April 18, 2012

Contact: Ziv Kimmel, Director of Actuarial Research
Ext., 119, zkimmel@nycirb.org

R.C. 2301

To: The Members of the Board

RE: Workers Compensation Actuarial Tables for Aggregate Trust Fund Deposits

Section 27 of the Workers’ Compensation Law requires the present value of certain awards of compensation to be deposited into the Aggregate Trust Fund (ATF). The present value is discounted by a percentage rate specified by section 27. On March 13, 2007, legislation establishing comprehensive reform to New York’s Workers’ Compensation Law was signed into law. The reform amended section 27 to replace the 6% discount rate previously applicable to ATF deposits, as well as various other interest rates associated with ATF deposits, with an “industry standard rate” to be determined by the Superintendent of Insurance by regulation. Section 27, as amended, applies the industry standard rate to accidents occurring on or after January 1, 2001.

Section 151-2 of Insurance Department Regulation No. 119 (now Department of Financial Services) establishes the “industry standard rate” at 5% per year. The rate applies to all new deposits made into the ATF, on or after July 1, 2007, for accidents occurring on or after January 1, 2001.

In March of 2012, the Workers’ Compensation Board (WCB) published Special Bulletin 222C, “Workers Compensation Actuarial Tables for Aggregate Trust Fund Deposits” incorporating the 5% industry rate.

This special bulletin is available at the WCB website:

http://www.wcb.ny.gov/content/main/TheBoard/SpecialBulletin222CFinal.pdf

Very truly yours,

Monte Almer

President

MA: jg