To the Members of the Board

RE: New York Workers Compensation
Revision of CPAP Endorsement (WC 31 03 19E)
Effective October 1, 2007

The Underwriting Committee of the New York Compensation Insurance Rating Board (NYCIRB) has authorized, and the New York State Insurance Department has approved an amendment to the Construction Premium Adjustment Program CPAP Endorsement (WC 31 03 19E). This revised endorsement is effective October 1, 2007.

This endorsement is being modified to reflect an update and elimination of eligible codes 6254 and 6259. Codes 6254 and 6259 were discontinued effective October 1, 2007.

Along with this bulletin is the updated endorsement WC 31 03 19E which replaces the current version (WC 31 03 19D). Pages within the NYCIRB W.C. & E.L. Manual which reflect this change, and are attached to this Bulletin, are as follows: R-1, R-67, the Alphabetical Index and the Numerical Index of endorsements.

This endorsement is also available via our website at: www.nycirb.org.

Very truly yours,

Monte Almer
President

WVT:tg
Encl.
NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit:

0042  5057  5193  5429  5491  5606  6003  6229  6325  9526
3365  5059  5213  5443  5506  5610  6005  6233  6400  9527
3724  5069  5221  5445  5507  5645  6017  6235  6701  9534
3726  5102  5222  5462  5508  5648  6018  6251  7536  9539
3737  5160  5223  5473  5536  5651  6045  6252  7538  9545
5000  5183  5348  5474  5538  5701  6204  6260  7601  9549
5022  5184  5402  5479  5546  5703  6216  6306  7855  9553
5037  5188  5403  5480  5547  5709  6217  6319  8227
5040  5190  5428

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

<table>
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<tr>
<th>POLICY EFFECTIVE DATE</th>
<th>THIRD QUARTER PAYROLL</th>
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<tr>
<td>4/1/06 thru 3/31/07</td>
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<td>4/1/07 thru 3/31/08</td>
<td>2006</td>
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<tr>
<td>4/1/08 thru 3/31/09</td>
<td>2007</td>
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<td>4/1/09 thru 3/31/10</td>
<td>2008</td>
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<td>4/1/10 thru 3/31/11</td>
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<tr>
<td>4/1/11 thru 3/31/12</td>
<td>2010</td>
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<tr>
<td>4/1/12 thru 3/31/13</td>
<td>2011</td>
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If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. You must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 200 East Forty-Second Street, New York, New York 10017.

Applications must be received by the Rating Board six (6) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.
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 19E - New York Construction Classification Premium Adjustment Program Explanatory Endorsement;
- WC 00 04 19 - Premium Due Date Endorsement;
- WC 00 04 21C - Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement
- WC 00 04 22A - Terrorism Risk Insurance Program Reauthorization Act Disclosure 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.
5. **Audit**
   
a. The carrier shall, upon audit, verify the information that was submitted by the insured and used in the calculation of the credit. If the carrier discovers an error in the original request for policy credit, the revised information must be submitted to the Rating Board for recalculation.

b. If the insured does not furnish records to verify the payrolls and hours worked originally submitted and used in the calculation of the credit, there shall be no credit applied to the policy.

6. **Information Page**
   
   The credit, authorized by the Rating Board, shall appear on Item 4 of the Information Page.

   If a credit has not been authorized for the insured, the value of ".00" is to be shown on the Information Page.

7. **Form of Endorsement**
   
   The New York Construction Classification Premium Adjustment Program Explanatory Endorsement (WC 31 03 19E) shall be attached to each policy.

8. **Notification to Insured**
   
   Carriers are required to use a standardized text letter to notify all their insureds that have one or more construction classifications on their policy that they may be eligible for a premium adjustment credit. A copy of this form must be filed, by each carrier, with the Rating Board prior to the carrier's implementation of the program.

9. **Statistical Code**
   

**J. LOSS COST TRANSITION PROGRAM**

This program applies to insureds previously written under certain classifications that have been discontinued. It does not apply to new risks or any other programs. The Rating Board will identify those affected insureds and will notify the carriers. It is then the responsibility of the carrier to apply the transitional loss cost in the development of the rate for the affected insureds. The Board will publish a transitional loss cost on the Loss Cost pages of the manual for those insureds affected by the discontinuance of the class.

For the first year after the elimination of a code, the transitional loss cost will be equal to a 4-1 weighting of the loss cost used prior to the discontinuance of the code and the newly developed loss cost. For the second year, a 3-2 weighting is used. A 2-3 weighting is used for the third year and a 1-4 weighting is used for the fourth year. The transition program does not apply after the fourth year.
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**STANDARD AND STATE SPECIAL ENDORSEMENTS APPLICABLE IN NEW YORK**

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