New York Workers Compensation
Manual Rule – New York State Assessment

The Rates Committee has adopted, and the New York State Insurance Department has approved, an amendment to the New York State Assessment manual rule to clarify the premium charges which are to be included in the premium base for the calculation of the assessment.

It had been brought to the attention of the Rating Board that there has been some confusion concerning the rules governing the calculation of the New York State Assessment. On Page 6 of the Miscellaneous Values section of the New York Workers Compensation and Employers Liability Insurance Manual, it clearly states, under the Premium Base section, that both foreign and domestic premium charges are to be included as part of standard premium for the calculation of the assessment. However, the Rules section of the Manual on Page R-58, Rule IX.L.3, Premium Base for Calculating the New York State Assessment, referenced only the “Terrorism Risk Insurance Act of 2002”.

To ensure consistency in the understanding of the proper premium base, Manual Page R-58 has been amended to include both foreign and domestic terrorism charges as part of the premium base for the calculation of the New York State Assessment.

The revised Manual Page R-58, with an issue date of January 1, 2008, is attached.

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

Very truly yours,

Monte Almer
President

MH/ab
Encl.
2. Premium
   a. Specific
      A premium charge of 5% to 10% of the total premium developed in conjunction with the work for which the waiver is provided shall apply for each person or organization named in the endorsement, subject to a minimum premium of $250 per policy.

   b. Blanket
      A premium charge equal to 2% to 10% of the total premium, subject to a minimum premium of $250 per policy.

   Note: If a premium charge other than the minimum percentage is used, the underwriting file will be documented as to the reason for the higher percentage.

L. NEW YORK STATE ASSESSMENT

1. Explanation
   The New York State Assessment is a separate identifiable charge to policyholders for the funding of the Special Disability Fund, Reopened Case Fund, Workers’ Compensation Board expenses, Special Funds Conservation Committee expenses and interdepartmental expenses associated with the administration of OSHA requirements.

2. General Information
   The New York State Assessment amount must be displayed as a separate identifiable charge on the policy information page. Code 0932 must be used in conjunction with this charge for policy submission use only.

   The New York State Assessment amount is subject to change at audit and at all subsequent retrospective rating adjustments.

   The New York State Assessment amount is charged in conjunction with the effective date of the rates used on each policy. Therefore, where the Anniversary Rate Date Endorsement (WC 00 04 02) applies, e.g., when two sets of rates are used, two assessment percentages will apply.

   For all policies effective on or after January 1, 2001, in accordance with applicable New York statutes (Chapter 188, Laws of 1999 and Chapter 510, Laws of 2000) premium must be used as the basis for calculating the policy charge.

3. Premium Base for Calculating the New York State Assessment
   For purpose of this rule, premium is defined as premium determined on the basis of Rating Board or authorized (deviated) rates (or percentage premium deviation) plus any applicable territory differential premium, including any experience modification, merit rating factor, minimum premium, Construction Classification Premium Adjustment Program policy credit factor, surcharges and credits from Workplace Safety Programs, credits from independently filed carrier specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs) and the additional charges for Foreign and Domestic Terrorism. The expense constant, including the expense constant in the minimum premium, the premium discount, as defined in Rule VII, and premium credits for participation in any deductible program are excluded from the premium base for the determination of the assessment charge.