



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

June 22, 2010

CIRCULAR LETTER NO. 2154

To All Members and Subscribers of the WCRIBMA:

**FURTHER GUIDANCE FROM THE DIVISION OF INSURANCE
REGARDING WORKERS' COMPENSATION
RATE DEVIATION FILINGS**

The Massachusetts Division of Insurance ("Division") has issued further guidance regarding the recent Circular Letter No. 2153: *Guidelines for Workers' Compensation Rate Deviation Filings, September 1, 2010.*

Please take the time to review the details below which further explain the Guidelines for Workers' Compensation Rate Deviation Filings:

- (1) For deviations, the Division requires submission of all filing information called for in the Guidelines, unless the following two conditions are met:
 - i. All the companies within your group are requesting to continue with their currently approved deviations; and
 - ii. No company within your group has currently approved deviations relating to rates and/or rating values (e.g. expense constants) that may produce a premium reduction in excess of 10% for any risk that could be written by any company in the group.
- (2) All schedule rating plans require complete refilings, regardless of size of maximum credit.
- (3) The Guidelines now explicitly prohibit any program that creates differential rates for a classification of risks that has not been approved by the Commissioner for the industry as a whole. That is, no differential rates will be allowed either for any new sub classification or new grouping that

overlaps multiple industrial classifications for which rates are currently made for the industry as a whole.

- (4) While several technical changes have been made to the Large Deductible rating formula promulgated in the Guidelines, the Division is not requiring those companies with currently approved large deductible plans to refile their rating plans to be consonant with these changes (though they may certainly do so if they want to). All new filings must comply with the revised Guidelines, however. Both existing and new programs must, of course, comply with all statutes and regulations regarding workers' compensation large deductibles. Questions about the structure of the large deductible rating formula or the changes required by the amended Guidelines should be addressed to Caleb Huntington 617-521-7337 or chuntington@state.ma.us

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