To the Members of the Board

Re: New York Workers Compensation
Terrorism Risk Insurance Program Reauthorization Act of 2007
Endorsements Effective January 1, 2008

In R.C. Bulletin 2154, you were informed of the signing by President Bush of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) which extends the federal backstop for terrorism exposure until December 31, 2014.

The Rating Board has filed, and the Insurance Department has approved, effective January 1, 2008, the Terrorism Risk Insurance Reauthorization Act Endorsement (WC 00 01 13A) which replaces the current Terrorism Risk Insurance Extension Act Endorsement (WC 00 01 13).

Revisions to this endorsement include:

- changing the reference of TRIEA to TRIPRA
- updating the definition of “act of terrorism” to include domestic terrorism
- updating of insurer deductible provisions
- defining “Program Year”
- disclosure of the $100,000,000,000 cap as required by Section 4 of TRIPRA
- updating of existing disclosures

Also approved, by the Insurance Department, is the Domestic Terrorism Earthquake and Catastrophic Industrial Accidents Premium Endorsement (WC 00 04 21B) which replaces the current Domestic Terrorism, Earthquake and Catastrophic Industrial Accidents Premium Endorsement (WC 00 04 21A) and is revised to indicate that the domestic terrorism premium applies to all acts of domestic terrorism.

Copies of the revised endorsements, which must be attached to all policies with effective dates of January 1, 2008 and thereafter, are included with this bulletin.
Also included are revised Manual Pages R1, R5, R6 and R59A of the New York Workers Compensation & Employers Liability Manual which reference these endorsements.

Printed manual pages will be distributed when they are available.

Very truly yours,

Monte Almer

President

MH/ab
Encl.
TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Definitions

The definitions provided in this endorsement are based on, and have the same meaning as, the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.


“Act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

“Insured Loss” means any loss resulting from an act of terrorism (including an act or war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

“Insurer deductible” means - For the period beginning on January 1, 2008 and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

“Program Year” refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed $100,000,000,000 in a Program Year and if we have met our insurer deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds $100,000,000,000; and for aggregate Insured Losses up to $100,000,000,000, we will pay only a pro rata share of such Insured Losses, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed $100,000,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses than exceed our insurer deductible.

2. Notwithstanding Item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds $100,000,000,000.

3. The premiums charged for the coverage for Insured Losses under this policy are included in the amounts shown in Item 4 of the Information Page or in the Schedules in the Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents Premium Endorsement (WC 00 04 21B) and the Foreign Terrorism Premium Endorsement (WC 00 04 22), attached to this policy.
DOMESTIC TERRORISM, EARTHQUAKES, AND CATASTROPHIC INDUSTRIAL ACCIDENTS PREMIUM ENDORSEMENT

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of domestic terrorism, earthquakes, and/or a catastrophic industrial accident.

Your policy provides coverage for workers compensation losses caused by acts of domestic terrorism, and/or catastrophic industrial accidents including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions and conditions in your policy, and any applicable federal and/or state laws, rules or regulations.

The premium charge provides funding for the risk of earthquakes, catastrophic industrial accidents, and domestic terrorism. It does not provide funding for acts of foreign terrorism as that term is defined in the Foreign Terrorism Premium Endorsement (WC 00 04 22), attached to this policy.

For purposes of this endorsement, the following definitions apply:

**Domestic Terrorism**: All acts of terrorism certified (as defined in the Terrorism Risk Insurance Act of 2002), or non-certified, that are outside the scope of the Foreign Terrorism Premium Endorsement (WC 00 04 22), and where aggregate workers compensation losses are in excess of $50 million.

**Earthquake**: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity where aggregate workers compensation losses from the single event are in excess of $50 million.

**Catastrophic Industrial Accident**: Any single event resulting in aggregate workers compensation losses in excess of $50 million.

**Schedule**

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<th>Payroll Rate</th>
<th>Premium</th>
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**Note**: For non-payroll classes in New York, the charge is a % of the non-payroll class manual premium.
PART ONE—RULES

RULE I—GENERAL

A. WORKERS COMPENSATION

Workers Compensation as used in this manual means workmen's compensation, workers compensation or occupational disease.

B. STANDARD POLICY

Standard Policy means the standard provisions Workers Compensation and Employers Liability Insurance Policy and the Information Page approved by the New York State Insurance Department. Every policy affording coverage under the New York Workers' Compensation Law must have the following endorsements attached:

- WC 31 03 08 - New York Limit of Liability Endorsement;
- WC 31 03 19D - New York Construction Classification Premium Adjustment Program Explanatory Endorsement;
- WC 00 01 13A - Terrorism Risk Insurance Program Reauthorization Act Endorsement
- WC 00 04 19 - Premium Due Date Endorsement;
- WC 00 04 21B - Domestic Terrorism, Earthquake and Catastrophic Industrial Accidents Premium Endorsement
- WC 00 04 22 - Foreign Terrorism Premium Endorsement

Exception: The Standard Policy shall not be used to provide coverage for employees subject to the New York Volunteer Firefighters' Benefit Law or the New York Volunteer Ambulance Workers' Benefit Law. Such coverage can be afforded only by means of a Volunteer Firefighters' Benefit Law Policy or a Volunteer Ambulance Workers' Benefit Law Policy, respectively.

C. ENDORSEMENT FORMS

Endorsement forms means authorized endorsements listed in the Alphabetical List of Endorsements in Part Four of this manual. All endorsements must be used in the form prescribed in this manual.

D. POLICY AND ENDORSEMENT FORMS

Refer to the Policy Forms and Authorized Endorsement section of this manual for a complete description of coverages and instructions on use of policy and endorsement forms.

E. APPLICATION OF MANUAL RULES

Rules apply separately to each policy, except as allowed by Rule VII—Premium Discount.

F. EFFECTIVE DATE

1. Manual

   This manual applies only from the anniversary rating date which occurs on or after the effective date of this manual.

2. Changes

   The effective date of a change in any rule, classification or rate is 12:01 a.m. on the date specified on the manual page. Any change will be issued on a reprinted page and will be designated by ★★. Unless specified otherwise, each change applies only from the anniversary rating date which occurs on or after the effective date of the change.
D. VOLUNTARY COMPENSATION INSURANCE

1. Description of Coverage

Voluntary compensation insurance shall not provide compensation, medical or other benefits in excess of the statutory requirements in the workers compensation law designated in the Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A).

2. How Provided

Voluntary compensation insurance is provided by attaching the Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A) to the Standard Policy. Refer to Rule VIII for rules and rates and to Section I.H.9 of the Digest of Rulings and Interpretations.

E. FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

1. Description of Coverage

Foreign voluntary compensation and employers liability insurance provides workers compensation, employers liability, repatriation expense and endemic disease coverage to employees temporarily working outside the United State of America, its territories or possession or Canada.

2. How Provided

Foreign voluntary compensation and employers liability coverage is provided by attaching the New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement (WC 31 06 17) to the Standard Policy. Refer to Rule VIII.D. for premium determination.

F. VOLUNTEER FIREFIGHTERS COVERAGE

1. Description of Coverage

The Volunteer Firefighters' Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Firefighters' Benefit Law. In addition, this special policy must provide employers liability coverage comparable to Part Two of the Standard Policy. The Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 00 01 13A), the Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents Premium Endorsement (WC 00 04 21B) and the Foreign Terrorism Premium Endorsement (WC 00 04 22) must also be attached to each policy.

2. Group Insurance

The Volunteer Firefighters’ Benefit Law (VFBL) contains provisions that allow for group insurance. Under Section 32.1 of the VFBL, any town may obtain a single policy covering all fire protection districts and fire alarm districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, fire districts or town boards located within one county. Section 32.2 group insurance requires that:

a. the governing board of each member fire district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;

b. the group file with the chairman of the county board of supervisors an agreement executed by each member fire district agreeing to the effective date of the policy and the population of each fire district;

c. the chairman of the county board of supervisors contract for a policy of insurance covering the group’s members;
d. the cost of such insurance be apportioned among the group’s members based on population; and

e. the county treasurer pay for the cost of such insurance.

The New York Insurance Law also contains provisions for group insurance under Section 3435 provided group members are either public entities or Type B not-for-profit organizations. The Insurance Law and Regulations require:

a. the group to be homogenous in nature;

b. the group to be formed for purposes other than obtaining insurance; and

c. the group to consist of at least ten members; or a smaller group of at least five members provided that each member generates at least $5 million in annual revenue or the annual premiums for all lines of such group exceeds $500,000.

Refer to Section 32 of the Volunteer Firefighters’ Benefit Law, Section 3435 of the New York Insurance Law and 11 NYCRR 153 of the New York Insurance Law Regulations for all provisions required for group insurance.

3. Premium

The premium for the Volunteer Firefighters’ Benefit Law Policy is a flat charge which varies on the basis of the population of the area(s) served when a single policy is issued or when a single policy of group insurance is issued covering all fire protection districts and fire alarm districts within the town. When a group policy is issued covering a group of cities, villages, fire districts or town boards located within one county, the population of all members of the group may be aggregated to determine the group policy premium. Refer to the volunteer firefighters section in the rate pages for an explanation of procedures and charges for this coverage.

G. VOLUNTEER AMBULANCE WORKERS COVERAGE

1. Description of Coverage

The Volunteer Ambulance Workers’ Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Ambulance Workers’ Benefit Law. In addition, this special policy must provide employers liability coverage comparable to Part Two of the Standard Policy. The Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 00 01 13A), the Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents Premium Endorsement (WC 00 04 21B) and the Foreign Terrorism Premium Endorsement (WC 00 04 22) must also be attached to each policy.

2. Group Insurance

The Volunteer Ambulance Workers’ Benefit Law (VAWBL) contains provisions that allow for group insurance. Under Section 32.1 of the VAWBL, any town may obtain a single policy covering all ambulance districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, ambulance districts or town boards located within one county. Section 32.2 group insurance requires that:

a. the governing board of each member ambulance district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;

b. the group file with the chairman of the county board of supervisors an agreement executed by each member ambulance district agreeing to the effective date of the policy and the population of each fire district;
Unless an “If Any” policy develops premium during the policy term or at audit, policies issued on an “If Any” basis will not be charged this premium.

Attach the Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 00 01 13A) and the Foreign Terrorism Premium Endorsement (WC 00 04 22).

2. Domestic Terrorism, Natural Disaster and Catastrophic Industrial Accidents

Premium for Domestic Terrorism, Natural Disaster and Catastrophic Industrial Accidents is calculated on the basis of total payroll. A risk’s total payroll is divided by units of $100 and multiplied by the domestic terrorism rate as shown on the Miscellaneous Values Page. The calculation is expressed as (Payroll/100 x Domestic Terrorism Rate = Premium). For non-payroll classes the premium for domestic terrorism is calculated as a percentage, as shown on the Miscellaneous Values Page, multiplied by the non-payroll class premium. The domestic terrorism premium is not subject to any other modifications including, but not limited to, premium discount, experience rating or retrospective rating.

Unless an “If Any” policy develops premium during the policy term or at audit, policies issued on an “If Any” basis will not be charged this premium.

Attach the Domestic Terrorism Earthquake and Catastrophic Industrial Accident’s Premium Endorsement (WC 00 04 21B)