



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

June 14, 2001

CIRCULAR LETTER NO. 1876

To All Members and Subscribers of the Bureau:

**CLASSIFICATIONS WITH CAPPED RATES
RATES EFFECTIVE JULY 1, 2001**

The increase in rates approved 7/1/01 was on average 1.0%. The average change in rates by Industry Group and the maximum changes for individual classes within industry groups were:

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
Average Rate Change	4.8%	-6.3%	-0.9%	1.3%	14.2%
Maximum Rate Change	30.5%	25.3%	28.0%	28.8%	35.1%
Minimum Rate Change	-19.5%	-24.7%	-22.0%	-21.2%	-14.9%

Classes whose rates were indicated to move more than the maximum, had their rates capped. Forty-five (45) classes were capped at the maximum rate increase and sixty-one (61) classes were capped at the maximum rate decrease.

The attached exhibits display a comparison of the capped and uncapped rates for classes whose rates were capped. For each capped class are shown the 9/1/99 average rate, the 7/1/01 indicated average uncapped rate,¹ and the 7/1/01 capped rate. The percentage change in the capped rate is displayed along with the percentage change in the uncapped rate. Rates shown in this exhibit are the average rates prior to the offsets for the All Risk Adjustment Program (ARAP) and Merit Rating Program, the Insolvency Fund, and the Construction Classification Premium Adjustment Program. For more details on how manual rates are derived from average rates, see Section X-L of the filing for 9/1/01 rates.

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AS/dc/4863
Attachments

¹ Assuming an overall 1.0% rate increase with no capping of any individual classes rate change.

**MASSACHUSETTS WORKERS' COMPENSATION
Comparison of Proposed and Present Average Rates**

Rates Effective: 07/01/01

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class Code	09/01/99 Avg Rate	07/01/01 Uncapped Avg Rate	07/01/01 Capped Avg Rate	= (3) ÷ (2) Uncapped % Change	= (4) ÷ (2) Capped % Change	= (3) ÷ (4) Uncapped vs. Capped
0008	3.47	2.55	2.73	-26.5%	-21.3%	-6.6%
0016	3.12	4.18	4.02	34.0%	28.8%	4.0%
0037	3.47	2.55	2.73	-26.5%	-21.3%	-6.6%
0050	9.98	6.44	7.51	-35.5%	-24.7%	-14.2%
0079	3.83	5.54	4.93	44.6%	28.7%	12.4%
0083	7.91	5.12	6.23	-35.3%	-21.2%	-17.8%
0106	13.09	19.20	17.68	46.7%	35.1%	8.6%
1430	18.73	40.80	24.44	117.8%	30.5%	66.9%
1438	3.89	3.07	3.13	-21.1%	-19.5%	-1.9%
1701	3.02	4.49	3.94	48.7%	30.5%	14.0%
1860	3.25	2.11	2.62	-35.1%	-19.4%	-19.5%
1925	8.81	6.87	7.09	-22.0%	-19.5%	-3.1%
2070	4.46	6.03	5.82	35.2%	30.5%	3.6%
2081	7.08	5.24	5.70	-26.0%	-19.5%	-8.1%
2121	3.67	2.79	2.95	-24.0%	-19.6%	-5.4%
2131	2.81	4.19	3.67	49.1%	30.6%	14.2%
2150	14.57	9.33	11.73	-36.0%	-19.5%	-20.5%
2174	5.90	9.01	7.70	52.7%	30.5%	17.0%
2260	7.97	10.44	10.40	31.0%	30.5%	0.4%
2305	2.93	4.84	3.82	65.2%	30.4%	26.7%
2362	2.81	3.84	3.67	36.7%	30.6%	4.6%
2501	2.47	3.30	3.22	33.6%	30.4%	2.5%
2534	2.47	3.30	3.22	33.6%	30.4%	2.5%
2688	2.19	3.33	2.86	52.1%	30.6%	16.4%
2702	22.14	16.25	18.84	-26.6%	-14.9%	-13.7%
2835	3.55	5.17	4.63	45.6%	30.4%	11.7%
2836	3.60	4.95	4.70	37.5%	30.6%	5.3%
2923	2.32	3.06	3.03	31.9%	30.6%	1.0%
2942	2.87	2.03	2.31	-29.3%	-19.5%	-12.1%
3018	3.60	5.58	4.70	55.0%	30.6%	18.7%
3022	6.36	3.94	5.12	-38.1%	-19.5%	-23.0%
3030	9.98	13.92	13.02	39.5%	30.5%	6.9%
3041	3.94	5.76	5.14	46.2%	30.5%	12.1%
3110	7.20	11.04	9.40	53.3%	30.6%	17.4%
3131	4.92	3.95	3.96	-19.7%	-19.5%	-0.3%
3188	4.24	2.78	3.41	-34.4%	-19.6%	-18.5%
3255	4.17	6.87	5.44	64.7%	30.5%	26.3%
3257	3.04	4.14	3.97	36.2%	30.6%	4.3%
3315	3.87	2.70	3.12	-30.2%	-19.4%	-13.5%
3336	3.70	2.84	2.98	-23.2%	-19.5%	-4.7%
3507	3.97	5.57	5.18	40.3%	30.5%	7.5%
3571	1.90	2.88	2.48	51.6%	30.5%	16.1%
3642	3.70	2.24	2.98	-39.5%	-19.5%	-24.8%
3647	5.25	3.02	4.23	-42.5%	-19.4%	-28.6%
3648	4.28	3.42	3.45	-20.1%	-19.4%	-0.9%
3808	3.92	2.86	3.16	-27.0%	-19.4%	-9.5%
3826	3.79	2.81	3.05	-25.9%	-19.5%	-7.9%
4021	6.64	4.97	5.35	-25.2%	-19.4%	-7.1%

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class Code	09/01/99 Avg Rate	07/01/01 Uncapped Avg Rate	07/01/01 Capped Avg Rate	= (3) ÷ (2) Uncapped % Change	= (4) ÷ (2) Capped % Change	= (3) ÷ (4) Uncapped vs. Capped
4114	3.34	4.53	4.36	35.6%	30.5%	3.9%
4279	3.16	5.11	4.12	61.7%	30.4%	24.0%
4301	3.79	5.48	4.95	44.6%	30.6%	10.7%
4432	1.84	2.59	2.40	40.8%	30.4%	7.9%
4493	4.46	6.07	5.82	36.1%	30.5%	4.3%
4511	0.71	0.55	0.56	-22.5%	-21.1%	-1.8%
4512	0.57	0.34	0.45	-40.4%	-21.1%	-24.4%
4653	3.94	6.49	5.14	64.7%	30.5%	26.3%
4665	9.05	6.49	7.29	-28.3%	-19.4%	-11.0%
4692	0.66	0.89	0.86	34.8%	30.3%	3.5%
4740	5.27	3.53	4.24	-33.0%	-19.5%	-16.7%
4828	5.35	1.58	4.31	-70.5%	-19.4%	-63.3%
4829	5.35	1.58	4.31	-70.5%	-19.4%	-63.3%
4902	2.87	2.03	2.31	-29.3%	-19.5%	-12.1%
5020	5.89	3.59	4.44	-39.0%	-24.6%	-19.1%
5057	48.34	25.78	36.40	-46.7%	-24.7%	-29.2%
5059	48.34	25.78	36.40	-46.7%	-24.7%	-29.2%
5069	48.34	25.78	36.40	-46.7%	-24.7%	-29.2%
5146	8.32	6.05	6.26	-27.3%	-24.8%	-3.4%
5160	4.64	3.34	3.49	-28.0%	-24.8%	-4.3%
5222	10.58	7.89	7.97	-25.4%	-24.7%	-1.0%
5443	9.18	6.75	6.91	-26.5%	-24.7%	-2.3%
5472	8.06	14.13	10.10	75.3%	25.3%	39.9%
5479	18.93	14.17	14.25	-25.1%	-24.7%	-0.6%
5480	7.68	5.66	5.78	-26.3%	-24.7%	-2.1%
5508	9.98	6.44	7.51	-35.5%	-24.7%	-14.2%
5610	12.62	8.91	9.50	-29.4%	-24.7%	-6.2%
5703	23.67	30.70	29.66	29.7%	25.3%	3.5%
6005	9.98	6.44	7.51	-35.5%	-24.7%	-14.2%
6233	12.35	8.73	9.30	-29.3%	-24.7%	-6.1%
6252	16.31	11.86	12.28	-27.3%	-24.7%	-3.4%
6325	7.41	4.50	5.58	-39.3%	-24.7%	-19.4%
7230	7.91	11.69	10.69	47.8%	35.1%	9.4%
7360	7.70	10.77	10.40	39.9%	35.1%	3.6%
7403	3.94	3.17	3.35	-19.5%	-15.0%	-5.4%
7405	0.81	1.46	1.09	80.2%	34.6%	33.9%
7423	4.45	2.73	3.79	-38.7%	-14.8%	-28.0%
7538	10.94	6.70	8.24	-38.8%	-24.7%	-18.7%
7590	7.22	10.32	9.75	42.9%	35.0%	5.8%
7601	10.94	6.70	8.24	-38.8%	-24.7%	-18.7%
7855	17.43	10.86	13.12	-37.7%	-24.7%	-17.2%
8002	1.75	2.40	2.25	37.1%	28.6%	6.7%
8039	2.11	2.95	2.72	39.8%	28.9%	8.5%
8103	5.78	4.49	4.55	-22.3%	-21.3%	-1.3%
8233	10.24	7.23	8.07	-29.4%	-21.2%	-10.4%
8265	10.24	7.23	8.07	-29.4%	-21.2%	-10.4%
8291	6.37	4.83	5.02	-24.2%	-21.2%	-3.8%
8500	10.24	7.23	8.07	-29.4%	-21.2%	-10.4%
8800	1.67	1.18	1.30	-29.3%	-22.2%	-9.2%
8803	0.16	0.08	0.12	-50.0%	-25.0%	-33.3%
9019	3.34	6.28	4.51	88.0%	35.0%	39.2%
9040	3.97	5.58	5.11	40.6%	28.7%	9.2%
9154	1.22	1.77	1.65	45.1%	35.2%	7.3%

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class	09/01/99	07/01/01	07/01/01	= (3) ÷ (2)	= (4) ÷ (2)	= (3) ÷ (4)
Code	Avg Rate	Uncapped Avg Rate	Capped Avg Rate	Uncapped % Change	Capped % Change	Uncapped vs. Capped
9403	8.46	11.63	11.43	37.5%	35.1%	1.7%
9410	2.17	3.73	2.79	71.9%	28.6%	33.7%
9521	6.82	4.94	5.49	-27.6%	-19.5%	-10.0%
9552	8.18	5.45	6.16	-33.4%	-24.7%	-11.5%
9553	8.18	5.45	6.16	-33.4%	-24.7%	-11.5%