



NEW YORK

Classification **P**remium **A**djustment **P**rogram

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NEW YORK COMPENSATION INSURANCE RATING BOARD
200 East Forty-Second Street, New York, New York 10017
Telephone (212) 697-3535 - Fax (212) 599-6594
www.nycirb.org

RE: Workers Compensation Insurance
New York Construction Classification Premium Adjustment Program

Since 1993, the New York Compensation Insurance Rating Board has overseen and managed the New York Construction Classification Premium Adjustment Program (NYCCPAP), also known as CPAP. This Program was developed to address premium differences between high wage and low wage paying employers in the construction/contracting industries in New York State.

The CPAP provides premium credits to experience rated employers whose employees earn an average of \$15.50 or more in one or more of the eligible classification codes. Our records indicate that, based upon the classification codes stated on your workers compensation insurance policy, you may be eligible for a premium credit when your policy renews.

To apply for this credit, please visit:

<http://cpap.nycirb.org/>

Once on the website you can fill out an online application or download a paper version. When on the website, please review all of the application instructions (where you will find a listing of eligible classification codes as well as what quarterly payrolls are required and what limited weekly payroll applies). Additional information is provided in the FAQ's and the "Do's and Don'ts" sections of the website. The information contained in these sections is very important for proper completion of the application, whether submitting it online or via paper.

The release and distribution of the CPAP credit is explained on the website. In all instances, the final credit, if any, will be released to the appropriate insurance carrier by the NYCIRB staff. Should you have any questions, please contact your agent, broker or insurance carrier.

New York Compensation Insurance Rating Board
Field Services Division



What is CPAP?

The New York Construction Classification Premium Adjustment Program (CPAP) is a program implemented by the NYCIRB in 1993 in order to address premium differences between high wage and low wage paying employers in the construction industries.

At that time it was noted that although both high wage and low wage employers performed similar work, the high wage employers were paying a disproportionate premium solely due to the wages that they paid their employees. This disproportionate premium payment affected the ability of the high wage paying employers to obtain jobs when their workers compensation costs were higher than those of the lower wage paying employers, despite having similar risk to injury on jobs.

This program attempts to close the premium differential by granting credits on policies based on the hourly wage paid by employers. The higher the wage paid, the higher the credit, which would offset the disparity in payrolls and allow for a more equitable premium charge for those employers in the same industries.



CPAP --- FAQ

- Q. What payroll is to be reported on an application?
A. The program uses the third quarter (July, August & September) payrolls as outlined in the application instructions. Do not use yearly totals.
- Q. What maximum weekly payroll (as defined by the Payroll Limitation Law) is used on an application?
A. The maximum payroll, as outlined in the application instructions for the third quarter payrolls submitted, is used.
- Q. Can the weekly payroll maximums be different on an application and a policy?
A. Yes. The application uses the weekly maximum applicable to the third quarter payrolls submitted while the policy to which the credit applies uses whatever maximum is in effect for the policy period.
- Q. Do overtime hours and payrolls need to be reported?
A. Yes. Overtime hours and wages are to be included subject to overtime and payroll limitation rules (i.e. the weekly payroll maximum needs to be reported along with the total hours worked including all overtime hours).
- Q. Are Wrap-Up jobs to be reported on an application?
A. Yes. An employer's credit is based on payrolls from all policies issued for an insured.
- Q. Are the credits indicated in the manual the final credits determined after the calculation?
A. No. The calculation of a credit is a two-step process. The first part, using the manual credits, determines the Base Credit. The second part takes an employer's experience modification loss data (from the prior year's experience modification) into account to determine the Net (final) Credit.
- Q. Do payrolls for Non-Eligible classification codes need to be reported?
A. Yes. Since any calculated credit applies to the entire policy premium, all payrolls must be included on the application.
- Q. Do hours worked need to be reported for non-eligible classification codes?
A. Yes. At least one (1) hour needs to be entered or the calculation will not process.
- Q. Does an employer need to be experience rated for the policy period to which any calculated credit applies?
A. Yes. Although an insured may have previously been experience rated, they cannot apply for or receive a credit if they are not experience rated for the policy period to which any credit applies.
- Q. When is an application considered too late to process?
A. Applications must be received prior to the expiration date of the policy to which any credit applies. This pertains to all policies including short term policies.

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- Q. When is a reapplication considered too late to process?
- A. A revised application must be received no later than one (1) year after the expiration date of the policy to which the credit applies.
- Q. How is the payroll treated when an employee works part of a week on a wrap-up job and part of a week on a regular job?
- A. The payrolls under each job, and policy, are treated separately. The employee must earn more than the maximum under both or one of the jobs in order to have the payroll limitation apply to either.
- Q. Does a calculated credit apply to all of an insured's policies?
- A. Yes. As an application must include the payrolls of all of an insured's policies, the credit applies to all of an insured's policies.
- Q. What should I do if I receive a zero (0%) credit on the CPAP worksheet?
- A. If you receive a worksheet with a zero (0) credit, your application "does not qualify" for one or more reasons. Your carrier will receive a letter from the Rating Board explaining the reason(s) for the non-qualification. Please contact your carrier for clarification on the reason(s) for this condition.



The Do's
and
The Don'ts
of CPAP

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*** GENERAL - Online and Paper Application ***

DO

- Do read the Help, FAQ and 'Do's and Don'ts' before filling out either the online or paper application.
- You must fill in all required fields. The Rating Board will not fill in required fields which are left out or blank.
- Only report 3rd quarter wages and hours (July, August & September) of the calendar year.
- Executive officers are to be listed separately and indicate that they are executives. The hours to enter in this case will always be 520 hours.
- Provide the correct effective date and carrier. Refer to your WC policy. If you indicate an effective date and carrier which cannot be found in our system, the application will fail to process.
- Apply the proper payroll cap for commercial work only. Check the instructions for the proper payroll cap.
- Have available the complete policy number including both the alpha and numeric characters.
- Check the application for completeness and accuracy prior to submitting or entering data online.
- Results are provided to the insured, authorized representative and the known active carrier. If you are the insured or authorized representative, send the result to the underwriter at your insurance company. The Rating Board will also automatically send a copy to the carrier, but be aware that the specific contact could be different and could then cause a delay in receiving the credit.
- If you receive a CPAP Worksheet with a zero (0%) credit, your application "does not qualify" for one or more reasons. Your carrier will receive a letter from the Rating Board

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explaining the reason(s) for the non-qualification. Please contact your carrier for clarification on the reason(s) for this condition.

DON'T

- Do not keep resubmitting the same application. If you do the system will reject it saying one already exists.
- Do not use hourly or weekly wages. Only 3rd quarter wages and hours of the calendar year are to be used.
- Do not send incomplete applications. It is your responsibility to submit a complete application.
- Do not include Executive Officers if they are excluded from the policy.
- Do not leave the 'hours' field blank. If you have a classification code with wages, you must indicate the hours.
- Do not contact the Rating Board if you are not the authorized contact for the insured. A Letter of Authority is needed on the insured's letterhead for any other unauthorized contact.
- Do not expect a credit to be processed if it is not received within the proper timeframe (no later than 6 months prior to renewal for paper applications, and 3 months prior to renewal for online applications).

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*** Online Application ***

DO

- Do read the Help, FAQ and “Do's and Don'ts” before filling out either the online or paper application. You must check the “Yes” box in order to proceed further.
- Complete and fill out everything in Section 1 of the application before proceeding further.
- Complete and fill out applications **within 3 months** of to the policy renewal date. If the entry is attempted beforehand, it will fail and not get processed.
- Have available and fill out the policy number as it appears on the policy information page including alpha and numeric characters, with no spaces or punctuation marks. It is necessary that you have the required policy number. Otherwise, the system will not find your policy and you will not be able to proceed.
- Complete and fill out hours if you entered wages next to a classification code. Hours are required for all eligible classification codes for your risk.
- Do double check the online application's figures before submitting. Once submitted for processing, you cannot go back to make corrections.
- Do use 3rd quarter wages and hours of the calendar year (July, August & September) only.
- Do use the proper payroll cap for the quarter (Please refer to the instructions for the proper payroll cap).
- When you are instructed to retrieve your worksheet online, you will need to type the password exactly how it was provided to you. The password is case sensitive, so it is recommended that you cut and paste it from the email that was sent to you.
- When you receive your CPAP credit and worksheet, send it immediately to your insurance carrier in order to ensure that the credit is received and added to your policy.

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Although the Rating Board will also send the worksheet to the insurance carrier, it is possible there are different contacts.

- Your worksheet is accessible for 30 days from the date of entry/submission. We recommend that when you receive the PDF file worksheet that you save it locally. After one month (30 days) the worksheet is removed from our system.
- Do send a copy of the credit worksheet result to all that need to know of the credit. The person completing the application online will get a user name and password, which is used to obtain the credit and worksheet. It is that person's responsibility to provide the credit worksheet result to all necessary and appropriate people.
- For example, do send a copy of the worksheet to:
 - The insured and insurance carrier if you are the broker filling out the application
 - The broker and insurance carrier if you are insured filling out the application
 - The insured and broker if you are the insurance carrier filling out the application
- Contact your carrier if you receive a CPAP Worksheet with a zero (0%) credit, your application "does not qualify" for one or more reasons. Your carrier will receive a letter from the Rating Board explaining the reason(s) for the non-qualification. Please contact your carrier for clarification on the reason(s) for this condition. If a correction is needed, you must send in a paper reapplication.

DON'T

- Do not leave any thing blank in Section 1 . This section must be filled out entirely; otherwise you will not be able to proceed.
- Do not fill out applications more than 3 months prior to the renewal. If you attempt to do so, the entry will fail because the experience modification (mod) would not yet be available for the renewal policy.
- Do not enter information for Executive Officers if they are excluded from coverage.
- Do not leave the 'hours' field blank if you indicated wages. Hours are now required for all codes including non-eligible codes.

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- Do not send the application to the Rating Board once you have completed the entry online. It will not be accepted without a letter and explanation for the reason for the request.
- Do not contact the Rating Board after entering the application online. You will be sent an email which contains your user ID and password once the application has been accepted. Retain your password and user ID, as they are required for retrieving and obtaining your credit and worksheet.
- Do not attempt to re-enter an application. Upon completion of the online entry of your application, you will get a user ID and password which is an acknowledgement that your application is accepted. The system will reject subsequent entries.
- Do not enter information for a classification code that is not related to your business.
- Do not enter information for a valid classification code for your business if there is no payroll and hours in that quarter. Do not enter zeros as they are not acceptable. Simply omit that particular code during entry.
- Do not ask the Rating Board to forward the credit worksheet result if the application was processed online. It is the responsibility of the person completing and filling out the application online to forward the credit worksheet result to the appropriate and necessary individuals.

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*** Paper Application ***

DO

- Do read the Help, FAQ and “Do's and Don'ts” before filling out the paper application.
- Verify that everything required is completed and filled out on the application. It is your responsibility to submit a complete and accurate application. If items are not complete, the application may be rejected.
- Carefully review your application before sending it to the Rating Board. Please check your information for completeness and accuracy. If anything is found to be missing or incomplete, it cannot be processed.
- If your business is coming out of a Trust Company program, you must provide and indicate the new carrier information. Do not provide the name of the Trust Company instead of the carrier. If you do so the application cannot be processed.
- Remember to sign & date your application; otherwise it will be rejected and unable to be processed.
- For payroll information, only use third quarter wages and hours, unless otherwise approved by the Rating Board.
- When completing the application, please write clearly and legibly.
- For Executive Officer information, list each individual separately. For other job positions, the data can be grouped together under each code.
- Remember to apply the proper payroll cap for commercial work only and to indicate the word ‘commercial’ next to the code; so that the insurance carrier will know that you applied the payroll limitation. If you are engaged in residential work only, then no payroll cap is to be applied (refer to instructions for payroll cap and payroll limitation).
- Be accurate when providing your policy effective date, policy number and carrier. These are all mandatory data elements. If we have your current policy information and the

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effective date and policy number written on the application does not match, the application cannot be processed.

- It is required that you provide the necessary classification code number(s) on the application. If you do not know which code(s) to use, refer to your workers compensation policy for the information. The Rating Board is not able to complete this information for you.
- Send your application at least 6 months prior to the renewal policy effective date in order to assure an indication of your credit.
- If you are changing carriers at renewal, and have already sent in an application to the Rating Board, advise us of this new carrier information so that the correct carrier is properly notified.
- Send in applications together if they are combined for experience rating purposes. Otherwise you will not get the proper credit.

DON'T

- If you are submitting a re-application, make sure you complete and fill in all the information. It is not sufficient to simply attach the insurance carrier letter which declined the original CPAP application and informed you to resubmit. All information is required or it cannot be processed.
- Do not attach payroll records or tax forms with an indication on the application to "See Attached". You must transfer and fill in this information on the application. Retain your payroll records.
- Do not submit the application using multiple means of transmission. Only submit via mail OR email OR Fax.

Mail: New York Compensation Insurance Rating Board
Ms. Terry Gerics, Executive Assistant
200 East 42nd Street
New York, NY 10017

Email: CPAP@nycirb.org

Fax: (212) 599-6594

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- Do not expect a credit indication if you have not submitted your application on time. (See application instruction NOTES).
- Do not contact the Rating Board unless you are the authorized representative of the insured. Otherwise a Letter of Authority is needed on the insured's letterhead authorizing the Rating Board to release this information to you.
- Do not use hourly or weekly wages on the application. You must use only totals from the 3rd quarter of the calendar year.
- Do not send or submit incomplete applications. The application cannot be processed if there is missing information.
- Do not provide wages and hours without a classification code indication. If there are any wages, you must provide the classification code number on the application.
- Do not expect an immediate response when submitting your application. The Rating Board needs time to process the information and the carrier needs time to receive the credit in order to evaluate whether they will process it (approve it). The overall process requires quite a bit of turn-around-time. We ask that you be patient and to send the application in as early as you can. The Rating Board instructs that applications can be submitted 6 months prior to the policy renewal date.
- Do not send in one application for two (2) separate effective dates, such as for the current and renewal policies. In this instance, separate applications are needed.
- Do not include the Executive Officer on the application if they are excluded on the policy. If they are to be included, indicate the Executive Officer(s) and the associated hours will always be 520.
- Do not indicate Trust Company information. In this instance, you must provide the insurance carrier which is now writing the risk. The Rating Board does not recognize Trust Companies and as a result the application cannot be processed.



Fraud Warning

Fraud Warning Statement:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

1. I have read the CPAP FA required information nec

all the Yes - No

2. Do you have any of the 0908 - 090

Yes - No





NEW YORK CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

IN ORDER TO PROCEED, PLEASE CONFIRM THE FOLLOWING:

- | | | | |
|----|--|-------|----|
| 1. | I have read the CPAP FAQ, Do's and Don'ts and Fraud Warning Statement , and have all the required information necessary to proceed. | Yes - | No |
| 2. | Do you have any of the following Classification Codes for your application entry:
0908 - 0909 - 0912 - 0913 - 3881 - 5709 - 6260 - 7370 - 7711 - 7716 - 9027 | Yes - | No |





Application



SECTION 1:

INSURED

POLICY NO ACTIVE / RENEWAL

COVERAGE ID CARRIER

NAME TITLE

EMAIL TELEPHONE NO

SECTION 2:

EXECUTIVE OFFICERS

No.	Code	Classification/Description	Wages (Dollars Only)	Hours (Hours Only)
<input type="text" value="1"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="520"/>
<input type="text" value="2"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="520"/>
<input type="text" value="3"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="520"/>

* Add Executive Officer *

SECTION 3:

CLASSIFICATION CODES

No.	Code	Classification/Description	<i>* Display Class Codes and Descriptions *</i>	Wages (Dollars Only)	Hours (Hours Only)
<input type="text" value="1"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="2"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="3"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="4"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="5"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="6"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="7"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="8"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="9"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
<input type="text" value="10"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>

* Add Class Code *

* Submit Application *



YOUR APPLICATION HAS BEEN RECEIVED

YOU WILL BE NOTIFIED VIA EMAIL.



From: cpap@nycirb.org
To: [Your Email Name](#)
Cc: [CPAP](#)
Subject: NYCIRB CPAP SUBMISSION
Date: Tuesday, May 11, 2010 2:29:43 PM

05/11/2010

Your application has been received and will be processed shortly. Please allow 24 hours before checking on the status of this submission.

When referring to this application you must use the following USER ID and PASSWORD in order to retrieve your 'factor' and worksheet.

USER ID = your@email.com
PASSWORD = w8QFXX6d



OBTAIN FACTOR

Email Address:

Password:



Note: You will receive your Worksheet and Credit as a PDF file. When it displays we recommend that you save the file since this will only be available on this website for 30 days.





Your CPAP application has been received but has not completed processing. Please allow 24 hours for your Factor and Worksheet to become available. If your Factor is not available in 24 hours please contact the Rating Board via email (CPAP@nycirb.org) for clarification on why the submission is not complete.

After Rating Board review, we will get back to you or you can try again with the same user ID and password to see if the credit is released.

Return



CONSTRUCTION CREDIT CALCULATION

Class Codes	Wages	Hours	Manual Rate	Manual Premium	Average Hourly Rate	Credit %	Credit Per Class
5102	\$213,573	8,076	8.84	\$18,880	26.45	21%	\$3,965
7380	\$12,260	550	7.67	\$940			
8235	\$12,171	525	8.93	\$1,087			
8742	\$105,577	1	0.46	\$486			
8809	\$23,725	520	0.37	\$88			
8810	\$125,559	1	0.28	\$352			
TOTALS				\$21,833			\$3,965

Total Credit Per Class (\$3,965) / Total Manual Premium (\$21,833) = 18%

Credit Offset = 3%

(The credit is being offset by factors from the 07/01/2009 experience rating issued on 06/18/2009)

NET CREDIT = 15%

Calculation of Offset

Where:

CR = Policy Credit (as calculated above)	18%
E = Total Expected Losses	126,890
EP = Expected Primary Losses	15,755
EX = Expected Excess	111,135
W = Weighting Value	.12
B = Ballast Value	41,125
Z = (Ep + (W * Ex)) / (E + B)	17%
CF = CR * Z (Experience Rating Offset)	3%
CR - CF = NET CREDIT	15%



Your CPAP application has been received, but is suspended with errors.

Your entry is being reviewed and evaluated by the Rating Board.

This review will result in one of two outcomes:

- 1. The application was manually adjusted, corrected and released. When released, the credit and application is then available for retrieval online.**
- 2. There is an error the Rating Board is unable to resolve and you will be asked to either provide clarifying information or to reenter with clarifying instructions.**

If you receive a CPAP Worksheet with a zero (0%) credit, your application 'does not qualify' for one or more reasons. Your carrier will receive a letter from the Rating Board explaining the reason(s) for the non-qualification. Please contact your carrier for clarification on the reason(s) for this condition.

We recommend that you come back to this website periodically to determine the status.

If you have any questions regarding this message or the process, please email us at:

CPAP@nycirb.org

Return

