



NYCIRB

**New York Compensation
Insurance Rating Board**

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

August 17, 2017

R.C. 2442

Re: New York Merit Rating Revision Endorsement (WC 31 04 07)
Effective Date: October 1, 2017

Members of the Rating Board:

I write to inform you that the New York State Department of Financial Services (“DFS”) 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”) and the New York Experience Rating Plan to create a new endorsement titled, “New York Merit Rating Revision Endorsement,” WC 31 04 07. Specifically, the New York Merit Rating Revision Endorsement (WC 31 04 07), is intended to put employers on notice that merit rating factors may change during the policy term.

A copy of the New York Merit Rating Revision Endorsement (WC 31 04 07), accompanied by modified and final versions of the Alphabetical and Numerical forms indices and New York Experience Rating Plan page R-13, 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', is written over a light blue horizontal line.

Jeremy Attie
President and CEO

Enclosures

**NEW YORK WORKERS COMPENSATION
AND EMPLOYERS LIABILITY MANUAL**

INDEX

Effective October 1, 2017

7th Reprint

| | |
|--|---------------|
| New York Inclusion of Executive Officer Endorsement..... | WC 31 03 06 A |
| New York Labor Contractor Endorsement..... | WC 31 03 17 |
| New York Labor Contractor Exclusion Endorsement..... | WC 31 03 18 |
| New York Liability of Municipalities to Police Officers or Paid Firefighters–Exclusion Endorsement..... | WC 31 03 07 |
| New York Limit of Liability Endorsement..... | WC 31 03 08 |
| New York Medical Benefits Reimbursement Endorsement..... | WC 31 03 10 |
| New York Merit Rating Endorsement..... | WC 31 04 02 |
| ★ New York Merit Rating Revision Endorsement..... | WC 31 04 07 |
| New York Non-Subject Employees Exclusion Endorsement..... | WC 31 03 11 |
| New York Non-Subject Executive Officers Coverage Endorsement..... | WC 31 03 12 |
| New York Optional Client Exclusion Endorsement..... | WC 31 03 22 |
| New York Optional Labor Contractor Exclusion Endorsement..... | WC 31 03 21 |
| New York Optional Labor Contractor Endorsement..... | WC 31 03 20 |
| New York Pending Payroll Limitation and Premium Differential Endorsement..... | WC 31 04 04 A |
| New York Preferred Provider Organization Premium Endorsement..... | WC 31 04 03 A |
| New York Preferred Provider Organization Endorsement..... | WC 31 06 16 A |
| New York Safe Patient Handling Act Program (NYSPHAP) (Flat Credit)..... | WC 31 04 05 |
| New York Safe Patient Handling Act Program (NYSPHAP) (Tiered Credit)..... | WC 31 04 06 |
| New York Sole Proprietors, Partners and Members of LLC’s PSLC’s and RLLP’s Coverage Endorsement..... | WC 31 03 13 B |
| New York Sole Proprietors, Partners and Members of LLC’s PSLC’s RLLP’s, Etc. Exclusion Endorsement..... | WC 31 03 16 B |
| New York Volunteer Ambulance Workers' Benefit Law–Extension of Employers Liability Insurance Endorsement..... | WC 31 06 13 |
| New York Volunteer Ambulance Workers' Benefit Law Group Insurance Endorsement..... | WC 31 06 10 |
| New York Volunteer Ambulance Workers' Premium Discount Endorsement..... | WC 31 06 08 |
| New York Volunteer Firefighters' Benefit Law–Extension of Employers Liability Insurance Endorsement..... | WC 31 06 07 |
| New York Volunteer Firefighters' Benefit Law Group Insurance Endorsement..... | WC 31 06 05 |
| New York Volunteer Firefighters' Premium Discount Endorsement..... | WC 31 06 06 |
| New York Workers Compensation Policyholder Notice of Right to Appeal..... | WC 31 06 18 |
| Nonappropriated Fund Instrumentalities Act Coverage Endorsement..... | WC 00 01 08 A |
| | |
| Notification of Change in Ownership Endorsement..... | WC 00 04 14 |
| | |
| Outer Continental Shelf Lands Act Coverage Endorsement..... | WC 00 01 09 C |
| | |
| Pending Rate Change Endorsement..... | WC 00 04 04 |
| Policy Period Endorsement..... | WC 00 04 05 |
| Premium Discount Endorsement..... | WC 00 04 06 |
| Premium Due Date Endorsement..... | WC 00 04 19 |
| | |
| Rate Change Endorsement..... | WC 00 04 07 |
| Rural Utilities Service Endorsement..... | WC 00 03 09 B |
| | |
| Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement..... | WC 00 04 22 B |
| | |
| Volunteer Ambulance Workers' Benefit Law Policy..... | WC 31 00 02 A |
| Volunteer Ambulance Workers' Benefit Policy Information Page..... | WC 31 00 03 A |
| Volunteer Firefighters' Benefit Law Policy..... | WC 31 00 00 A |
| Volunteer Firefighters' Benefit Policy Information Page..... | WC 31 00 01 A |
| Voluntary Compensation and Employers Liability Coverage Endorsement..... | WC 00 03 11 A |
| Voluntary Compensation Maritime Coverage Endorsement..... | WC 00 02 03 |
| | |
| Waiver of Our Right to Recover from Others Endorsement..... | WC 00 03 13 |
| Workers Compensation and Employers Liability Insurance Policy..... | WC 00 00 00 C |

| | |
|---------------|--|
| WC 31 03 07 | New York Liability of Municipalities to Police Officers or Paid Firefighters–Exclusion Endorsement |
| WC 31 03 08 | New York Limit of Liability Endorsement |
| WC 31 03 10 | New York Medical Benefits Reimbursement Endorsement |
| WC 31 03 11 | New York Non-Subject Employees Exclusion Endorsement |
| WC 31 03 12 | New York Non-Subject Executive Officers Coverage Endorsement |
| WC 31 03 13 B | New York Sole Proprietors, Partners and Members of LLC’s, PSLC’s and RLLP’s Coverage Endorsement |
| WC 31 03 14 A | New York Inclusion of Auxiliary Police Endorsement |
| WC 31 03 15 A | New York Benefits Deductible Endorsement |
| WC 31 03 16 B | New York Sole Proprietors, Partners and Members of LLC’s PSLC’s, RLLP’s, Etc. Exclusion Endorsement |
| WC 31 03 17 | New York Labor Contractor Endorsement |
| WC 31 03 18 | New York Labor Contractor Exclusion Endorsement |
| WC 31 03 19 H | New York Construction Classification Premium Adjustment Program Explanatory Endorsement |
| WC 31 03 20 | New York Optional Labor Contractor Endorsement |
| WC 31 03 21 | New York Optional Labor Contractor Exclusion Endorsement |
| WC 31 03 22 | New York Optional Client Exclusion Endorsement |
| WC 31 04 01 | New York Construction Classification Premium Adjustment Factor Endorsement |
| WC 31 04 02 | New York Merit Rating Endorsement |
| WC 31 04 03 A | New York Preferred Provider Organization Premium Endorsement |
| WC 31 04 04 A | New York Pending Payroll Limitation and Premium Differential Endorsement |
| WC 31 04 05 | New York Safe Patient Handling Act Program (NYSPHAP) (Flat Credit) |
| WC 31 04 06 | New York Safe Patient Handling Act Program (NYSPHAP) (Tiered Credit) |
| ★ WC 31 04 07 | New York Merit Rating Revision Endorsement |
| WC 31 06 01 | New York Domestic Workers Restricted Endorsement |
| WC 31 06 02 | New York Exclusion For Designated Officers and Employees of Fire Districts Endorsement |
| WC 31 06 03 | New York Executive Officers Hold Harmless Endorsement |
| WC 31 06 04 | New York Fire District Liability Exclusion Endorsement for County or Town Policies |
| WC 31 06 05 | New York Volunteer Firefighters' Benefit Law Group Insurance Endorsement |
| WC 31 06 06 | New York Volunteer Firefighters' Premium Discount Endorsement |
| WC 31 06 07 | New York Volunteer Firefighters' Benefit Law–Extension of Employers Liability Insurance Endorsement |
| WC 31 06 08 | New York Volunteer Ambulance Workers' Premium Discount Endorsement |
| WC 31 06 09 | New York Ambulance District Liability Exclusion Endorsement for County or Town Policies |
| WC 31 06 10 | New York Volunteer Ambulance Workers' Benefit Law Group Insurance Endorsement |
| WC 31 06 11 | New York Exclusion For Designated Officers and Employees of Ambulance Districts Endorsement |
| WC 31 06 12 | New York Ambulance and Fire District Liability Exclusion Endorsement for County or Town Policies |
| WC 31 06 13 | New York Volunteer Ambulance Workers' Benefit Law–Extension of Employers Liability Insurance Endorsement |
| WC 31 06 16 A | New York Preferred Provider Organization Endorsement |
| WC 31 06 17 A | New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement |
| WC 31 06 18 | New York Workers Compensation Policyholder Notice of Right to Appeal |

NEW YORK MERIT RATING REVISION ENDORSEMENT

This endorsement is added to Part Five - Premium of the Policy.

The premium for the policy is adjusted by a Merit Rating Factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

F. MERIT RATING PLAN

When an insured's premium is less than the amount necessary to qualify for interstate or intrastate experience rating, but is greater than the minimum premium, a merit rating factor will apply to the New York manual premium. This factor is based on the number of indemnity and medical claims incurred by the insured during the most recent three-year period for which statistics are available. Cases to be counted as claims are defined as those which have been paid (totally or partially), or for which a reserve has been established. The three-year period is that which would otherwise be used for experience rating purposes.

The following schedule is used in determining the appropriate merit rating factor:

| <u>Number of Claims</u> | <u>Merit Rating %</u> | <u>Merit Rating Factor</u> |
|-------------------------|-----------------------|----------------------------|
| 0 | - 8% | .92 |
| 1 | 0% | 1.00 |
| 2 | +4% | 1.04 |
| 3 or more | +8% | 1.08 |

The Rating Board determines the appropriate factors and provides the carriers with a list of their insureds for whom a merit-rating factor was calculated. Rating worksheets are not provided for merit rating factors.

- ★ The New York Merit Rating Endorsement (WC 31 04 02) and the New York Merit Rating Revision Endorsement (WC 31 04 07) must be attached to each policy that is subject to the Merit Rating Plan.

| | |
|--|--------------------|
| New York Inclusion of Executive Officer Endorsement..... | WC 31 03 06 A |
| New York Labor Contractor Endorsement..... | WC 31 03 17 |
| New York Labor Contractor Exclusion Endorsement..... | WC 31 03 18 |
| New York Liability of Municipalities to Police Officers or Paid Firefighters–Exclusion Endorsement..... | WC 31 03 07 |
| New York Limit of Liability Endorsement..... | WC 31 03 08 |
| New York Medical Benefits Reimbursement Endorsement..... | WC 31 03 10 |
| New York Merit Rating Endorsement..... | WC 31 04 02 |
| ★ <u>New York Merit Rating Revision Endorsement.....</u> | <u>WC 31 04 07</u> |
| New York Non-Subject Employees Exclusion Endorsement..... | WC 31 03 11 |
| New York Non-Subject Executive Officers Coverage Endorsement..... | WC 31 03 12 |
| New York Optional Client Exclusion Endorsement..... | WC 31 03 22 |
| New York Optional Labor Contractor Exclusion Endorsement..... | WC 31 03 21 |
| New York Optional Labor Contractor Endorsement..... | WC 31 03 20 |
| New York Pending Payroll Limitation and Premium Differential Endorsement..... | WC 31 04 04 A |
| New York Preferred Provider Organization Premium Endorsement..... | WC 31 04 03 A |
| New York Preferred Provider Organization Endorsement..... | WC 31 06 16 A |
| New York Safe Patient Handling Act Program (NYSPHAP) (Flat Credit)..... | WC 31 04 05 |
| New York Safe Patient Handling Act Program (NYSPHAP) (Tiered Credit)..... | WC 31 04 06 |
| New York Sole Proprietors, Partners and Members of LLC’s PSLC’s and RLLP’s Coverage Endorsement..... | WC 31 03 13 B |
| New York Sole Proprietors, Partners and Members of LLC’s PSLC’s RLLP’s, Etc. Exclusion Endorsement..... | WC 31 03 16 B |
| New York Volunteer Ambulance Workers' Benefit Law–Extension of Employers Liability Insurance Endorsement..... | WC 31 06 13 |
| New York Volunteer Ambulance Workers' Benefit Law Group Insurance Endorsement..... | WC 31 06 10 |
| New York Volunteer Ambulance Workers' Premium Discount Endorsement..... | WC 31 06 08 |
| New York Volunteer Firefighters' Benefit Law–Extension of Employers Liability Insurance Endorsement..... | WC 31 06 07 |
| New York Volunteer Firefighters' Benefit Law Group Insurance Endorsement..... | WC 31 06 05 |
| New York Volunteer Firefighters' Premium Discount Endorsement..... | WC 31 06 06 |
| New York Workers Compensation Policyholder Notice of Right to Appeal..... | WC 31 06 18 |
| Nonappropriated Fund Instrumentalities Act Coverage Endorsement..... | WC 00 01 08 A |
| | |
| Notification of Change in Ownership Endorsement..... | WC 00 04 14 |
| | |
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| Policy Period Endorsement..... | WC 00 04 05 |
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| | |
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| | |
| Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement..... | WC 00 04 22 B |
| | |
| Volunteer Ambulance Workers' Benefit Law Policy..... | WC 31 00 02 A |
| Volunteer Ambulance Workers' Benefit Policy Information Page..... | WC 31 00 03 A |
| Volunteer Firefighters' Benefit Law Policy..... | WC 31 00 00 A |
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| | |
|----------------------|--|
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| WC 31 03 08 | New York Limit of Liability Endorsement |
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RULE 2

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