February 12, 2014

Contact: Ms. Annmarie Visciano
Manager, Underwriting Services
Ext. 161, avisciano@nycirb.org

R.C. 2359

To: The Members of the Board

Board Approval Codes
Issue Date - April 1, 2014

In accordance with the authorization of the NYCIRB Underwriting Committee, and approval by the New York State Department of Financial Services, the Board introduces an amendment to the New York Workers Compensation and Employers Liability Manual pertaining to the procedure contained in Section I of the Digest of Rulings, regarding Classifications Requiring Specific Approval, also known as Board Approval Codes. This change is implemented with an issue date of April 1, 2014.

Presently the Manual indicates that prior Board approval is required before use of a Board Approval Code. The adjustment in the rule will allow for use of the code during the underwriting and quoting phases for a risk, but still requires that the Board be notified to obtain official approval of the use of the code. The language reflecting this clarification is shown on Page D-1 of the Digest of Rulings, Section 1 A.1.e of the Manual.

The attached change is also included in an updated version of the New York Workers Compensation & Employers Liability Manual, available on the Board’s website at: www.nycirb.org.

Very truly yours,

Monte Almer

President

WVT:tg
Encl.
SECTION I
RULES AND PROCEDURES

A. POLICY WRITING

1. Classifications

   a. Authorized Classifications

   Authorized classification(s) are classifications that are shown on an experience rating worksheet promulgated by the Rating Board. The top portion of the experience rating worksheet shows the classification(s) that are authorized by the Rating Board. The classification(s) for every policy issued for a risk must be written in strict accordance with the classification(s) shown on the experience rating worksheet. If the experience rating worksheet for the current term of insurance has not been issued and a previous experience rating worksheet exists, the policy must be written with the classification(s) shown on the existing experience rating worksheet. In the case of construction or erection risks, any appropriate construction or erection classification, subject to verification at the time of audit, may be used provided that the phrase "Miscellaneous Contracting Classifications" is authorized on the current or previous experience rating worksheet.

   b. Non-Authorized Classifications

   Except as noted above, no other classification(s) can be used other than standard exception classifications, provided the classification(s) authorized for the risk do not include standard exception classification employments in their phraseologies. Classifications shown on the lower portion of the experience rating worksheet are used in the calculation of the experience rating modification and may or may not be authorized. Refer to a. above for Authorized Classifications.

   c. Change of Operation or Location

   The Rating Board is to be notified, in writing, of any change in the operation or location of a risk which may affect the classification. Details of the change in operations, as well as the carrier’s comments, should be brought to the Rating Board’s attention for a determination of the proper classification(s). Any policy written with classification(s) not authorized by the Rating Board, will be issued a Notice of Criticism informing the carrier of the authorized classification(s).

   d. A-Rated Classifications

   If a risk is subject to a classification with a symbol (a) rate, the policy must be written on a "rate to be determined" basis. When submitting a policy written with an a-rated classification, a letter describing the insured’s operations should be sent to the Rating Board. Any policy written with an a-rated classification which does not include a letter describing the insured’s operations is subject to disapproval.

   e. Classifications Requiring Specific Approval

   If a risk is subject to a classification which contains a footnote requiring specific Rating Board approval prior to its use, the classification can be applied to the policy upon policy issuance. However, a letter describing the insured’s operations must be furnished to the attention of the Rating Board’s Underwriting Services Department to obtain official approval for use of the classification.