R.C. 2037

To the Members of the Board

RE: New York Workers Compensation
Elimination of the New York Building Wrecking Rating Plan

The Rates Committee has adopted, and the New York State Insurance Department has approved, effective October 1, 2003, for new and renewal business, the elimination of Code 5708 and the New York Building Wrecking Rating Plan. In its place, Code 5701 has been established for building wrecking and demolition jobs.

A building wrecking and demolition job is currently assigned to Code 5708. Premium under the New York Building Wrecking Plan is calculated by applying the appropriate rates per cubic feet to the cubical contents of the structure in accordance with the provisions of the Plan. The current plan and method of calculating premium became effective in 1934. Prior to its implementation, payroll was used as a basis of premium, however, it was felt, at that time, that carrier auditors had difficulty in obtaining accurate payroll records for contractors engaged in demolition work.

It had been suggested, over the years, that the exposure base for calculating premium for building wrecking or demolition jobs be returned to a payroll base, since, as automation has expanded within the insurance community, the payroll records which are needed began to be more easily kept and verified.

Furthermore, it has been increasingly difficult to administer the current Plan over the last several years either because the Rating Board was not notified when a job was to commence or because accurate information was not submitted to calculate the premium.

Based upon the above, the New York Building Wrecking Rating Plan is being eliminated and the exposure base for building wrecking is changed from cubical contents to payroll. In conjunction with this change, Code 5701 is established with a rate based on an average rate for all of the contracting classes considered to be relevant to actual demolition and wrecking jobs. The attached pages R-31, C-102 and D-35 from the New York Workers Compensation and Employers Liability Manual and Page 15 from Part III of the New York Workers Compensation Statistical Plan are attached for your reference. In addition, Rule XV (Pages R-78 – R81) and Rate Page 8 from the New York manual have been eliminated.

Printed manual pages will be distributed as soon as they become available.

Very truly yours,

Monte Almer

President

CD:tg
Encl.
RULE VI—RATES AND PREMIUM DETERMINATION
Item 4 of the Information Page—continued

A. RATES

1. Definition

   The rate is the amount of premium for each $100 of payroll.

   **Exceptions:** The premium for all classifications is determined on the basis of payroll except for the following:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Premium Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Workers Code 0908, 0909, 0912, 0913</td>
<td>Per Capita</td>
</tr>
<tr>
<td>Building Operations Code 9027</td>
<td>Per Location</td>
</tr>
<tr>
<td>Volunteer Firefighters</td>
<td></td>
</tr>
<tr>
<td>Code 7711</td>
<td>Population</td>
</tr>
<tr>
<td>Code 7716</td>
<td>Per Policy</td>
</tr>
<tr>
<td>Volunteer Ambulance Service Company Code 7370</td>
<td>Per Ambulance</td>
</tr>
</tbody>
</table>

2. Manual Rate

   The manual rate for each classification is shown after its code number on the rate pages in Part Three of this manual.

3. (a) Rates

   The symbol (a) in the rate column on the rate pages means the rate for that classification must be obtained from the Rating Board.

4. Authorized Rate

   Authorized rate means the manual rate or any other rate that has been established by the Rating Board.

5. Show Rates in Item 4 of the Information Page

   For each classification shown in Item 4, the manual rate or other authorized rate shall be stated in the column headed "Rate per $100 of Remuneration."

6. Non-Ratable Elements

   Some classifications require a non-ratable element. A separate statistical code number is assigned for each non-ratable element. This statistical code and corresponding rate are applied in addition to the basic classification when determining premium.

B. PREMIUM DETERMINATION

   Premium for each classification shown in the policy is determined by multiplying the basis of premium by the rate.

   **Example:**

   \[
   \text{Payroll} = \$90,000 \\
   \text{Rate} = 1.50 \times 1.50 = \$90,000 \times 1.50 = \$1,350 \\
   \text{Premium} = \$1,350 \times 100 = \$1,350
   \]
WOOL MERCHANT & Drivers
   Includes warehouse.

WOOL PULLING

WOOL SEPARATING
   Applies to chemical separation of wool from cotton.

WOOL SPINNING AND WEAVING

WRECKING:
   WRECKING—BUILDINGS—not marine

   WRECKING—MARINE & SALVAGE OPERATIONS:
       Refer to manual Rule XIII.A.5

   WRECKING—NOT BUILDING or MARINE wrecking

YACHT CLUB—See "CLUB—COUNTRY—& Clerical"

YARD—CONSTRUCTION or ERECTION—PERMANENT
   Applies only to a permanent yard maintained by a construction or erection risk for the storage of material or the storage and maintenance of equipment. Not available at a construction site. May be used only upon specific assignment by the Rating Board. Mill operations or fabrication to be separately rated.

YARN MFG.—wool
   Code 2286 and Code 2302 "Yarn or Thread Mfg." shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.

YARN or Thread DYEING or FINISHING
   Yarn or thread mfg. to be separately rated. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2416 are conducted as a separate and distinct business.

YARN or Thread MFG.—cotton, linen or silk

YEAST MFG.

YMCA, YWCA, YMHA or YWHA, INSTITUTION—ALL EMPLOYEES—& Clerical
   Includes teachers and instructors. Camp operation to be separately rated as Code 9048.

ZOO NOC—ALL EMPLOYEES—& Drivers
   Operation, care and maintenance of amusement devices shall be separately rated as Code 9180 “Amusement Device Operation NOC—Not Traveling—& Drivers.”
 Contractors—Executive Supervisors

Where all the construction work on a particular job is sublet, the general contractor’s superintendent who is in direct charge of the job but gives his directions to the superintendents or foremen of the subcontractors shall qualify for the use of Code 5606 "Executive Supervisors." An executive officer of a corporation who performs the duties of an executive supervisor shall be assigned to Code 8809 "Executive Officers" provided that such executive officer does not otherwise regularly and frequently perform the duties of a foreman, worker or outside salesperson.

Cord or Twine Mfg.—paper ..................................................................................... 2913
Cosmetics Mfg.—no mfg. of ingredients .................................................................. 4611
Cough Drops Mfg ............................................................................................... 4611
Crocheting—by hand ............................................................................................ 2388
Curtains—See Draperies

D

Dam Construction:

In addition to operations covered by the dam construction classifications, Codes 6017, 6018 and 2702, appearing in the manual, various other operations, which have been found to occur in connection with dam construction jobs and for which the classifications above referred to make no specific provision, shall be assigned in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Operations</th>
<th>Code No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Building Wrecking—not marine</td>
<td>5701</td>
</tr>
<tr>
<td>Construction, Installation or Removal of Temporary Facilities, Machinery and Equipment—incl. trestles, bridges, barricades, fences, light and power equipment in accordance with the provisions of Rule IV.D.7 of the manual</td>
<td>GC</td>
</tr>
<tr>
<td>Construction or Removal of Temporary Buildings</td>
<td>Various</td>
</tr>
<tr>
<td>Drains or Culverts—construction or installation</td>
<td>GC</td>
</tr>
</tbody>
</table>
a. **Per Capita Classifications**

An employee covered under a per capita classification for a period of one year shall be reported as an exposure of 1.0. For coverage less than one year, the exposure reported shall be that decimal part of a year, expressed to the nearest tenth, for which the coverage is in effect. **Refer to the following table:**

<table>
<thead>
<tr>
<th>Individual Durations of Coverage Between</th>
<th>To Be Reported As</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 days to 17 days</td>
<td>0 year</td>
</tr>
<tr>
<td>18 days to 1 month</td>
<td>0.1 year</td>
</tr>
<tr>
<td>24 days to less than 3 months</td>
<td>0.2 year</td>
</tr>
<tr>
<td>3 months to less than 5 months</td>
<td>0.3 year</td>
</tr>
<tr>
<td>6 months to less than 9 months</td>
<td>0.4 year</td>
</tr>
<tr>
<td>10 months to 11 months</td>
<td>0.5 year</td>
</tr>
<tr>
<td>12 days to one year</td>
<td>1.0 year</td>
</tr>
</tbody>
</table>

**Example:** An employee covered for six months shall be reported as an exposure of 0.5. Exposure shall be governed by the duration of coverage and not by the number of days worked.

b. **Aircraft Operation—Passenger Seat Exposure**

Report the number of seats under Classification Code 9108. The exposure to be reported shall be 1.0 per seat. This code is not subject to experience rating and shall be reported on Lines D, E, or F.

c. **Per Location**

The exposure under Code 9027 (Building Operation—Dwelling) shall be reported in accordance with the rules specified above for Per Capita classifications, treating one location year exposure as an exposure of 1.0.

*  

d. **Volunteer Firefighters**

The population of the "home area" shall be reported under Code 7711 in parentheses in the exposure field and the corresponding premium shall be reported in the premium field.

Where there are separate charges for servicing other areas under contract, the experience report shall show as separate items the following: