



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

July 18, 2006

CIRCULAR LETTER NO. 2028

To All Members and Subscribers of the Bureau:

LLC MEMBERS AND LLP PARTNERS ELECTIONS FOR COVERAGE

**REVISIONS TO THE MASSACHUSETTS WORKERS COMPENSATION AND EMPLOYERS
LIABILITY INSURANCE MANUAL AND
MASSACHUSETTS EXPLANATORY NOTES TO NATIONAL ENDORSEMENT WC 00 03 10**

The Division of Insurance has approved revisions to the relevant pages of the Massachusetts Workers' Compensation and Employers Liability Insurance Manual (MA Manual) and Massachusetts explanatory notes to the *Sole Proprietors, Partners, Officers and Others Coverage Endorsement - WC 00 03 10*.

The purpose of the noted revisions is simply to update the MA Manual and Coverage Endorsement - WC 00 03 10 to reflect the Department of Industrial Accidents January 30, 2004 clarification Circular Letter No: 313 - Amendment - Eligibility of and Coverage Requirements for Limited Liability Companies (LLCS) and Limited Liability Partnerships (LLPs) for the purpose of workers' compensation.

Attached is a copy of the Filing Memorandum, dated June 14, 2006, and its attachments, Exhibits A through F, which detail the current and revised wording of the affected manual pages and coverage endorsement.

The revised MA Manual pages reflecting the changes necessitated by approval of this Item will be distributed in due course. The Internet-based versions of the affected MA Manual, accessible at www.wcribma.org and www.ncci.com, will be updated as soon as possible. Also, in due course, the revised Massachusetts Explanatory Notes will be printed and distributed in ***NCCI's Forms Manual of Workers Compensation and Employers Liability Insurance*** for the *Sole Proprietors, Partners, Officers and Others Coverage Endorsement - WC 00 03 10*.

DANIEL M. CROWLEY, CPCU
Vice President - Customer Services

Attachment



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

June 14, 2006

DELIVERY BY HAND

The Honorable Julianne M. Bowler
Massachusetts Division of Insurance
One South Station
Boston, Massachusetts 02110-2208

Re: Manual Revisions for LLC Members and LLP Partners Elections for Coverage

Dear Commissioner Bowler:

The purpose of this filing is to request your approval of the Bureau's proposed revisions to the *Massachusetts Workers' Compensation and Employer's Liability Insurance Manual* (MA Manual). These revisions will update the MA Manual to reflect the Department of Industrial Accidents January 30, 2004 clarification Circular Letter No: 313 - Amendment - Eligibility of and Coverage Requirements for Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs) for the purpose of workers' compensation.

Revisions are made to Rule IX - Special Conditions or Operations Affecting Coverage and Premiums. The proposed revisions are attached as Exhibit A.

BACKGROUND

On October 23, 2002, Massachusetts General Law, c. 152 § 1(4) was amended, to make it possible (i) for sole proprietors and partners of a legal partnership to elect coverage for themselves as employees and (ii) for certain corporate officers and directors to exempt themselves from coverage.

In accordance with the new law, The Department of Industrial Accidents (DIA) promulgated regulations to govern its implementation. A copy of 452 CMR 8.00: Office of Investigations is attached as Exhibit B.

On December 10, 2002, the Bureau filed for and received approval of the "Manual Revisions for Corporate Officer and Director Exclusions From Coverage and Sole Proprietor and Partner Elections For Coverage." At that time, the DIA had not yet addressed the treatment of LLCs and LLPs. Accordingly, the Bureau's filing of December 10, 2002 did not address treatment of LLCs and LLPs.

On January 30, 2004, the DIA issued Circular Letter No: 313 – Amendment to clarify that optional coverage is also available to members of an LLC and partners of an LLP. Members of LLCs and partners of LLPs may elect to be covered under a workers' compensation insurance policy by following the instructions for sole proprietors and partners of legal partnerships set forth in Department of Industrial Accidents Regulation 452 CMR 8.07. A copy of Bureau Circular Letter No: 1942 announcing the DIA's Circular Letter No: 313 dated January 30, 2004 and DIA Circular Letter No: 313 dated October 23, 2003 are attached as Exhibits C and D.

THE WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MASSACHUSETTS

101 ARCH STREET·5TH FLOOR, BOSTON, MASSACHUSETTS 02110-1103
(617) 439-9030, FAX (617) 439-6055, www.wcribma.org

ENDORSEMENTS

Carriers should utilize the national endorsement, Sole Proprietors, Partners, Officers and Others Coverage Endorsement – WC 00 03 10 to identify members of an LLC or partners of an LLP who have elected to become employees under a workers' compensation policy. The Massachusetts Explanatory Note as shown on Endorsement- WC 00 03 10 will be revised to reflect the inclusion of members of an LLC or partners of an LLP. A copy of proposed amended Endorsement- WC 00 03 10 is attached as Exhibit E.

PREMIUM DETERMINATION

Any member of an LLC or partner of an LLP who elects to be covered under their workers' compensation policy is subject to the same premium basis as approved for sole proprietors and partners who elect to become employees under their workers' compensation policy. The attached Miscellaneous Values Page RA-5 (Exhibit F) displays the current Basis of Premium with our proposed revised description to include members of an LLC or partners of an LLP.

The Bureau requests your approval of the revisions to the MA Manual as set forth in Exhibit A. Given that the revisions are remedial in nature, an issue date with an explanatory footnote is proposed. Thank you for your attention to this matter.

Sincerely

Daniel M. Crowley, CPCU
Vice President Customer Services

cc:

Kevin Beagan, Director of State Rating Bureau
Walter Horn, State Rating Bureau
Caleb Huntington, State Rating Bureau
Paul Meagher, President
Ellen Keefe, General Counsel
Robert McCarthy, Vice President, Actuary
Sheila Annis, Vice President Data Operations
Aimé Arsenault, Customer Service

Present Phraseology Part One, Rule IX, Page R-33	Proposed Phraseology Part One, Rule IX, Page R-33
<p>B. SOLE PROPRIETORS OR PARTNERS</p> <p>* 1. Definition Sole proprietors and partners of a legal partnership are employers under M.G.L. c. 152, § 1(5).</p>	<p>B. SOLE PROPRIETORS, PARTNERS, LLCs OR LLPs</p> <p>* 1. Definition Sole proprietors, partners of a legal partnership, <u>members of a Limited Liability Company or partners of a Limited Liability Partnership</u> are employers under M.G.L. c. 152, § 1(5).</p>
<p>2. Status Sole proprietors and partners of a legal partnership are not covered under M.G.L. Chapter 152, as amended, and therefore, do not have the same status as employees covered under the policy.</p> <p><i>Exceptions to B.2. above</i> Sole proprietors and partners of a legal partnership, pursuant to M. G. L. c. 152, § 1(4) as amended by Chapter 169 of the Acts of 2002, may elect to be treated as employees and obtain workers compensation insurance coverage.</p> <p>To provide coverage for sole proprietors and partners of legal partnerships who have elected coverage in accordance with 452 CMR 8.07, attach the Sole Proprietors, Partners, and Others Coverage Endorsement (WC 00 03 10).</p> <p>3. Premium Determination Premium for sole proprietors and partners of a legal partnership who have elected to become employees and obtain workers compensation insurance coverage shall be based on the established fixed payroll amount.</p>	<p>2. Status Sole proprietors, partners of a legal partnership, <u>members of a Limited Liability Company or partners of a Limited Liability Partnership</u> are not covered under M.G.L. Chapter 152, as amended, and therefore, do not have the same status as employees covered under the policy.</p> <p><i>Exceptions to B.2. above</i> Sole proprietors, partners of a legal partnership, pursuant to M. G. L. c. 152, § 1(4) as amended by Chapter 169 of the Acts of 2002, may elect to be treated as employees and obtain workers compensation insurance coverage.</p> <p>Pursuant to the Department of Industrial Accident's Circular Letters No: 313 dated October 23, 2003 and January 30, 2004, <u>members of a Limited Liability Company or partners of a Limited Liability Partnership</u> may also elect to be treated as employees and obtain workers compensation insurance coverage.</p> <p>To provide coverage for sole proprietors, partners of legal partnerships, <u>members of Limited Liability Companies or partners of Limited Liability Partnerships</u> who have elected coverage in accordance with 452 CMR 8.07, attach the Sole Proprietors, Partners, and Others Coverage Endorsement (WC 00 03 10).</p> <p>3. Premium Determination Premium for sole proprietors, partners of a legal partnership, <u>members of a Limited Liability Company or partners of a Limited Liability Partnership</u> who have elected to become employees and obtain workers compensation insurance coverage shall be based on the established fixed payroll amount.</p>

a. The fixed payroll amount for each sole proprietor or partner of a legal partnership is detailed in Part Three – Miscellaneous Values, page RA-5.

b. The fixed payroll amount, as detailed in Part Three – Miscellaneous Values, page RA-5 shall be pro-rated for each sole proprietor or partner of a legal partnership for the number of weeks these individuals were covered during the policy period.

4. Assignment of Payroll

The fixed payroll amount shall be assigned to the classification that applies to the principal operations in which the individual sole proprietor or partner of a legal partnership is engaged.

Exceptions to B.4. above

a. The fixed payroll amount of a sole proprietor or partner of a legal partnership who regularly and frequently engages in duties which are ordinarily performed by a superintendent, foreman or worker shall be assigned to the governing classification.

b. The fixed payroll amount of a sole proprietor or partner of a legal partnership who performs construction, erection or stevedoring operations shall be divided and assigned to the classifications which apply to the different types of operations of the sole proprietor or partner of a legal partnership, subject to the requirements of Rule IV-E.2.

*** 5. Flight Duties**

The fixed payroll amount of a sole proprietor or partner of a legal partnership who is a pilot or member of the flying crew of an aircraft used in the insured's business shall be assigned as follows:

a. The fixed payroll amount for each sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership is detailed in Part Three – Miscellaneous Values, page RA-5.

b. The fixed payroll amount, as detailed in Part Three – Miscellaneous Values, page RA-5 shall be pro-rated for each sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership for the number of weeks these individuals were covered during the policy period.

4. Assignment of Payroll

The fixed payroll amount shall be assigned to the classification that applies to the principal operations in which the individual sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership is engaged.

Exceptions to B.4. above

a. The fixed payroll amount of a sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership who regularly and frequently engages in duties which are ordinarily performed by a superintendent, foreman or worker shall be assigned to the governing classification.

b. The fixed payroll amount of a sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership who performs construction, erection or stevedoring operations shall be divided and assigned to the classifications which apply to the different types of operations of the sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership subject to the requirements of Rule IV-E.2.

*** 5. Flight Duties**

The fixed payroll amount of a sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership who is a pilot or member of the flying crew of an aircraft used in the insured's business shall be assigned as follows:

a. For each week during which the sole proprietor or partner of a legal partnership did not perform flight duties, assign the fixed payroll amount as provided in Rule IX-B-4.

b. For each week during which the sole proprietor or partner of a legal partnership performed flight duties, assign the fixed payroll amount for that week to Code 7421 – Aircraft Operation - Flying Crew. If a sole proprietor's or partner of a legal partnership's non-flying duties in such a week are subject to a higher rated classification, that higher rated classification shall be assigned in that week.

Rules 5.a. and b. apply on the basis of the pilot's log book required under Federal regulations or other verifiable records.

If Code 7421 – Aircraft Operation - Flying Crew - applies and verifiable records are not maintained to indicate those weeks during which flying is performed by a sole proprietor or partner of a legal partnership, their fixed payroll amount shall be assigned to the highest rated classification which applies to any of their operations.

a. For each week during which the sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership did not perform flight duties, assign the fixed payroll amount as provided in Rule IX-B-4.

* b. For each week during which the sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership performed flight duties, assign the fixed payroll amount for that week to Code 7421 - Aircraft Operation - Flying Crew. If a sole proprietor's or partner of a legal partnership's non-flying duties in such a week are subject to a higher rated classification, that higher rated classification shall be assigned in that week.

Rules 5.a. and b. apply on the basis of the pilot's log book required under Federal regulations or other verifiable records.

* If Code 7421 - Aircraft Operation - Flying Crew - applies and verifiable records are not maintained to indicate those weeks during which flying is performed by a sole proprietor, partner of a legal partnership, member of a Limited Liability Company or partner of a Limited Liability Partnership, their fixed payroll amount shall be assigned to the highest rated classification which applies to any of their operations.

8.07 Workers' compensation policies for sole proprietors:

(1) Pursuant to St. 2002, c. 169, a sole proprietor or the partners of a legal partnership may elect to be an employee and obtain coverage under a workers' compensation insurance policy.

(2) If a sole proprietor or partner wants to be covered as an employee under a workers' compensation insurance policy, he/she must submit a written request directly to the carrier when a policy is in place or going to be issued through the voluntary market or to the duly authorized rating organization established by M.G.L. c. 152, §52C if the policy is going to be assigned through the assigned risk pool. The sole proprietor or partner must reaffirm in writing their right of inclusion as an employee on their workers' compensation policy to the insurance carrier annually and prior to the renewal date of the policy.

(3) The effective date of coverage for the sole proprietor or partner shall be either

(a) the next policy effective date following the carrier's receipt of a written request from the sole proprietor or partner, or

(b) the day following the carrier's receipt of a written request that the election for coverage be made effective mid-term.

All such written requests must be on company letterhead and signed by the sole proprietor or partner. Once electing to be covered under a workers' compensation insurance policy, no sole proprietor or partner may opt out of said coverage until the completion of the current policy term.

(4) Pursuant to M.G.L. c. 152 sec 25A, sole proprietors and partnerships are required to provide workers compensation insurance coverage for their employees. Under M.G.L. c 152, sec 1(4), a sole proprietor or partner is given the option to be an employee and be covered under a workers compensation insurance policy. If a sole proprietor or partnership obtains a workers compensation insurance policy without specifically electing coverage as described in 452 CMR 8.07 for the sole proprietor or for each or any partner, the sole proprietor and partners shall not be covered under that policy.

REGULATORY AUTHORITY

452 CMR 8.00: M.G.L. C. 152, §1(4).



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

February 2, 2004

CIRCULAR LETTER NO. 1942

To All Bureau Members and Subscribers:

**CIRCULAR LETTERS FROM THE DEPARTMENT OF INDUSTRIAL ACCIDENTS ON
OPTIONAL COVERAGE FOR MEMBERS OF AN LLC AND PARTNERS OF AN LLP**

Chapter 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 provide that sole proprietors and partners of legal partnerships may elect to be treated as employees and obtain coverage for themselves under a workers' compensation insurance policy. On January 30, 2004, The Department of Industrial Accidents (DIA) issued Circular Letter 313 – Amendment (attached) to clarify that this **optional coverage is also available to members of a Limited Liability Company (LLC) and partners of a Limited Liability Partnership (LLP)**. Members of LLCs and partners of LLPs may elect to be covered under a workers' compensation insurance policy by following the instructions for sole proprietors and partners of legal partnerships set forth in Department of Industrial Accidents Regulation 452 CMR 8.07.

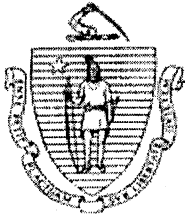
Any member of an LLC or partner of an LLP who elects to be covered under their workers' compensation policy is subject to the same premium basis as approved for sole proprietors and partners who elect to become employees under their workers' compensation policy. Please Refer to Bureau Circular Letters 1906 and 1937, and Rule IX of the Massachusetts Workers' Compensation and Employers Liability Insurance Manual.

Carriers should utilize the national endorsement, Sole Proprietors, Partners, Officers and Others Coverage Endorsement - WC000310 to name members of an LLC or partners of an LLP who have elected to become employees under a workers' compensation policy.

DANIEL M. CROWLEY, CPCU
Director – Customer Services

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

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THE COMMONWEALTH OF MASSACHUSETTS

Department of Industrial Accidents

600 Washington Street, 7th Floor
Boston, Massachusetts 02111

MITT ROMNEY
Governor

KERRY HEALEY
Lieutenant Governor

JANE C. EDMONDS
Director of Workforce Development

ANGELO R. BUONOPANE
Commissioner

CIRCULAR LETTER NO. 313 - AMENDMENT

TO: All Interested Persons

FROM: Angelo R. Buonopane, Commissioner *Angelo R. Buonopane*

RE: Amendment to Circular Letter 313 - Eligibility of and coverage requirements for Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs) for the purposes of workers' compensation insurance

DATE: January 30, 2004; originally Issued - October 23, 2003

Pursuant to M.G.L. c. 152, §25A the Department of Industrial Accidents (DIA) is charged with ensuring that all employers in the Commonwealth maintain proper workers' compensation insurance for their employees at all times. In addition, c. 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 et. seq., address the exemption of corporate officers from workers' compensation (under specific conditions) and the election of sole proprietors and partners to carry said insurance. In addition, and in accordance with M.G.L. 156C, a Limited Liability Company is an unincorporated organization having one or more members (not officers). The reference to Limited Liability Corporations in our October 23, 2003 correspondence was incorrect.

The policy of treating LLCs and LLPs as partnerships stands and, as such, the **members** of an LLC are not required to obtain workers' compensation insurance coverage on themselves. Therefore the words members and non-members should replace each reference to officers and non-officers in Circular Letter 313 issued on October 23, 2003. In addition, please note that all partners of an LLP may elect to carry workers' compensation insurance for themselves - not just general partners.

A copy of the original Circular Letter 313 is available on the DIA's web-site <www.state.ma.us/dia/Announcements/circulars.htm> or by calling 617-727-4900 ext. 470.

**THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF INDUSTRIAL ACCIDENTS**

**600 WASHINGTON STREET, 7TH FLOOR
BOSTON, MA 02111**

Mitt Romney
Governor

Kerry Healey
Lieutenant Governor

Jane C. Edmonds
Director, Department of Workforce Development

Angelo R. Buonopane
Commissioner

CIRCULAR LETTER NO. 313

TO: All Interested Persons

FROM: Angelo R. Buonopane, Commissioner

RE: Eligibility of and coverage requirements for Limited Liability Corporations/Companies (LLCs) and Limited Liability Partnerships (LLPs) for the purposes of workers' compensation insurance

DATE: October 23, 2003

Pursuant to M.G.L. c. 152, §25A the Department of Industrial Accidents (DIA) is charged with ensuring that all employers in the Commonwealth maintain proper workers' compensation insurance for their employees at all times. In addition, c. 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 et. seq., address the exemption of corporate officers from workers' compensation (under specific conditions) and the election of sole proprietors and partners to carry said insurance.

In accordance with the statutes and regulations cited above, it is the policy and practice of the DIA to consider LLCs and LLPs legal partnerships. Therefore, the officers of LLCs and general partners of LLPs are NOT required to obtain workers' compensation insurance for themselves. However, the same LLCs and LLPs are REQUIRED to maintain a valid workers' compensation insurance policy for all non-officer or non-partner employees of the LLP or LLC in question.

As to the exemption of corporate officers allowed under c. 169 of the Acts and Resolves of 2002, this exemption DOES NOT APPLY to the officers of LLCs or partners of LLPs since they are not required to be covered by a valid policy. Further, pursuant to the last paragraph of c. 169 of the Acts and Resolves of 2002 and 452 CMR §8.07, the officers of LLCs and partners of LLPs MAY, at their election, obtain a workers' compensation policy (or amend an existing policy) to provide coverage and benefits for said officers or partners.

Please see M.G.L. c. 152, §25A, c. 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 et. seq. Questions may be directed to the DIA at 800-323-3249 ext. 470.

SOLE PROPRIETORS, PARTNERS, OFFICERS AND OTHERS COVERAGE ENDORSEMENT

An election was made by or on behalf of each person described in the Schedule to be subject to the workers compensation law of the state named in the Schedule. The premium basis for the policy includes the remuneration of such persons.

Schedule

Persons

State

Sole Proprietor:

Partners:

Officers:

Others:

Notes:

- 1. Individuals may be designated in this endorsement only when it is proper to do so under the workers compensation law. Individuals may be designated by naming them or by describing them, as, for example:
 - a. all partners;
 - b. all executive officers except the president;
 - c. each person named in Item 4 of the Information Page.

2. In the Commonwealth of Massachusetts, this endorsement can be used only to identify sole proprietors, partners, **members of Limited Liability Companies or partners of Limited Liability Partnerships** who have elected to obtain coverage for themselves as employees on this policy in accordance with Massachusetts General Law, Chapter 152, Section 1(4), as amended, and Massachusetts Department of Industrial Accidents Regulation 452 CMR 8.00 **and DIA Circular Letter No: 313**. All included sole proprietors, partners, **members of Limited Liability Companies or partners of Limited Liability Partnerships** must be individually named on this endorsement.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Insured	Effective Policy No.	Endorsement No.	Premium
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Insurance Company	Countersigned by _____
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**MASSACHUSETTS WORKERS COMPENSATION
AND EMPLOYERS LIABILITY INSURANCE MANUAL**

**EXHIBIT F
RATES**

1st Reprint

Effective September 1, 2005

RA-5

MISCELLANEOUS VALUES

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

Employee operated vehicles	\$71,666.00*
Leased or rented vehicles	\$47,777.00*

Basis of Premium for Sole Proprietors, Partners of Legal Partnerships, Members of Limited Liability Companies or Partners of Limited Liability Partnerships in accordance with Rule IX-B. 3. a. \$49,800.00*

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.....	\$142.00*
Policies which develop earned Standard Premium of \$200 or more.....	\$284.00*

The expense constant for private residence per capita classifications is \$57,* subject to a maximum of \$200.00.

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 1, 2005.