ %	_____ %	_____ %
E. Other (Explain)	_____ %	_____ %	_____ %
F. TOTAL	_____ %	_____ %	_____ %

18. A. Expected Loss Ratio:
 ELR = 100%-Overall 17F = _____ %
 B. ELR Expressed in Decimal Form = _____
 C. Variable Expected Loss Ratio:
 VELR = 100% - Variable 17F = _____ %
 D. VELR in Decimal Form = _____

19. Formula Expense Constant:
 [(1.00 / 18B) - (1.00 / 18D)] * Average Proposed Loss Cost = _____
 Formula Variable Loss Cost Multiplier: (11B / 18D) = _____

20. Selected Expense Constant = _____
 Selected Variable Loss Cost Multiplier = _____

21. Rate Level Change for the coverages to which this page applies _____ %