R.C. 1984

To the Members of the Board

Re: New York Workers Compensation
World Trade Center Tragedy
Preliminary Incurred Loss Estimate

In the aftermath of the September 11, 2001 attack on the World Trade Center, the Rating Board has calculated a preliminary estimate of the potential workers compensation cost to our member carriers.

Based on information currently available, an estimated $1.3B in New York workers compensation insurance costs is expected to be incurred as a result of this tragedy. This dollar amount has been calculated on a direct basis and does not include effects that reinsurance arrangements may have on an individual carrier’s ultimate liability.

Revised estimates will be made, if necessary, as more information becomes available.

Very truly yours,

Monte Almer

President

MH/ab