



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

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

September 23, 1993

CIRCULAR LETTER NO. 1654

To All Members and Subscribers of the Bureau:

REVISED MASSACHUSETTS TAKE-OUT CREDIT PROGRAM

CIRCULAR LETTER NO. 1646 on the above subject dated July 30, 1993 stated that,

"There will continue to be no credits given for taking risks out of the Pool being written on a large deductible plan, unless the insured refuses a guaranteed-price policy that affords no less 'kind and amount' of coverage than the assigned risk policy being replaced."

We have received the attached letter dated September 16, 1993 from Stephen J. D'Amato, Director, advising that it is the position of the State Rating Bureau that risks written on large deductible policies are not eligible for Take-Out Credits.

Accordingly, we will process no Take-Out Credits on risk taken out of the Pool and written on large deductible policies with effective dates October 7, 1993 and thereafter, whether or not the insured has refused a guaranteed-price policy.

Risks taken out of the Pool and written on large deductible policies where the insured refused a guaranteed-price policy with effective dates January 1, 1993 through October 6, 1993 will be subject to the Take-Out Credit Program.

NORMAN R. FONTAINE
Vice President of Industry Affairs

NRF/dc 528
Attachment



THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF CONSUMER AFFAIRS

DIVISION OF INSURANCE

280 FRIEND STREET, BOSTON, 02114

(617) 727-7189

PRISCILLA H. DOUGLAS
SECRETARYLINDA RUTHARDT
COMMISSIONER

September 16, 1993

Howard C. Mahler, Vice President and Actuary
The Workers' Compensation Rating and
Inspection Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, MA 02110

Dear Howard:

It is the position of the SRB that risks written on large deductible policies are not eligible for Take-Out Credits.

If you have any further comments or questions on this issue, please don't hesitate to contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Stephen J. D'Amato'.

Stephen J. D'Amato
Director, State Rating Bureau