BULLETIN

February 3, 2011

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R.C. 2264

To: The Members of the Board

Payroll Limitation – Clarification
Issue Date: February 1, 2011

In accordance with authorizations of the New York Compensation Insurance Rating Board’s Underwriting Committee, and approval by the New York State Insurance Department, we hereby issue revised language contained on the Miscellaneous Values pages and Page R-35 of the New York Workers Compensation and Employers Liability Manual regarding Payroll Limitation. These changes have an issue date of February 1, 2011.

The Miscellaneous Values pages in the Manual has been amended to: a) indicate the maximum weekly payroll amount in regard to the Payroll Limitation Law, (previously this amount did not appear in the Manual), and b) to clarify that all limited payroll amounts indicated on the Miscellaneous Values page were weekly amounts. Furthermore, Page R-35 of the Manual, item 3, is amended to direct the reader to the Miscellaneous Values page for further information.

Attached are copies of the changes to page 5 of Part III and page R-35, of the NY WC & EL Manual. This amendment is also included in an updated version of the Manual which is available via our website at: www.nycirb.org.

Very truly yours,

Monte Almer

President

WVT:tg
Encl.
Note: Construction, for purposes of this rule, includes new construction, as well as remodeling, repairs and maintenance on existing structures.

Example: An employer performing plumbing work in a commercial or retail building (Code 5183) would have that payroll subject to payroll limitation; however, payroll from plumbing work performed in one or two-family residential housing, also Code 5183, would not be subject to payroll limitation.

2. When Payroll Limitation Applies

Payroll limitation applies after any deductions of extra pay for overtime.

3. How Payroll Limitation Applies

For the classifications and employments specified in 1. above, an employer’s payroll shall be the actual weekly payroll per employee determined in accordance with the rules of this manual. This is subject to a maximum of the greater of the current New York payroll limitation value (i.e. $825 for policies with effective dates of July 1, 2008) or the weekly wage upon which the maximum weekly benefit is based. The payroll limitation value is typically updated annually and changed. Refer to Part III, Miscellaneous Values, Page 5 of the Manual.
MISCELLANEOUS VALUES

Ambulance-Volunteer Service Company - Code 7370

Applicable in accordance with Manual Rule II-G3

<table>
<thead>
<tr>
<th>Ambulance - Loss Cost (NOT Rate)</th>
<th>$8,997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each additional Ambulance - Loss Cost (NOT Rate)</td>
<td>$4,499</td>
</tr>
</tbody>
</table>

For a group policy subject to the provisions of Section 32.2 of the Volunteer Ambulance Workers’ Benefit Law, premium is determined based on a charge for the first ambulance plus the additional ambulance charge for each additional ambulance covered by the group policy.

See Manual rule regarding the application of this charge to antique ambulances.

Construction Employment Geographic Territories and Differentials #

| Territory 1 | Counties of The Bronx, Kings, New York, Queens, and Richmond | 0.5 % |
| Territory 2 | Counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester | 0.4 % |
| Territory 3 | All Other Counties | 0.3 % |

# Location of work actually performed determines the territory for premium determination purposes. Territory Differentials are to be applied to each portion of an affected classification’s manual premium corresponding to the payroll related to work performed in each territory. Refer to Rule VI.I.

Deductible Program - Deductible applies on a per occurrence basis.

<table>
<thead>
<tr>
<th>Deductible</th>
<th>Percentage Loss Elimination Ratios (NOT Premium Credits) by Hazard Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>A 0.2%   B 0.2%   C 0.1%   D 0.1%   E 0.1%   F 0.1%   G 0.1%</td>
</tr>
<tr>
<td>$200</td>
<td>A 0.4%   B 0.3%   C 0.3%   D 0.2%   E 0.2%   F 0.2%   G 0.2%</td>
</tr>
<tr>
<td>$300</td>
<td>A 0.6%   B 0.5%   C 0.4%   D 0.4%   E 0.3%   F 0.3%   G 0.2%</td>
</tr>
<tr>
<td>$400</td>
<td>A 0.7%   B 0.7%   C 0.5%   D 0.5%   E 0.4%   F 0.3%   G 0.3%</td>
</tr>
<tr>
<td>$500</td>
<td>A 0.9%   B 0.8%   C 0.6%   D 0.6%   E 0.5%   F 0.4%   G 0.4%</td>
</tr>
<tr>
<td>$1,000</td>
<td>A 1.7%   B 1.5%   C 1.2%   D 1.1%   E 1.0%   F 0.8%   G 0.7%</td>
</tr>
<tr>
<td>$1,500</td>
<td>A 2.5%   B 2.2%   C 1.7%   D 1.6%   E 1.4%   F 1.1%   G 1.0%</td>
</tr>
<tr>
<td>$2,000</td>
<td>A 3.2%   B 2.8%   C 2.2%   D 2.0%   E 1.8%   F 1.4%   G 1.2%</td>
</tr>
<tr>
<td>$2,500</td>
<td>A 3.8%   B 3.4%   C 2.7%   D 2.4%   E 2.2%   F 1.7%   G 1.5%</td>
</tr>
<tr>
<td>$5,000</td>
<td>A 6.8%   B 6.1%   C 4.9%   D 4.4%   E 4.0%   F 3.1%   G 2.8%</td>
</tr>
</tbody>
</table>

Expense Constant - an expense constant shall be charged for each policy, regardless of premium size, except for those policies that insure Per Capita classification operations only. Refer to Rule XIV-F for special instructions concerning policies insuring only Per Capita classifications. Expense constants are carrier specific.

‡ Maximum Weekly Remuneration

Executive Officers
- Non - Construction Employments - applicable in accordance with Manual Rule IX-A-6-a2 ..............................................$1,750.00
- Construction Employments - refer to Manual Rule IX-A-6-a7 ............................................................................................$1,109.75 *

Non - Executive Officers - applicable in accordance with Manual Rule V-G for classifications with footnotes limiting the maximum remuneration .........................................................................................................................................................$1,750.00
- Construction Employments – refer to Manual Rule V-G ...............................................................................................$1,109.75 *

Sole Proprietors and Partners
- Non - Construction Employments - applicable in accordance with Manual Rule IX-B-4a ........................................... .......$1,750.00
- Construction Employments - refer to Manual Rule IX-B-4b ....................................................................................................$1,109.75 *

‡ Minimum Weekly Remuneration

Executive Officers - applicable in accordance with Manual Rule IX-A-6-a1................................................................. $575.00

Executive Officers of not-for-profit unincorporated associations - applicable with Manual Rule IX-A-6-b............................................................ $300.00

Sole Proprietors and Partners - applicable in accordance with Manual Rule IX-B-4a and 4b....................................................... $575.00

* effective July 1, 2010
‡ issued February 1, 2011