

# Code Rule 60



December 2021 - Report

## Introduction

The purpose of this report is to **provide statistics related to New York State's Code Rule 60 program**. By way of background, Section 134 of the New York State Workers' Compensation Law and Department of Labor Industrial Code Rule 60 establish a voluntary safety discount program for employers to incentivize workplace safety – **the Workplace Safety and Loss Prevention Incentive Program ("WSLPIP")**. To participate in this discount program, an employer must (i) pay an annual premium of at least \$5,000, (ii) maintain an experience rating of under 1.30, (iii) not qualify for the mandatory safety and loss prevention program ("Code Rule 59"), and (iv) **implement one or more of the following three voluntary programs:**

- (a) A safety program,
- (b) A drug and alcohol prevention program, or
- (c) A return to work program.

**The schedule below sets forth the premium discounts available for participation in WSLPIP.** It is important to note that an employer may receive a discount for more than one program at a time, e.g., an employer who implements a safety program and a drug and alcohol prevention program will receive a 6% discount in year 1.

Program	Year 1	Year 2	Year 3
Safety	4%	2%	2%
Return to Work	4%	2%	2%
Drug and Alcohol Prevention	2%	2%	2%

The **credits are identified using each program's statistical codes in the Rating Board's Unit Statistical Report data.** This report provides information on the WSLPIP program for policy years 2013 through 2019.

Policies that meet the first three eligibility criteria of the program – an annual premium of at least \$5,000, maintain an experience rating of under 1.30, and do not qualify for Code Rule 59 – are referred to herein as "Eligible Policies." **Eligible Policies that receive a credit for implementing one or more of the three WSLPIP voluntary programs are referred to herein as "WSLPIP Policies."**



## Participation

**Exhibit 1** displays the number of **Eligible Policies** and the **number of WSLPIP Policies**.

The percentage of WSLPIP Policies out of total Eligible Policies is also shown in the table.

**Exhibit 1 - WSLPIP Policies**

POLICY YEAR	ELIGIBLE POLICIES	NUMBER OF PROGRAMS				% WSLPIP POLICIES OUT OF ELIGIBLE POLICIES
		1	2	3	TOTAL	
2013	90,596	67	8	11	86	0.1%
2014	97,399	38	8	10	56	0.1%
2015	100,246	47	13	14	74	0.1%
2016	104,083	48	21	14	83	0.1%
2017	110,094	71	22	24	117	0.1%
2018	113,130	84	23	28	135	0.1%
2019	110,153	92	27	30	149	0.1%
<b>Total</b>	<b>725,701</b>	<b>447</b>	<b>122</b>	<b>131</b>	<b>700</b>	<b>0.1%</b>

## Premium Credits

**Exhibit 2** displays the **premium credits** received by WSLPIP Policies, along with the percentage of WSLPIP Policy premiums these credits represent.

**Exhibit 2 - WSLPIP Premium Credits**

POLICY YEAR	NUMBER OF PROGRAMS				PREMIUM BASE FOR CREDIT <sup>1</sup>	AVERAGE DISCOUNT
	1	2	3	TOTAL		
2013	-828,114	-177,965	-747,272	-1,753,351	36,374,349	4.8%
2014	-860,285	-123,243	-381,773	-1,365,301	24,017,052	5.7%
2015	-1,299,287	-533,327	-590,073	-2,422,687	51,128,825	4.7%
2016	-475,894	-787,991	-852,382	-2,116,267	38,948,531	5.4%
2017 <sup>2</sup>	-551,199	-493,828	-10,368,373	-11,413,400	137,791,651	8.3%
2018	-768,378	-793,932	-6,338,011	-7,900,321	143,436,248	5.5%
2019	-558,396	-468,336	-6,375,383	-7,402,115	130,460,115	5.7%
<b>Total</b>	<b>-5,341,553</b>	<b>-3,378,622</b>	<b>-25,653,267</b>	<b>-34,373,442</b>	<b>562,156,771</b>	<b>6.1%</b>

<sup>1</sup> The Premium Base for the credit is the total modified premium subject to WSLPIP credits each policy year. Modified premium is determined after the application of an insurer's approved rates and an employer's experience rating modification or merit rating factor.

<sup>2</sup> In 2017, the total premium credits for implementing three programs increased significantly due to credits received by several large employers.

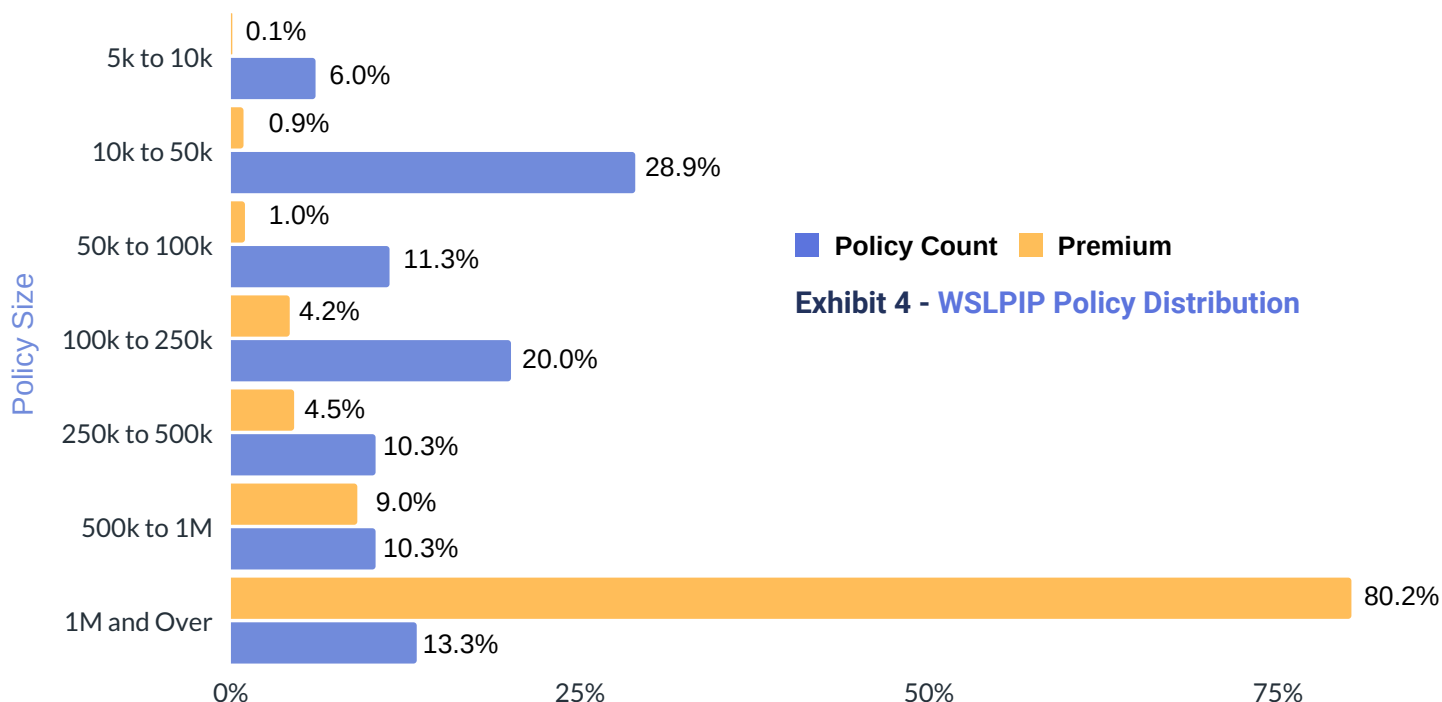
## Policy Size

**Exhibit 3** compares the average premium on WSLPIP Policies with the average premium on Eligible Policies.

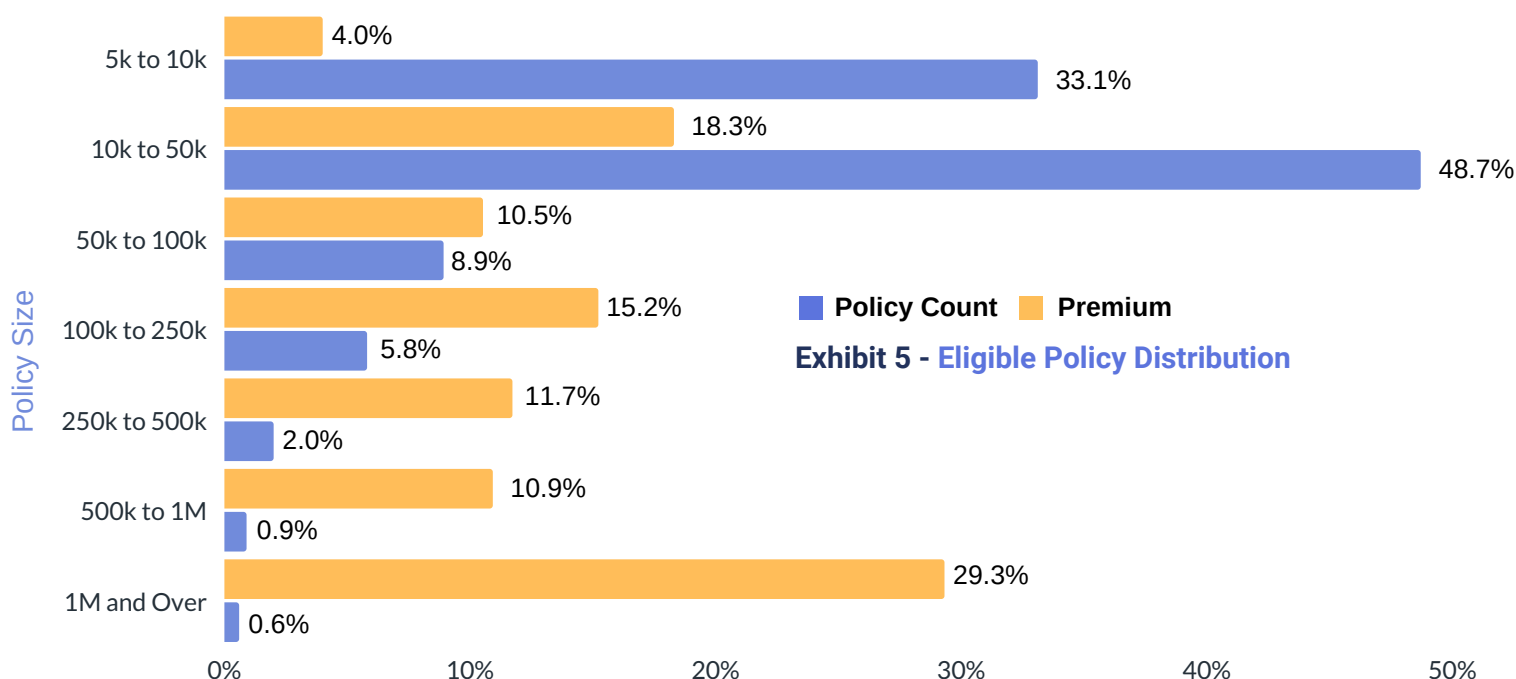
Average Premium		
POLICY YEAR	WSLPIP POLICIES	ELIGIBLE POLICIES
2013	\$422,958	\$51,586
2014	\$428,876	\$55,957
2015	\$690,930	\$55,997
2016	\$469,259	\$60,508
2017	\$1,177,706	\$63,176
2018	\$1,062,491	\$61,741
2019	\$875,571	\$59,666
<b>Average</b>	<b>\$803,081</b>	<b>\$58,629</b>

## Policy Distribution

**Exhibit 4** shows the distribution of WSLPIP Policies by premium and policy count. Policies with premium over \$1M represent 13.3% of WSLPIP Policies but account for 80.2% of the WSLPIP premium.



**Exhibit 5** shows the distribution of Eligible Policies by premium and policy count. Policies with premium over \$1M represent 0.6% of Eligible Policies but account for 29.3% of the Eligible Policy premiums.



## Top 5 Governing Class Codes

Exhibits 6 and 7 below display the top 5 governing class codes for WSLPIP Policies by premium and policy count for policy years 2013 through 2019. The percentage of premium and policy counts that each identified governing class code represents out of all WSLPIP Policies and Eligible Policies is also shown.

**Exhibit 6 - Top 5 Governing Class Codes for WSLPIP Policies by Premium**

CLASS CODE	DESCRIPTION	INDUSTRY GROUP	CLASS SHARE OF WSLPIP PREMIUM	CLASS SHARE OF ELIGIBLE POLICY COUNT
8833	Hospital - Professional Employees	Professional and Office	46.6%	6.2%
8394	Bus Company - All Other Employees and Drivers	Services	7.0%	2.1%
9051	Health Care Services - Daily Living Skills Services - Traveling	Services	6.6%	3.6%
9403	Garbage, Ashes or Refuse Collection and Drivers	Services	3.6%	0.8%
8292	Storage Warehouse - NOC	Services	3.3%	0.2%
<b>Total</b>			<b>67.1%</b>	<b>12.9%</b>

**Exhibit 7 - Top 5 Governing Class Codes for WSLPIP Policies by Policy Count**

CLASS CODE	DESCRIPTION	INDUSTRY GROUP	CLASS SHARE OF WSLPIP POLICY COUNT	CLASS SHARE OF ELIGIBLE POLICY COUNT
8810	Clerical Office Employees - NOC	Professional and Office	5.4%	3.6%
9051	Health Care Services - Daily Living Skills Services - Traveling	Services	4.4%	0.5%
8829	Convalescent or Nursing Home - All Employees	Services	4.1%	0.5%
7403	Aviation - Aerial Application, Seeding, Herding or Scintillometer Surveying- All Other Employees and Drivers	Miscellaneous	3.9%	0.1%
8394	Bus Company - All Other Employees and Drivers	Services	3.3%	0.7%
<b>Total</b>			<b>21.1%</b>	<b>5.4%</b>