May 12, 2006

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R.C. 2109

To the Members of the Board

Re: New York Workers Compensation
Retrospective Rating Plan
Endorsement WC 00 05 15

The Rates Committee of the Board has adopted, and the New York State Insurance Department has approved, Endorsement WC 00 05 15 for use when the allocated loss expense option is included with losses in the calculation of retrospective premiums.

In RC Bulletin 2103, dated December 9, 2005, the Rating Board announced the approval of revised excess loss factors, state hazard group relativities and retrospective development factors, effective January 1, 2006. This revision also included, for the first time, an optional table of excess loss factors for use when allocated loss adjustment expense is included with losses in the retrospective rating calculation.

However, due to an inadvertent oversight, Endorsement WC 00 05 15, which defines losses to include allocated loss expense, was omitted from the original Rating Board filing to the Insurance Department.

Endorsement WC 00 05 15 is a countrywide form used in other jurisdictions that have approved the inclusion of allocated loss adjustment expense in the retrospective rating calculation. A copy of this endorsement is attached for your information.

Similar to the approved Retrospective Rating Plan values, an effective date of January 1, 2006 will apply for the use of this endorsement.

A revised manual page will be distributed as soon as it is available.

Very truly yours,

Monte Almer

President
RETROSPECTIVE PREMIUM ENDORSEMENT
FLEXIBILITY OPTIONS

The Retrospective Premium Endorsement attached to the policy is changed by the information shown in the Schedule.

Schedule

1. Incurred losses are changed to include allocated loss adjustment expense in these states: ________

__________________________________________________________

2. The correctly calculated basic premium factor for 100% of the estimated standard premium shall be used without linear interpolation, for each calculation of retrospective premium.

3. Each calculation of retrospective premium will use all loss information we have as of a date agreed to by you and us.