

RULE I: GENERAL

A. WORKERS' COMPENSATION

The system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee's family) due to a job-related injury (including death) resulting from an accident or occupational disease.

A workers' compensation insurance policy provides coverage for an employer's two key exposures arising out of injuries (or death) sustained by employees. Part One of the policy covers the employer's statutory liabilities under workers' compensation laws; Part Two of the policy covers the employer's liabilities arising out of employees' work-related injuries (or death) that do not fall under workers' compensation statutory benefit structure laws.

B. STANDARD POLICY

Standard Policy means the standard provisions of the "Workers' Compensation and Employers' Liability Insurance Policy" (WC 00 00 00 C) and the "Information Page" (WC 00 00 01 A) approved by the New York State Department of Financial Services. Every policy affording coverage under the New York State Workers' Compensation Law must include the following endorsements and premium elements.

MANDATORY ENDORSEMENTS

	Number	Version	Name	Effective
	WC 00 04 14	A	90-Day Reporting Requirement – Notification of Change in Ownership Endorsement	01/01/19
★	WC 00 04 19		Premium Due Date Endorsement	01/01/19
	WC 00 04 21	E	Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement	01/01/21
	WC 00 04 22	C	Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement	01/01/21
★	WC 31 03 08*		New York Limit of Liability Endorsement	01/01/00
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★	WC 31 03 23*		New York Construction Classification Premium Adjustment Program Explanatory Endorsement	10/01/25
★	WC 31 06 18	A	New York Workers' Compensation Policyholder Notice of Right to Appeal	05/01/20

*These endorsements are not mandatory for the Volunteer Firefighters' Benefit Law Policy and the Volunteer Ambulance Workers' Benefit Law Policy.

I. CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM★ **1. Explanation**

The New York Construction Classification Premium Adjustment Program (CPAP) provides a premium credit for a policy (a) with Subject Premium in New York State (as defined in Rule VI (O)) of \$5,000 or more, (b) that contains one or more construction classifications listed in the table below, and (c) that satisfies the hourly wage requirement.

Retrospective rating plan policies, including those written under the Large Risk Rating Option (LRRO), and policies written in accordance with a carrier's independently filed Large Deductible programs, along with all policies related thereto (e.g., LRRO wrap-up policies, large deductible wrap-up policies), are not eligible for a CPAP credit.

Credits will be calculated by the Rating Board for each individual policy and will only be applicable to that policy.

Construction classification codes that are eligible for the CPAP program are listed in the table below.

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CPAP Program Eligible Construction Classification Codes

0042	5160	5403	5507	5703	6235	8227
3365	5183	5428	5508	5709	6251	9526
3724	5184	5429	5536	6003	6252	9527
3726	5188	5443	5538	6005	6306	9534
3737	5190	5445	5545	6017	6319	9539
5000	5193	5462	5547	6018	6325	9545
5022	5213	5473	5606	6045	6400	9549
5037	5221	5474	5610	6204	6701	9553
5040	5222	5479	5645	6216	7536	
5057	5223	5480	5648	6217	7538	
5059	5348	5491	5651	6229	7601	
5102	5402	5506	5701	6233	7855	

★	2. Credit Determination A CPAP credit percentage will be determined for each employee on a CPAP eligible policy. Each employee's CPAP credit percentage will be calculated by utilizing the CPAP Classification Code and Hourly Wage Table, which is contained under "Miscellaneous Values" of Part Three – Loss Costs of this Manual. Employees in non-CPAP eligible classes will be assigned a 0% credit. The weighted average credit for all employees (using the loss cost level premiums for each employee as weights) will serve as the final CPAP credit for the policy.
★	3. Estimated CPAP Credits at Policy Issuance Estimates of CPAP credits may be obtained prior to policy quotation by utilizing the Rating Board's CPAP Estimator online application, another tool that the Rating Board or carriers make available, or an employer's most recent final CPAP credit. To generate an estimated CPAP Credit utilizing the Rating Board's CPAP Estimator online application or other Rating Board tool(s), the following data elements are required: (a) an estimate of total remuneration by class code for the policy; and (b) either the average base hourly wage by class code or the number of full-time employees by class code for the policy.

★	4. CPAP Calculation at Premium Audit At final premium audit, carriers will obtain the final CPAP credit from the Rating Board. The following information must be submitted to the Rating Board to derive CPAP credits: <i>For Each Employee in CPAP Eligible Classification Codes</i> (a) CPAP classification code; (b) Number of hours worked during the policy period (including overtime); and (c) Either (i) remuneration (as defined in Rule V Section (B) of this Manual) during the policy period or (ii) average base hourly wage. * For the purposes of CPAP credit determination, employees with hours worked in multiple classification codes during a policy period shall be assigned to the classification code with the most hours worked during the policy period. For example, if during a policy period, an employee worked 1,000 hours in classification code A and 600 hours in classification code B, then for purposes of CPAP credit determination, that employee shall be treated as though all hours were worked in classification code A. <i>For Employees in Non-CPAP Eligible Classification Codes</i> (a) Total remuneration (as defined in Rule V Section (b) of this Manual) of all employees in each non-CPAP eligible classification code. Upon receipt of the above-listed information, the Rating Board will calculate the CPAP credit and transmit it to the carrier. A carrier is not required to apply a CPAP credit to a CPAP eligible policy if an employer does not submit the necessary information for the calculation of the CPAP credit within a reasonable timeframe (which shall not be less than 10 business days) following a carrier's request for that information. A carrier may require that employers submit CPAP information in a particular format or utilize a template provided.
★	5. Information Page If an estimated CPAP credit is provided at policy issuance, such estimated credit will be reported in Item 4. of the Information Page and will be subject to revision at premium audit. Following final premium audit, the credit authorized by the Rating Board must be reported in Item 4. of the Information Page using Statistical Code 9046 "Premium Adjustment Credit Factor."

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