

RULE III:

A. EXPLANATION OF TERMS

1. Employer

An “employer” may be an individual, partnership, joint venture, corporation, association, limited liability company (LLC), professional service liability company (PSLC), registered limited liability partnership (RLLP), or a fiduciary such as a trustee, receiver or executor, or other entity.

2. Insured

Insured means the employer designated in Item 1. of the Information Page.

3. Majority Ownership Interest

Majority Ownership Interest, as defined in the New York Experience Rating Plan Manual, also applies to this Manual. The phrase “Majority Ownership Interest” means more than 50%.

The determination of Majority Ownership Interest is based on the following:

- a. Majority of issued voting stock.
- b. Majority of owners, partners, or members if no voting stock is issued.
- c. Majority of the board of directors or comparable governing body if (a) or (b) above are not applicable.
- d. Participation of each general partner in the profits of a partnership. Limited partners are not considered in determining majority interest.
- e. The same central authority that appoints or controls the appointment of the board of trustees or similar body, and that exercises direct, complete, and active control over the finances, properties, operations and activities of separate legal entities, including those within the same religious denomination.
- f. Ownership interest held by an entity as fiduciary. Such an entity’s total ownership interest will also include any ownership held in a nonfiduciary capacity.

Note: For purposes of this rule, fiduciary does not include a debtor in possession, a trustee under a revocable trust, or a franchisor. Refer to the New York Experience Rating Plan Manual for more information on ownership rules.

4. Risk

Risk as used in this Manual, means all insured operations subject to New York premium that are conducted by one entity, or by two or more entities, in which there is a majority ownership interest by these entities.

Exceptions:

- a. A policy may be written to cover more than one risk, as provided in Section 32 of the New York State Volunteer Firefighters’ Benefit Law. However, whether or not a combination policy is written, each risk will be rated in accordance with Manual rules. A town, and fire protection districts, fire alarm districts and unorganized areas wholly within the town are considered as one risk for coverage under both the New York State Workers’ Compensation Law and the New York State Volunteer Firefighters’ Benefit Law. Cities, villages, and fire districts within a town are viewed as risks separate from the town risk, even though they may be combined in the same policy.

- b. A policy may be written to cover more than one risk, as provided in Section 32 of the New York State Volunteer Ambulance Workers' Benefit Law. However, whether a combination policy is written, each risk will be rated in accordance with Manual rules. A town and ambulance districts and unorganized areas wholly within the town are considered as one risk for coverage under both the New York State Workers' Compensation Law and the New York State Volunteer Ambulance Workers' Benefit Law. Cities, villages, and ambulance districts within a town are risks separate from the town risk, even though they may be combined in the same policy.

B. NAME, ADDRESS, AND OTHER WORKPLACES OF INSURED

1. Combination of Legal Entities

Separate legal entities may be insured in one policy only if the same person(s), or group of persons, owns the majority interest in the entities.

For additional details refer to the New York Experience Rating Plan Manual.

2. Single Location

All operations of any one employer at a single location shall be insured in one policy.

3. Multiple Locations

All New York locations and operations of an employer are automatically covered by the policy.

If a policy is issued to limit coverage only to operations conducted at or from specified location(s), the "Designated Workplaces Exclusion Endorsement" (WC 00 03 02) must be attached.

When coverage for a location is to be excluded subsequent to the effective date of the policy, the "New York Designated Workplace Cancellation Endorsement and Notice of Partial Cancellation" (WC 31 03 02 A) must be attached to the policy. All statutory provisions and Manual rules for cancellation of coverage must be followed when partial cancellations are made.

C. POLICY PERIOD

1. Normal Policy Period

While the normal policy period is one year, a policy may be issued for any period not longer than three years.

2. Policy for One Year

- a. Manual rules are based on a policy period of one year.
- b. A policy issued for a period not longer than one year and 16 days is treated as a one-year policy.

3. Policy Longer Than One Year

- a. The policy period is divided into consecutive 12-month units.
- b. If the policy is not a multiple of 12 months, use the "Policy Period Endorsement" (WC 00 04 05) to specify the first or last unit of less than 12 months as a short-term policy.
- c. All Manual rules and procedures apply to each unit as if a separate policy had been issued for each unit, including the need to submit an annual endorsement providing carrier approved rates, payrolls, and other premium charges.

4. Three-Year Fixed Rate Policy Option

A policy may be issued for a period of three years using carrier approved rates. A policy of this kind will not be issued if the risk is subject to the Experience Rating Plan on the effective date of the policy.

A policy issued under this option is known as a Three-Year Fixed Rate Policy and shall be so designated on the Information Page.

If a policy is issued for a period of three years, but is not a Three-Year Fixed Rate Policy, then all Manual rules and procedures apply to each such unit as if a separate policy had been issued for each unit, including the requirement to submit an annual endorsement providing carrier approved rates, payrolls, and premium charges.

Refer to Rule X of this Manual.

D. STATE LAWS DESIGNATED IN THE POLICY

1. Listing of States

Insurance for operations conducted in a state is provided by listing the state in Item 3.A. of the Information Page.

2. Longshore Act

The U.S. Longshore and Harbor Workers' Compensation Act shall not be entered in Item 3.A. of the Information Page. Refer to Rule XI of this Manual.

3. Additional States

A state may be added after the effective date of the policy. For the additional state operations, apply:

- a.** The authorized rates in effect in the state to be added on the effective date of the policy;
- b.** Any approved rate change that applies to outstanding policies for the state being added; and
- c.** Any applicable experience rating modification for the policy in the state to be added. Refer to the New York Experience Rating Plan Manual.