



LESSONS LEARNED FROM LOSSES

DECEMBER 2011

Workers' Compensation

Under the New Jersey Workers' Compensation statute, injured employees who are temporarily totally disabled are entitled to a wage replacement, or T.T.D. The amount to be paid is based upon 70% of the injured employee's average weekly wage, not to exceed a set maximum. Both minimum and maximum payment amounts are set every year by the State of New Jersey. In 2011, the maximum wage replacement is \$792.00. This is actually lower than the maximum set in 2010 which was \$794.00 per week.

Unfortunately, the maximum set for 2012 has gone up to **\$810.00** per week. With this increase, the cost of claims will also increase. While this JIF does an excellent job in providing transitional duty opportunities, we recommend that each member review their program and increase their use of transitional duty days since this directly impacts their total claim exposure.

Attached find charts printed from the New Jersey Compensation Ratings and Insurance Bureau that highlight both the escalating state-set maximum rates and the impact that these increased rates have on the average cost of an indemnity claim (through 2008). Both charts are located at:

<https://www.njcrib.com/PremiumLossExperience/NJ%20CY%20MWB%2075%20Percent%20of%20SAWW.pdf>

Happy Holidays!