

RULE VI:**A. RATES****1. Definition**

The carrier approved rate for each classification is derived by multiplying the approved loss cost by the carrier specific loss cost multiplier (LCM) approved by the New York State Department of Financial Services.

The carrier approved rate for a given classification is the charge for each \$100 of remuneration.

Exceptions: The premium for all classifications is determined on the basis of remuneration except for the following:

Classification	Premium Basis
Domestic Workers Codes 0908, 0909, 0912, 0913	Per Capita
Building Operations Code 9027	Per Location
Volunteer Firefighters	
Code 7711	Population
Code 7716	Per Policy
Volunteer Ambulance Service Company Code 7370	Per Ambulance

2. Carrier Approved Rate Components

Each carrier approved rate is comprised of a Loss Cost and a Loss Cost Multiplier.

a. Loss Cost

The loss cost is the portion of Workers' Compensation Insurance rates intended to represent the anticipated costs of claim payments and loss adjustment expenses associated with such claim payments, and may include one or more trend factors. Loss costs do not include provisions for expenses (other than loss adjustment expenses) such as acquisition costs, overhead and taxes, or profit, but reflect industry-wide losses and directly related expenses.

The loss costs published in this Manual are promulgated by the Rating Board and approved by the Superintendent of the New York State Department of Financial Services.

b. Loss Cost Multiplier (LCM)

The Loss Cost Multiplier is a factor, including a carrier's expenses relating to Workers' Compensation Insurance, by which the carrier adjusts, via multiplication, the approved loss costs to arrive at its filed rates.

The LCM may include a Loss Cost Modifier which is an adjustment to the approved loss costs that represents a carrier's own loss and loss adjustment expense experience.

Each carrier must separately file its LCM with the Superintendent of New York State Department of Financial Services for approval. All approved loss cost multipliers are listed on the Department's website www.dfs.ny.gov or can be found at www.nycirb.org.

3. Show Carrier Approved Rate in Item 4. of the "Information Page" (WC 00 00 01 A)

For each classification shown in Item 4., the carrier's approved rate shall be stated in the column named "Rate per \$100 of Remuneration."

4. Non-Ratable Elements

Non-ratable elements are charges that are based on catastrophic type exposures and are thus excluded from ordinary ratemaking and are also not subject to experience rating and retrospective rating.

A separate statistical code is assigned for each non-ratable element. This Statistical Code and corresponding charge are applied in addition to the basic classification when determining premium.

Refer to the "Loss Costs" pages in Part Three – Loss Costs of this Manual for class codes designated with an "N" that are part of a ratable/non-ratable group. The footnotes provide the separate statistical code for each non-ratable element to reflect the non-ratable catastrophe loading.