



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

February 19, 2003

CIRCULAR LETTER No. 1912

To: Members and Subscribers of the Bureau:

**MASSACHUSETTS SPECIAL PROGRAM: TERRORISM RISK INSURANCE
ACT 2002**

Today the Bureau submitted the attached Filing Memorandum and Exhibits to the Division of Insurance. The filing proposes catastrophe provisions for Massachusetts to address certified acts of terrorism as defined in the Terrorism Risk Insurance Act 2002 (TRIA 2002).

On December 20, 2002, the National Council on Compensation Insurance Inc. (NCCI) filed proposed catastrophe provisions on behalf of workers compensation insurers in 33 states and the District of Columbia. [*Item B-1383-Catastrophe Provision-Certified Terrorism Losses (As Defined In Terrorism Risk Insurance Act of 2002)*]. In accordance with TRIA 2002, NCCI submitted its catastrophe provisions on a "file and use" basis. Several Independent Bureau states also adopted NCCI's filing in its entirety or in part. The Bureau's filing adopts in part and modifies in part the NCCI filing and includes copyrighted material of the NCCI, as indicated.

The Bureau's filing includes a catastrophe provision, rates, rules, and forms to be applied to voluntary market and assigned risk pool policies in Massachusetts.

IMPLEMENTATION

You should refer to the attached Exhibits to the Bureau's Filing Memorandum that include the proposed changes necessary to implement this filing. **The proposed rates, rules and forms (with the exception of the Endorsement) will be effective 12:01 a.m. on February 20, 2003, applicable to all new and renewal policies. The Bureau has selected a catastrophe provision of .03 per \$100 payroll to be applicable to all classifications (except per capita classes) effective February 20, 2003.** Unless an "If Any" policy develops premium during the policy term or at audit, policies issued on an "If Any" basis will not be charged a terrorism rate.

THE WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MASSACHUSETTS

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The Terrorism Risk Insurance Act Endorsement will be effective 12:01 a.m. on December 20, 2002, applicable to all new and renewal policies. TRIA 2002 became effective on November 26, 2002. Between November 26, 2002 and December 20, 2002 carriers generally used the NAIC Model Forms to comply with the policyholder notice requirements of TRIA 2002. On December 20, 2002, NCCI filed the Terrorism Risk Insurance Act Endorsement, which carriers may use to meet their policyholder notice requirements under TRIA 2002.

DIVISION OF INSURANCE FILING REQUIREMENTS

The Bureau has been advised that the Division of Insurance will presuppose that all Bureau members who do not submit written non-adoption letters and make alternative filings, are adopting the rates and forms filed by the Bureau on February 19, 2003. **Therefore, any carrier that is adopting the Bureau's filing in its entirety does not need to provide written notification to the Division of Insurance.** However, if any carrier intends to adopt our filing, except for the effective date, that carrier must notify the Division of Insurance in writing of the different effective date it intends to use.

The Massachusetts Form and Rate Filing Requirements and Procedures under TRIA 2002 are contained in Massachusetts Division of Insurance Bulletin No. 02-18. Refer to www.state.ma.us/doi for detailed information.

Any questions about this Circular Letter may be sent to me at ekeefe@wcribma.org.

Ellen F. Keefe, CPCU
General Counsel



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

**MASSACHUSETTS SPECIAL PROGRAM: TERRORISM RISK INSURANCE
ACT 2002**

FILING MEMORANDUM

PURPOSE

This filing proposes catastrophe provisions for Massachusetts to address certified acts of terrorism as defined in the Terrorism Risk Insurance Act 2002 (TRIA 2002). This filing and its Exhibits are submitted under Section 106 (the "file and use provision") of TRIA 2002.

BACKGROUND

The September 11, 2001 terrorist attack was the largest workers compensation catastrophe in history. The estimated workers compensation losses are between \$1 billion and \$3 billion, with a large majority of the costs coming from claims filed in a state with relatively modest death benefits. The estimated incurred losses for Massachusetts are \$30 million. Prior to September 11, 2001, terrorism had not been considered a likely workers compensation catastrophe. The few terrorist events that did occur had a minimal impact on workers' compensation. As a result, terrorism exposure has not been contemplated in current workers' compensation ratemaking techniques country-wide. Specifically, this Bureau's rate filings for Massachusetts have not included any separate provision for terrorism losses. While workers compensation primary insurers must deal with this new exposure that by statute cannot be excluded from primary insurance coverage, many reinsurers are electing not to provide terrorism coverage, resulting in availability issues.

In enacting TRIA 2002, the United States Congress and the President recognized that terrorism is a catastrophe exposure that is real and significant for workers compensation and other lines of insurance. All of the provisions and features of the TRIA 2002 cannot be summarized in this document. However, the intent and key objectives of the TRIA 2002 are as follows:

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The purpose of this title is to establish a temporary Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to –

- 1. Protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance for terrorism risk; and*
- 2. Allow for a transitional period for the private markets to stabilize, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections.*

This filing addresses these key objectives of TRIA 2002.

On December 20, 2002, the National Council on Compensation Insurance Inc. (NCCI) filed proposed catastrophe provisions on behalf of workers compensation insurers in 33 states and the District of Columbia. [*Item B-1383-Catastrophe Provision-Certified Terrorism Losses (As Defined In Terrorism Risk Insurance Act of 2002)*]. In accordance with TRIA 2002, NCCI submitted its catastrophe provisions on a “file and use” basis. Several Independent Bureau states also adopted NCCI’s filing in its entirety or in part. This filing adopts in part and modifies in part the NCCI filing and includes copyrighted material of the NCCI, as indicated.

PROPOSAL AND IMPACT

It is proposed that the catastrophe provision and the accompanying rates, rules and forms contained in the attached Exhibits be applied to voluntary market and assigned risk pool policies in Massachusetts.

The Bureau has selected a catastrophe provision of .03 per \$100 payroll to be applicable to all classifications (except per capita classes) effective February 20, 2003. Unless an “If Any” policy develops premium during the policy term or at audit, policies issued on an “If Any” basis will not be charged a terrorism rate.

This selection is based on a pure loss cost provision provided to us by the NCCI (See Exhibit A) and derived by them from the EQECAT model using the methodology described in the attached NCCI filing material.

Pages 1-6 of the attached filing memorandum for NCCI item B-1383 describe the purpose and background of the filing (Pages 4 and 5, which contain unrelated individual state information, are included only for the sake of completeness). Appendix A of that filing memorandum, which is a description of the EQECAT Terrorism Model, is also attached. (See Exhibit B)

The method outlined in this material yields, as shown on Exhibit A, a range of loss costs from .007 to .033 per \$100 of payroll. We have chosen the midpoint of the range, .02 as our selected pure loss cost. Loading this for expenses, loss adjustment expenses and profits gives the filed rate of .03. We applied a multiplier of 1.627 to the loss cost, based on data to be included in the Bureau's 3/1/03 rate filing.

We estimate the impact of this provision at approximately \$20 million per year.

IMPLEMENTATION

The attached Exhibits include the proposed changes necessary to implement this filing. **The proposed rates, rules and forms (with the exception of the Endorsement) will be effective 12:01 a.m. on February 20, 2003, applicable to all new and renewal policies.**

The Terrorism Risk Insurance Act Endorsement will be effective 12:01 a.m. on December 20, 2002, applicable to all new and renewal policies. TRIA 2002 became effective on November 26, 2002. Between November 26, 2002 and December 20, 2002 carriers generally used the NAIC Model Forms to comply with the policyholder notice requirements of TRIA 2002. On December 20, 2002, NCCI filed the Terrorism Risk Insurance Act Endorsement, which carriers may use to meet their policyholder notice requirements under TRIA 2002.

RATES, RULES and FORMS

Exhibit A: Terrorism Pure Loss Cost Massachusetts. [The Bureau has selected a catastrophe provision of .03 per \$100 payroll to be applicable to all classifications (except per capita classes)].

Exhibit B: Pages 1-6 and Appendix A of NCCI's *Item B-1383-Catastrophe Provision-Certified Terrorism Losses (As Defined in Terrorism Risk Insurance Act of 2002)*.

Exhibit C: Terrorism Risk Insurance Act Endorsement WC 00 04 20.

Exhibit D: Massachusetts Special Program: Terrorism Risk Insurance Act 2002 - Page S-11 of the *Massachusetts Workers Compensation and Employers Liability Insurance Manual*.

Exhibit E: Proposed revisions to the *Massachusetts Workers Compensation and Employers Liability Insurance Manual*. The revisions to Manual Rules VI, VII, and XIV are underlined.

Exhibit F: Revised Page RA-5 of the *Massachusetts Workers Compensation and Employers Liability Insurance Manual*. The revisions to include the terrorism catastrophe provision are shaded.

Exhibit G: Revised page of NCCI's Retrospective Rating Plan Manual. The revision is underlined.

Exhibit H: Massachusetts Reporting Instructions for Certified Acts of Terrorism under the Terrorism Risk Insurance Act 2002.

Exhibit I: Revised pages to the *Massachusetts Workers Compensation Statistical Plan*. The revisions to Part 1, Sections IV, VI and VII are in bold/roman text.

Respectfully submitted,

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Date: February 19, 2003

Terrorism Pure Loss Cost Massachusetts

State	Loss Cost per Employee (excluding LAE) Lower Range* (2)	Loss Cost per Employee (excluding LAE) Upper Range* (3)	Estimated Impact of Terrorism Risk Insurance Act** (4)	State Average Weekly Wage*** (5)	Loss Cost per \$100 of payroll (exc. LAE) Lower Range (6) = (2) x (4) / ((5) x 52 / 100)	Loss Cost per \$100 of payroll (exc. LAE) Upper Range (7) = (3) x (4) / ((5) x 52 / 100)
Massachusetts (1)	3.91	19.53	60%	686.84	0.007	0.033

* Source: Loss cost information developed by EQECAT for terrorism events.

** This adjustment reflects the impact of the federal backstop relative to foreign terrorism events.

*** 2001 U.S. Bureau of Labor Statistics, Current Population Survey.

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B-1383
 Page 1

FILING MEMORANDUM

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

PURPOSE

The purpose of this item is to propose catastrophe provisions by state that address certified terrorism losses as defined in the Terrorism Risk Insurance Act of 2002.

BACKGROUND

The treatment of catastrophes in workers compensation ratemaking has changed over the years. Prior to the 1970s, NCCI included a 1-cent catastrophe provision in every rate, which amounted to about a 1% provision. This provision was eventually removed from ratemaking. Since that time, several catastrophes affecting workers compensation have occurred. Generally, the impacts of those events have been excluded from ratemaking with no explicit method being employed to build them back in over time.

The September 11 attack was the largest workers compensation catastrophe in history. The estimated workers compensation losses are between \$1 billion and \$3 billion, with a large majority of costs coming from claims filed in a state with relatively modest death benefits. Prior to September 11, terrorism had not been considered a likely workers compensation catastrophe. The few terrorist events that did occur had a minimal impact on workers compensation. As a result, terrorism exposure has not been contemplated in current workers compensation ratemaking techniques. While workers compensation primary insurers have been dealing with this new exposure that by statute cannot be excluded from primary insurance coverage, many reinsurers are electing not to provide terrorism coverage, resulting in availability issues. This leaves many primary insurers facing the terrorism exposure with no current provision for funding it within NCCI's filed loss costs or rates.

- **Terrorism Risk Insurance Act of 2002**

The U.S. Congress has recognized that terrorism is a catastrophe exposure that is real and significant for insurers of workers compensation and other lines of insurance. While all of the provisions and features of the Act cannot be summarized in this document, it is important to review the intent and key objectives of the Act in order to provide context for determining how its provisions can be best implemented. To quote directly from the Act:

The purpose of this title is to establish a temporary Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to —

1. *Protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance for terrorism risk; and*
2. *Allow for a transitional period for the private markets to stabilize, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections.*

It is the intent of this filing to address these key objectives of the Act.

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ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

• **Terrorism Modeling**

Since there is a lack of historical data to support terrorism loss estimates, the traditional methods for evaluating and estimating risk are not suitable to assess possible terrorism exposures, predict losses and identify adequate rates. Estimating future losses from terrorist attacks requires a new blend of science and engineering capabilities. Potential threats must first be identified; then, using advanced statistical catastrophe modeling techniques, the risk can be assessed and ultimately quantified for use in determining reasonable loss cost estimates.

In NCCI's view, assessing the financial implications of catastrophes is one of the most urgent issues facing the industry. Therefore, early this year, NCCI contracted with a leading natural catastrophe modeling firm—EQECAT—to adapt existing modeling techniques to assess the impact of terrorism threats to workers compensation insurance.

Compared to modeling for natural disasters, terrorism modeling is in its infancy. Many of the techniques and data analyses used for modeling of natural disasters can be transferred to terrorism modeling. However, the frequency of terrorism events does not have the same detailed history as is available for natural disasters. Moreover, with terrorism, we are dealing with intentional loss instead of the non-intentional nature of natural disaster. These factors make the estimation of frequency much more problematic for terrorism. The EQECAT terrorism model concentrates on severity, with frequency being normalized to one terrorism event per year.

A detailed description of the EQECAT terrorism model can be found under Appendix A.

• **Modeled and Non-Modeled States**

Analyses are performed state by state and have been completed for 13 states and Washington D.C., covering all high-risk areas, large population states, and about 75% of nationwide employment. Since all states were not modeled, some of the modeled states were used as proxies for the non-modeled states based on relative frequency of terrorist attacks from EQECAT and benefit and wage differences. The table of proxy states is shown below:

Modeled State	Proxied State
Arizona	Colorado, Idaho, Louisiana, Montana, Nevada, Oregon, Rhode Island, Utah
Florida	North Carolina
Illinois	Maryland, Virginia
Iowa	Alabama, Alaska, Arkansas, Connecticut, Hawaii, Kansas, Kentucky, Maine, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, Oklahoma, South Carolina, South Dakota, Tennessee, Vermont

• **NCCI Average Costs by Casualty Category**

NCCI provided EQECAT with average pure loss costs per case by state for each of the four injury groups:

- Fatal
- Permanent Total/Major Permanent Partial
- Minor Permanent Partial/Temporary Total
- Medical Only

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B-1383
 Page 3

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

For NCCI states, Indiana, and North Carolina, average claims costs were based on recent filings of NCCI Excess Loss Factors (ELFs). These reflect ultimate undiscounted pure losses for cases incurred at the current time (approximately 2001–2003). Independent rating bureaus in the states of Delaware, Massachusetts, Minnesota, New Jersey, and Pennsylvania provided NCCI with average claim costs on the same basis.

For New York and California, NCCI utilized various pieces of data (historical claim costs, development factors, benefit level changes, trends, etc.) from the independent bureaus in these states to make estimates on the same basis. For other states modeled, EQECAT made proxy assumptions for average claim costs.

- **Frequency Assumption**

The indicated loss costs per employee for modeled states are based on the modeling approach described above assuming a frequency of one terrorist event per year as the default. The results are scalable, based on a different frequency assumption. A range of one to five terrorism events per year countrywide was used based on input from EQECAT.

- **Indicated Loss Costs by State**

The modeling exercise produces a range of loss costs per employee for the modeled states (see Exhibit 1). The loss costs exclude loss adjustment expense. Two adjustments are necessary to convert this information to a loss cost per \$100 of payroll. First, an adjustment is made to recognize the impact of the Terrorism Risk Insurance Act. This adjustment recognizes that individual company exposure is limited and that the Act addresses foreign terrorism only. Depending on the state, NCCI's analysis has led to an indicated adjustment factor of .50 to .85 for this component. The analysis is based on the provisions of the Act that allow for a recovery of 90% of the insurer's losses above an individual company retention, limited by an annual cap on terrorism losses for all covered lines of insurance of \$100 billion. For modeled states, NCCI looked at individual state expected loss distributions for terrorism and assessed the impact of the Act on a variety of attachment point and aggregate combinations. States whose aggregate expected losses are higher will expect a larger reduction in gross loss due to the Act. Additionally, if a state has a domestic workers compensation carrier with an extremely large market share, it may receive extra benefit from the Act, since the average retention is lower than it would be for another state.

The second adjustment uses the state average weekly wage to adjust the loss costs from a per-employee basis to a per-\$100 of payroll basis.

Finally, the loss costs (excluding LAE) for non-modeled states are based on the final loss costs (excluding LAE) for modeled states, based on a list of proxy states (see Exhibit 2). Loss-based expenses are included to produce final loss costs including LAE.

- **Voluntary and Assigned Risk Rates by State**

Exhibit 3 shows the final voluntary and assigned risk rates by state. Where applicable, the loss costs by state have been divided by the permissible loss ratio (PLR) in order to load in expenses, including loss adjustment expense.

- **Estimated Impact by State**

Exhibit 4 shows the estimated impact of the proposed terrorism provisions by state on both a percentage and a dollar amount basis.

- **Carrier Use of Loss Cost Information**

Exhibit 9 introduces a new statistical reporting code to handle data reporting. Exhibit 13 shows revised premium algorithms by state to illustrate how this item is to be used in the calculation of premium.

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

PROPOSAL

It is proposed that the catastrophe provisions and accompanying rules and forms be applied in all states included in this filing.

IMPACT

The estimated impact in each state is shown in Exhibit 4.

IMPLEMENTATION

The attached exhibits include the proposed changes necessary to implement this item. In all states **except** Colorado, Hawaii, and Virginia, the loss costs, rates, rules and forms will be implemented:

- Effective 12:01 a.m. on December 20, 2002, applicable to new and renewal voluntary policies only
- Effective 12:01 a.m. on January 1, 2003, applicable to new and renewal assigned risk policies only

In Colorado the loss costs, rules and forms will be implemented effective 12:01 a.m. on December 20, 2002, applicable to new and renewal voluntary policies only. However, for carriers that have explicitly built a Terrorism provision into their Loss Cost Multipliers (LCMs), this item will not become effective until January 20, 2003. This will give those carriers 30 days to file adjusted LCMs, which would appropriately account for the Terrorism loads filed by NCCI.

In Hawaii, effective date is determined upon the individual carrier's election to adopt this change.

In Virginia, the loss costs, rates, rules and forms will be implemented:

- Effective for voluntary policies effective on or after 12:01 a.m. on December 20, 2002
- Effective for assigned risk policies effective on or after 12:01 a.m. on January 1, 2003

Exhibit	Title	Page
1	Terrorism Loss Costs for States Modeled by EQECAT	9
2	Terrorism Loss Costs Including LAE by State	10
3	Terrorism Voluntary and Assigned Risk Rates by State	11
4	Estimated Impact of Terrorism Provisions by State	12
5-A	Miscellaneous Values by State—Voluntary Policies	13
5-B	Miscellaneous Values by State—Assigned Risk Policies	14
6-A	Basic Manual for Workers Compensation and Employers Liability Insurance	15
6-B	Basic Manual for Workers Compensation and Employers Liability Insurance—Florida State Special Rating Plans and Programs	17
6-C	Basic Manual for Workers Compensation and Employers Liability Insurance—Idaho	18
7	Retrospective Rating Plan Manual	19
8	Policy Forms and Endorsements Manual Form WC 00 04 20	20
9-A	URE Workers Compensation Statistical Plan	22
9-B	Virginia Workers Compensation Statistical Plan	24
10	Statistical Reporting Instructions	25
11-A	Assigned Risk Mandatory Loss Sensitive Rating Plan (LSRP)	27
11-B	Policy Forms and Endorsements Manual Form WC 00 04 18 A	28

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**ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN
 TERRORISM RISK INSURANCE ACT OF 2002)**

Exhibit	Title	Page
12-A	Kansas Assigned Risk Retrospective Rating Plan	30
12-B	<i>Policy Forms and Endorsements Manual</i> Form WC 15 04 03 B	31
13	Workers Compensation Premium Algorithms (Voluntary and Assigned Risk Policies)	
	Alabama	34
	Alaska	36
	Arizona	38
	Arkansas	40
	Colorado	42
	Connecticut	43
	District of Columbia	45
	Florida	47
	Georgia	48
	Hawaii	50
	Idaho	51
	Illinois	53
	Indiana	55
	Iowa	57
	Kansas	59
	Kentucky	61
	Louisiana	62
	Maine	63
	Maryland	64
	Mississippi	65
	Missouri	67
	Montana	68
	Nebraska	69
	Nevada	70
	New Hampshire	72
	New Mexico	74
	North Carolina	76
	Oklahoma	78
	Oregon	79
	Rhode Island	81
	South Carolina	82
	South Dakota	84
	Tennessee	86
	Utah	87
	Vermont	88
	Virginia	90

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)**Appendix A****Description of EQECAT Terrorism Model**

- **Introduction**

The EQECAT model developed for NCCI provides an estimate of the risk to workers compensation insurers due to potential terrorist events. The types of terrorist events selected were those that could cause large numbers of injuries and casualties, and therefore, catastrophic loss to insurers.

EQECAT assembled data on the insurers' exposure and subjected that exposure to a large number of simulated terrorist events. The resulting casualties and consequent losses were combined (probabilistically) to estimate risk to the insurers. The following sections describe the various parts of the model and how the analysis was performed.

- **Model Description**

The model has four primary elements: workers compensation exposure; weapon types and their effects modeling; the selection of targets; the relative frequencies assigned to the weapon footprints at each target. A brief description of each element follows.

- **Exposure**

The location, number and types of employees are needed to characterize the exposure to terrorist events. Business information databases were used to obtain the addresses of businesses and the estimated number of employees assigned to each location. With more than 100 million workers nationwide at over 10 million businesses, it was necessary to aggregate the exposure. For this model the exposure was aggregated to the census block level (typically a city block). This aggregation level was suitable for terrorist events that span hundreds of meters.

The workers in each census block were grouped into five NCCI industry groupings: Goods & Services, Office & Clerical, Manufacturing, Construction, and All Others. Certain government classifications not covered by workers compensation were excluded.

- **Weapons Selection**

Specific weapons were selected from the range of known or hypothesized terrorist weapons. The selection process considered weapons that have been previously employed, weapons that could cause large numbers of casualties, or weapons that would be more readily available. In some cases a "likely" or "practical" weapons size (or quantity of agent) was selected; in other cases, a range of weapons sizes was selected, in part, to reflect standard quantities that might be available. The selected weapons and their sizes are described below.

Blast/Explosion

- Conventional Explosives—400 lb / 4,000 lb / 12,000 lb TNT
- Nuclear Bomb—1 kiloton and 10 kiloton
- Aircraft Impact—large passenger airline

Chemical

- Chlorine—15 ton truck, 90 ton railcar
- Anhydrous Ammonia—15 ton truck, 90 ton railcar
- Hydrogen Cyanide—50 gallons
- Sarin—1 gallon
- Mustard Gas—50 gallons

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)**Biological**

- Anthrax—1 oz inside building, 1 oz outside building, 10 oz mobile dispersion
- Botulism—1 oz inside building

Radiological

- Nuclear Power Plant Radioactive Release Due to Sabotage—10% of core radioactivity
- Dirty Bomb—10,000 curies

Other

- Dam Failure—complete failure with full reservoir

- **Casualty Footprints**

Footprint is a term used to describe the physical distribution of the intensity of the agent as it spreads out from its initial target. The effects of each type of weapon will vary with the size of the weapon, with atmospheric conditions, and in some cases with local terrain. If detailed knowledge is available, a correspondingly detailed simulation of the effects is possible but would be time consuming to perform. In a large-scale nationwide analysis with millions of simulated events, where local atmospheric conditions and terrain are only generally known, a simpler, more generalized simulation is necessary. The simplifications necessary to efficiently model footprints of weapons effects are described below.

For conventional blast loading, blast simulation software is used to estimate casualties in various urban settings where the geometry and height of the buildings is varied. The results of these detailed simulations are used to develop simplified blast attenuation functions that vary with distance and with the general terrain. For conventional blast, the footprint is defined as a decreasing function of distance from the source of the blast.

The casualties for nuclear blast can be estimated on the basis of empirical data resulting from wartime and nuclear test experience. Casualties are assumed to be a function of distance from ground zero with the source located either at ground level or at a relatively low altitude. A simplified, conservative casualty footprint was created to encompass the range of conditions that could exist. Long-term radiation effects are not considered.

The casualty effects for aircraft impact are dependent very much upon the details of the event, so much so that only a simple, conservative footprint can be employed. A simplifying assumption is made that the extent of the footprint is a function of the height of the building.

For chemical, biological and radiological agent releases, a plume is formed that is influenced by atmospheric conditions and by the terrain. The footprint of the cumulative dose that is deposited by a plume over time was calculated using the simulation software MIDAS-AT (Meteorological Information and Dispersion Assessment System—Anti-Terrorism™). Terrain conditions were assumed to be “rough” to conservatively approximate a general urban terrain and the wind direction was assumed to be unchanging. The plume footprint was calculated for low, medium and high wind speeds and for three different atmospheric turbulence conditions. Any of the footprints could then be oriented in each of eight compass directions. Most of the footprints were truncated after an elapsed time of about two hours to account for successful evacuation.

Casualties due to dam failure are approximated using simple hydraulic relationships and assumptions made about the terrain over which the water will flow. The resulting footprint varies as depth of water (and casualty) decreases with distance away from the dam.

- **Targets**

A target is the location of a terrorist attack and, in the model, represents the locus of a casualty footprint. An inventory of targets is created by selecting locations with the following characteristics:

- Tall Buildings—10 stories and higher
- Government Buildings—with large number of employees or of a critical or sensitive nature (e.g., FBI office)

ITEM B-1383—CATASTROPHE PROVISION—CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

- Airports—Major
- Ports—Major
- Military Bases—U.S. armed forces
- Prominent Locations—capitol buildings, major amusement parks, etc.
- Nuclear Power Plants—operational
- Railroads, Railroad Yards and Stations—freight lines for railroad cars carrying chemicals
- Dams—large ones near urban areas
- Chemical Facilities—emphasizes those with chlorine and ammonia on site

Nuclear Power Plants, dams and chemical facilities receive only specific casualty footprints. Other locations are assigned more than one type of terrorist weapon.

Some footprints have no specific target but are distributed at regular intervals throughout the urban area. This spreads out the effect to a larger population in the urban area.

Mobile release anthrax is not located at any target but located in the general downtown area in major metropolitan areas.

- **Frequency of Attack**

The relative likelihood of a type of attack occurring at a target location is represented by an assigned (annual) frequency. The significance of an attack's frequency is in its relationship to other attacks. Attack frequency is based on the following considerations:

- Availability of weapon
- Attractiveness of target
- Relative attractiveness of the region to other regions based on various theories

For footprints that are atmospheric releases of chemical, biological and radiological agents, wind direction affects the assigned frequency. The frequency for each wind direction is weighted by the likelihood of the wind blowing in that direction based on historical wind speed and direction measurements for the region.

- **Analysis of Model by State**

The analysis methodology is to apply a casualty footprint to an assigned target and to calculate the extent of casualties to the covered workers within the footprint. For chemical, biological and radiological footprints, the dose to each employee is calculated and a conversion is made to the degree of casualty (outpatient treatment, minor/temporary disability, major/permanent disability, and death). Degree of casualty is then converted to loss based upon the average costs by injury category provided by NCCI. The average costs provided vary by state.

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 at 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 on 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.

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 provided in the Act, 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 Government under a formula established by the Act. Under this formula, the United States Government 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 or the Schedule below.

Schedule

State

Rate per \$100 of Remuneration

Note:

1. This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.
2. This endorsement is effective 12:01 a.m. on December 20, 2002 applicable to new and renewal voluntary policies only.
3. This endorsement is effective 12:01 a.m. on January 1, 2003 applicable to new and renewal assigned risk policies only.
4. In Massachusetts, this endorsement is effective 12:01 a.m. on December 20, 2002 applicable to all new and renewal policies.

**MASSACHUSETTS SPECIAL PROGRAM FOR
TERRORISM RISK INSURANCE ACT OF 2002**

Premium for the Terrorism Risk Insurance Act of 2002 is calculated on the basis of total payroll according to Rule V. 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 $[(\text{Total Payroll}/100) \times \text{Terrorism Rate} = \text{Premium}]$. This premium is applied after standard premium and is not affected by any other rating element including, but not limited to, premium discount, experience rating, All Risk Adjustment Program [ARAP], schedule rating, or retrospective rating.

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.

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EXHIBIT E-1

Massachusetts Workers' Compensation And Employers Liability Insurance Manual

Present Phraseology Part One

RULE VI – RATES AND PREMIUM DETERMINATIONS

E. EXPENSE CONSTANT

3. Expense Constant Not Subject

The expense constant is not subject to experience rating, merit rating or All Risk Adjustment Program (ARAP) modifications, premium discount, Qualified Loss Management Program (QLMP), Massachusetts Benefits Deductible Program, Massachusetts Benefits Claim and Aggregate Deductible Program or Massachusetts Construction Classification Premium Adjustment Program credits, nor to retrospective rating adjustment.

RULE VII - PREMIUM DISCOUNT

C. DEFINITIONS

1. Standard Premium

Standard Premium means, for the purposes 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, experience rating or merit rating modifications, Massachusetts Construction Classification Premium Adjustment Program credit, loss constants, and minimum premiums. The expense constant, All Risk Adjustment Program [ARAP] modification, premium discount, Qualified Loss Management Program [QLMP], Massachusetts Benefits Deductible Program or Massachusetts Benefits Claim and Aggregate Deductible Program credits, shall be excluded from determination of the standard premium.

Proposed Phraseology Part One

RULE VI- RATES AND PREMIUM DETERMINATIONS

E. EXPENSE CONSTANT

3. Expense Constant Not Subject

The expense constant is not subject to experience rating, merit rating or All Risk Adjustment Program (ARAP) modifications, premium discount, Qualified Loss Management Program (QLMP), Massachusetts Benefits Deductible Program, Massachusetts Benefits Claim and Aggregate Deductible Program or Massachusetts Construction Classification Premium Adjustment Program credits, charges for the Terrorism Risk Insurance Act of 2002, nor to retrospective rating adjustment.

RULE VII - PREMIUM DISCOUNT

C. DEFINITIONS

1. Standard Premium

Standard Premium means, for the purposes 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, experience rating or merit rating modifications, Massachusetts Construction Classification Premium Adjustment Program credit, loss constants, and minimum premiums. The expense constant, All Risk Adjustment Program [ARAP] modification, premium discount, Qualified Loss Management Program [QLMP], Massachusetts Benefits Deductible Program or Massachusetts Benefits Claim and Aggregate Deductible Program credits, and Terrorism Risk Insurance Act of 2002 charges shall be excluded from determination of the standard premium.

**Present Phraseology
Part One**

**Proposed Phraseology
Part One**

**RULE XIV - DOMESTIC WORKERS -
RESIDENCES**

**RULE XIV - DOMESTIC WORKERS -
RESIDENCES**

E. RATES AND PREMIUM

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.

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.

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MISCELLANEOUS VALUES

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

Employee operated vehicles	\$64,809.00*
Leased or rented vehicles	\$43,206.00*

Basis of Premium for Sole Proprietors and Partners of Legal Partnerships in accordance with Rule IX-B. 3. a.....\$45,900.00†

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	3.0%
\$1,000	4.2%
\$2,000	6.2%
\$2,500	7.1%
\$5,000	10.6%

BENEFITS CLAIM AND AGGREGATE DEDUCTIBLE PROGRAM

<u>Estimated Annual Standard Premium</u>	<u>Claim Deductible Amount</u>	<u>Aggregate Deductible Amount</u>	<u>Premium Reduction Percentage</u>
0 to \$75,000	\$2,500	\$10,000	7.0%
\$75,001 to \$100,000	\$2,500	\$10,000	6.5%
\$100,001 to \$125,000	\$2,500	\$10,000	5.9%
\$125,001 to \$150,000	\$2,500	\$10,000	5.4%
\$150,001 to \$200,000	\$2,500	\$10,000	4.5%
over \$200,000	\$2,500	5% of Estimated Annual Standard Premium	4.3%

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

Policies which develop earned Standard Premium of less than \$200	\$122.00*
Policies which develop earned Standard Premium of \$200 or more	\$244.00*

The expense constant for private residence per capita classifications is \$49*, subject to a maximum of four per capita exposures.

Premium Discount Percentages - (See Basic Manual Rule VII). The following premium discounts are applicable to Standard Premiums:

		<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%

Premium Discount not applicable to Assigned Risk policies.

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, 1991.
 † Effective October 23, 2002
 ‡‡ Effective February 20, 2003

RETROSPECTIVE RATING PLAN MANUAL

Present Phraseology
Part One**II. DEFINITIONS****E. Standard Premium**

For the purpose of this Plan, standard premium means the premium for the risk determined on the basis of authorized rates, any 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 Experience Rating Plan Manual.
4. Premium developed by the passenger seat surcharge under Code 7421—Aircraft Operation—flying crew.
5. Premium developed by the occupational disease rates for risks subject to the Federal Coal Mine Health and Safety Act.

Proposed Phraseology
Part One**II. DEFINITIONS****E. Standard Premium**

For the purpose of this Plan, standard premium means the premium for the risk determined on the basis of authorized rates, any 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 Experience Rating Plan Manual.
4. Premium developed by the passenger seat surcharge under Code 7421—Aircraft Operation—flying crew.
5. Premium developed by the occupational disease rates for risks subject to the Federal Coal Mine Health and Safety Act.
6. Premium developed by the Terrorism Risk Insurance Act of 2002.

EXHIBIT H-1

MASSACHUSETTS REPORTING INSTRUCTIONS CERTIFIED TERRORISM LOSSES (AS DEFINED IN TERRORISM RISK INSURANCE ACT OF 2002)

General

Premium debit generated under the Terrorism Risk Insurance Act of 2002 (TRIA) – Certified Losses is recorded under Statistical Class Code 9740.

Policies

For new and renewal policies not yet issued as of the effective date of this filing:

- On hard copy submission:
 - Issue the policy showing endorsement number WC 00 04 20 under Item 3D on the policy information page or attach the actual endorsement document to the policy. The premium is reported under statistical code 9740 under Item 4 of the policy Information Page. This premium is not included in Standard Premium. This premium is applied in an additive manner, after experience modification, premium discount, expense constant, and All Risk Adjustment Program premium (ARAP).
- On electronic submissions:
 - Issue the policy with endorsement WC 00 04 20 reported on the Endorsement Identification Record (Record Type 07). The premium is submitted on an Exposure Record (Record Type 05) under statistical code 9740. This premium is not included in the Total Estimated State Standard Premium (Record Type 04) and the Policy Total Estimated Standard Premium (Record Type 01).

For new and renewal policies effective on or after February 20, 2003 that have already been issued:

- On hard copy submissions:
 - Issue a revised policy showing endorsement number WC 00 04 20 under Item 3D on the policy information page or attach the actual endorsement document to the policy. The premium is reported under statistical code 9740 under Item 4 of the policy Information Page. This premium is not included in Standard Premium. This premium is applied in an additive manner, after experience modification, premium discount, expense constant and All Risk Adjustment Program premium (ARAP)

OR

- Issue endorsement WC 00 04 20, Terrorism Risk Insurance Act Endorsement Form. Also, attach an endorsement for each state schedule indicating statistical code 9740 with the applicable data.

OR

- Issue endorsement WC 00 04 20, Terrorism Risk Insurance Act Endorsement Form and complete the applicable information on the bottom portion of the form.
- On electronic submissions:
 - Issue a Full Policy Replacement Transaction (Transaction Codes 08-15) with endorsement WC 00 04 20 reported on the Endorsement Identification Record (Record Type 07). The premium is submitted on an Exposure Record (Record Type 05) under statistical code 9740. This premium is not included in the Total Estimated State Standard Premium (Record Type 04) and the Policy Total Estimated Standard Premium (Record Type 01).

Unit Reports

Reporting Premium: Premium debit earned under the Terrorism Risk Insurance Act of 2002 – Certified Losses is reported on a hard copy unit report subsequent to experience modification on the line after the expense constant, All Risk Adjustment Program premium (ARAP) and premium discount. On electronic submissions, this premium is submitted on an Exposure (Record Type 04) and is not part of the Subject Premium or Standard Premium totals (Record Type 06).

Exposure, rate, and Act are not required when reporting premium debit earned under the Terrorism Risk Insurance Act of 2002.

Reporting Losses: Similar to the reporting losses after the 9/11 event (catastrophe code 48), reporting instructions will be issued at such time an event occurs. Cause of Injury Code 96 is established for injuries due to a terrorism event assigned a catastrophe code.

Financial Calls

Premium generated from TRIA is excluded from the financial data calls except as a premium reconciliation item. If needed, a separate financial call by policy year will be developed for reporting TRIA premium. Should another event occur, a special separate call will be developed for the reporting of losses. Part II of the Massachusetts Workers Compensation Statistical Plan will be updated with the December 31, 2003 valuation instructions.

MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN

Section IV
STATISTICAL CLASSES
Page 1

Effective: February 20, 2003
Distributed: February 20, 2003
Part I – Unit Statistical Reporting

24. Terrorism Risk Insurance Act of 2002-Premium Debit

Terrorism Risk Insurance Act of 2002 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. Class code 9740 is reported on lines J K or L. 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.

25. 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. Class code 0930 is reported above line A on the hard copy form. Losses can not be coded to class code 0930.

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Effective: February 20, 2003
Distributed: February 20, 2003
Part I – Unit Statistical Reporting

**Section IV
STATISTICAL CLASSES
Page 15**

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
<i>9740</i>	<i>Premium Debit for Terrorism Risk Insurance Act of 2002</i>	<i>Yes</i>	<i>No</i>	<i>No</i>	<i>Blank</i>	<i>No</i>
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
9817	Employers Liability for Admiralty or Fela 50,000	Yes	Yes	Yes	Blank	No
9818	Employers Liability for Admiralty or Fela 100,000	Yes	Yes	Yes	Blank	No
9819	Employers Liability for Admiralty or Fela 200,000	Yes	Yes	Yes	Blank	No

**MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN**

Effective: *February 20, 2003*
Distributed: *February 20, 2003*
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 on lines D, E, and F 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.

Loss Constant: Code: 0032

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

Risk Minimum Premium: Code: 0990

Construction Credit: Code: 9046

Merit Rating: Code: 9885, 9886

Rate Deviation: Code: 9034

Independent Carrier Filing Credit: Code: 9722

Independent Carrier Filing Debit: Code: 9724

The following discounts, credits, and surcharges (reported on lines J, K, and L) must not be included in the total standard premium.

<u>Class</u>	<u>Description</u>
0063	Stock/Type A Premium Discount
0064	Non-Stock/Type B Premium Discount
0277	All Risk Adjustment
0900	Expense Constant
9129	Formerly Self-insured Rating Plan Deposit
9136	Formerly Self-Insured Deposit & Insurance Charge
9880	Qualified Loss Management
9985 & 9984	Atomic Energy Exposure
9663	Deductible Experience - Not Experience Rated
9740	<i>Premium Debit for Terrorism Insurance Act of 2002</i>
9874	Managed Care Arrangement Premium Credit
9887	Scheduled Rating Plans

MASSACHUSETTS WORKERS' COMPENSATION
STATISTICAL PLAN

Section VII
LOSS DATA
Page 31

Effective: February 20, 2003
Distributed: February 20, 2003
Part I – Unit Statistical Reporting

CAUSE OF ACCIDENT continued	
70. Striking Against or Stepping On, NOC	
VIII. STRUCK or INJURED BY	
74. Fellow Worker, Patient or Other	Not in Act of a Crime, Accidental
75. Falling or Flying Object	
76. Hand Tool or Machine in Use	
77. Motor Vehicle	
78. Moving Part of Machine	
79. Object Being Lifted or Handled	
80. Object Handled By Others	
85. Animal or Insect	
86. Explosion or Flare Back	
81. Struck or Injured, NOC.	Includes Kicked, Stabbed, Bit, Etc., Not in Act of Crime
IX. RUBBED or ABRADED BY	
94. Repetitive Motion	Callous, Blister, Etc.
95. Rubbed or Abraded, NOC	
X. MISCELLANEOUS CAUSES	
82. Absorption, Ingestion or Inhalation, NOC	
87. Foreign Matter (Body) in Eye(s)	
89. Person in Act of A Crime	Robbery or Criminal Assault
90. Other Than Physical Cause of Injury	Mental or Physiological only
96. <i>Terrorism</i>	<i>Terrorism – for use with assigned catastrophe code only</i>
98. Cumulative, NOC	All Other
99. Other Miscellaneous, NOC	

20. Occupation Description

- a. Characteristic: Alpha/Numeric
- b. Length: 18
- c. Definition: A narrative description of the regular occupation of the claimant.
- d. Requirement: Optional reporting for Massachusetts.