R.C. 1936

To the Members of the Board

Re: Special Disability Assessment

As previously notified in RC Bulletin 1933, dated February 4, 2000, Chapter 188 of the Laws of 1999 amended Section 15-8h of the Workers' Compensation Law by changing the method used in determining the assessments for the Special Disability Fund for private carriers.

Effective, January 1, 2000, the method of assessment for the private carriers was changed from a paid loss basis to a premium based assessment charge. The new basis for the Special Disability Fund assessment, as determined by the Workers' Compensation Board (WCB), will be direct written premium as defined for use in line 16, Column 1 of the "Exhibit of Premiums and Losses, Business in the State of New York" which is filed with the New York State Insurance Department. It should be noted, however, that the fiscal year used by the State of New York begins April 1 and ends March 31 of the subsequent year. Consequently, private carriers will be required to report quarterly direct written premium to the WCB for establishing the appropriate base for the Special Disability Fund assessments.

A copy of the WCB's announcement and explanation of the new assessment method is attached for your reference. Questions regarding the new methodology and reporting requirements can be addressed to Ms. Kathleen Griffin, Policy and Finance Director of the WCB, at (518) 486 - 3354.

With respect to policyholder charges, the current method of assessing policyholders on the basis of standard premium will continue as set forth in RC Bulletin 1933, dated February 4, 2000. The current percentage charges to policyholders will continue and will, most likely, be modified at the time of the next general rate revision which is scheduled for October 1, 2000. Consequently, there will not be any revisions to the current manual pages as a result of this change in assessment methodology by the WCB.

Very truly yours,

Monte Almer

President