



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

101 ARCH STREET - 5TH FLOOR, BOSTON, MA 02110
(617) 439-9030 FAX 439-6055

September 1, 1993

CIRCULAR LETTER NO. 1649

To All Members and Subscribers of the Bureau:

**THE APPLICATION OF QUALIFIED LOSS MANAGEMENT CREDITS TO
EMPLOYERS ON LARGE DEDUCTIBLE PROGRAMS**

Attached for your information is a letter from the Commonwealth of Massachusetts Division of Insurance dated July 27, 1993 which is self-explanatory.

Any questions should be directed to Paul Meagher, Legal Counsel, Larry Raimondi, Associate Legal Counsel, or to me.

NORMAN R. FONTAINE
Vice President of Industry Affairs

NRF/bc/409-1649
Attachment



THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF CONSUMER AFFAIRS

DIVISION OF INSURANCE

280 FRIEND STREET, BOSTON, 02114

(617) 727-7189

GLORIA C. LARSON

SECRETARY

July 27, 1993

Norman R. Fontaine
Vice President of Industry Affairs
Workers' Compensation Rating and Inspection
Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, MA 02110

**Re: The Application of Qualified Loss Management Credits to
Employers on Large Deductible Programs**

Dear Mr. Fontaine:

I am writing to confirm that employers taken out of the Pool on the Large Deductible Program, like those removed on the Large Risk Rating Option or other voluntary market retrospective rating plans, are not eligible for credits under the Qualified Loss Management Program. The application of such credits are restricted to the following three types of policies:

1. Guaranteed cost policies (including those with a small deductible endorsement) in the Pool
2. Guaranteed cost policies (including those with a small deductible endorsement) in the voluntary market
3. Policies written under MARRP (where the credits may be used only to reduce deposit premium)

I hope this is helpful.

Sincerely,

A handwritten signature in cursive script, appearing to read "Walter Horn".

Walter Horn
State Rating Bureau