APPENDIX A

Space Reserved for Insurance
Department Use

Date of filling out form:

NEW JERSEY INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOST COSTS
FILING ADOPTION 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 #

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 "FILING ADOPTION FORM" FOR EACH INSURER
IF SELECTED LOSS COST MULTIPLIER IS DIFFERENT.

** TheFiled 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 Loss Cost Level to Current Loss Cost Levels.
NEW JERSEY INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
PROSPECTIVE LOSS COSTS
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.

   (Attach exhibit detailing insurer expense data and/or other supporting information.)

   A. Total Production Expense
   B. General Expense
   C. Taxes, Licenses & Fees
   D. Profit & Contingencies*
   E. Other (explain)
   F. TOTAL

   Selected Provisions

   13A. Expected Loss Ratio: ELR = 100% - 12F =
   13B. ELR in decimal form =

   14A. Company Loss Cost Multiplier: (11B/13B) =
   14B. Company Selected Loss Cost Multiplier =

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. [(14B/15) x 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.

* This should reflect investment income.
NEW JERSEY EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER

   (Attach exhibit detailing insurer expense data and/or other supporting information).

<table>
<thead>
<tr>
<th>Provision</th>
<th>Overall</th>
<th>Variable</th>
<th>Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total Production Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. General Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Taxes, Licenses &amp; Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Underwriting Profit &amp; Contingencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Other (explain)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18A. Expected Loss Ratio: \( ELR = 100\% - \text{Overall } 17F = \)

B. \( ELR \) expressed in decimal form =

C. Variable Expected Loss Ratio \( VELR = 100\% - \text{Variable } 17F = \)

D. \( VELR \) in decimal form =

19. Formula Expense Constant:
   \[
   \left[ \frac{1.00}{18B} - \frac{1.00}{18D} \right] \times \text{Average Prospective Loss Cost} =
   \]

   Formula Variable Loss Cost Multiplier: \( \frac{11B}{18D} = \)

20. Selected Expense Constant =

   Selected Variable Loss Cost Multiplier =

21. Rate level change for the coverages to which this page applies