November 18, 2013

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R.C. 2353

To the Members of the Board

Re: New York State Assessment
Revised Manual Pages and Clarification

In accordance with communications received from the Workers’ Compensation Board, please be advised of the following:

1. The premium base used to determine the New York State Assessment charged to employers should exclude any premiums generated from volunteer firefighters and volunteer ambulance workers classifications. Revised Manual page R-69 and Loss Cost Miscellaneous Values Page 6 reflecting this change are attached to this bulletin.

2. As indicated in R.C. Bulletin 2351, premiums generated by providing Federal Coverage are to be excluded from the premium base. To clarify, Federal coverage premiums are those premiums generated by insuring either
   (i) one of the following class codes: 6801F, 6824F, 6826F, 6843F, 6872F, 6874F, 6875F, 7309F, 7047, 7050, 7099, 7313F, 7317F, 7327F, 7337, 7366F, 7398, 8709F, 8726F, or
   (ii) any other class code where the USL&HW differential is applied.

3. The premium base includes all premiums generated by Terrorism coverage (class code 9740) and Natural Disasters and Catastrophic Industrial Accidents coverage (class code 9741). This includes Terrorism and Natural Disasters Coverage generated by providing federal coverage.

4. Although the NY State Assessment is no longer considered to be part of premiums, carriers are expected to continue reporting the assessment using code 0932 for policy submission use only.

5. Because the Anniversary Rating Date Rule no longer applies for assessment purposes effective January 1, 2014, policies with effective dates prior to January 1, 2014 with anniversary rating dates in 2014 will have their assessment revised at their next policy effective date and not on their anniversary rating date.

Very truly yours,

Monte Almer
President

MA/ab
Encl.
MISCELLANEOUS VALUES (continued)

New York State Assessment Charges

General Instructions and Information

Refer to Rule IX-L., Sections 1. and 2.

Applicable Standard Premium Assessment Rate ................................................................. 13.8%

Premium Base

Refer to Rule IX-L., Section 3.

Standard premium is the only premium base to be used in calculating the New York State Assessment policyholder charge.

For policyholder assessment purposes, standard premium is defined as the premium determined on the basis of the insurer’s approved rates, as modified by any experience modification or merit rating factor, any applicable territory differential premium, the minimum premium, any Construction Classification Premium Adjustment Program credits, any credit from return to work and/or drug and alcohol prevention programs, including credits under the Workplace Safety Loss Prevention Incentive Program (WSLPIP), any surcharge or credit from a workplace safety program, including credits under the Workplace Safety Loss Prevention Incentive Program (WSLPIP), any credit from independently-filed insurer specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs), any charge for the waiver of subrogation, any charge for foreign voluntary coverage and the additional charge for terrorism, and the charge for natural disasters and catastrophic industrial accidents.

For purposes of determining standard premium, the insurer’s expense constant, including the expense constant in the minimum premium, the insurer’s premium discount and premium credits for participation in any deductible program, as well as any premiums providing federal coverage, and coverage under the volunteer firefighter benefit law and volunteer ambulance workers benefit law, shall be excluded from the premium base.

Passenger Seat Surcharge - Applicable in conjunction with Code 7421 “Aircraft or Helicopter Operation: Transportation of Personnel in Conduct of Employer’s Business - Flying Crew” in accordance with the classification footnote instructions ...................................................... $100 per passenger seat
$1,000 maximum per aircraft

Terrorism and Catastrophe Loss Cost Charges

Terrorism

Applicable only in conjunction with Rule IX-N.1 of the Manual
Terrorism loss cost (NOT RATE) charge per $100 of total policy payroll ......................................... $0.038
For non-payroll based classes, charge is % of non-payroll class manual premium .................... 2.9%

Natural Disasters and Catastrophic Industrial Accidents

Applicable only in conjunction with Rule IX-N.2 of the Manual
Catastrophe loss cost (NOT RATE) charge per $100 of total policy payroll ......................................... $0.008
For non-payroll based classes, charge is % of non-payroll class manual premium .................... 0.7%

Workers Compensation Security Fund Surcharge

Applicable only in accordance with Rule IX - M of the Manual
Charge is % of total policy premium ...................................................................................... 0.0%

United States Longshore and Harbor Workers’ Compensation Coverage Percentage

Applicable only in connection with Rule XII-D of the Manual ................................................. 53.7%
(Multiply a Non-F classification rate by a factor of 1.537 to adjust for differences in state and federal benefits and assessments)
L. NEW YORK STATE ASSESSMENT

1. Explanation

The New York State Assessment is a separate identifiable charge to policyholders for the funding of the various expenses described in Section 151 of the Workers' Compensation Law.

2. General Information

The New York State Assessment amount must be displayed as a separate identifiable charge on the policy information page. Statistical 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.

For policies with effective dates prior to January 1, 2014, 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 Rating Date Endorsement (WC 00 04 02) applies, e.g., when two sets of rates are used, two assessment percentages will apply.

For policies with effective dates on or after January 1, 2014, the New York State Assessment amount is charged in conjunction with the effective date of the policy. Therefore, a single assessment percentage will apply to each policy, even if the Anniversary Rating Date Endorsement (WC 00 04 02) applies.

For all policies effective on or after March 1, 2011, in accordance with the Fifth Amendment to Regulation No. 119 (11 NYCRR 151-6) standard premium must be used as the basis for calculating the policy charge.

3. Premium Base for Calculating the New York State Assessment

Standard premium is the only premium base to be used in calculating the New York State Assessment policyholder charge.

(i) For purpose of this rule, standard premium is defined as the premium determined on the basis of the insurer’s approved rates, as modified by:

(a) any experience modification or merit rating factor;
(b) any applicable territory differential premium;
(c) the minimum premium;
(d) any Construction Classification Premium Adjustment Program credits;
(e) any credit from return to work and/or drug and alcohol prevention programs, including credits under the Workplace Safety Loss Prevention Incentive Program (WSLPIP);
(f) any surcharge or credit from a workplace safety program, including credits under the Workplace Safety Loss Prevention Incentive Program (WSLPIP);
(g) any credit from independently-filed insurer specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs);
(h) any charge for the waiver of subrogation;
(i) any charge for foreign voluntary coverage; and
(j) the additional charge for terrorism, and the charge for natural disasters and catastrophic industrial accidents.

(ii) For purposes of determining standard premium, the insurer’s expense constant, including the expense constant in the minimum premium, the insurer’s premium discount, and premium credits for participation in any deductible program, as well as any premiums providing federal coverage, and coverage under the volunteer firefighter benefit law and volunteer ambulance workers benefit law, shall be excluded from the premium base.

(iii) The insurer shall also use the definition of standard premium set forth in Regulation 119, cited above, to report standard premium to the New York State Workers’ Compensation Board.