R.C. 1935

To the Members of the Board

RE: New York Workers Compensation
    Foreign Voluntary Compensation and Employers Liability
    Coverage Endorsement

The Rates Committee has adopted, and the New York State Insurance Department has approved, effective February 1, 2000, for new and renewal business, the New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement.

For the past several years, carriers wishing to write foreign voluntary coverage, repatriation expense and endemic disease coverage in New York State did not have the use of rules or endorsements to write and/or price this coverage. Following meetings with the New York State Insurance Department and the New York Workers’ Compensation Board, a model foreign voluntary coverage endorsement and pricing structure was developed to provide this coverage in New York State.

The model New York endorsement, WC 31 06 17 – New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement, is attached while Exhibit I highlights some of the coverage provisions for this endorsement. Since WC 31 06 17 is provided as a model endorsement, a carrier may file, with the Insurance Department, independent coverage forms and pricing structures which deviate from the model for the Department’s review and consideration. Carriers are required to file a copy of WC 31 06 17 with the Rating Board in the usual manner or submit, to the Rating Board, a copy of any independent filings that are approved by the Insurance Department.

Exhibit II contains the amendments to Rule II and Rule VIII of the New York Workers Compensation and Employers Liability Manual which indicate how coverage is provided and how the premium charge is determined for foreign voluntary coverage, repatriation expense and endemic disease coverage.

Manual pages will be included in the 2000 edition of the New York manual to be distributed early this year.

Very truly yours,

Monte Almer

President

CD:tg
Encl.
NEW YORK FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on ___________________________ at 12:01 A.M., standard time, forms a part of

(DATE)

Policy No. Endorsement No. Premium $

of the

(NAME OF INSURANCE COMPANY)

issued to

_______________________________________________________

Authorized Representative

This endorsement adds Foreign Voluntary Compensation Insurance to the policy.

Section 1. Employees Covered

A. This coverage applies only to employees you hire within the limits of the United States of America while they are traveling or temporarily residing outside the United States of America, its territories or possessions or Canada for a period no longer than ninety days.

B. This insurance does not apply to any employees you hire outside the limits of the United States of America.

C. This insurance does not apply to any employees who are employed to work at locations within the following country or countries:

Section 2. How This Insurance Applies

This insurance applies only to bodily injury by accident or to bodily injury by disease. Bodily injury includes resulting death. Bodily injury includes any endemic disease. Endemic diseases are those which are peculiar to a locality or region.

A. An employee included in the group of employees described in Item 1. of the Schedule of this endorsement must sustain the bodily injury.

B. The bodily injury must arise out of and occur in the course of employment necessary or incidental to work in a state, country or subdivision of a country listed in Item 1. of the Schedule of this endorsement.

C. Bodily injury by accident must be during the policy period.

D. The conditions of your workplace must cause or aggravate the bodily injury by disease. The employee's last day of last exposure to those conditions causing or aggravating such bodily injury must occur during the policy period.
Section 3. Exclusions

This insurance does not cover:

A. Bodily injury arising from any direct or indirect consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. No current or subsequent endorsement to this policy will override or waive this limitation;

B. Compensation or benefits imposed by any non occupational, disability benefits law, plan or any similar law or plan; and

C. Bodily injury you intentionally cause or aggravate.

Section 4. Voluntary Workers Compensation

This endorsement amends Section A. of Part One of the policy by adding the following coverage:

On your behalf, we will voluntarily pay an amount equal to the benefits you would be required to pay if you and the employees described in Item 1. of the Schedule were subject to the workers compensation law designated in Item 1. of the Schedule of this endorsement.

We will pay those amounts to the persons who would be entitled to them under the law. If this is not possible, we will reimburse you for amounts you are required to pay.

The following provisions apply to this insurance:

A. In no event will our liability under this section exceed the amount we or you would have been obligated to pay if the employment and injury had been subject to the workers compensation law designated in Item 1. of the Schedule of this endorsement. The only exception to this is as provided for in Section 6 – Repatriation Expense.

B. We have the option of requesting you to pay sums due directly to persons entitled to them on our behalf. We will reimburse you for these payments when you provide us with satisfactory proof of payment.

C. Before we are required to make any payment or reimburse you, the persons entitled or paid must:

(1) Release you and us in writing from all responsibility for the bodily injury or death;

(2) Transfer to us their right to recover from others who may be responsible for the injury or death to the extent of our payment or reimbursement; and

(3) Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If a person entitled to payment under this section refuses to accept voluntary payments offered, we may, at our discretion, withdraw the offer to pay compensation benefits. If this happens, we will notify you and the employee that we will no longer be bound by the provisions of this section.

D. Under this or any other policy we have issued to you, it is possible that the provisions of a workers compensation law, plan or any similar law or plan may hold you or us legally liable for any injury where payments have been made or would otherwise be made under Section 4. of this endorsement. If this happens, we agree that we will make no further payments under Section 4. if Section 5. of this endorsement applies.

Section 5. Legal Liability Under Workers Compensation Law

A. If benefits are payable under a workers compensation or occupational disease law of any state, country or subdivision of a country other than the United States of America, its territories or possessions or Canada, we will reimburse you up to but not in excess of the cost of benefits which have been payable under the workers compensation law of the state designated in Item 1. of the Schedule of this endorsement.

B. We will not be liable for any loss for which you had other valid and collectible insurance.
C. We assume no obligation to defend any suit or proceeding against you outside of the United States of America, its territories or possessions or Canada.

D. The coverage Section 5. affords does not cover fines or penalties imposed on you for failure to comply with the requirements of any workers compensation or occupational disease law of any state, country or subdivision of a country.

Section 6. Repatriation Expense

This section only applies to coverage provided for in Sections 4. and 5. of this endorsement.

Medical expenses include additional expenses of repatriation to the United States of America incurred as a result of bodily injury to employees. In the event an employee is injured, our liability is limited to the amount by which these expenses exceed the normal cost of returning the employee. In the event of an employee's death, our liability is limited to the amount by which the expenses of returning the body exceed the normal cost of returning an employee who is alive and in good health.

Our liability will never exceed the amount indicated in Item 2. of the Schedule of this endorsement for one covered employee or accident.

The policy does not afford coverage for repatriation expenses unless a specific limit of liability for each covered employee and accident appears in Item 2. of the Schedule of this endorsement.

Section 7. Employers Liability

The following agreement replaces Section B of Part Two – Employers Liability of the policy with respect to the coverage this endorsement provides:

A. We Will Pay

We will pay, on your behalf, all sums which you become legally obligated to pay as damages because of bodily injury by accident or disease, including resulting death, sustained in any state or country or subdivision of a country other than the United States of America, its territories or possessions or Canada by any of your employees arising out of and in the course of employment by you.

The following provisions apply to Section 7. of this endorsement:

A. We will reimburse you for all reasonable expenses you incur, including attorneys’ fees in defending any suit against you alleging injury and seeking damages on account of any insurance this section of this endorsement affords. We assume no obligation to defend any suit or any proceeding brought against you outside the United States of America, its territories or possessions or Canada.

B. The limit of our liability under Part Two will be in accordance with the following provisions:

The words "damages because of bodily injury by accident or disease, including resulting death" in Part Two include damages for care and loss of services. These words also include damages for which you are liable because of suits or claims others bring against you to recover the damages obtained from such others because of bodily injury your employees sustain arising out of and in the course of their employment.

The limit of liability in Item 3. of the Schedule of this endorsement which applies to bodily injury by accident is the total limit of our liability for all damages because of bodily injury by accident including resulting death that one or more employees sustain.

The limit of liability in Item 3. of the Schedule of this endorsement which applies to bodily injury by disease is the total limit of our liability for all damages because of bodily injury by disease including resulting death that one or more employees sustain in any one state, country or subdivision of a country outside the United States of America, its territories or possessions or Canada listed in Item 1. of the Schedule of this endorsement.
The limits of liability designated in this endorsement supersede and are not cumulative with any limit(s) of liability elsewhere in the policy. The inclusion of more than one insured does not increase the limits of our liability.

Section 8. Premium

In addition to the provisions of Part V – Premium of the policy, the following provisions will apply to this endorsement:

A. We will compute the premium for this coverage in accordance with Part Five of the policy, upon all remuneration paid to employees while traveling or temporarily residing outside the United States of America, its territories or possessions or Canada for a period of no longer than ninety days.

B. We will determine the premium for this coverage on the basis of the workers compensation rules, classifications and rates in accordance with the manuals we use for the state workers compensation law designated in Item 1. of the Schedule of this endorsement.

C. You must maintain payroll records for any employees covered by the provisions of this endorsement.

Section 9. Other Insurance

The following provision replaces Section E of Part One and Section F of Part Two of the policy with respect to the coverage this endorsement provides.

The insurance for a loss covered by this endorsement will be excess insurance over and above any other insurance except with respect to insurance provided under Section 5. The limits of liability for this insurance will be reduced by an amount equal to the limits of liability other insurance affords.

SCHEDULE

1. Name(s) of Employees State or Country of Operations Designated Workers Compensation Law

2. Limits of Liability for Repatriation Expense
   $15,000 each employee
   $50,000 each accident

3. Limits of Liability for Part Two – Employers Liability
   $100,000 Bodily Injury by accident each accident
   $100,000 Bodily Injury by disease each employee
   $500,000 Bodily Injury by disease policy limit
The New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement provides coverage for risks that have incidental foreign exposures. The endorsement extends the coverage provided in the standard workers compensation and employers liability insurance policy to employees who are injured temporarily working outside the U.S., its territories, possessions or Canada while on business for the insured.

WC 31 06 17 affords the benefits of the New York Workers’ Compensation Law as if the covered employees were subject to the Law, even though the Law does not require payment of benefits to these employees.

This endorsement provides a stated limit of liability for employers liability. Since, under the New York Law, employers liability is unlimited, Section 7 – Employers Liability states that the provisions for employers liability as shown in WC 31 06 17 apply only “with respect to the coverage this endorsement provides.”

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement provides coverage for risks that have incidental foreign exposures. The endorsement extends the coverage provided in the standard workers compensation and employers liability insurance policy to employees who are injured temporarily working outside the U.S., its territories, possessions or Canada while on business for the insured.</td>
<td>The pricing for foreign voluntary coverage for workers compensation and employers liability is included as part of standard premium. However, for employers liability coverage, the limits as shown in the New York Workers Compensation and Employers Liability Insurance Manual under Voluntary Compensation Insurance apply as follows:</td>
</tr>
<tr>
<td></td>
<td>$100,000 Bodily Injury by accident, each accident</td>
</tr>
<tr>
<td></td>
<td>$100,000 Bodily Injury by disease, each employee</td>
</tr>
<tr>
<td></td>
<td>$500,000 Bodily Injury by disease, policy limit</td>
</tr>
<tr>
<td>A specific period for coverage for foreign voluntary coverage is shown under Section 1 – Employees Covered</td>
<td>An additional charge for increased limits applies in accordance with manual Rule VIII.B.3.</td>
</tr>
<tr>
<td>Item C, under Section 1 – Employees Covered, Item C. allows a carrier to exclude certain countries or jurisdictions for which the United States of America may have imposed any trade or economic sanctions.</td>
<td>The endorsement limits coverage for a period no longer than 90 days.</td>
</tr>
<tr>
<td>Section 2 – How This Insurance Applies</td>
<td>WC 31 06 17 allows a carrier to list the countries to be excluded under Section 1 – Employees Covered.</td>
</tr>
<tr>
<td>The endorsement also provides coverage up to a specified limit for repatriation expenses. Repatriation expenses are those costs that may be incurred over and above the normal medical and transportation costs for returning an injured employee to the U.S.</td>
<td>This section states the provisions that apply to bodily injury or accident, bodily injury by disease or to bodily injury that results in the death of the employee.</td>
</tr>
<tr>
<td>In the event an injured or deceased employee is repatriated to the U.S., this endorsement provides coverage, up to a specified amount, for transportation costs for returning the employee to the U.S.</td>
<td>Coverage for repatriation expenses is limited to a $25 charge per $1,000 of coverage for each employee:</td>
</tr>
<tr>
<td></td>
<td>$ 15,000 each employee</td>
</tr>
<tr>
<td></td>
<td>$ 50,000 each accident</td>
</tr>
<tr>
<td>COVERAGE</td>
<td>COMMENT</td>
</tr>
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<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>Endemic disease coverage for diseases peculiar to a locality or region is also provided by this endorsement.</td>
<td><em>Endemic disease is considered bodily injury. There is no charge for this coverage.</em></td>
</tr>
</tbody>
</table>
b. If workers compensation insurance does not apply because the insured or carrier is unable to take the necessary action to bring the insured under a workers compensation law, the carrier will reimburse the insured for all compensation and other benefits required of the insured under such law.

c. Part Three—Other States Insurance does not provide U.S. Longshore and Harbor Workers’ Compensation Act coverage. It may be afforded only in accordance with Rule XII.

2. **States Where Not Available.** Others States Coverage is not available in states:

   a. With a monopolistic state fund, or

   b. Where the carrier elects not to write the coverage.

3. **Restriction on Use.** Coverage for Operations known or expected to be performed in a state not listed in Item 3.A. of the Information Page shall not be provided under Part Three—Other States Insurance.

4. **Premium.** Premium developed for operations covered under Part Three—Other States Insurance shall be based on workers compensation rules and rates.

D. **VOLUNTARY COMPENSATION INSURANCE**

1. **Description of Voluntary Compensation Coverage.** Voluntary compensation insurance shall not provide compensation, medical or other benefits in excess of the statutory requirements in the workers compensation law designated in the Standard Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A).

2. **How Provided.** Voluntary Compensation Insurance is provided by attaching the Standard Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A) to the Standard Policy. Refer to Rule VIII for rules and rates.

E. **FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

1. **Description of Foreign Voluntary Compensation and Employers Liability Insurance.** Foreign voluntary compensation and employers liability insurance provides workers compensation, employers liability, repatriation expense and endemic disease coverage to employees temporarily working outside the United State of America, its territories or possession or Canada.

2. **How Provided.** Foreign voluntary compensation and employers liability coverage is provided by attaching the Foreign Voluntary Compensation and Employers Liability Endorsement (WC 31 06 17) to the standard policy. Refer to Rule VIII.D. for premium determination.

F. **VOLUNTEER FIREFIGHTERS COVERAGE**

1. **Description of Coverage.** The Volunteer Firefighters’ Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Firefighters’ Benefit Law. In addition, this special policy must provide Employers Liability coverage comparable to Part Two of the Standard Policy.

2. **Group Insurance.** The Volunteer Firefighters’ Benefit Law contains provisions that allow for group insurance. Under Section 32.1 of the VFBL, any town may obtain a single policy covering all fire protection districts and fire alarm districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, fire districts or town boards located within one county. Section 32.2 group insurance requires that:

   a. the governing board of each member fire district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;

   b. the group file with the chairman of the county board of supervisors an agreement executed by each member fire district agreeing to the effective date of the policy and the population of each fire district;

   c. the chairman of the county board of supervisors contract for a policy of insurance covering the group’s members;

   d. the cost of such insurance be apportioned among the group’s members based on population; and

   e. the county treasurer pay for the cost of such insurance.

The New York Insurance Law also contains provisions for group insurance under Section 3435 provided group members are either public entities or Type B not-for-profit organizations. The Insurance Law and Regulations require:
a. the group to be homogenous in nature;

b. the group to be formed for purposes other than obtaining insurance; and

c. the group to consist of at least ten members; or a smaller group of at least five members provided that each member generates at least $5 million in annual revenue or the annual premiums for all lines of such group exceeds $500,000.

Refer to Section 32 of the Volunteer Firefighters’ Benefit Law, to Section 3435 of the New York Insurance Law and 11 NYCRR 153 of the New York Insurance Law Regulations for all provisions required for group insurance.

3. **Premium.** The premium for the Volunteer Firefighters’ policy is a flat charge which varies on the basis of the population of the area(s) served when a single policy is issued or when a single policy of group insurance is issued covering all fire protection districts and fire alarm districts within the town. When a group policy is issued covering a group of cities, villages, fire districts or town boards located within one county, the population of all members of the group may be aggregated to determine the group policy premium. Refer to the Volunteer Firefighters Section in the Rate Pages for an explanation of procedures and charges for this coverage.

### G. VOLUNTEER AMBULANCE WORKERS COVERAGE

1. **Description of Coverage.** The Volunteer Ambulance Workers’ Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Ambulance Workers’ Benefit Law. In addition, this special policy must provide Employers Liability coverage comparable to Part Two of the Standard Policy.

2. **Group Insurance.** The Volunteer Ambulance Workers’ Benefit Law contains provisions that allow for group insurance. Under Section 32.1 of the VAWBL, any town may obtain a single policy covering all ambulance districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, ambulance districts or town boards located within one county. Section 32.2 group insurance requires that:

   a. the governing board of each member ambulance district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;

   b. the group file with the chairman of the county board of supervisors an agreement executed by each member ambulance district agreeing to the effective date of the policy and the population of each fire district;

   c. the chairman of the county board of supervisors contract for a policy of insurance covering the group’s members;

   d. the cost of such insurance be apportioned among the group’s members based upon population; and

   e. the county treasurer pay for the cost of such insurance.

The New York Insurance Law also contains provision for group insurance under Section 3435 provided group members are either public entities or Type B not-for-profit organizations. The Insurance Law and Regulations require:

   a. the group to be homogenous in nature;

   b. the group to be formed for purposes other than obtaining insurance; and

   c. the group to consist of at least ten members; or a smaller group of at least five members provided that each member generates at least $5 million in annual revenue or the annual premiums for all lines of such group exceeds $500,000.

Refer to Section 32 of the Volunteer Ambulance Workers’ Benefit Law and to Section 3435 of the New York Insurance Law and 11 NYCRR 153 of the New York Insurance Law Regulations for all provisions required for group insurance.

3. **Premium.** The premium for the Volunteer Ambulance Workers’ policy is a flat charge per ambulance. The charge shall not be cumulative in the event of substitution of ambulances during the policy period, but shall be cumulative if more than one ambulance is owned or operated during the same policy period. Regardless of whether or not coverage is written on a single policy basis or as a group policy subject to the provisions of Section 32.2 of the Volunteer Ambulance Workers’ Benefit Law. The charge shall be prorated for ambulances owned or operated for part of the policy period.
NOTE: Antique ambulances or any other ambulance used solely for parade or ceremonial purposes and equipped with vintage or historical license plates shall be exempt from a premium charge. A copy of the registration of the vehicle must be submitted to the carrier to be eligible for the premium waiver.

The premium and losses incurred shall be reported under Code 7370. The premium per ambulance is shown under “Miscellaneous Values” in Part Three—Rates.

**i H. EMPLOYEE LEASING**

**NOTE:** Carriers have the option of adopting Rule II.H in lieu of the rule specified below.

1. **Definitions.** For the purpose of this rule, an employee leasing arrangement shall mean an arrangement whereby an entity contracts with another entity to lease some or all of its workers. The entity providing the workers shall be referred to as the labor contractor. The entity utilizing the workers shall be referred to as the client.

   This rule may not apply where workers are provided on a temporary basis for special work situations such as employee absences, temporary skill shortages, peak workloads or special assignments or projects with a short or limited duration. Final determination as to the status of employer is discussed in Item 2—Law and Status, of this rule.

2. **Law and Status.** It is statutorily required that employers obtain workers compensation insurance coverage for their employees. However, for leased workers, a determination may be made by the Workers' Compensation Board, following occurrence of a claim, that either the client or the labor contractor may be construed to be the employer of the claimant. The following will apply:
   
   a. The client must obtain a standard workers compensation insurance policy to cover both its leased and non-leased workers.

   b. The labor contractor must obtain a standard workers compensation insurance policy to cover its non-leased workers.

   c. In addition to standard coverage for its non-leased workers, the labor contractor must also maintain compensation coverage for its leased employees under its own policy or by attaching the Labor Contractor Endorsement to each of its client's policies naming the labor contractor as an additional insured employer on such policies.

3. **Premium For Leased Workers.**

   The premium is determined as follows:

   a. **Client Policy.** The premium shall be charged on the client's policy for both its workers leased from each labor contractor and its non-leased workers. The New York Labor Contractor Endorsement (WC 31 03 17) is to be attached to the client's policy.

      (1) The client shall provide a complete payroll record of the workers leased to it from the labor contractor in addition to the payroll records of its non-leased employees.

      (2) If the client does not supply the payroll records of the workers leased to it from the labor contractor, 100% of the full employee leasing arrangement price shall be established as the payroll of the workers leased to the client. The premium shall be charged at the highest manual rate for the classifications that apply to the client's operations.

      *Exception* to #2 above

      If an investigation on a specific employee leasing arrangement contract discloses that a definite amount of the contract price represents payroll, such amount shall be the payroll for the premium computation.

   b. **Labor Contractor as Policyholder.** Premium shall be charged on the labor contractor's policy for its non-leased workers. The New York Labor Contractor Exclusion Endorsement (WC 31 03 18) must be attached to the labor contractor's policy.

4. **Audit.** The carrier shall conduct periodic audits to determine whether all classifications, experience modifications and estimated payrolls utilized are appropriate.

**i I. EMPLOYEE LEASING—OPTIONAL**

1. **Definitions.** For the purpose of this rule, an employee leasing arrangement shall mean an arrangement whereby one entity contracts with another entity to lease some or all of its workers. The entity providing the workers shall be referred to as the labor contractor. The entity utilizing the workers shall be referred to as the client.
This rule may not apply where workers are provided on a temporary basis for special work situations such as employee absences, temporary skill shortages, peak workloads or special assignment or projects with a short or limited duration. Final determination as to the status of employer is discussed in Item 2—Law and Status, of this rule.

2. **Law and Status.** It is statutorily required that employers obtain workers compensation insurance coverage for their employees. However, for leased workers, a determination may be made by the Workers’ Compensation Board, following occurrence of a claim, that either the client or the labor contractor may be construed to be the employer of the claimant. The following will apply:

   a. **Labor Contractor/Client Policy.** Each insurance company affording coverage for a labor contractor must issue a separate policy for each client to cover the client's leased workers. The client is to be named as an additional named insured with respect to employees leased from the labor contractor. Item 1 of the Information Page must include the name of the labor contractor as the insured and identify the client as follows:

      ABC Leasing Company L/C/F XYZ Machine Shop; (where L/C/F refers to “Labor Contractor For.”)

      Each policy shall expire on the same date. Such policy shall not include coverage for non-leased workers of the client or direct employees of the labor contractor. Each policy shall include endorsement WC 31 03 20, "New York Optional Labor Contractor Endorsement."

      Each policy will be sent to the labor contractor as the named insured.

   b. **Separate Policy For Client.** It shall be the obligation of the client to provide a separate policy for any non-leased workers. Such policy shall include endorsement WC 31 03 22, "New York Optional Client Exclusion Endorsement."

   c. **Separate Policy For Labor Contractor.** A separate policy shall be issued in the name of the labor contractor to provide coverage for direct employees of such labor contractor. The policy shall include endorsement WC 31 03 21, "New York Optional Labor Contractor Exclusion Endorsement."

3. **Premium For Leased Workers.** Premium for all policies issued under Items 2.a., b. and c. above shall be calculated according to Rule VI of this manual.

4. **Audit.** The carrier shall conduct audits to verify that all classifications, experience modifications and payrolls are appropriate.

5. **Policy Filing.** The insurance company shall submit to the Rating Board separate information pages for the policies which provide coverage in accordance with Section 2.a. of this rule.

6. **Experience Rating.** Separate experience ratings will be promulgated for each qualifying client and labor contractor.

   The experience modification factor, if any, shall apply to any policy issued under Sections 2.a. and 2.b. of this rule in accordance with the New York Experience Rating Plan.

   The experience modification factor, if any, shall apply to any policy issued to a labor contractor under Section 2.c. of this rule in accordance with the New York Experience Rating Plan.

   The change of ownership rules, as contained under Part Three—Administration of the Plan, B. in the New York Experience Rating Plan, shall be applied to the policies described in Section 2.a. of this rule as though the named insured is only that of the client.

7. **Premium Discount.** All individual Labor Contractor/Client policies written in accordance with Section 2.a. of this rule by the same carrier, which reference the same labor contractor, shall be combined for premium discount purposes in accordance with Rule VII of this manual.

8. **Retrospective Rating.** When individual Labor Contractor/Client policies issued in accordance with Section 2.a. of this rule are written by the same carrier, the carrier and labor contractor may agree to a retrospective rating program in accordance with the provisions of the New York Retrospective Rating Plan.

9. **Cancellations.** Where a Labor Contractor/Client policy written in accordance with Section 2.a. of this rule is canceled, the insurance company shall provide individual notices to the labor contractor and each of the clients.

10. **Statistical Data.** Statistical information shall be filed separately for every policy written pursuant to this section and in accordance with the rules of the New York Workers Compensation Statistical Plan.
Reserved for future use.
D. **FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

1. **Standard Limits.** The standard limits of liability under Part Two–Employers Liability Insurance for employees subject to foreign voluntary insurance are:

   - **Bodily Injury by Accident:** $100,000–each accident
   - **Bodily Injury by Disease:** $100,000–each employee
   - **Bodily Injury by Disease:** $500,000–policy limit

   The limit of liability for Bodily Injury by Accident–each accident–applies to all bodily injury arising out of any one accident.

   The limit of liability for Bodily Injury by Disease–each employee–applies as a separate limit to bodily injury by disease to any one employee.

   The limit of liability for Bodily Injury by Disease–policy limit–applies as an aggregate limit for all bodily injury, regardless of the number of employees who sustain bodily injury by disease.

2. **Limits of Liability for Repatriation Expense.** The limits of liability for repatriation expenses for employees subject to foreign voluntary insurance are:

   - $15,000 each employee
   - $50,000 each accident

3. **Increased Limits.** The standard limits under Part Two–Employers Liability Insurance for employees subject to foreign voluntary insurance may be increased. The premium for the limits shall be determined by using the Table for Increased Limits in Rule VIII.B.3.

   The limits of liability for Repatriation Expense may not be increased and are subject to the limits shown in 2. above.

4. **Premium Determination.** Premium shall be determined on the basis of workers compensation rules, classifications and rates in this Manual for the state workers’ compensation law designated in the schedule in the Foreign Voluntary Compensation and Employers Liability Coverage Endorsement (WC 31 06 17).

   The premium charge for repatriation expense coverage shall be $375 for the limits shown in 2. above.

5. **Payroll Records.** When foreign voluntary coverage is provided, payroll records must be maintained for any employees covered by the provisions of WC 31 06 17.
Reserved for future use