



NYCIRB

**New York Compensation
Insurance Rating Board**

733 Third Avenue
New York, NY 10017
Tel: (212) 697-3535

August 17, 2017

R.C. 2441

Re: New York Workers Compensation & Employers Liability Manual
Elimination of Approval Requirement for Wrap-up Programs
Effective Date: October 1, 2017

Members of the Rating Board:

I write to inform you that the New York State Department of Financial Services approved the filing made by the New York Compensation Insurance Rating Board ("Rating Board") to amend the New York Workers Compensation and Employers Liability Manual ("Manual") to eliminate the requirement that wrap-up programs be approved by the Rating Board. Carriers, however, must continue to identify wrap-up policies as such when filing policies with the Rating Board.

Modified and final versions of Manual pages P-4 and R-49 are attached for your convenience. If you have any questions, please contact Phil Reda at preda@nycirb.org or (212) 697-3535, extension 113.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jeremy Attie", written in a cursive style.

Jeremy Attie
President and CEO

Enclosures

I. INSPECTIONS AND TEST AUDITS OF PAYROLL

The Rating Board has the authority to inspect the plants, works, machinery and appliances of an insured for the purpose of determining the proper classification(s) and to make test payroll audits. The Rating Board auditor may examine the employer's books, vouchers, contracts, documents and applicable records to determine the proper premium for the risk. Test audits of payroll are made subject to the following provisions:

1. Prior to the test audit, the carrier shall file a copy of its earned premium bills for the period involved with the Rating Board. If requested, a copy of the carrier's audit details shall also be submitted to the Rating Board.
2. Notice of a proposed test audit shall be given to the carrier and the Rating Board's findings shall be forwarded to the carrier after completion of the audit. Within thirty (30) days after such findings have been submitted, the carrier shall comply with the audit of the Rating Board and shall have the right to appeal such findings as in the case of any issue involving a matter of classification. *Refer to Item M of this section for further explanation of the Appeal Process.*

J. WRAP-UP CONSTRUCTION PROJECTS~~1. Eligibility~~

~~Details regarding eligibility for a wrap-up policy are to be submitted by the carrier within sixty (60) days after the effective date of the policy which insures the project. The notice of intent to apply manual Rule VII.F shall be submitted in duplicate if coverage is written on a guaranteed cost basis or in triplicate if written on a retrospective rating basis. Refer to Rule VII.F for further details.~~

~~2. Approval Required~~

★ ~~The application of Rule VII.F to a specific project requires Rating Board approval. The carrier will be notified of any action taken by the Rating Board.~~

General Explanation

A wrap-up construction project is a large construction, erection or demolition project for which policies have been issued by one or more insurance carriers under the same management to insure two or more legal entities engaged in such project.

Separate policies shall be issued to each eligible entity involved in a wrap-up construction project unless combination is permitted under Rule III.B.1.

Note: "Wrap-up" must be indicated on the policy reported to the Rating Board. Refer to the Workers Compensation Policy Reporting Specifications Manual WCPOLS at www.wcio.org.

K. PROVISIONS FOR CANCELLATIONS, REINSTATEMENTS AND NOTICE OF INTENTION NOT TO RENEW**1. Cancellations**

The State of New York Workers' Compensation Board regulates the cancellation of coverage and requires that electronic notice of such cancellation be sent to the Chair of the Workers' Compensation Board:

- a. When a cancellation is due to non-payment of premiums, the cancellation shall not become effective until ten (10) days after a notice of cancellation is served on the employer and filed with the office of the Chair.
- b. When a cancellation is due to any reason other than non-payment of premiums, the cancellation becomes effective thirty (30) days after the notice of cancellation is served on the employer and filed with the office of the Chair.

e. **Location Requirement**

The project must be confined to operations at a single location. In connection with the building of roadways, tunnels, waterways, surface or underground conduits, or New York City school construction work specifically authorized by Chapter 738, Laws of 1988, the entire job or sections of the job shall be considered a single location if the construction is performed by a single general contractor for a single owner or principal.

f. **Duration Requirement**

The project must be of definite duration involving work to be performed continuously to completion.

★ ~~g. **Procedures**~~

~~Refer to Administrative Rules and Procedures Rule J. for filing and approval procedures on wrap-up construction projects.~~

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