



**B U L L E T I N**

**January 23, 2003**

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**R.C. 2023**

**To the Members of the Board**

**Re: Terrorism Risk Insurance Act of 2002**

The New York State Insurance Department has approved revised classification rates, a separately identified terrorism insurance rate, a terrorism coverage endorsement and revised manual rules which will enable the writers of workers compensation insurance in New York to comply with the requirements of the Terrorism Risk Insurance Act of 2002 (the Act). These changes are effective for policies with rating anniversary dates on and after February 24, 2003, which is 90 days after enactment of this law.

In bulletin RC 2021, dated December 20, 2002, the membership was informed of the various requirements imposed on carriers by the Act, including a separate identification of the charge for terrorism coverage subject to the Act and the need for disclosure to policyholders of the coverage being provided for this exposure. In addition, the bulletin also stated that, since the October 1, 2002 manual rates contained provisions for terrorism coverage, the classification rates would be revised to remove the previously included terrorism component and that a separate rate for terrorism would be established.

Consequently, with Insurance Department approval, this revision encompasses the following:

1. Revised manual rates that reflect the unwinding of the charge for terrorism subject to the Act from the approved October 1, 2002 rates. The results of this calculation vary by individual classification, but, when combined with the separate terrorism rate (see paragraph (2) below), the overall change in premium level is 0.0%.
2. A separate rate for terrorism subject to the Act. The New York terrorism rate is \$ .034 per \$100 of the total policy payroll for the payroll based classes and is 2.1% of the policy manual premium for non-payroll classes (i.e., per capita, building wrecking, volunteer ambulance and volunteer firefighters). The terrorism premium is NOT subject to experience modification, merit rating, premium discount or any other rating factors. However, the terrorism premium must be INCLUDED in the premium base for calculating the New York State Assessment.

- 3. Revisions to the New York Workers Compensation and Employers Liability Manual which include:**
  - a. Various manual page revisions necessitated by the Act.**
  - b. A revised Premium Algorithm showing that the separate charge for terrorism subject to the Act is not subject to any rating factors or premium discount.**
  - c. An endorsement (WC 00 04 20) which provides the required disclosure to the policyholder that there is coverage for terrorism subject to the Act which is backed by the federal government and that there is a premium charge for this coverage. This is the countrywide endorsement being used in other jurisdictions. Note that, especially to ensure compliance with the requirements of the Act, each carrier MUST file a copy of this endorsement with the Rating Board, as specified in Rule D.2. of the Administrative Rules and Procedures section of the New York Manual.**
- 4. A revision to Part III, Rule 10 of the New York Workers Compensation Statistical Plan to incorporate statistical code 9740 for the reporting of premium for terrorism subject to the Act.**
- 5. A revised Part One, Rule F in the New York Retrospective Rating Plan Manual that specifies that standard premium, for purposes of the Plan, does not include premium for terrorism subject to the Act.**

**A copy of the revised manual pages as described above, is attached for your reference.**

**Please note that, in order to satisfy the requirement of the Act that a separate line item for terrorism premium be shown, policies that have already been issued with effective dates of February 24, 2003 and thereafter must be reissued with the revised rates and the separate terrorism charge. In addition, your attention is directed to Part One of the general rules of the New York Manual for Workers Compensation and Employers Liability Insurance which stipulates that canceled and rewritten policies must use the identical rates which applied to the canceled policy until one year after the anniversary rating date of the canceled policy. No policy may be canceled and rewritten for the purpose of avoiding this rule.**

**Manual pages will be distributed as soon as they are available.**

**Very truly yours,**

**Monte Almer**

**President**

Effective February 24, 2003

PART THREE - RATES

LEGEND

(a) Rate, etc., for each individual risk shall be obtained from the Rating Board.

c Refer to Page 6 for rates.

D This classification may only be used upon the specific assignment of the Board.

e Refer to Page 7 for rates.

F Rate provides coverage under the United States Longshore & Harbor Workers' Compensation Act.

r Refer to Page 4 for rates.

Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.
0005	5.79	817	1924	11.60	850	2402	2.12	413	2818 D	5.72	809
0006	7.92	850	1925	5.95	835	2413	6.67	850	2835	4.74	701
0007	5.36	770	2001	6.68	850	2416	2.37	441	2841	7.10	850
0031	4.74	701	2002	6.89	850	2417	5.75	813	2881	5.98	838
0034	4.79	707	2003	7.09	850	2501	1.77	375	2883	9.37	850
0035	4.13	634	2014	8.72	850	2503	1.34	327	2913	3.02	512
0042	8.57	850	2021	4.09	630	2534	3.21	533	2916	7.67	850
0050	8.38	850	2039	8.54	850	2553	4.14	635	2923	5.20	752
0106	27.02	850	2041	7.77	850	2570	10.36	850	2942	2.72	479
0251	7.43	850	2065	6.51	850	2571	3.29	542	3004	7.65	850
0767 h	1.12	-	2070	13.11	850	2576	5.98	838	3018	8.49	850
0771 i	3.76	-	2081	22.19	850	2578	4.72	699	3022	5.43	777
0908	r	-	2089	8.45	850	2590	3.57	573	3027	2.79	487
0909	r	-	2095	11.30	850	2591	5.99	839	3028	10.70	850
0912	r	-	2101	6.06	847	2593	6.74	850	3030	19.50	850
0913	r	-	2105	5.19	751	2594	5.69	806	3040	13.41	850
0917	3.84	602	2111	11.22	850	2600	6.59	850	3041 D	9.76	850
1170	9.07	850	2112	4.98	728	2623	6.03	843	3042	10.35	850
1320	6.82	850	2114	4.10	631	2640	5.62	798	3060	6.21	850
1430	7.84	850	2121	8.20	850	2660	6.28	850	3064	7.73	850
1438	6.29	850	2143	4.51	676	2670	2.92	501	3066 D	7.86	850
1439	5.95	835	2150	14.35	850	2683	2.81	489	3067 D	8.51	850
1452	5.95	835	2157	17.92	850	2688	2.18	420	3076	6.06	847
1463	9.24	850	2172	2.42	446	2689	1.43	337	3081	13.63	850
1470	13.98	850	2211	11.70	850	2702	26.73	850	3085	9.38	850
1624	7.24	850	2286	7.58	850	2710	9.33	850	3110	11.47	850
1701	5.43	777	2288	11.09	850	2714	19.05	850	3111	6.31	850
1710	8.38	850	2302	5.68	805	2731	9.29	850	3113	3.79	597
1741	13.44	850	2303	5.44	778	2735	5.98	838	3114	4.39	663
1747	9.44	850	2305	16.86	850	2737	11.81	850	3118	4.25	648
1748	10.33	850	2362	4.09	630	2759	9.37	850	3122	6.38	850
1809	11.95	850	2380	5.02	732	2790	2.45	450	3126	10.02	850
1810	11.95	850	2383	2.89	498	2802	10.40	850	3129	4.22	644
1853	5.27	760	2387	4.86	715	2816 D	5.81	819	3132	4.56	682
1860	9.38	850	2388	1.77	375	2817 D	8.30	850	3145	4.17	639

Non-Ratable Code and Rate to be used with:  
h 4767 i 4771

Effective February 24, 2003

Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.
3146	5.60	796	3686	2.88	497	4307	4.39	663	4923	2.48	453
3169	4.01	621	3724	8.98	850	4310	3.93	612	5000	30.61	850
3179	4.75	703	3726	19.08	850	4312	3.83	601	5022	17.70	850
3188	6.04	844	3737	4.79	707	4351	3.42	556	5037	27.09	850
3190	4.34	657	3807	7.17	850	4352	1.32	325	5040	14.52	850
3191	4.37	661	3808	6.00	840	4360	0.41	225	5057	20.59	850
3200	2.97	507	3821	12.54	850	4361	0.89	278	5059	56.88	850
3220	3.77	595	3823	17.93	850	4362	0.42	226	5069	25.89	850
3227	21.36	850	3824	9.32	850	4410	8.09	850	5102	8.80	850
3241	7.34	850	3826	4.72	699	4420	7.62	850	5160	8.26	850
3255	3.92	611	3827	8.90	850	4431	4.80	708	5183	7.46	850
3257	4.53	678	3830	3.97	617	4432	2.63	469	5184	7.19	850
3270	3.15	527	3832	6.22	850	4439	3.95	615	5188	7.12	850
3300	6.24	850	3865	6.69	850	4452	5.15	747	5190	5.86	825
3303	9.46	850	3881	(a)	-	4459	7.24	850	5191	2.18	420
3307	5.64	800	4000	8.11	850	4470	7.72	850	5192	8.06	850
3315	8.50	850	4024	7.56	850	4475	5.93	832	5193	11.44	850
3336	3.18	530	4034	17.45	850	4476	4.36	660	5213	17.22	850
3365	17.50	850	4038	2.26	429	4479	4.38	662	5221	11.81	850
3372	5.70	807	4053	13.62	850	4491	8.16	850	5222	17.79	850
3381	3.83	601	4061	5.12	743	4493	7.51	850	5223	9.63	850
3383	1.42	336	4062	10.31	850	4511	1.21	313	5348	8.83	850
3384	0.51	236	4101	6.79	850	4557	3.85	604	5402	16.52	850
3385	1.22	314	4111	4.77	705	4558	3.73	590	5403	14.87	850
3400	8.50	850	4112	3.11	522	4561	3.95	615	5428	8.65	850
3507	5.60	796	4114	4.49	674	4568	6.31	850	5429	6.24	850
3515	4.77	705	4130	7.19	850	4583	9.52	850	5443	15.59	850
3548	4.77	705	4131	5.48	783	4597	4.83	711	5445	9.30	850
3559	3.95	615	4133	3.34	547	4611	3.44	558	5462	10.46	850
3561	3.80	598	4150	2.76	484	4628	2.19	421	5473	18.14	850
3574	2.68	475	4207	1.69	366	4635	4.67	694	5474	12.38	850
3581	2.29	432	4239	6.01	841	4653	5.42	776	5479	8.73	850
3612	4.67	694	4240	5.47	782	4665	11.34	850	5480	8.98	850
3620	11.57	850	4243	6.60	850	4692	1.29	322	5491	3.53	568
3629	4.13	634	4244	7.17	850	4693	4.85	714	5506	12.28	850
3632	5.18	750	4250	5.48	783	4710	10.77	850	5507	8.40	850
3634	4.64	690	4251	6.47	850	4712	3.90	609	5508	8.40	850
3635	3.98	618	4263	7.09	850	4720	9.11	850	5536	7.49	850
3638	2.75	483	4273	5.25	758	4751	3.23	535	5538	14.33	850
3642	3.59	575	4279	6.74	850	4767 g	8.85	850	5545	28.94	850
3643	4.75	703	4282	0.66	253	4771 i	21.44	850	5547	24.20	850
3647	6.79	850	4298	3.17	529	4825	2.05	406	5606	5.09	740
3648	4.09	630	4299	4.17	639	4828 D	3.17	529	5610	5.34	767
3681	3.08	519	4301	6.57	850	4829 D	3.17	529	5645	13.58	850
3685	2.34	437	4304	14.75	850	4902	5.01	731	5648	14.33	850

For Non-Ratable portion of Rate, refer to:  
g 0767 i 0771

Effective February 24, 2003

Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.
5651	13.64	850	7046	5.38	115	7570	1.68	365	8227 D	9.11	850
5703	28.52	850	7047	8.64	230	7580	5.53	788	8232	8.16	850
5708	(a)	-	7050	6.48	230	7590	9.53	850	8235	5.80	818
5709	(a)	-	7090	4.59	230	7600	4.08	629	8263	10.34	850
5951	2.26	429	7098	5.97	230	7601	9.75	850	8264	8.47	850
5954	3.16	528	7099	11.74	230	7610	0.51	236	8265	12.00	850
6003	15.54	850	7133	6.33	850	7710	3.65	582	8280	9.34	850
6005	5.41	775	7197	11.54	850	7711	e	-	8288	4.93	722
6017	3.70	587	7201	6.75	850	7716	e	-	8291	7.71	850
6018	15.18	850	7207	5.64	800	7720	2.18	420	8292	7.02	850
6045	5.49	784	7219	10.85	850	7723	3.11	522	8293	16.11	850
6204	10.18	850	7231 D	10.66	850	7855	14.95	850	8350	5.71	808
6216	8.55	850	7242 D	9.15	850	7998	2.90	499	8353	6.44	850
6217	8.25	850	7309 F	12.78	850	7999	2.55	461	8381	3.49	564
6229	7.00	850	7313 F	3.66	583	8001	2.61	467	8382	2.69	476
6233	11.46	850	7317 FD	28.30	850	8006	2.69	476	8385	8.49	850
6235	29.04	850	7327 F	33.13	850	8008	1.43	337	8391	5.45	780
6251	21.58	850	7333	7.94	115	8012	2.67	474	8392	3.46	561
6252	14.72	850	7335	8.82	230	8013	0.47	232	8394	7.19	850
6254	(a)	-	7337	16.96	230	8016	0.85	274	8500	10.13	850
6259	(a)	-	7366 F	22.67	850	8017	1.88	387	8601 D	0.87	276
6260	(a)	-	7367	8.72	850	8018	4.79	707	8709 F	14.84	850
6306	8.47	850	7368	11.55	850	8021	7.36	850	8719	4.21	643
6319	6.97	850	7370	c	-	8031	4.60	686	8720	2.51	456
6325	10.59	850	7377	6.23	850	8032	1.66	363	8726 F	2.42	446
6400	12.16	850	7380 *	9.33	850	8033	4.15	637	8731	1.16	308
6504	6.91	850	7390	10.89	850	8034	11.73	850	8742	0.53	238
6701 D	16.63	850	7394	12.92	115	8039	5.32	765	8745	7.33	850
6801 FD	27.96	850	7395	14.37	230	8043	1.88	387	8748	0.65	252
6811 D	8.59	850	7398	15.54	230	8044	4.95	725	8751	7.89	850
6824 F	13.01	850	7403	5.01	731	8046	2.66	473	8755	1.18	310
6826 F	4.19	641	7405 h	1.53	348	8047	2.61	467	8800	1.73	370
6834	4.74	701	7421	2.48	453	8048	7.65	850	8802	1.73	370
6836	5.02	732	7422	2.36	440	8090	1.25	318	8803	0.20	202
6843 FD	5.20	752	7423	5.98	838	8102	5.44	778	8809	0.40	224
6854 D	3.08	519	7431 i	1.46	341	8103	5.12	743	8810 &	0.34	217
6872 F	20.18	850	7445 j	0.68	-	8105	5.52	787	8820	0.25	208
6874 F	60.20	850	7453 k	0.65	-	8106	8.14	850	8829	5.58	794
6875 F	76.87	850	7502	2.01	401	8107	5.70	807	8831	2.21	423
6882	8.11	850	7515	1.53	348	8111	6.98	850	8832	0.53	238
6884	39.45	850	7520	6.67	850	8116	3.56	572	8833 @	1.32	325
6885	52.58	850	7536	11.58	850	8199	3.40	554	8837	(a)	-
7016	5.50	115	7538	9.75	850	8204	29.56	850	8838	0.60	246
7024	6.11	230	7539	2.86	495	8209	7.18	850	8840	0.79	267
7038	4.13	115	7542	1.95	395	8215	6.04	844	8854	3.52	567

\* 7380 - Ex-Medical Rate for this classification is 7.37.

& 8810 - Ex-Medical Rate for this classification is .27.

@ 8833 - Ex-Medical Rate for this classification is 1.10

Non-Ratable Code and Rate to be used with: For Non-Ratable portion of Rate, refer to:  
j 7405 k 7431 h 7445 i 7453

Effective February 24, 2003

Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.	Code Number	Rate	Min. Prem.
8865	2.86	495	9055	2.09	410	9179	6.98	850	9553	14.07	850
8866	4.18	640	9058	2.63	469	9180	2.62	468	9585	1.83	381
8868	0.72	259	9060	2.80	488	9182	3.21	533	9586	1.12	303
8871	0.43	227	9061	2.85	494	9186	23.87	850	9600	1.99	399
8901	0.55	241	9063	1.76	374	9220	7.74	850	9610	0.80	268
9014	6.21	850	9065	1.79	377	9402	5.91	830	9620	1.69	366
9015	3.16	528	9079	3.12	523	9403	17.12	850			
9016	8.08	850	9080	1.71	368	9410	2.08	409			
9019	4.14	635	9088	5.90	829	9501	3.41	555			
9025	17.96	850	9089	0.84	272	9505	4.38	662			
9026	5.53	788	9093	2.68	475	9519	3.91	610			
9027	r	-	9101	5.88	827	9521	6.34	850			
9028	4.39	663	9102	3.82	600	9522	2.66	473			
9029	8.34	850	9111 *	0.72	259	9526	16.60	850			
9030	7.36	850	9149	1.66	363	9527	20.77	850			
9040 #	9.27	850	9157	4.85	714	9534	16.27	850			
9044	2.98	508	9158	3.99	619	9539	10.35	850			
9048 §	5.73	810	9159	1.30	323	9545	9.65	850			
9051	4.01	621	9160	1.94	393	9549	13.33	850			
9052	4.79	707	9178	4.74	701	9552	18.15	850			

\* 9111 - Class established effective October 1, 2002  
 # 9040 - Ex-Medical Rate for this classification is 8.06.  
 § 9048 - Camps: Any adjustment in tuition fee made in consideration of services rendered shall not be considered as remuneration.

**DOMESTIC WORKERS - RESIDENCES CLASSIFICATIONS**

	Code No.	Per Capita Rate	Min. Prem.
Domestic Workers - Inside .....	0913	398.42	443
Domestic Workers - Inside - Occasional .....	0908	76.78	122
Domestic Workers - Outside - including private chauffeurs .....	0912	580.01	625
Domestic Workers - Outside - Occasional - including occasional private chauffeurs .....	0909	102.10	147

**BUILDINGS**

Code No.	Per Location Rate	Min. Prem.
9027	17.86	63

**MISCELLANEOUS VALUES**

**Construction Employment Geographic Territories and Differentials #**

Territory 1 - Counties of The Bronx, Kings, New York, Queens, and Richmond	40.5%
Territory 2 - Counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester	34.0%
Territory 3 - All Other Counties	21.0%

# Location of work actually performed determines the territory for premium determination purposes. Territory Differentials are to be applied to each portion of an affected classification's manual premium corresponding to the payroll related to work performed in each territory. Refer to Rule VI.I.

**Deductible Program** - Deductible credits apply on a per occurrence basis.

Deductible	Percentage Premium Reduction by Hazard Group			
	I	II	III	IV
\$100	0.5%	0.3%	0.2%	0.1%
\$200	0.9%	0.6%	0.4%	0.2%
\$300	1.3%	0.9%	0.6%	0.3%
\$400	1.6%	1.1%	0.8%	0.4%
\$500	1.9%	1.4%	0.9%	0.5%
\$1,000	3.3%	2.4%	1.7%	0.8%
\$1,500	4.4%	3.2%	2.3%	1.2%
\$2,000	5.4%	4.0%	2.9%	1.5%
\$2,500	6.3%	4.7%	3.4%	1.7%
\$5,000	10.1%	7.7%	5.6%	3.0%

**Expense Constant** - an expense constant of **\$180** shall be charged for each policy which becomes effective on or after October 1, 2000, regardless of premium size, except for those policies that insure Per Capita classification operations only. Refer to Rule XIV-F for special instructions concerning policies insuring only Per Capita classifications.

**Maximum Remuneration**

Executive Officers	
Non - Construction Employments - applicable in accordance with Manual Rule IX-A-6-a2	\$1,350
Construction Employments - refer to Manual Rule IX-A-6-a7	-----
Non - Executive Officers - applicable in accordance with Manual Rule V-F for classifications with footnotes limiting the maximum remuneration	
	\$3,625
Sole Proprietors and Partners	
Non - Construction Employments - applicable in accordance with Manual Rule IX-B-4a	\$1,350
Construction Employments - refer to Manual Rule IX-B-4b	-----

**Minimum Remuneration**

Executive Officers - applicable in accordance with Manual Rule IX-A-6-a1	\$450
Executive Officers of not-for-profit unincorporated associations - applicable with Manual Rule IX-A-6-b	\$225
Sole Proprietors and Partners - applicable in accordance with Manual Rule IX-B-4a and 4b	\$450

**MISCELLANEOUS VALUES (continued)**

**New York State Assessment Charges**

General Instructions and Information

Refer to Rule IX-L., Sections 1. and 2.

<u>Assessment</u>	<u>Applicable Premium Charge</u>		
	<u>Code 7370</u>	<u>Code 7711</u>	<u>All Other Classes</u>
Workers' Compensation Board	2.9%	2.5%	2.6%
Reopened Case Fund	2.6%	2.6%	2.6%
Special Disability Fund	0.0%	0.0%	7.1%
Interdepartmental Expenses	0.0%	0.0%	0.5%
<u>Special Funds Conservation Committee</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.2%</u>
Total	5.5%	5.1%	13.0%

Premium Base

Refer to Rule IX-L., Section 3.

For all policies not retrospectively rated, premium is defined as premium determined on the basis of Board or authorized (deviated) rates (or percentage premium deviation), plus any applicable territory differential premium, including any experience modification, merit rating factor, minimum premium, Construction Classification Premium Adjustment Program policy credit factor, surcharges and credits from Workplace Safety Programs, credits from independently filed carrier specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs) and the additional charge for the Terrorism Risk Insurance Act of 2002. The expense constant, including the expense constant in the minimum premium, the premium discount, as defined in Rule VII, and premium credits for participation in any Deductible Program are excluded from the determination of the assessment charge.

For retrospectively rated policies, premium is defined as the retrospective premium as determined by the applicable parameters of the Retrospective Rating Plan plus the implied premium discount determined on the basis of standard premium.

**Passenger Seat Surcharge** - Applicable in conjunction with Code 7421 "Aircraft or Helicopter Operation: Transportation of Personnel in Conduct of Employer's Business - Flying Crew" in accordance with the classification footnote instructions . . . . . \$100 per passenger seat  
\$1,000 maximum per aircraft

\* **Terrorism Risk Insurance Act of 2002 - Losses subject to the Act**  
Applicable only in conjunction with Rule VI-E.5 of the manual  
Terrorism premium charge per \$100 of total policy payroll . . . . . \$ .034  
For non-payroll based classes, charge is % of non-payroll class manual premium . . . . . 2.1%

**United States Longshore and Harbor Workers' Compensation Coverage Percentage**  
applicable only in connection with Rule XII-D of the Manual . . . . . 92.5%  
(Multiply a Non-F classification rate by a factor of 1.925 to adjust for differences in state and federal benefits and assessments)

\* **Volunteer Ambulance Service Company - Code 7370**  
applicable in accordance with Manual Rule II-G3 . . . . . First Ambulance \$5,996  
Each additional Ambulance \$2,998

For a group policy subject to the provisions of Section 32.2 of the Volunteer Ambulance Workers' Benefit Law, premium is determined based on a charge for the first ambulance plus the additional ambulance charge for each additional ambulance covered by the group policy.

See Manual rule regarding the application of this charge to antique ambulances.



MISCELLANEOUS VALUES (continued)

RATES FOR VOLUNTEER FIREFIGHTERS - Code 7711

<u>Population</u>	<u>Annual Premium</u>	<u>Population</u>	<u>Annual Premium</u>	<u>Population</u>	<u>Annual Premium</u>
Up to 300	\$5,020	3,501 to 4,000	\$26,481	8,001 to 8,500	\$54,032
301 to 500	5,781	4,001 to 4,500	30,299	8,501 to 9,000	57,438
501 to 700	7,634	4,501 to 5,000	32,597	9,001 to 9,500	60,959
701 to 1,000	9,592	5,001 to 5,500	34,892	9,501 to 10,000	64,337
1,001 to 1,500	12,703	5,501 to 6,000	37,988	10,001 to 15,000	76,294
1,501 to 2,000	14,175	6,001 to 6,500	41,079	15,001 to 20,000	88,141
2,001 to 2,500	17,641	6,501 to 7,000	44,845	20,001 to 25,000	99,581
2,501 to 3,000	19,147	7,001 to 7,500	47,917	25,001 to 35,000	117,263
3,001 to 3,500	22,992	7,501 to 8,000	50,985	35,001 to 50,000	146,857

For populations over 50,000, the annual premium shall be \$146,857 plus \$22,719 for each 10,000 people or major part thereof.

**For All Population Groups:**

Minimum premium ..... \$5,020

- A. The premium charge for the "home area" shall be the sum of:
  - 1. The premium charge corresponding to the population of the "home area,"
  - and
  - 2. A premium charge of \$150 per fire protection contract where the "home area" has obligated itself to provide protection to another "home area" pursuant to a fire protection contract,
  - and
  - 3. The separate premium charges for each "outside area" corresponding to the population of each such "outside area" that is serviced by the "home area" under a fire protection contract.

However, when a "outside area" has more than one contract for fire protection, the additional premium charge for each "home area" providing fire protection to such "outside area" shall be a proportionate share of the total premium corresponding to the population of the "outside area," provided that the books and records of the "home area" are maintained so as to show separately its contract price as well as the total cost of all contracts being paid by the "outside area." The proportionate share shall be determined on the basis of the ratio that the contract price paid to the "home area" bears to the total contract price for all fire protection for such "outside area."
- B. The premium charge where a fire company or fire department operates in, or is maintained jointly by, two or more villages, towns, or fire districts, shall be the sum of the separate premium charges for each village, town, or fire district, corresponding to the population of each such village, town, or fire districts.
- C. Section 30 of the Volunteer Firefighters' Benefit Law makes a county, city, town, village, or fire district responsible for such benefits to volunteer firefighters of fire departments or companies in their area.  
Employers Liability coverage is not automatically afforded under these circumstances to the fire departments or companies whose firefighters are covered by the municipality's policy. However, the municipality may elect to extend Employers Liability coverage for an additional 10% of that premium which is developed for the volunteer firefighters of these fire departments or companies. Use endorsement WC 31 06 07. This additional premium shall be assigned to Code 9850 "Premium for the Extension of Employers Liability Coverage to Additional Interests under a VBFL policy."
- D. The premium charge for a group policy subject to the provisions of Section 32.2 of the Volunteer Firefighters' Benefit Law is determined on the basis of the aggregate population of all entities insured under the group policy. Refer to Rule II.F.2 of the Manual.

The terms "home area" and "outside area" used in Rule A above are defined as follows:

**"Home Area"**

- a. Any city, village, or fire districts, having its own fire department, or protected pursuant to a fire protection contract with an incorporated fire company, located within the city, village, or district.
- b. Any town fire protection district or town fire alarm district protected pursuant to a fire protection contract with an incorporated fire company located within the town fire protection district or town fire alarm district.
- c. The territory of a town located outside of a city, village, fire district, town fire protection of town fire alarm district, included within the area of operating set forth in the certificate of incorporation of an incorporated fire company located in such territory.

**"Outside Area"**

Any city, village or fire district, town fire protection district or town fire alarm district which either does not have its own fire department or an incorporated fire company located within its boundaries, and is protected pursuant to a fire protection contract.

**Firefighters - Volunteer, Including drivers - Elective Coverage for Assistance from individual Volunteer Firefighters** .....

7716

**Premium Charge - \$50 per policy**

\* MISCELLANEOUS VALUES (continued)  
BUILDING WRECKING - CODE 5708

<u>Type of Construction</u>	<u>Height of Story</u>	<u>Premium Charge per 100 Cubic Ft.</u>
<b>Private Residence or Multiple Dwellings</b>		
1. Wood - N.O.C. ....	10'	\$2.84
2. Wood - Brick Veneer ....	10'	\$2.84
3. Wood - Stucco on Lath ....	10'	\$2.84
4. Stucco on Hollow Tile ....	10'	\$3.79
5. Brick, Stone, Concrete Block or Hollow Tile with wood join ....	10'	\$3.79
6. Brick, Stone, Concrete Block or Hollow Tile with iron steel girders and reinforced concrete arches ....	10'	\$5.90
7. Brick, Stone, Concrete Block or Hollow Tile with iron steel girders and wood joints ....	10'	\$3.79
8. Concrete - poured - not reinforced ....	10'	\$5.90
9. Steel frame - N.O.C. ....	10'	\$5.90
<b>Loft Buildings</b>		
1. Wood - N.O.C. ....	11'	\$2.84
2. Wood - Brick Veneer ....	11'	\$2.84
3. Wood - Stucco on Lath ....	11'	\$2.84
4. Stucco on Hollow Tile ....	11'	\$3.79
5. Brick, Stone, Concrete Block or Hollow Tile with wood join ....	12'	\$3.79
6. Brick, Stone, Concrete Block or Hollow Tile with iron steel girders and reinforced concrete arches ....	12'	\$5.90
7. Brick, Stone, Concrete Block or Hollow Tile with iron steel girders and wood joints ....	12'	\$3.79
8. Concrete - poured - not reinforced ....	12'	\$5.90
9. Concrete - reinforced ....	12'	\$12.00
10. Steel Frame with concrete arches ....	12'	\$8.70
11. Mill construction ....	12'	\$3.79
12. Steel Frame - N.O.C. ....	12'	\$5.90

**Type of Construction**

Apartments	--	See "Private Residences or Multiple Dwellings"
Hotels	--	See "Loft Buildings"
Office Buildings	--	See "Loft Buildings"
Schools	--	See "Loft Buildings"
Stores	--	See "Loft Buildings"
Tenements - N.O.C.	--	See "Private Residences or Multiple Dwellings"
Warehouses	--	See "Loft Buildings"

**Chimney and Steeple Rates per 100 Cubic Ft.**

Wood .....	\$10.32	Concrete .....	\$10.32
Brick .....	\$10.32	Steel .....	\$10.32

**Premium Charges for Walls Only**

<u>Type of Wall</u>	<u>Premium Charge per 100 Cu. Ft.</u>
Wood .....	\$20.55
Brick .....	\$30.96
Stone .....	\$30.96
Concrete Block .....	\$30.96
Glass Block .....	\$30.96
Hollow Tile .....	\$30.96
Concrete - poured - not reinforced .....	\$41.13
Reinforced Concrete .....	\$82.37

## PART ONE—RULES

### RULE I—GENERAL

#### A. WORKERS COMPENSATION

Workers Compensation as used in this manual means workmen's compensation, workers compensation or occupational disease.

#### B. STANDARD POLICY

Standard Policy means the standard provisions Workers Compensation and Employers Liability Insurance Policy and the Information Page approved by the New York State Insurance Department. Every policy affording coverage under the New York Workers' Compensation Law must have the following endorsements attached:

- WC 31 03 08 - the New York Limit of Liability Endorsement;
- WC 31 03 19B - the New York Construction Classification Premium Adjustment Program Explanatory Endorsement;
- WC 00 04 19 - the Premium Due Date Endorsement;
- \* - WC 00 04 20 - the Terrorism Risk Insurance Act Endorsement.

**Exception:** The Standard Policy shall not be used to provide coverage for employees subject to the New York Volunteer Firefighters' Benefit Law or the New York Volunteer Ambulance Workers' Benefit Law. Such coverage can be afforded only by means of a Volunteer Firefighters' Benefit Law Policy or a Volunteer Ambulance Workers' Benefit Law Policy, respectively.

#### C. ENDORSEMENT FORMS

Endorsement forms means authorized endorsements listed in the Alphabetical List of Endorsements in Part Four of this manual. All endorsements must be used in the form prescribed in this manual.

#### D. POLICY AND ENDORSEMENT FORMS

Refer to the Policy Forms and Authorized Endorsement section of this manual for a complete description of coverages and instructions on use of policy and endorsement forms.

#### E. APPLICATION OF MANUAL RULES

Rules apply separately to each policy, except as allowed by Rule VII—Premium Discount.

#### F. EFFECTIVE DATE

##### 1. Manual

This manual applies only from the anniversary rating date which occurs on or after the effective date of this manual.

##### 2. Changes

The effective date of a change in any rule, classification or rate is 12:01 a.m. on the date specified on the manual page. Any change will be issued on a reprinted page and will be designated by a \*. Unless specified otherwise, each change applies only from the anniversary rating date which occurs on or after the effective date of the change.

**D. VOLUNTARY COMPENSATION INSURANCE**

**1. Description of Coverage**

Voluntary compensation insurance shall not provide compensation, medical or other benefits in excess of the statutory requirements in the workers compensation law designated in the Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A).

**2. How Provided**

Voluntary compensation insurance is provided by attaching the Voluntary Compensation and Employers Liability Coverage Endorsement (WC 00 03 11A) to the Standard Policy. *Refer to Rule VIII for rules and rates and to Section I.H.9 of the Digest of Rulings and Interpretations.*

**E. FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

**1. Description of Coverage**

Foreign voluntary compensation and employers liability insurance provides workers compensation, employers liability, repatriation expense and endemic disease coverage to employees temporarily working outside the United State of America, its territories or possession or Canada.

**2. How Provided**

Foreign voluntary compensation and employers liability coverage is provided by attaching the New York Foreign Voluntary Compensation and Employers Liability Coverage Endorsement (WC 31 06 17) to the Standard Policy. *Refer to Rule VIII.D. for premium determination.*

**F. VOLUNTEER FIREFIGHTERS COVERAGE**

**1. Description of Coverage**

The Volunteer Firefighters' Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Firefighters' Benefit Law. In addition, this special policy must provide employers liability coverage comparable to Part Two of the Standard Policy. The Terrorism Risk Insurance Act Endorsement (WC 00 04 20) must also be attached to each policy.

\*

**2. Group Insurance**

The Volunteer Firefighters' Benefit Law (VFBL) contains provisions that allow for group insurance. Under Section 32.1 of the VFBL, any town may obtain a single policy covering all fire protection districts and fire alarm districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, fire districts or town boards located within one county. Section 32.2 group insurance requires that:

- a. the governing board of each member fire district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;
- b. the group file with the chairman of the county board of supervisors an agreement executed by each member fire district agreeing to the effective date of the policy and the population of each fire district;
- c. the chairman of the county board of supervisors contract for a policy of insurance covering the group's members;

- d. the cost of such insurance be apportioned among the group's members based on population; and
- e. the county treasurer pay for the cost of such insurance.

The New York Insurance Law also contains provisions for group insurance under Section 3435 provided group members are either public entities or Type B not-for-profit organizations. The Insurance Law and Regulations require:

- a. the group to be homogenous in nature;
- b. the group to be formed for purposes other than obtaining insurance; and
- c. the group to consist of at least ten members; or a smaller group of at least five members provided that each member generates at least \$5 million in annual revenue or the annual premiums for all lines of such group exceeds \$500,000.

*Refer to Section 32 of the Volunteer Firefighters' Benefit Law, Section 3435 of the New York Insurance Law and 11 NYCRR 153 of the New York Insurance Law Regulations for all provisions required for group insurance.*

### 3. Premium

The premium for the Volunteer Firefighters' Benefit Law Policy is a flat charge which varies on the basis of the population of the area(s) served when a single policy is issued or when a single policy of group insurance is issued covering all fire protection districts and fire alarm districts within the town. When a group policy is issued covering a group of cities, villages, fire districts or town boards located within one county, the population of all members of the group may be aggregated to determine the group policy premium. *Refer to the volunteer firefighters section in the rate pages for an explanation of procedures and charges for this coverage.*

## G. VOLUNTEER AMBULANCE WORKERS COVERAGE

### 1. Description of Coverage

The Volunteer Ambulance Workers' Benefit Law Policy provides coverage for the statutory obligations required under the New York Volunteer Ambulance Workers' Benefit Law. In addition, this special policy must provide employers liability coverage comparable to Part Two of the Standard Policy. The Terrorism Risk Insurance Act Endorsement (WC 00 04 20) must also be attached to each policy.

### 2. Group Insurance

The Volunteer Ambulance Workers' Benefit Law (VAWBL) contains provisions that allow for group insurance. Under Section 32.1 of the VAWBL, any town may obtain a single policy covering all ambulance districts within the town. Under Section 32.2, a group policy may be issued to a group of cities, villages, ambulance districts or town boards located within one county. Section 32.2 group insurance requires that:

- a. the governing board of each member ambulance district resolves to be insured under the group policy, and that each such resolution be filed with the chairman of the county board of supervisors;
- b. the group file with the chairman of the county board of supervisors an agreement executed by each member ambulance district agreeing to the effective date of the policy and the population of each fire district;

**C. WHOLE DOLLARS—PREMIUMS**

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

**D. 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 of Expense Constant**

The Expense Constant is shown on the rate pages. *Refer to Rule X for the Expense Constant charge on a canceled policy and Rule XI for the Expense Constant on a long-term policy and to Rule XIV.F. for a policy that insures only domestic workers.*

**\* 3. Premium Discount, Experience Rating, Retrospective Rating, Merit Rating, and Terrorism Charge**

The Expense Constant is not subject to premium discount, experience rating modification, retrospective rating adjustment, merit rating factor, or the additional charge for the Terrorism Risk Insurance Act of 2002.

**4. Minimum Premium**

The Expense Constant is included in the minimum premium for each classification and shall not be added if the minimum premium becomes the final premium for the policy.

**5. Information Page**

The Expense Constant shall be shown on the Information Page.

**E. MINIMUM PREMIUM****1. Explanation**

The minimum premium is the lowest premium required in order to provide insurance under the Standard Policy. The minimum premium shall be stated on the Information Page on an estimated basis. It is the lowest total policy premium for a policy period not longer than one year. For Three-Year Fixed Rate Policies, *refer to Rule XI.*

**2. Location of Minimum Premium in Manual**

The minimum premium for each classification is shown after its code number on the rate pages.

**3. How Determined**

The minimum premium for a policy shall be determined as follows:

- a. For a policy with only one classification, apply the minimum premium for that classification.
- b. For a policy with two or more classifications, apply the highest minimum premium for any classification shown on the policy.

4. **Experience Rating and Merit Rating**

The minimum premium is not subject to an experience rating modification or a merit rating factor.

\* 5. **Terrorism Risk Insurance Act of 2002**

Premium for the Terrorism Risk Insurance Act of 2002 is calculated on the basis of total payroll. A risk's total payroll is divided by units of \$100 and multiplied by the Terrorism Rate as shown on the Miscellaneous Values Page. The calculation is expressed as (Payroll/100 x Terrorism Rate = Premium). For non-payroll classes the premium for terrorism is calculated as a percentage, as shown on the Miscellaneous Values Page, multiplied by the non-payroll class premium. The premium is applied after standard premium and is not subject to any other modifications including, but not limited to, premium discount, experience rating or retrospective rating.

\* 6. **Adjustment Upon Audit**

The minimum premium is subject to final adjustment and shall be determined upon audit on the basis of those classifications developing premium. If the final earned premium is less than the minimum premium determined upon audit, that minimum premium shall be charged. If no classification develops premium, the premium charged shall be the minimum premium of the code with the highest minimum premium applicable to the business of the employer. For canceled policies, *refer to Rule X*. For procedures for interstate rated policies, *refer to Section I.M. of the New York Digest of Rulings and Interpretations*.

\* 7. **Special Minimum Premium Requirements**

- a. For increased limits of employers liability on a Standard Policy, *refer to Rule VIII*.
- b. For admiralty or federal employments, *refer to Rule XIII*.
- c. For domestic workers, *refer to Rule XIV*.

\* 8. **Employers Liability Policies**

For a policy which provides only employers liability insurance with increased limits, the minimum premium shall be increased by the factor which applies to the rate(s) for that policy. *Refer to Rule VIII*.

\* 9. **Multiple State Policies**

If a policy provides workers compensation insurance in more than one state, the minimum premium to be charged for the policy shall be the single highest minimum premium of the individual state's minimum premiums. *Refer to Section I.M. of the New York Digest of Rulings and Interpretations for additional information*.

**F. DEPOSIT PREMIUM**

**Note:** This rule does not apply to Paid Loss Collection Programs written in conjunction with Option V Retrospective Rating Plans. For details regarding the premium payment under these Programs, *refer to Part Two, Section II.E. of the New York Retrospective Rating Plan Manual*.

1. **When Payable**

A deposit premium is payable at the inception of the policy. The deposit premium shall not be less than the minimum premium stated in the policy.

2. **Amount Payable—Annual Adjustment**

For a policy which provides that the premium shall be adjusted upon audit following the termination of an annual period, the deposit premium shall be the total estimated annual premium for that policy.

3. **Amount Payable—Interim Adjustment**

An interim adjustment and payment of premium is permissible on a monthly, quarterly or semi-annual basis. If this method of premium adjustment is provided, the deposit premium shall be:

**RULE VII—PREMIUM DISCOUNT****Item 4 of the Information Page—continued****A. EXPLANATION**

Premium discount recognizes that the relative expense of issuing and servicing larger premium policies is less than for smaller premium policies. Premium discount is a per policy charge and is calculated based upon the policy standard premium regardless of any change in anniversary rating date or a mid-term change in the carrier's expense provision.

**B. DEFINITIONS****1. Standard Premium**

\* Standard premium means, for the purposes of this rule, the premium determined on the basis of authorized rates, any experience rating modification, credits under the New York Construction Classification Premium Adjustment Program, surcharges and credits under the Workplace Safety Programs and minimum premiums. The Expense Constant and the additional charge for the Terrorism Risk Insurance Act of 2002 shall be excluded from determination of the standard premium.

**2. Total Standard Premium**

Total standard premium means the total premium for all states covered by the policy.

**3. Insured**

Insured means a single entity or two or more legal entities eligible for combination under the New York Experience Rating Plan Manual.

**C. RETROSPECTIVE RATING**

Any standard premium under a retrospective rating plan is not subject to premium discount.

**D. DETERMINATION OF PREMIUM DISCOUNT**

If a policy develops total standard premium in excess of \$5,000, the standard premium is subject to premium discount as follows:

**1. Without Retrospective Rating****a. Single State Policy**

If a policy provides coverage only in New York, the premium discount shall be determined by applying the discount percentages on the Premium Discount Table to the total standard premium.

**b. Multiple State Policy**

Premium discount applies on an interstate basis. It shall be determined by applying the discount percentages applicable in each state to each state's portion of the first \$5,000, the next \$95,000, the next \$400,000 and the amount over \$500,000 of the total standard premium. Each state's portion of the foregoing divisions of total standard premium shall be computed by multiplying the total standard premium in each of the above divisions by the ratio of the state standard premium to the total standard premium. Methods of computing premium discount are in the Appendix.



**L. NEW YORK STATE ASSESSMENT****1. Explanation**

The New York State Assessment is a separate identifiable charge to policyholders for the funding of the Special Disability Fund, Reopened Case Fund, Workers' Compensation Board expenses, Special Funds Conservation Committee expenses and interdepartmental expenses associated with the administration of OSHA requirements.

**2. General Information**

The New York State Assessment amount must be displayed as a separate identifiable charge on the policy information page. Code 0932 must be used in conjunction with this charge **for policy submission use only**.

The New York State Assessment amount is subject to change at audit and at all subsequent retrospective rating adjustments.

The New York State Assessment amount is charged in conjunction with the effective date of the rates used on each policy. Therefore, where the Anniversary Rate Date Endorsement (WC 00 04 02) applies, e.g., when two sets of rates are used, two assessment percentages will apply.

For **all policies effective on or after January 1, 2001**, in accordance with applicable New York statutes (Chapter 188, Laws of 1999 and Chapter 510, Laws of 2000) **premium must be used** as the basis for calculating the policy charge.

**3. Premium Base for Calculating the New York State Assessment**

For purpose of this rule, premium is defined as premium determined on the basis of Rating Board or authorized (deviated) rates (or percentage premium deviation) plus any applicable territory differential premium, including any experience modification, merit rating factor, minimum premium, Construction Classification Premium Adjustment Program policy credit factor, surcharges and credits from Workplace Safety Programs, credits from independently filed carrier specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs) and the additional charge for the Terrorism Risk Insurance Act of 2002. The expense constant, including the expense constant in the minimum premium, the premium discount, as defined in Rule VII, and premium credits for participation in any deductible program are excluded from the premium base for the determination of the assessment charge.

For retrospectively rated policies, premium is defined as the retrospective premium, as determined by the applicable parameters of the Retrospective Rating Plan, plus the implied premium discount determined on the basis of standard premium.

For policies written under all independently filed programs, e.g., large deductible programs, the use of a premium base, other than as described in this rule, must be approved by the New York State Insurance Department prior to use.

**4. Assessment Charge**

The assessment percentages to be applied to each policy can be found in the Miscellaneous Values page of the rates section of this manual.

**Note:** Legislation requires that the assessment amounts collected from policyholders be considered as premium for tax purposes. Assessment charges contemplate premium tax, but not commission.

## **TERRORISM RISK INSURANCE ACT ENDORSEMENT**

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

### **Definitions**

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

“Act” means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments.

“Act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

“Insured terrorism or war loss” means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or to United States missions or to certain air carriers or vessels.

“Insurer deductible” means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

*Effective February 24, 2003*

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**Limitation of Liability**

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period described above, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

**Policyholder Disclosure Notice**

1. Insured terrorism or war losses would be partially reimbursed by the United States under a formula established by the Act. Under this formula, the United States would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.
2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page.

**Schedule****State****Rate per \$100 of Remuneration****Note:**

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Sequence of Presentation & / or Calculation *	Statistical Codes	Premium Element Name	Calculation Procedure
34	9034, 9036	Rate Deviation - Method 3 ( After Experience Modification)	(Modified Premium plus statistical codes not subject to experience rating) x deviation factor
	None	<b>TOTAL STANDARD PREMIUM</b>	Total Modified Premium + all premium from classifications and statistical codes not subject to experience rating (items 18 thru 34).
35	0063, 0064	Premium Discount	Tabular or formula value as specified in the NY WC&EL Manual; not applicable in conjunction with retrospective rating
36	0900	Expense Constant	A fixed dollar amount per policy as specified in NY WC&EL Manual
* 37	9740	Terrorism Risk Insurance Act of 2002	Rate per \$100 of total policy payroll; % of class premium for non-payroll classes.
* 38	None	<b>TOTAL ESTIMATED ANNUAL PREMIUM</b>	Premium combining all applicable elements above
* 39	0932	New York State Assessment	Usually a percentage of Standard Premium as specified in the NYWC&EL Manual.
* 40	None	<b>TOTAL ESTIMATED POLICY COST</b>	Total Estimated Annual Premium + NY State Assessment Charge.

\* See Pages AD-4 through AD-6 for Premium Element Definitions

PREMIUM ALGORITHM (Continued)  
PREMIUM ELEMENT DEFINITIONS

Sequence of Presentation & / or Calculation	Premium Element Name	Premium Element Definition	
30	Deductible Premium Credit (After Experience Modification)	Premium credit for employer election to reimburse carrier for losses below specified limit.	
31	Short Rate Cancellation Penalty	Penalty charged employer for canceling policy before expiration date	
32	Minimum Premium	Additional premium to balance to minimum charge	
33	Employers Liability Increased Limits Minimum Premium - Admiralty or FELA Coverage	Additional premium to balance to minimum charge for Part Two increased limits	
34	Rate Deviation - Method 3 ( After Experience Modification)	Specified percentage premium adjustment per carrier filing with Insurance Department.	
<b>TOTAL STANDARD PREMIUM</b>			
35	Premium Discount	Premium adjustment to expense provisions based on size of standard premium	
36	Expense Constant	Premium charge which covers expense such as policy issuing, recording and auditing.	
*	37	Terrorism Risk Insurance Act of 2002	Premium for losses subject to the act.
*	38	<b>TOTAL ESTIMATED ANNUAL PREMIUM</b> Information Page Value	
*	39	New York State Assessment	A charge to fund the administration of the Workers' Compensation Board and Special Funds.
*	40	<b>TOTAL ESTIMATED POLICY COST</b> Information Page Value	

**I. Short Rate Penalty Premium**

For policies canceled on a short rate basis, report the additional premium resulting from the application of the Short Rate Cancellation Rule (Rule X.D) in the New York Workers Compensation and Employers Liability Manual under Code 0931.

**\* m. Terrorism Risk Insurance Act of 2002 - Certified Losses**

Report the premium amount charged for certified losses under the Act under Code 9740 on the line under the Expense Constant.

**\* n. Workplace Safety and Loss Consultation Premium Credit**

Report the premium credit amount as a result of this program under Code 9746.

**\* o. Workplace Safety and Loss Consultation Premium Surcharge**

Report the premium surcharge amount as a result of this program under Code 9747.

**11. Deductibles**

Report above Line A the premium credit amount for deductible programs under Code 9664 for credits subject to experience rating, i.e., calculated prior to the application of the experience modification. Report on Lines D, E, or F the premium credit amount for deductible programs under Code 9663 for credits not subject to experience rating, i.e., calculated after the application of the experience modification.

**12. Deviations**

If a carrier has received regulatory approval to deviate from Rating Board manual rates, unit statistical reports shall be submitted in accordance with the provisions of this Plan, such that if the approved deviation is applied:

**a. Directly to Rating Board Rates**

Report the authorized (deviated) rates and the resultant premiums in the appropriate columns for each classification.

**b. As a Flat Percentage to the Total Premium Before the Application of Experience Modification**

Report the Rating Board manual rates and the resultant premiums in the appropriate columns for each classification.

Report the premium **credit** adjustment amount resulting from the application of a deviation factor less than 1.00 under Statistical Code 9037. Report the premium **debit** adjustment amount resulting from the application of a deviation factor greater than 1.00 under Statistical Code 9039. Report these statistical codes and corresponding premium amounts above Line A.

**c. As a Flat Percentage to the Total Premium After the Application of Experience Modification**

Report the Rating Board manual rates and the resultant premiums in the appropriate columns for each classification.

Report the premium **credit** adjustment amount resulting from the application of a deviation factor less than 1.00 under Statistical Code 9034. Report the premium **debit** adjustment amount resulting from the application of a deviation factor greater than 1.00 under Statistical Code 9036. Report these statistical codes and corresponding premium amounts on Lines D, E, or F.

**Note:** A carrier authorized to apply a deviation must use only one of the above described report procedures.

**B. INSURED**

Insured means the employer designated in Item I of the Information Page in the policy or policies to which this Plan is applied by the carrier which issued such insurance. Insured may be two or more legal entities if the same person, or group of persons, owns the majority interest in such entities. The New York Experience Rating Plan Manual defines majority interest. It usually means:

1. Majority of voting stock; or
2. Majority of members or directors if there is no voting stock; or
3. Majority participation of general partners in profits of a partnership.

**C. MANUAL**

Manual means the New York Workers Compensation and Employers Liability Manual.

**D. RISK**

Risk means the insured to which this Plan is applied.

**E. RATES**

1. Authorized rate means either:
  - a. The manual rate or any other rate that has been established by the New York Compensation Insurance Rating Board; or
  - b. Where applicable, the rate filed by the carrier and approved in accordance with state regulatory requirements.
2. Manual rate means the rate shown after the classification code number on the New York rate pages in Part Three of the Manual.

**F. STANDARD PREMIUM**

For the purpose of this Plan, standard premium means the premium for the risk determined on the basis of authorized rates, an experience rating modification, loss constants where applicable, and minimum premiums. Determination of standard premium shall exclude:

1. Premium Discount.
2. The Expense Constant.
3. Premium resulting from the Non-Ratable Element Codes listed in the New York Experience Rating Plan Manual.
4. Premium developed by the passenger seat surcharge under Code 7421—Aircraft Operation—flying crew.
- \* 5. Premium developed by the Terrorism Risk Insurance Act of 2002

**G. INCURRED LOSSES**

Incurred losses used in the rating formula for determining premium under this Plan are those reported under the rules of the New York Statistical Plan Manual.

Generally, incurred losses are the actual losses paid and outstanding, interest or judgments, expenses incurred in obtaining third-party recoveries (not to exceed the amount of a third-party recovery), and allocated loss adjustment expenses for employers liability losses.