B U L L E T I N

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R.C. 2390

To: The Members of the Board

Construction Classification Premium Adjustment Program – Update
Issue Date: June 1, 2015

In accordance with the authorization of the Underwriting Committee, and approval by the New York State Department of Financial Services, the Board introduces an amendment to the Manual regarding language for the rules pertaining to the issuance of New York Construction Classification Premium Adjustment Program (NYCCPAP) premium credits on a per policy basis in lieu of a group basis. These procedural changes have been implemented with an issue date of June 1, 2015.

The New York Construction Classification Premium Adjustment Program calculation procedure was amended on June 1, 2015 to require insureds to submit credit applications for each of their workers compensation insurance policies, if they had more than one for separate jobs, etc., in lieu of one application encompassing all of their policies. This necessitates the inclusion of additional language under manual Rule IX I. Construction Classification Premium Adjustment Program advising of the procedural change.

As a result of the above, updates to the Rules Section of the Manual, page R-64, have been made. The revised page is attached and also reflected in an updated version of the New York Workers Compensation & Employers Liability Manual which is available via the Digital Library on the Board’s website at: www.nycirb.org.

Very truly yours,

Monte Almer
President

WVT:tg
Encl.
The policyholder is liable to the insurer for the deductible amount in regard to benefits paid for compensable claims, and failure by a policyholder to reimburse any deductible amounts to the insurer shall be treated in the same manner as nonpayment of premiums. One of the following deductible amounts, per occurrence, shall be offered to a policyholder: $100, $200, $300, $400, $500, $1,000, $1,500, $2,000, $2,500 or $5,000.

This program may also be offered by the carrier to any insured with an estimated annual premium at inception of less than $12,000.

2. **Premium**

The election of a deductible by a policyholder results in a premium credit being applied against the policy premium. The credit reflects both the chosen deductible amount, and the hazard group of the classification with the highest estimated amount of premium developed for any classification on the policy. The appropriateness of this credit, as it relates to the proper hazard group, is subject to verification upon audit.

The deductibles paid by the injured employer during any one-year period of the policy of insurance shall not exceed the estimated annual premium at inception for such policy of insurance.

A table of deductible credit values appears in Part Three–Loss Costs under the "Miscellaneous Values" section. The premium reduction for the deductible is determined before application of any experience modification, premium discount or policy charge.

3. **Form of Endorsement**

A policy written under this deductible program shall attach the New York Benefits Deductible Endorsement (WC 31 03 15A) and shall state the appropriate deductible amount.

4. **Exclusion**

Policies written to provide Ex-Medical coverage, under Rule IX.E., are not eligible for inclusion under this deductible program.

I. **CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**

1. **Explanation**

The New York Construction Classification Premium Adjustment Program provides for a premium credit, for up to one year, for a policy which is experienced rated, satisfies the hourly wage requirement and contains one or more construction classifications.

An insured must submit a separate application for each of their policies that contains an eligible construction classification. An application including all of the insured’s policies (Wrap-Ups or Owner Controlled Insurance Program (OCIP’s) as an example) will not be accepted as any credits will be calculated on a per policy basis only. A combination of policies and applications is not permitted. Any policies of an insured that do not contain an eligible code will not be eligible for a credit.

2. **Application**

The application must be received by the Rating Board three (3) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. The submission of a revised application must be received no later than one (1) year after the expiration date of the policy to which the credit applies.