

The Workers' Compensation Rating and Inspection Bureau of Massachusetts  
40 Broad Street, Boston, Massachusetts 02109  
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May 2, 1986

CIRCULAR LETTER NO. 1443

To All Members and Subscribers of the Bureau:

Department of Industrial Accidents Assessment

In Circular Letter No. 1441 dated April 17, 1986, announcement was made of the pending assessment scheduled to be issued by the Department of Industrial Accidents in August 1986.

In order to enable insurance companies to start billing and collecting the charge, an assessment rate of 3.5% has been estimated by this Bureau for policies effective on and after July 1, 1986. The assessment rate is to be applied to standard premiums developed by Massachusetts workers' compensation policies.

The following language is suggested for use by carriers in notifying policyholders affected by the 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 (DIA), the insurance company providing the workers' compensation coverage is required to bill and collect an assessment charge covering the special and trust funds from insured employers and remit the amounts collected to the DIA. The first assessment, although not scheduled to be promulgated by the DIA before August 1986, will apply to policies effective July 1, 1986 through June 30, 1987.

The assessment charge has been estimated to be 3.5% and will apply to the standard premium developed under your policy.

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.

Should you have any questions regarding the assessment, please contact your agent, broker or salesperson.

May 2, 1986

Department of Industrial Accidents Assessment (Cont.)

The following should be noted:

1. Members will be notified of the official assessment charge and additional details as soon as they become available.
2. The assessment is a separate and distinct charge and is not included in the workers' compensation rates.
3. The charge is not considered premium and therefore should not be reported to the Bureau.

William E. DeWolfe  
Vice President

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