



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

February 13, 2008

CIRCULAR LETTER No. 2080

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007

MASSACHUSETTS ENDORSEMENT (WC 20 01 01)

AND

**REVISIONS TO THE MASSACHUSETTS WORKERS' COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE MANUAL AND THE MASSACHUSETTS WORKERS'
COMPENSATION STATISTICAL PLAN**

The Division of Insurance has approved the *Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01)* for use by Massachusetts workers' compensation insurers for voluntary and assigned risk policies. The effective date of the Endorsement is January 1, 2008. Instructions for Endorsing Policies with Massachusetts Endorsement (WC 20 01 01) are as follows:

Mandatory for All Policies:

New and Renewal policies effective on or after 12:01 a.m. January 1, 2008 must include the following Endorsement:

- Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01).

Mandatory for Residual Market Policies:

Policies issued after December 26, 2007 that took effect prior to January 1, 2008 must include the:

- Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01), and
- Terrorism Risk Insurance Extension Act Endorsement ("TRIEA") WC 00 01 13 (which applied to policies effective on or after January 1, 2006).

Note: As a practical matter, any policies issued after December 26, 2007 with an effective date during TRIEA Program Year 5 (1/1/07 through 12/31/07) should already have been endorsed with the Terrorism Risk Insurance Extension Act Endorsement WC 00 01 13.

THE WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MASSACHUSETTS

101 ARCH STREET 5TH FLOOR, BOSTON, MASSACHUSETTS 02110-1103

(617) 439-9030, FAX (617) 439-6055, www.wcribma.org

Voluntary Market Policies:

- Carriers can make their own determination about how to endorse policies issued after December 26, 2007 that took effect prior to January 1, 2008.

IMPORTANT: While Endorsement (WC 20 01 01) may immediately be used by any Bureau member without the necessity of an adoption filing, all insurance companies using this or any other approved form that has been filed by the Bureau on their behalf should include the issuing company's name on any such form.

The Division of Insurance also approved revisions, effective January 1, 2008, to relevant pages of the *Massachusetts Workers' Compensation and Employers Liability Insurance Manual* ("Manual") and the *Massachusetts Workers' Compensation Statistical Plan* ("Statistical Plan") to address provisions in the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Attached is a copy of the approval letter from the Division of Insurance and the Bureau's Filing Memorandum which includes Massachusetts Endorsement (WC 20 01 01) as Exhibit A. The Endorsement is also available in a Word format on the Bureau's website, www.wcribma.org, under *Helpful Info: Filed and Approved Endorsements* and also under *Residual Market: Mandatory Endorsements*. The Filing Memorandum also includes the current and revised wording for the affected Manual and Statistical Plan pages. The revised Manual and Statistical Plan pages, accessible at www.wcribma.org will be updated soon.

IMPACT: There is no expected premium impact as a result of this filing. The Bureau did not request a change in the premium charge that was established in the Bureau's February 19, 2003 Filing and that became effective on February 20, 2003 under the "file and use" provisions of the Terrorism Risk Insurance Act of 2002 and continued under the Terrorism Risk Insurance Extension Act of 2005. The premium charge will continue to be 0.03 as shown on the Miscellaneous Values page of the Manual. The premium charged for insured terrorism losses must be shown in Item 4 of the Policy Information Page on any policy that provides Massachusetts workers' compensation coverage.

Any questions about this Circular Letter may be addressed to me at 617-646-7553 or ekeefe@wcribma.org or to Daniel Crowley, Vice President of Customer Services at 617-646-7594 or dcrowley@wcribma.org.

Ellen F. Keefe, CPCU
Vice President and General Counsel

Attachments

**COMMONWEALTH OF MASSACHUSETTS****Office of Consumer Affairs and Business Regulation****DIVISION OF INSURANCE**

One South Station • Boston, MA 02110-2208

(617) 521-7794 • FAX (617) 521-7475

TTY/TDD (617) 521-7490

<http://www.mass.gov/doi>DEVAL L. PATRICK
GOVERNORTIMOTHY P. MURRAY
LIEUTENANT GOVERNORDANIEL O'CONNELL,
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENTDANIEL C. CRANE
DIRECTORNONNIE S. BURNES
COMMISSIONER OF INSURANCE

February 12, 2008

Ellen F. Keefe, CPCU
Vice President and General Counsel
Workers' Compensation Rating and
Inspection Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, MA 02110**RE: TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION
ACT OF 2007 (WC 20 01 01)**

Dear Ms Keefe:

I am writing to advise you of the Division's approval of your February 12, 2008 filing of a proposed Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) and associated revisions to both the *Massachusetts Workers' Compensation and Employers Liability Insurance Manual* and the *Massachusetts Workers' Compensation Statistical Plan*. The endorsement satisfies the Federal Act's requirement of clear and conspicuous disclosure of the annual aggregate liability limitation mandated by that statute.

As requested, the changes reflected in your filing shall be effective as of January 1, 2008. While the endorsement may immediately be used by any WCRIB member without the necessity of an adoption filing, we request that all companies using this or any other approved form that has been filed by the Bureau on their behalf include the issuing company's name.

Thank you for your work on this filing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kevin P. Beagan".

Kevin P. Beagan
Deputy Commissioner and
Director, State Rating Bureau



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

BY HAND DELIVERY

February 11, 2008

The Honorable Nonnie Burnes
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
One South Station
Boston, MA 02110-2208

RE: Terrorism Risk Insurance Program Reauthorization Act of 2007

Dear Commissioner Burnes:

The Bureau is making this filing to comply with the provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

As set forth in the enclosed Filing Memorandum and Exhibits, the Bureau requests your approval, effective January 1, 2008, of its proposed Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) and revised pages to the *Massachusetts Workers' Compensation and Employers Liability Insurance Manual* and the *Massachusetts Workers' Compensation Statistical Plan*.

Thank you for your attention to this matter. Please call me at 617-646-7553 if you have any questions or concerns.

Sincerely,

Ellen F. Keefe, CPCU
Vice President and General Counsel

Enclosure

cc: Kevin Beagan, Deputy Commissioner and Director, State Rating Bureau
Walter Horn, PhD, State Rating Bureau
Caleb Huntington, State Rating Bureau

THE WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MASSACHUSETTS
101 ARCH STREET 5TH FLOOR, BOSTON, MASSACHUSETTS 02110-1103
(617) 439-9030, FAX (617) 439-6055, www.wcribma.org



THE WORKERS' COMPENSATION RATING AND INSPECTION BUREAU

FILING MEMORANDUM

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007

PURPOSE

The purpose of this filing is to obtain approval of the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) to reflect certain changes required by the Terrorism Risk Insurance Program Reauthorization Act of 2007 and to update relevant pages of the *Massachusetts Workers' Compensation and Employers Liability Insurance Manual* ("Manual") and the *Massachusetts Workers' Compensation Statistical Plan* ("Statistical Plan") to address the provisions in the Terrorism Risk Insurance Program Reauthorization Act of 2007.

BACKGROUND

The Terrorism Risk Insurance Act of 2002 ("TRIA") was implemented as a result of the United States Congress (Congress) recognizing that terrorism is a catastrophe exposure that is real and significant for insurers of workers' compensation and other lines of insurance. The Bureau submitted filings to the Division of Insurance ("DOI") to implement TRIA and to provide miscellaneous rating values and policy forms for certified acts of terrorism (including acts of war in the case of workers' compensation).

TRIA was scheduled to expire on December 31, 2005. Prior to the expiration of that Act, Congress passed the Terrorism Risk Insurance Extension Act of 2005 ("TRIEA"). The Bureau filed the *Terrorism Risk Insurance Extension Act Endorsement (WC 00 01 13)* with the DOI to implement the disclosure requirements of TRIEA, which was scheduled to expire on December 31, 2007.

Recognizing terrorism as a catastrophe exposure that continues to be significant for insurers of workers compensation and other lines of insurance, Congress has now enacted the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA"), which makes several amendments to the Act including:

- Amending the definition of "act of terrorism" to remove "acting on behalf of any foreign person or foreign interest" and therefore include domestic acts of terrorism.
- Extending the Terrorism Insurance Program under the Act to December 31, 2014 (with calendar years 2008-2014 being the "Additional Program Years").
- Requiring insurers to provide a clear and conspicuous disclosure of the \$100,000,000,000 Cap on Annual Liability.

The National Council on Compensation Insurance, Inc. ("NCCI") filed the *Terrorism Risk Insurance Program Reauthorization Act Endorsement - WC 00 01 13A* ("NCCI Endorsement") on behalf of thirty one states and the District of Columbia. NCCI granted the Bureau permission to adopt the NCCI Endorsement for use in Massachusetts.

THE WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MASSACHUSETTS

101 ARCH STREET 5TH FLOOR, BOSTON, MASSACHUSETTS 02110-1103
(617) 439-9030, FAX (617) 439-6055, www.wcribma.org

The Bureau is not able to adopt NCCI's Endorsement in its entirety because the Policyholder Disclosure Notice section in NCCI's Endorsement indicates that the premium charge for Insured Losses can be included in the *Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents Premium Endorsement* and the *Foreign Terrorism Premium Endorsement*. Neither of those Endorsements are approved for use in Massachusetts. The Bureau wants to ensure that the premium charged for Insured Losses appears on Item 4 of the Policy Information Page in order to comply with the Act's requirement for insurers to provide clear and conspicuous disclosure of the premium charged for Insured Losses under the Program on a separate line item of the policy. Even though the Bureau has not adopted NCCI's Endorsement in its entirety, this filing does include copyrighted material of NCCI, to which NCCI reserves all rights.

PROPOSAL

Endorsement

The proposed Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) includes the following:

- a. Revised definition of "act of terrorism" to include domestic terrorism under TRIPRA
- b. Updated insurer deductible provisions under TRIPRA
- c. Redefined "Program Year" as calendar years 2008-2014 under TRIPRA
- d. Disclosure of the \$100,000,000,000 Cap on Annual Liability as required by TRIPRA, and
- e. Disclosures of the premium charge for Insured Losses under the Program and the Federal share of compensation for Insured Losses under the Program as continued to be required under TRIA.

The Policyholder Disclosure Notice section of the Massachusetts Endorsement (WC 20 01 01) provides clear and conspicuous notice to policyholders that the premium charged for Insured Losses under the Program will be shown in item 4 of the Policy Information Page and that the Federal share of compensation for Insured Losses under the Program is 85% for Program Years 2008 – 2014. The Endorsement also discloses the \$100,000,000,000 Cap on Annual Liability as required by TRIPRA.

The Bureau proposes that the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) be approved as effective on January 1, 2008 for use by Massachusetts workers' compensation insurers on voluntary market and residual market policies (Exhibit A).

Manual Pages

The Bureau proposes that effective January 1, 2008, the DOI approve the changes to the Manual and Statistical Plan that are shown in bold, italics and highlighted on the attached Exhibits B through I. The current Manual and Statistical Plan pages are attached as Exhibit J.

The purpose for the proposed changes is to update the Manual and Statistical Plan pages to include appropriate references to the Terrorism Risk Insurance Program Reauthorization Act of 2007. There is no new impact to the Manual Rules or data reporting requirements other than to direct insurers to use the Massachusetts Terrorism Risk Insurance Extension Act Endorsement (WC 20 01 01). Upon approval of the Massachusetts Endorsement, the Bureau will issue a Circular Letter that will include instructions for endorsing policies with the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (Exhibit K).

IMPACT

There is no expected premium impact as a result of this filing. The Bureau is not requesting a change in the premium charge that was established in the Bureau's February 19, 2003 Filing and that became effective on February 20, 2003 under the "file and use" provisions of TRIA 2002 and continued under TRIEA 2005. The premium charge will continue to be 0.03 as shown on the Miscellaneous Values page of the Manual. The Miscellaneous Values page reference to "Terrorism Risk Insurance Act" is being

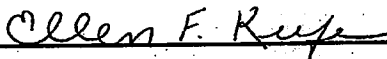
changed to "Terrorism Insurance Program", which is the Program created by and defined under TRIA 2002. The Program definition did not change under the TRIEA 2005 and TRIPRA 2007 amendments and the disclosure requirement talks about showing the premium for Insured Losses under the Program (Exhibit B).

IMPLEMENTATION

The attached exhibits include the proposed changes necessary to implement this filing. Upon approval by the DOI, the Bureau will distribute new Manual and Statistical Plan pages.

- Exhibit A:** Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01), effective January 1, 2008.
- Exhibit B:** Miscellaneous Values page of the Manual, Page RA-5.
- Exhibit C:** Revised Manual Page S-15: Massachusetts Special Program for Terrorism Risk Insurance Program Reauthorization Act of 2007.
- Exhibit D:** Revised Manual Rule VII, Page R-31.
- Exhibit E:** Revised Manual Rule X, Page R-47.
- Exhibit F:** Revised Manual Rule XIV, Page R-57.
- Exhibit G:** Revised Statistical Plan page 10, Part 1, Section IV.
- Exhibit H:** Revised Statistical Plan page 13, Part 1, Section IV.
- Exhibit I:** Revised Statistical Plan page 9, Part 1, Section VI.
- Exhibit J:** Current Manual and Statistical Plan pages.
- Exhibit K:** Instructions for Endorsing Policies with the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01).

Respectfully submitted,



Ellen F. Keefe, CPCU
Vice President and General Counsel
The Workers' Compensation Rating
and Inspection Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, MA 02110
617-646-7553

February 11, 2008

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 20 01 01

Original Printing

Effective January 1, 2008

Standard

**MASSACHUSETTS TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT
ENDORSEMENT**

This Endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. 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 there to resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

“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 the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals 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 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 at the premises of United States missions or to certain air carriers or vessels.

“Insurer Deductible” means for the period beginning on January 1, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

“Program year” refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a Program year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

**Exhibit A
WC 20 01 01**

Original Printing

Effective January 1, 2008

Standard

\$100,000,000,000. For aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceeds \$100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds \$100,000,000,000.
3. The premium charged for the coverage for Insured Losses under this policy is shown in Item 4 of the Information Page.

MASSACHUSETTS WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE MANUAL

RATES

2nd Reprint (2008 Edition)

Effective September 1, 2007

Page RA-5

MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with the footnote instructions for Code 7370 - "Taxicab Co.":

Employee operated vehicles	\$78,033.00
Leased or rented vehicles.....	\$52,022.00

Basis of Premium for Sole Proprietors and Partners of Legal Partnerships, Members of Limited

Liability Companies or Partners of Limited Liability Partnerships in accordance with Rule IX-B-3-a	\$38,000.00†
--	--------------

Minimum individual payroll for an executive officer per week..... \$200.00

Maximum individual payroll for an executive officer per week..... \$1,000.00

Terrorism Insurance Program—Certified Loss: 0.03

BENEFITS DEDUCTIBLE COVERAGE PROGRAM

<u>Medical and Indemnity Deductible Amount</u>	<u>Premium Reduction Percentage</u>
\$ 500	2.5%
\$1,000	3.9%
\$2,000	5.7%
\$2,500	6.5%
\$5,000	9.4%

BENEFITS CLAIM AND AGGREGATE DEDUCTIBLE PROGRAM

<u>Basis for the Aggregate Limit</u>	<u>Claim Deductible Amount</u>	<u>Aggregate Deductible Amount</u>	<u>Premium Reduction Percentage</u>
0 to \$75,000	\$2,500	\$10,000	6.5%
\$75,001 to \$100,000	\$2,500	\$10,000	6.2%
\$100,001 to \$125,000	\$2,500	\$10,000	5.8%
\$125,001 to \$150,000	\$2,500	\$10,000	5.6%
\$150,001 to \$200,000	\$2,500	\$10,000	5.3%
over \$200,000	\$2,500	5% of Basis for the Aggregate Limit ††	5.2%

Expense Constant applicable in accordance with Basic Manual Rule VI-E-2:

Policies which develop earned Standard Premium of less than \$200	\$159.00
Policies which develop earned Standard Premium of \$200 or more	\$318.00

The expense constant for private residence per capita classifications is \$64, up to a maximum of 4.

Premium Discount Percentages—(See Basic Manual Rule VII). The following premium discounts are applicable to Standard Premiums. Note: Premium Discount is not applicable to Assigned Risk policies.

		<u>Type A Discount</u>	<u>Type B Discount</u>
First	\$ 10,000	0.0%	0.0%
Next	190,000	9.1%	5.1%
Next	1,550,000	11.3%	6.5%
Over	1,750,000	12.3%	7.5%

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Rule XII-D-3 "U.S. Longshore and Harbor Workers' Compensation Act" of the Basic Manual 38.4% (Multiply a Non-F classification rate by a factor of 1.384)

EXPERIENCE RATING ELIGIBILITY

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$11,000. If more than two years, an average annual premium of at least \$5,500 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest eligibility amounts by state.

† Effective October 1, 2007

†† Effective January 1, 2008

EXHIBIT C

MASSACHUSETTS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE MANUAL

PART ONE SPECIAL PROGRAMS

1st Reprint

Effective January 1, 2008

Page S-15

MASSACHUSETTS SPECIAL PROGRAM FOR TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007

The Terrorism Risk Insurance Extension Act of 2005 (TRIEA 2005), which amended and extended the Terrorism Risk Insurance Act of 2002 through 2007, was scheduled to expire on December 31, 2007. The Terrorism Risk Insurance Program Reauthorization Act of 2007 ("Reauthorization Act") extended the Terrorism Risk Insurance Act of 2002, with amendments, through 2014. Attach the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01) to notify policyholders.

Premium for the Terrorism Insurance Program, as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, continues to be calculated on the basis of total payroll according to Rule V. Total payroll should not include per capita employee counts, seat counts for the aircraft seat surcharge, or exposures included only for supplemental rate charges. A risk's total payroll is divided by units of \$100 and multiplied by the Terrorism Rate found on page RA-5 Miscellaneous Values. The calculation is expressed as [(Total Payroll/100) X Terrorism Rate = Premium]. This premium is applied after Standard Premium, and it is included in Premium Subject to Short Rate Penalty and Premium Subject to Total Policy Minimum Premium.

Premium developed under this act is:

1. not included in standard premium.
2. not subject to the DIA assessment.

Expense constant and per capita classifications are not subject to premium under this Act. Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.

For new and renewal policies effective on or after **January 1, 2008**, the premium charged **for Insured Losses under the Terrorism Insurance Program** must be shown in item 4 of the policy Information Page.

RULE VII – PREMIUM DISCOUNT

C. DEFINITIONS**1. Standard Premium**

Standard Premium includes, for the purpose of this rule, Massachusetts premium determined on the basis of authorized rates, disease loadings, non-ratable elements, aircraft seat surcharges, premium for increased limits of liability (including premium added to balance to the increased limits of liability minimum premium), credits for Deductibles that only apply to workers compensation and not to employers liability, experience modification or merit rating adjustments, and Massachusetts Construction Classification Premium Adjustment Program credits.

The following shall be excluded from the determination of Standard Premium: All Risk Adjustment Program [ARAP] surcharges, credits for Deductibles that apply to both workers compensation and employers liability, premium discounts, Qualified Loss Management Program [QLMP] credits, premium added to balance to Admiralty and FELA minimum premiums, loss constants, expense constants, **Terrorism Insurance Program** charges, as amended and extended by the **Terrorism Risk Insurance Program Reauthorization Act of 2007**, short rate penalty premium, and premium added to balance to classification minimum premium. Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.

NOTE: While the definition of Standard Premium found in Part I of the Massachusetts Workers Compensation Statistical Plan (Unit Statistical Reporting) agrees with this definition of Standard Premium, the definition of Standard Premium found in Part II (Aggregate Financial Reporting) differs.

2. Total Standard Premium

Total Standard Premium means the *sum of standard* premium for all states covered by the policy.

3. Insured

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

Use the extended number of days to obtain the Short Rate Percentage from the Short Rate Cancellation Table in Appendix D. Obtain the Short Rate Penalty Factor by subtracting the Pro Rata Factor from the Short Rate Percentage.

Example

A policy originally written for 250 days was cancelled on a short rate basis after 185 days.

Pro Rata Percentage:	(185/250) = .74
Extended Number of Days:	(185/250) x 365 = 270
Short Rate Percentage (from table):	.80
Short Rate Penalty Factor:	.80 - .74 = .06

c. Short Rate Penalty Premium

For policies cancelled on a short rate basis, the short rate penalty premium shall be charged as follows:

- i. Determine the 'Short Rate Penalty shown in Rule X-C-2-b.Factor' as
- ii. Using the 'Short Rate Penalty Factor', the 'Premium Subject to Short Rate Penalty', and the 'Pro Rata Percentage', calculate the estimate the Short Rate Penalty as follows:

$$\text{Short Rate Penalty Premium} = \frac{\text{Premium Subject to Short Rate Penalty}}{\text{Pro Rata Percentage}} \times \text{Short Rate Penalty Factor}$$

Premium Subject to Short Rate Penalty is defined as Standard Premium plus ARAP Surcharge less Premium Credit for Deductibles Applicable to both Workers Compensation and Employers' Liability less Premium Discount less QLMP Adjustment plus Balance to Admiralty/FELA Minimum Premium plus Loss Constant plus Expense Constant plus **Terrorism Insurance Program** Premium.

All short rate penalty premiums should be reported under statistical code 0931.

Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.

RULE XIV – DOMESTIC WORKERS – RESIDENCES**E. RATES AND PREMIUM****1. Rates**

The rates for Codes 0913, 0908, 0912 and 0909 are per capita premium charges. The premium basis for Code 0918 is payroll, subject to manual rates.

Per capita classifications are not subject to premium under **The Terrorism Insurance Program**, as amended and extended by the **Terrorism Risk Insurance Program Reauthorization Act of 2007**.

2. Records Required

The insured shall maintain a record of the names, duties and period of service of each domestic worker. In addition, insureds assigned to Code 0918 shall maintain proper payroll records.

3. Full-Time Domestic Workers

Estimated premium for Codes 0912 and 0913 shall be computed on the estimated number of such domestic workers during the policy period. If additional domestic workers under Codes 0912 and 0913 are employed during the policy period or if some domestic workers are no longer employed and are not replaced, the per capita premium charges shall be prorated. Each pro rata charge shall be based on the period of employment but shall not be less than 25% of the per capita charge.

4. Occasional Domestic Workers

Premium for Codes 0908 and 0909 shall be computed on the estimated aggregate time of all occasional domestic workers who are to be employed during the policy period. Regardless of concurrent employment, a single per capita charge applies for each aggregate of employed time which is 1/2 of the customary full time of each such domestic worker. An additional per capita charge applies to any remainder less than 1/2 of full time.

F. MINIMUM PREMIUM

For a policy with two or more classifications, whether per capita rated or payroll rated, apply the highest minimum premium for any classification in the policy.

G. EXPENSE CONSTANT

For policies written only with per capita exposure, the expense constant is a function of the number of per capita employees, subject to a maximum. Refer to the Massachusetts Miscellaneous Rate pages. If a policy is written with both per capita and remuneration based exposure, only the larger of the per capita and standard expense constants is charged.

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN****Section IV
STATISTICAL CLASSES
Page 10****Effective: January 1, 2008
Distributed:
Part I – Unit Statistical Reporting**

22. ***Terrorism Insurance Program*** Premium Debit

Terrorism Insurance Program, as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, premium debit is reported with class code 9740. ***The Terrorism Insurance Program*** premium debit is not subject to experience rating, and is not a component of standard premium. Losses associated with certified terrorists acts will be identified with a unique catastrophe code, and reported with the normal exposure class code. Losses can not be reported with class code 9740.

23. **Waiver of Subrogation-Code 0930**

The premium charge under the waiver of the carriers' right to recover from others endorsement is reported with class code 0930. The additional premium charged for waiver of subrogation is subject to experience rating, and is a component of standard premium. Losses can not be coded to class code 0930.

**MASSACHUSETTS WORKER
STATISTICAL PLAN**

EXHIBIT H

Effective: January 1, 2008
Distributed:
Part I – Unit Statistical Reporting

Section IV
STATISTICAL CLASSES
Page 13

Class	Phraseology	Assumed to be a Positive Value	Subject to Experience Mod.	Is the Premium added into the Standard Premium Total	How is the Exposure Expressed	Can Losses be Coded to this Class
9722	Carrier Filed Premium Credit-Not Subject to Experience Rating	No	No	Yes	Blank	No
9723	Carrier Filed Premium Debit-Subject to Experience Rating	Yes	Yes	Yes	Blank	No
9724	Carrier Filed Premium Debit-Not Subject to Experience Rating	Yes	No	Yes	Blank	No
9740	Premium Debit for Terrorism Insurance Program , as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007	Yes	No	No	Blank	No
9803	Employers Liability 100/100/1,000	Yes	Yes	Yes	Blank	No
9804	Employers Liability 100/100/2,500	Yes	Yes	Yes	Blank	No
9805	Employers Liability 100/100/5,000	Yes	Yes	Yes	Blank	No
9806	Employers Liability 100/100/10,000	Yes	Yes	Yes	Blank	No
9807	Employers Liability 500/500/500	Yes	Yes	Yes	Blank	No
9808	Employers Liability 500/500/1,000	Yes	Yes	Yes	Blank	No
9809	Employers Liability 500/500/2,500	Yes	Yes	Yes	Blank	No
9810	Employers Liability 500/500/5,000	Yes	Yes	Yes	Blank	No
9811	Employers Liability 500/500/10,000	Yes	Yes	Yes	Blank	No
9812	Employers Liability 1,000/1,000/1,000	Yes	Yes	Yes	Blank	No
9813	Employers Liability 1,000/1,000/2,500	Yes	Yes	Yes	Blank	No
9814	Employers Liability 1,000/1,000/5,000	Yes	Yes	Yes	Blank	No
9815	Employers Liability 1,000/1,000/10,000	Yes	Yes	Yes	Blank	No

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Effective: *January 1, 2008*
Distributed:
Part I – Unit Statistical Reporting

Section VI
EXPOSURE RECORD
Page 9

11. Total Standard Premium

- a. Characteristic: Numeric
- b. Length: 11
- c. Definition: (Total subject premium x experience modification) plus premium not subject to experience modification.
- d. Requirement: Report the sum of all premium dollars (subject and not subject to modification).

The statistical classes reported for the following premium charges and credits are not subject to experience rating but are added (or subtracted) during the calculation of total standard premium.

Non-ratable Elements: Codes: 0770, 0773, 0774, 0775, 0776, 0779, 0799, 7445, 7453
Construction Credit: Code: 9046
Merit Rating: Code: 9885, 9886
Independent Carrier Filing Credit: Code: 9722
Independent Carrier Filing Debit: Code: 9724
Radiation – Atomic Energy other than Government Projects: Code: 9985

The following discounts, credits, and surcharges must not be included in the total standard premium.

<u>Class</u>	<u>Description</u>
0032	Loss Constant
0063	Stock/Type A Premium Discount
0064	Non-Stock/Type B Premium Discount
0277	All Risk Adjustment
0900	Expense Constant
0931	Short Rate Penalty
0990	Balance to Risk Minimum Premium
9034	Rate Deviation
9129	Formerly Self-insured Rating Plan Deposit
9136	Formerly Self-Insured Deposit & Insurance Charge
9880	Qualified Loss Management
9663	Deductible Experience - Not Experience Rated
9740	Premium Debit for Terrorism Insurance Program , as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007
9849	Balance to Admiralty and/or Fela Minimum

EXHIBIT J

Current Manual and Statistical Plan Pages

MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with the footnote instructions for Code 7370 - "Taxicab Co.":

Employee operated vehicles	\$78,033.00
Leased or rented vehicles.....	\$52,022.00

Basis of Premium for Sole Proprietors and Partners of Legal Partnerships, Members of Limited

Liability Companies or Partners of Limited Liability Partnerships in accordance with Rule IX-B-3-a	\$38,000.00†
--	---------------------

Minimum individual payroll for an executive officer per week.....	\$200.00
Maximum individual payroll for an executive officer per week.....	\$1,000.00

Terrorism Risk Insurance Act—Certified Loss: 0.03

BENEFITS DEDUCTIBLE COVERAGE PROGRAM

<u>Medical and Indemnity Deductible Amount</u>	<u>Premium Reduction Percentage</u>
\$ 500	2.5%
\$1,000	3.9%
\$2,000	5.7%
\$2,500	6.5%
\$5,000	9.4%

BENEFITS CLAIM AND AGGREGATE DEDUCTIBLE PROGRAM

<u>Basis for the Aggregate Limit</u>	<u>Claim Deductible Amount</u>	<u>Aggregate Deductible Amount</u>	<u>Premium Reduction Percentage</u>
0 to \$75,000	\$2,500	\$10,000	6.5%
\$75,001 to \$100,000	\$2,500	\$10,000	6.2%
\$100,001 to \$125,000	\$2,500	\$10,000	5.8%
\$125,001 to \$150,000	\$2,500	\$10,000	5.6%
\$150,001 to \$200,000	\$2,500	\$10,000	5.3%
over \$200,000	\$2,500	5% of Basis for the Aggregate Limit ††	5.2%

Expense Constant applicable in accordance with Basic Manual Rule VI-E-2:

Policies which develop earned Standard Premium of less than \$200	\$159.00
Policies which develop earned Standard Premium of \$200 or more	\$318.00

The expense constant for private residence per capita classifications is \$64, up to a maximum of 4.

Premium Discount Percentages—(See Basic Manual Rule VII). The following premium discounts are applicable to Standard Premiums. Note: Premium Discount is not applicable to Assigned Risk policies.

		<u>Type A Discount</u>	<u>Type B Discount</u>
First	\$ 10,000	0.0%	0.0%
Next	190,000	9.1%	5.1%
Next	1,550,000	11.3%	6.5%
Over	1,750,000	12.3%	7.5%

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Rule XII-D-3 "U.S. Longshore and Harbor Workers' Compensation Act" of the Basic Manual 38.4% (Multiply a Non-F classification rate by a factor of 1.384)

EXPERIENCE RATING ELIGIBILITY

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$11,000. If more than two years, an average annual premium of at least \$5,500 is required. Page A-1 of the Experience Rating Plan Manual should be referenced for the latest eligibility amounts by state.

‡ Effective October 1, 2007

†† Effective January 1, 2008

**MASSACHUSETTS SPECIAL PROGRAM FOR
TERRORISM RISK INSURANCE EXTENSION ACT OF 2005**

The Terrorism Risk Insurance Act of 2002 (TRIA 2002) was scheduled to expire on December 31, 2005. The Terrorism Risk Insurance Extension Act of 2005 ("Extension Act") extended TRIA 2002, with amendments, through 2007. Attach the Terrorism Risk Insurance Extension Act Endorsement (WC 00 01 13) to notify policyholders.

Premium for the Terrorism Risk Insurance Act of 2002, as amended and extended by the Terrorism Risk Insurance Extension Act of 2005, is calculated on the basis of total payroll according to Rule V. *Total payroll should not include per capita employee counts, seat counts for the aircraft seat surcharge, or exposures included only for supplemental rate charges.* A risk's total payroll is divided by units of \$100 and multiplied by the Terrorism Rate found on page RA-5 Miscellaneous Values. The calculation is expressed as [(Total Payroll/100) X Terrorism Rate = Premium]. This premium is applied after Standard Premium, *and it is included in Premium Subject to Short Rate Penalty and Premium Subject to Total Policy Minimum Premium.*

Premium developed under this act is:

1. not included in standard premium.
2. not subject to the DIA assessment.

Expense constant and per capita classifications are not subject to premium under this Act. *Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.*

For new and renewal policies effective on or after January 1, 2006, the premium charged under TRIA 2002 and the Extension Act must be shown in item 4 of the policy Information Page.

RULE VII - PREMIUM DISCOUNT

Item 4. of the Information Page

A. EXPLANATION

Premium discount recognizes that the relative expense of issuing and servicing larger premium policies is less than for smaller premium policies.

B. ELECTION OF SYSTEM OF EXPENSES

In Massachusetts, a carrier **must** elect to use **either the Type A or Type B table**, subject to the following:

1. Election by Carrier

The carrier must advise the MA Bureau in writing, at least ten days in advance of the date that such election is to become effective.

2. Election Revocable

Such election shall be revocable after at least one year has elapsed since it became effective and shall not again be made for a period of at least one year after revocation, advising the MA Bureau in accordance with B.1. above.

3. Change in Premium Discount Percentages

In the event the premium discount percentages are changed, all elections shall terminate as of the effective date of the change and new elections must be made, advising the MA Bureau within the time frame set by the MA Bureau.

4. Notice to Division of Insurance

The MA Bureau shall advise the Massachusetts Division of Insurance of such elections as may be made under the provisions of Paragraphs B. 1., 2, and 3. above.

5. Retrospective Rating Plan Factors and Values

The carrier electing either the Type A or Type B table of premium discounts shall use corresponding retrospective rating plan factors and values.

6. Premium Discounts Not Applicable to Assigned Risks

All carriers, regardless of the type of premium discounts that they select for use on their voluntary policies, shall not use the Type A or Type B table of premium discounts for policies issued under the Massachusetts Workers' Compensation Assigned Risk Pool.

C. DEFINITIONS

1. Standard Premium

Standard Premium **includes**, for the purpose of this rule, Massachusetts premium determined on the basis of authorized rates, disease loadings, non-ratable elements, aircraft seat surcharges, premium for increased limits of liability **(including premium added to balance to the increased limits of liability minimum premium)**, **credits for Deductibles that only apply to workers compensation and not to employers liability**, experience **modification** or merit rating **adjustments**, **and** Massachusetts Construction Classification Premium Adjustment Program credits.

The following shall be excluded from the determination of Standard Premium: All Risk Adjustment Program [ARAP] **surcharges**, **credits for Deductibles that apply to both workers compensation and employers liability**, premium discounts, Qualified Loss Management Program [QLMP] **credits**, **premium added to balance to Admiralty and FELA minimum premiums**, **loss constants**, **expense constants**, Terrorism Risk Insurance Act of 2002 charges, as amended and extended by the Terrorism Risk Insurance Act of 2005, **short rate penalty**

premium, and premium added to balance to classification minimum premium. Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.

NOTE: While the definition of Standard Premium found in Part I of the Massachusetts Workers Compensation Statistical Plan (Unit Statistical Reporting) agrees with this definition of Standard Premium, the definition of Standard Premium found in Part II (Aggregate Financial Reporting) differs.

2. Total Standard Premium

Total Standard Premium means the **sum of standard** premium for all states covered by the policy.

3. Insured

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

D. RETROSPECTIVE RATING

Any Standard Premium under a retrospective rating plan, as contained in the Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Retrospective Rating Plan Manual) issued by the NCCI, Inc. is not subject to premium discount.

E. DETERMINATION OF PREMIUM DISCOUNT

If a policy develops total Standard Premium in excess of \$10,000, 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 one state, the premium discount for that state shall be determined by applying the discount percentages on the state rate pages 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 on the state rate pages to each state's portion of the first \$10,000, next \$190,000, next \$1,550,000 and the amount over \$1,750,000 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.

Refer to Appendix C for methods of computing premium discount.

2. With Retrospective Rating

The portion of Standard Premium subject to a retrospective rating plan is not subject to premium discount. The remainder of that Standard Premium is subject to premium discount, which shall be computed as follows:

- a. Determine the discount as if none of the premium is subject to retrospective rating;
- b. Determine the discount on the basis of only that premium which is subject to retrospective rating;
- c. The difference between a. and b. is the premium discount.

Use the extended number of days to obtain the Short Rate Percentage from the Short Rate Cancellation Table in Appendix D. Obtain the Short Rate Penalty Factor by subtracting the Pro Rata Factor from the Short Rate Percentage.

Example

A policy originally written for 250 days was cancelled on a short rate basis after 185 days.

Pro Rata Percentage:	$(185/250) = .74$
Extended Number of Days:	$(185/250) \times 365 = 270$
Short Rate Percentage (from table):	.80
Short Rate Penalty Factor:	$.80 - .74 = .06$

c. Short Rate Penalty Premium

For policies cancelled on a short rate basis, the short rate penalty premium shall be charged as follows:

- i. Determine the 'Short Rate Penalty Factor' as shown in Rule X-C-2-b.
- ii. Using the 'Short Rate Penalty Factor', the 'Premium Subject to Short Rate Penalty', and the 'Pro Rata Percentage', calculate the estimate the Short Rate Penalty as follows:

$$\frac{\text{Short Rate Penalty Premium}}{\text{Premium Subject to Short Rate Penalty}} = \frac{\text{Short Rate Penalty Factor}}{\text{Pro Rata Percentage}}$$

Premium Subject to Short Rate Penalty is defined as Standard Premium plus ARAP Surcharge less Premium Credit for Deductibles Applicable to both Workers Compensation and Employers' Liability less Premium Discount less QLMP Adjustment plus Balance to Admiralty/FELA Minimum Premium plus Loss Constant plus Expense Constant plus Terrorism Premium.

All short rate penalty premiums should be reported under statistical code 0931.

Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.

Domestic Workers - Outside - Occasional -including occasional private chauffeurs - Code 0909

Exception to D-1 above:

If commercial farm operations are conducted, Codes 0912 and 0909 do not apply to any operations at the farm location. **Refer to Rule IV-D-9.**

2. Maintenance, Repair or Construction Operations

- a. Codes 0913, 0908, 0912, and 0909, and 0918 include ordinary repair or maintenance of the insured's premises or equipment by domestic workers.
- b. Building maintenance or repair by employees hired only for that purpose shall be assigned to Code 9015 - Buildings - Operation by Owner or Lessee.
- c. Extraordinary repairs, alterations, new construction, erection or demolition of structures shall be assigned to construction or erection classifications.

E. RATES AND PREMIUM

1. Rates

The rates for Codes 0913, 0908, 0912 and 0909 are per capita premium charges. The premium basis for Code 0918 is payroll, subject to manual rates.

Per capita classifications are not subject to premium under The Terrorism Risk Insurance Act of 2002, as amended and extended by the Terrorism Risk Insurance Extension Act of 2005.

2. Records Required

The insured shall maintain a record of the names, duties and period of service of each domestic worker. In addition, insureds assigned to Code 0918 shall maintain proper payroll records.

3. Full-Time Domestic Workers

Estimated premium for Codes 0912 and 0913 shall be computed on the estimated number of such domestic workers during the policy period. If additional domestic workers under Codes 0912 and 0913 are employed during the policy period or if some domestic workers are no longer employed and are not replaced, the per capita premium charges shall be prorated. Each pro rata charge shall be based on the period of employment but shall not be less than 25% of the per capita charge.

4. Occasional Domestic Workers

Premium for Codes 0908 and 0909 shall be computed on the estimated aggregate time of all occasional domestic workers who are to be employed during the policy period. Regardless of concurrent employment, a single per capita charge applies for each aggregate of employed time which is 1/2 of the customary full time of each such domestic worker. An additional per capita charge applies to any remainder less than 1/2 of full time.

F. MINIMUM PREMIUM

For a policy with two or more classifications, whether per capita rated or payroll rated, apply the highest minimum premium for any classification in the policy.

G. EXPENSE CONSTANT

For policies written only with per capita exposure, the expense constant is a function of the number of per capita employees, subject to a maximum. Refer to the Massachusetts Miscellaneous Rate pages. If a policy is written with both per capita and remuneration based exposure, only the larger of the per capita and standard expense constants is charged.

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Section IV
STATISTICAL CLASSES
Page 10

Effective: *January 1, 2008*
Distributed: *December, 2006*
Part I – Unit Statistical Reporting

The [REDACTED] *adjustment* is assumed to be a negative value. Class 0887 is a component of standard premium.

- c. Losses are not to be coded to class 9887 or 0887.
- d. Premium [REDACTED] *adjustment* for medical facilities or care management defined in the Scheduled Rating Plan are to be reported with either class 9887 or 0887 and not the class specified for managed care programs.

21. Short Rate Penalty Premium-Code 0931

The penalty premium which results from a short rate cancellation is reported with class code 0931. The short rate penalty premium is *not* subject to experience rating, and is *not* a component of standard premium. Losses can not be reported with class code 0931.

[REDACTED]

Note: Class code 0111 (strike duty) was eliminated effective January 1, 1998.

22. Terrorism Risk Insurance Act [REDACTED] Premium Debit

Terrorism Risk Insurance Act of 2002, as amended and extended by the Terrorism Risk Insurance Extension Act of 2005, premium debit is reported with class code 9740. The TRIA premium debit is not subject to experience rating, and is not a component of standard premium. Losses associated with certified terrorists acts will be identified with a unique catastrophe code, and reported with the normal exposure class code. Losses can not be reported with class code 9740.

23. Waiver of Subrogation-Code 0930

The premium charge under the waiver of the carriers' right to recover from others endorsement is reported with class code 0930. The additional premium charged for waiver of subrogation is subject to experience rating, and is a component of standard premium. Losses can not be coded to class code 0930.

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Effective: *January 1, 2008*
Distributed: *December, 2006*
Part I – Unit Statistical Reporting

Section IV
STATISTICAL CLASSES
Page 13

Class	Phraseology	Assumed to be a Positive Value	Subject to Experience Mod.	Is the Premium added into the Standard Premium Total	How is the Exposure Expressed	Can Losses be Coded to this Class
9722	Carrier Filed Premium Credit-Not Subject to Experience Rating	No	No	Yes	Blank	No
9723	Carrier Filed Premium Debit-Subject to Experience Rating	Yes	Yes	Yes	Blank	No
9724	Carrier Filed Premium Debit-Not Subject to Experience Rating	Yes	No	Yes	Blank	No
9740	Premium Debit for Terrorism Risk Insurance Act of 2002, as amended and extended by the Terrorism Risk Insurance Extension Act of 2005	Yes	No	No	Blank	No
9803	Employers Liability 100/100/1,000	Yes	Yes	Yes	Blank	No
9804	Employers Liability 100/100/2,500	Yes	Yes	Yes	Blank	No
9805	Employers Liability 100/100/5,000	Yes	Yes	Yes	Blank	No
9806	Employers Liability 100/100/10,000	Yes	Yes	Yes	Blank	No
9807	Employers Liability 500/500/500	Yes	Yes	Yes	Blank	No
9808	Employers Liability 500/500/1,000	Yes	Yes	Yes	Blank	No
9809	Employers Liability 500/500/2,500	Yes	Yes	Yes	Blank	No
9810	Employers Liability 500/500/5,000	Yes	Yes	Yes	Blank	No
9811	Employers Liability 500/500/10,000	Yes	Yes	Yes	Blank	No
9812	Employers Liability 1,000/1,000/1,000	Yes	Yes	Yes	Blank	No
9813	Employers Liability 1,000/1,000/2,500	Yes	Yes	Yes	Blank	No
9814	Employers Liability 1,000/1,000/5,000	Yes	Yes	Yes	Blank	No
9815	Employers Liability 1,000/1,000/10,000	Yes	Yes	Yes	Blank	No
9816	Employers Liability Over 1,000/1,000/10,000	Yes	Yes	Yes	Blank	No

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Effective: *January 1, 2008*
Distributed: *December, 2006*
Part I – Unit Statistical Reporting

Section VI
EXPOSURE RECORD
Page 9

11. Total Standard Premium

- a. Characteristic: Numeric
- b. Length: 11
- c. Definition: (Total subject premium x experience modification) plus premium not subject to experience modification.
- d. Requirement: Report the sum of all premium dollars (subject and not subject to modification).

The statistical classes reported for the following premium charges and credits are not subject to experience rating but are added (or subtracted) during the calculation of total standard premium.

Non-ratable Elements: Codes: 0770, 0773, 0774, 0775, 0776, 0779, 0799, 7445, 7453

Construction Credit: Code: 9046

Merit Rating: Code: 9885, 9886

Independent Carrier Filing Credit: Code: 9722

Independent Carrier Filing Debit: Code: 9724

Radiation – Atomic Energy other than Government Projects: Code: 9985

The following discounts, credits, and surcharges must not be included in the total standard premium.

<u>Class</u>	<u>Description</u>
0032	<i>Loss Constant</i>
0063	Stock/Type A Premium Discount
0064	Non-Stock/Type B Premium Discount
0277	All Risk Adjustment
0900	Expense Constant
0931	<i>Short Rate Penalty</i>
0990	<i>Balance to Risk Minimum Premium</i>
9034	<i>Rate Deviation</i>
9129	Formerly Self-insured Rating Plan Deposit
9136	Formerly Self-Insured Deposit & Insurance Charge
9880	Qualified Loss Management
9663	Deductible Experience - Not Experience Rated
9740	Premium Debit for Terrorism Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Extension Act of 2005
9849	<i>Balance to Admiralty and/or Fela Minimum</i>
9874	Managed Care Arrangement Premium Credit
9887	Scheduled Rating Plans

Instructions for Endorsing Policies with the Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (WC 20 01 01)

Mandatory for All Policies:

New and Renewal policies effective on or after 12:01 a.m. January 1, 2008 must include the following Endorsement:

- Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (effective date January 1, 2008).

Mandatory for Residual Market Policies:

Policies issues after December 26, 2007 that took effect prior to January 1, 2008 must include the:

- Massachusetts Terrorism Risk Insurance Program Reauthorization Act Endorsement (effective date January 1, 2008), and
- Terrorism Risk Insurance Extension Act Endorsement ("TRIEA") WC 00 01 13 (which applied to policies effective on or after January 1, 2006).

Note: As a practical matter, any policies issued after December 26, 2007 with an effective date during TRIEA Program Year 5 (1/1/07 through 12/31/07) should already have been endorsed with the Terrorism Risk Insurance Extension Act Endorsement WC 00 01 13.

Voluntary Market Policies:

- Carriers can make their own determination about how to endorse policies issued after December 26, 2007 that took effect prior to January 1, 2008.