

THE WORKERS' COMPENSATION RATING AND INSPECTION BUREAU OF MASSACHUSETTS
40 Broad Street, Boston, Massachusetts 02109
(617) 542-5080

April 17, 1986

CIRCULAR LETTER NO. 1441

To All Members and Subscribers of the Bureau:

Department of Industrial Accidents Assessment

Attached is a copy of a letter received from Mr. Joel M. Pressman, Chairman of the Department of Industrial Accidents, in which reference is made to the first assessment of workers' compensation insureds as required by Section 55 of Chapter 572 of the Acts of 1985 which amended Chapter 152, The Workmen's Compensation Act of Massachusetts. (See Circular Letter No. 1436 dated January 6, 1986.)

As indicated in the letter, the first assessment, scheduled to be issued in August, 1986 will cover expenses of the last two quarters of the 1985-1986 fiscal year, i.e., January 1, 1986 through June 30, 1986 and all of the 1986-1987 fiscal year. The assessment will apply to all new and renewal workers' compensation policies effective July 1, 1986 through June 30, 1987.

The following language is suggested for use by carriers in notifying policyholders affected by the pending assessment charge:

MASSACHUSETTS - ASSESSMENT CHARGE

Section 65 (as amended by Chapter 572 of the Acts of 1985) of Chapter 152, The Workmen's Compensation Act of Massachusetts, established a workers' compensation special fund and a workers' compensation trust fund.

On behalf of the Department of Industrial Accidents, the insurance company providing the workers' compensation coverage will be required to bill and collect an assessment charge covering the special and trust funds from insured employers and remit the amounts collected to the Department. It is anticipated that the first assessment, although not promulgated before August 1986, will apply to policies effective July 1, 1986 through June 30, 1987.

The income derived from the assessment charge will be utilized to fund the operations of the Department of Industrial Accidents and to fund certain employee benefits as defined in Section 65 of The Workmen's Compensation Act.

Members will be notified of additional details pertaining to the assessment as soon as they become available.

William E. DeWolfe
Vice President

WDW:jl
Attachment



JOEL M. PRESSMAN
CHAIRMAN

The Commonwealth of Massachusetts
Division of Industrial Accidents

Leverett Saltonstall Building, Government Center

100 Cambridge Street, Boston 02202

617-727-3400

April 11, 1986

Mr. William DeWolfe
The Workers' Compensation Rating and
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40 Broad Street
Boston, MA 02109

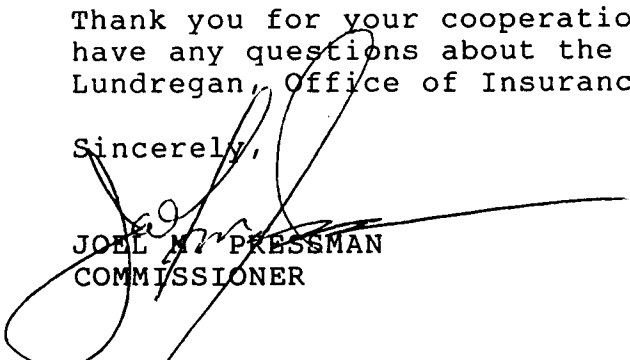
Dear Mr. DeWolfe,

First, I want to inform you that the Department of Industrial Accidents has contracted with Tillinghast, Nelson and Warren to determine the amount of the first assessment of workers' compensation insurers under Section 55 of Chapter 572 of the Acts of 1985. We intend to send out the first assessment in August to cover the last two quarters of fiscal 1985-86 and all of fiscal 1986-87. In order to do that we must collect data on the last calendar year's paid losses of workers' compensation insurers. Under the statute the assessment base amounts must be reported to the Department by May first. I understand that you will provide us with this data so that individual insurers will not have to respond to an inquiry.

I also want to remind you that the effective date of Section 43A of Chapter 572 of the Acts of 1985, which provides a cost of living adjustment for permanent total and death cases, is November 1, 1986. The first supplements are due on that date and should be based on the October 1, 1986 state average weekly wage. The cost of these supplements will be taken into consideration in the first round of assessments.

Thank you for your cooperation in this matter. If you have any questions about the process contact Mr. Richard Lundregan, Office of Insurance, at 727-3441.

Sincerely,


JOEL M. PRESSMAN
COMMISSIONER

JMP/sjw