December 10, 2003

Contact:  Bernie Hong, Actuarial Manager  
          Ext: 164, bhong@nycirb.org

R.C. 2052

To the Members of the Board

Re: New York Workers Compensation Statistical Plan  
Revised Pension Table  
Effective January 1, 2004

The Rates Committee of the Board has adopted, and the New York State Insurance Department has approved, an amendment to the New York Workers Compensation Statistical Plan that revises the Pension Table used to establish reserves for claims not designated for placement into the Aggregate Trust Fund.

The present New York discount table for life pension cases that are not designated for placement into the Aggregate Trust Fund was incorporated into the New York Workers Compensation Statistical Plan in 1999. This table, as currently shown in the Statistical Plan, was based on the 1989-1991 US Decennial Table compiled by the U.S. Department of Health and Human Services (HHS).

The U.S. Department of HHS has now provided the 1999 United States Life Tables which is the updated version of the source used to compile the previous pension table. The 1999 United States Life Tables are based on the U.S. Census Tables and is the latest most comprehensive source of data available for life expectancies.

The attached manual page contains a revised New York discount table that reflects the aforementioned 1999 United States Life Tables. The table has been compiled at a 3.5% interest rate which is consistent with past pension tables in New York.

The revised New York pension table is applicable to all claim valuations on or after January 1, 2004 for those claims not designated for placement into the Aggregate Trust Fund.

Manual pages will be distributed as soon as they are available.

Very truly yours,

Monte Almer

President

MH/ab
Encl.
f. Contract Medical—Code 07

In conjunction with managed care or preferred provider organization programs in New York, medical costs incurred under a contract for medical services that cannot be allocated to individual claims shall be reported in the aggregate as incurred medical and shall be assigned to the governing classification. Contract medical costs, or medical costs incurred outside of the contractual arrangement that are allocated to individual claims shall be reported in connection with these claims and shall not be included in the amount otherwise reported as contract medical.

g. Aggregate Trust Fund

All death cases and some permanent total and permanent partial disability cases are payable to the Aggregate Trust Fund. In determining the present value of the losses incurred on these claims, the tables published by the Workers’ Compensation Board (Bulletin 222B) must be used.

When an award directing such payment has been made, include in the indemnity losses the assessment charged by the Aggregate Trust Fund for the handling of such cases. This assessment should not, however, be included in the calculation of the present value of any case in which the award has not yet been made.

For all permanent total and permanent partial disability cases for which a life award is being made, but for which payments have not been designated for placement into the Aggregate Trust Fund, the table shown below shall be used in determining the present value for reporting under this Plan.

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1999 United States Life Tables (U.S. Department of HHS)
3.5% Annual Rate of Interest

11. Claim Status

Report the one-digit numeric code that indicates the status of the claim. Report "0" if the claim is open, "1" if the claim is closed or "2" if the claim is reopened as of the valuation date.