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Contact: Connie Xin
Director, Actuarial
Ext. 216, cxin@nycirb.org

R.C. 2360

To the Members of the Board

New York State Assessment
Revised Manual Page and Clarification

In accordance with communications received from the NYS Workers’ Compensation Board (WCB), and as approved by the Department of Financial Services, please be advised that Manual Rule IX-L has been revised to clarify that 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. The revised rule is now consistent with the clarification provided in R.C. 2353.

The revised rule also indicates that for policies effective on or after January 1, 2014, carriers should refer to the WCB at www.wcb.ny.gov for procedures to determine the NY State Assessment.

The effective date of these changes is January 1, 2014, which is consistent with the effective date of the change in assessment procedure. The revised manual page is attached for your reference.

Very truly yours,

Monte Almer
President

MA/ab
Encl.
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 and the ARD is prior to January 1, 2014, e.g., when two sets of rates are used and both are effective prior to January 1, 2014, two assessment percentages will apply.

   For policies with effective dates on or after January 1, 2014, and policies effective prior to January 1, 2014 with an ARD 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 and prior to January 1, 2014, 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**

   For policies with effective dates prior to January 1, 2014, standard premium is the only premium base to be used in calculating the New York State Assessment policyholder charge.

   (i) For purposes 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.

   For policies effective on or after January 1, 2014, refer to the Workers’ Compensation Board at [www.wcb.ny.gov](http://www.wcb.ny.gov) for procedures to determine the NY State Assessment.