NYCIRB
New York Compensation
Insurance Rating Board
875 Third Avenue
New York, NY 10022
Tel: (212) 697-3535

August 12, 2025

R.C. 2636

Re: Miscellaneous Manual Amendments – Three Decimal Places
Effective Date: October 1, 2025

Members of the Rating Board:

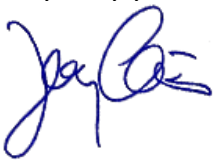
I write to inform you that the New York State Department of Financial Services ("DFS") has approved amendments to the Rating Board's New York Workers' Compensation and Employers' Liability Manual ("Manual") which are detailed herein, attached hereto, and are effective on October 1, 2025.

By way of brief background, on January 24, 2024, the Rating Board issued bulletin R.C. 2597 announcing that beginning with the Rating Board's 2025 loss cost filing, effective October 1, 2025, loss cost values and expected loss rates will be filed and published with three decimal places. Accordingly, DFS has now approved miscellaneous amendments to the Manual associated with the implementation of rating values with three decimals.

The following modified and final pages from the Manual, reflecting the approved amendments, are attached for your convenience: R-64, R-129 and R-130.

If you have any questions, please contact Mr. Mark Battistelli, Vice President of Underwriting Services at (212) 697-3535, ext. 113 or at underwritingservices@nycirb.org.

Very truly yours,



Jeremy Attie
President and CEO

Enclosures

B. PREMIUM DETERMINATION

Premium for each classification shown in the policy is determined by multiplying the basis of premium by the carrier approved rate.

Example:

Remuneration	=	$90,000	
Carrier Rate	=	x 1.500	$90,000 x 1.500 = $1,350
Premium	=	$ 1,350	100

All premiums should be shown to the nearest dollar. A remainder of $.50 or more shall be rounded to the next higher dollar.

C. EXPENSE CONSTANT

1. Explanation

The Expense Constant is a premium charge which applies to every policy. It covers expenses such as those for issuing, recording, and auditing, which are common to all workers' compensation policies regardless of premium size.

2. Amount

The Expense Constant is the carrier's approved expense constant as shown on the Information Page. Refer to Rule IX for the Expense Constant charge on a canceled policy, Rule X for the Expense Constant on a long-term policy, and to Rule XIII for Expense Constant on a policy that insures only domestic workers of this Manual.

For multi-state policies, allocate the expense constant to the state with the highest applicable expense constant. If two or more states have the same highest expense constant, allocate it to the state developing the highest standard premium.

Full expense constant must be charged for short-term policies.

Exceptions:

Expense constant is prorated when short-term policies are issued:

- To replace a binder; or
- Solely to establish consistent effective dates with other insurance policies.

Note: The expense constant shall not be prorated because of any change in operations during the term of the policy.

The expense constant charged at the inception of the policy will not change when a state is added or deleted during the policy term.

D. SHORT RATE CANCELATION EXAMPLES

Example I: A Policy Originally Written For 250 Days

- The policy was in effect for 185 days;
- The policy developed actual payroll of $55,500;
- ★ The carrier's rate is $.650;
- The carrier's expense constant is $180.

	a.	Payroll extended to full policy term	=	$55,500	x	250/185	=	$75,000
★	**b.**	Full policy term premium	=	$75,000 / 100	x	.650	=	$488
	c.	Extended number of days	=	185/250	x	365	=	270
	d.	Short rate percentage for 270 days	=	80%				
	e.	Short rate premium	=	$488	x	.80	=	$390
	f.	Short rate portion of carrier expense constant	=	$180	x	.80	=	$144
	g.	Total premium for canceled policy	=					$534
	h.	Carrier's minimum premium	=	$252	Not applicable to this policy.			

Example II: A Policy Originally Written for a One-Year Period

- A policy written for 365 days and in effect for 185 days;
- The policy developed actual payroll of $55,500;
- ★ The carrier's rate ~~of is~~ $.650;
- ★ The carrier's expense constant ~~of is~~$180.

	a.	Payroll extended to full policy term	=	$55,500	x	365/185	=	$109,500
★	**b.**	Full policy term premium	=	$109,500/100	x	.650	=	$712
	c.	Short rate percentage for 185 days	=	61%				
	d.	Short rate premium	=	$712	x	.61	=	$434
	e.	Short rate portion of carrier expense constant	=	$180	x	.61	=	$110
	f.	Total premium for canceled policy						$544
	g.	Carrier's minimum premium		$252	Not applicable to this policy.			

Example III: A Policy Originally Written for One-Year Period Using Option II – Alternative Method

- A policy written for 365 days and in effect for 185 days;
★ - The policy developed actual payroll of $55,500;
★ - The carrier's rate ~~of~~ is $.650;
★ - The carrier's expense constant ~~of~~ is $180.

★ **a.**	Actual premium	=	$\frac{\$55,500}{100}$	x	.650	=	$361
b.	Short rate factor for 185 days	=	1.2035				
c.	Short rate premium	=	1.2035	x	$361	=	$434
d.	Short rate portion of carrier expense constant	=	$180	x	.61	=	$110
e.	Total premium for canceled policy	=					$544
f.	Carrier's minimum premium	=	$252	Not applicable to this policy.			

Example IV: A Policy Originally Written for One-Year Term

- A policy written for 365 days and in effect for 185 days;
★ - The policy developed $750,000 of payroll;
★ - The carrier's rate ~~of~~ is $4.510;
★ - The experience modification of .90;
★ - The carrier's expense constant ~~of~~ is $180;
★ - The ~~C~~carrier's p~~P~~remium discount percentage for this policy size is 9.4%.

a.	Payroll extended to full policy term	=	$750,000	x	$\frac{365}{185}$	=	$1,479,730
★ **b.**	Full term premium	=	$\frac{\$1,479,730}{100}$	x	4.510	=	$66,736
c.	Full term modified premium	=	$66,736	x	.90	=	$6,674
d.	Short rate percentage for 185 days	=	61%				
e.	Short rate premium	=	$60,062	x	.61	=	$36,638
f.	Carrier premium discount on short rate premium	=	.094	x	$36,638	=	$3,444
g.	Short rate portion of carrier's expense constant	=	$180	x	.61	=	$110
h.	Total premium for canceled policy	=	$33,304 ($36,638 - $3,444 + $110)				

Refer to short rate cancelation tables below for computation for policies originally written for a one-year period.

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