



NYCIRB

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

January 14, 2021

R.C. 2534

Re: 2021 Edition of the New York Retrospective Rating Plan Manual and
Revised Retrospective Rating Values, Effective October 1, 2021

Members of the Rating Board:

I write to inform you that the New York State Department of Financial Services (“Department”) approved a new edition of the Rating Board’s New York Retrospective Rating Plan Manual (“Plan”) and revised Retrospective Rating Values, for new and renewal business, effective October 1, 2021.

New Edition of the Plan

The new edition of the Plan contains a variety of changes, including the incorporation of explanatory information from the Appendix section into the associated rules of the Plan. A summary of the substantive amendments to the rules of the Plan, as well as general changes that were made throughout the Plan, is enclosed for your convenience.

To the extent that the Rating Board files amendments to the Plan that is in effect currently, those amendments will also be filed for the new edition of the Plan.

Retrospective Rating Values

The Department approved revised (a) Excess Loss Pure Premium Factors (“ELPPFs”), (b) Excess Loss and Allocated Expense Pure Premium Factors (“ELAEPFs”), (c) State Hazard Group Differentials, and (d) Retrospective Rating Pure Premium Development Factors. These revisions also apply to policies under Three-Year Plans and Long-Term Construction Projects as of the first effective date on or after October 1, 2021.

Please find the October 1, 2021 edition of the Plan, which reflects the approved amendments, including the revised Table E retrospective rating values, on the Rating Board’s website at: [NY-Retrospective-Rating-Plan-New-Edition-2021.pdf \(nycirb.org\)](https://www.nycirb.org/Files/2021/10/2021-Plan-New-Edition-2021.pdf)



I am also pleased to announce that the approved ELPPFs, ELAEPFs, and excess ratios by hazard group and injury category underlying the approved values are now available in PDF and Microsoft Excel format in the Actuarial section of the Rating Board's website, www.nycirb.org.

If you have any questions or concerns, please do not hesitate to contact Mr. Mark Battistelli, Vice President of Underwriting Services, at (212) 697-3535, ext. 113 or at underwritingservices@nycirb.org.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JA", written over a light blue horizontal line.

Jeremy Attie
President and CEO

Enclosure

Summary of Amendments to the New York Retrospective Rating Plan Manual

The following summary describes the amendments to the Rating Board's New York Retrospective Rating Plan Manual ("Plan"). By the amendments to the Preface section and Rules 1 – 4, the Rating Board clarified several sections and requirements of the "Plan."

The Appendix section was eliminated and the information was either added to the associated Rules or eliminated. The following items were eliminated from the Appendix:

- Item A "General Explanation" – The explanations are already defined in Rules 1 and 3.
- Item E "Development of an Average State Hazard Group (SHG) Factor" – Obsolete due to changes by NCCI.
- Item G "Carrier Filing Requirements" – No longer required.

In addition, these amendments effect a general clean-up of each Rule of the Plan, such as corrections to punctuation, grammar, and spelling.

The following terminology and general changes were made throughout the Plan for consistency:

Terminology

- The term "employer" replaced "insured," where applicable.
- The term "carrier" replaced "company."
- The term "Rating Board" replaced "NYCIRB."
- The term "canceled" replaced "cancelled."
- The term "cancelation" replaced "cancellation."
- The term "New York State Department of Financial Services" replaced "Department" or "New York State Department."
- The term "Plan" replaced "Manual."
- Updated all Rule references.

The following is a summary of the substantive amendments that were made to the Introduction section and Rules of the Plan:

Introduction

- Replaced “Preface” with “Introduction.”
- Item A – Added items to “Organization of the Plan” as follows:
 - Introduction
 - Table of Contents
- Item C – Updated the title to “Explanation of Rules.”

Rule 1: General Explanation

- Item (B)(1)(c) – In the Note section added the following clarifying language: “including extraordinary loss events which are assigned a specific Catastrophe Number according to the New York Workers’ Compensation Statistical Plan.”
- Item (B)(1)(g) – Deleted “Unallocated loss adjustment expense includes the general overhead of a carrier’s claim operations.”
- Item (B)(2)(e) - Deleted “The Excess Loss Pure Premium Factor and LAE % are NYCIRB - provided values.”
- Item (C) – Updated Rule reference to conform with the New York Workers’ Compensation and Employers’ Liability Manual effective 05/01/20.
- Item (E)(1) - Added “written” and updated rule reference from Rule IX to Rule VIII and changed “Workers’ Compensation Board” to “New York State Workers’ Compensation Board.”
- Item (E)(2) - Updated language to delete: “Notice of Election to apply retrospective rating” and added “Retrospective Rating Plan Endorsement”.
- Item (J) – Updated to conform with the New York Workers’ Compensation Employers’ Liability Manual effective 05/01/20.
- New Item (K) – Moved from Appendix Item (B) “Explanation of Differences Between Types of Excess Loss Factors.”

Rule 2: Eligibility for the Plan

- Item (A) – Updated language to remove “providing there is common majority ownership as defined in” and added “as permitted in Rule 3 of” and added rule reference from the New York Experience Rating Plan Manual.
- Item (E) – Updated for consistency with Rule 1 (B)(d).
- Item (F) – Added Rule reference of the New York Workers’ Compensation and Employers’ Liability Manual and updated language for “Wrap-Up Construction Projects” to conform with the New York Workers’ Compensation and Employers’ Liability Manual effective 05/01/20.

Rule 3: Operation of the Plan

- Item (A) - Deleted “A completed Notice of Election of Retrospective Rating Plan form signed by the employer outlines the parameters for a retrospective rating plan. Refer to Appendix of this Plan for appropriate New York Forms.” and added “Carriers are required to maintain evidence of these agreed-upon values in their underwriting files.”
- Item (B) - Updated to “Explanation of Tables of Retrospective Rating Plan Values” as the Appendix is eliminated.
- Item (D) – Moved from Appendix Item (C)(2).
- Item (F)(4) – Moved from Appendix Item (D) “Retrospective Rating Premium Calculation Examples.”
- Item (G)(1) – Updated language.
- Item (G)(3) – Moved from Appendix Item (F) “Cancellation of a Policy Under a Retrospective Rating Plan.”
- Item (H)(11) – Deleted Note “The insured is required to replenish the deposit loss fund periodically throughout the program to maintain the initial loss fund deposit. If the paid loss plan is terminated prior to the calculation of the first retrospective rating adjustment and the actual paid losses exceed the amounts of the loss fund, the insured will be required to contribute any and all amounts due the carrier” as unnecessary as these terms are separately negotiated and are subject to statutory accounting requirements.

Rule 4: Administration of the Plan

- Item (B) – Updated to add “on the annual financial data calls in accordance with the instructions of such calls.”
- Item (C) – Deleted “Carrier Filing Requirements” as Notice of Election filing requirements eliminated by virtue of policy reporting.