December 7, 2016

R.C. 2425

Re: January 1, 2017 New York State Assessment Rate

Members of the Rating Board:

I write to inform you that the New York State Department of Financial Services (“DFS”) has approved the Rating Board’s filing reflecting the New York State Workers’ Compensation Board (“WCB”) 2017 Assessment Rate.

Specifically, the WCB released Subject Number 046-896, which announced that the New York State Assessment rate will be 12.2% of standard premium or premium equivalent, effective January 1, 2017. A copy of Subject Number 046-896 is enclosed for your convenience and can be obtained online at http://www.wcb.ny.gov/content/main/SubjectNos/sn046_896.jsp.

As mentioned above, DFS has approved the Rating Board’s filing to revise Miscellaneous Values Page 6 of the Workers Compensation and Employers Liability Manual (“WC&EL”), reflecting the updated assessment rate, as well as clarifying that for policies effective on or after January 1, 2014, WCB determines the procedures used to derive the assessment. Such language already appears in Rule IX-L-3 of the WC&EL. A copy of the approved page is enclosed.

Very truly yours,

Jeremy Attie
President and CEO

Enclosures
New York State

Workers' Compensation Board

OFFICE OF THE CHAIR
328 State Street Schenectady, New York 12305

New York Workers’ Compensation Board Announces
2017 Assessment Rate

Date: November 1, 2016

Pursuant to WCL §151, the Chair of the Workers' Compensation Board shall annually establish an assessment rate for all employers by November 1st of each year, to be effective January 1st of the subsequent calendar year. For calendar year 2017, the rate shall be **12.2% of the standard premium or premium equivalent**.

The new rate shall be effective for policies renewing on or after January 1, 2017 and represents a decrease from the 2016 rate of 12.9%.

Please contact the Workers’ Compensation Board by email at: [WCBFinanceOffice@web.ny.gov](mailto:WCBFinanceOffice@web.ny.gov) with any questions on the assessment rate.

Kenneth J. Munnelly
Chair
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 ................................................................. 12.2%

Premium Base

Refer to Rule IX-L., Section 3.

★ 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.

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.

★ For policies effective on or after January 1, 2014, refer to the Workers’ Compensation Board at www.wcb.ny.gov for procedures to determine the New York State Assessment.

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 .................................... $0.045
For non-payroll based classes, charge is % of non-payroll class manual premium ................. 3.4%

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 .................................................. 48.8%
(Multiply a Non-F classification rate by a factor of 1.488 to adjust for differences in state and federal benefits and assessments)