



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

July 24, 2008

CIRCULAR LETTER NO. 2098

To All Members and Subscribers of the Bureau:

**Approved Revisions to the Massachusetts - Assessment Charge
Endorsement (WC 20 03 02 A)**

The Division of Insurance has approved amendments to the *Massachusetts - Assessment Charge Endorsement (WC 20 03 02 A)* for use by Massachusetts workers' compensation insurers for new and renewal policies, effective on or after September 1, 2008.

As explained in the attached Filing, the purpose of the amendments is to clarify that the applicable Department of Industrial Accidents (DIA) assessment rate should be applied to standard premium as defined by the DIA, rather than the customary industry definition of "standard premium".

DANIEL M. CROWLEY, CPCU
Vice President – Customer Services

Attachment



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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NONNIE S. BURNES
COMMISSIONER OF INSURANCE

July 11, 2008

Daniel M. Crowley, CPCU
Vice President
Workers' Compensation Rating and
Inspection Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, MA 02110

**RE: MASSACHUSETTS—ASSESSMENT CHARGE ENDORSEMENT
(WC 20 03 02 A)**

Dear Mr. Crowley:

I am writing to advise you of the Division's approval of your July 9, 2008 filing to add language to the endorsement regarding the Department of Industrial Accident assessment that will clarify that the applicable assessment rate should be applied to standard premium as defined by the DIA, rather than pursuant to the customary industry definition of "standard premium." As requested, the revised endorsement shall be applicable to all policies written on or after September 1, 2008.

Thank you for your work on this filing.

Sincerely,

Kevin P. Beagan
Deputy Commissioner and
Director, State Rating Bureau



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

July 9, 2008

The Honorable Nonnie S. Burnes
Commissioner of Insurance
Commonwealth of Massachusetts
One South Station
Boston, MA 02110-2208

RE: Massachusetts – Assessment Charge Endorsement (WC 20 03 02 A)

Dear Commissioner Burnes:

The Workers' Compensation Rating and Inspection Bureau (WCRIBMA) requests your approval to add language to the Massachusetts - Assessment Charge Endorsement (WC 20 03 02 A) to make clear that it is the Department of Industrial Accident's definition of Standard Premium that should be used, not the industry definition of standard premium, when calculating the assessment charge. A copy of The Endorsement in its current form is attached as Exhibit A, and a copy of The Endorsement containing the proposed changes in bold is attached as Exhibit B.

The WCRIBMA proposes that the revised Endorsement be approved to become effective on September 1, 2008, applicable to new and renewal policies.

Please let me know if you have any comments or questions. Thank you for your time and attention to this matter.

Sincerely,

Daniel M. Crowley, CPCU
Vice President Customer Services & Residual Market

Attachments

cc:

Kevin Beagan, Deputy Commissioner and Director, State Rating Bureau
Walter Horn, PhD, State Rating Bureau
Caleb Huntington, State Rating Bureau
Paul F. Meagher, President

MASSACHUSETTS – ASSESSMENT CHARGE

Massachusetts General Laws, Chapter 152, Section 65, as amended by Chapter 572 of the Acts of 1985, establishes a workers compensation special fund and a workers compensation trust fund.

On behalf of the Department of Industrial Accidents (DIA), the insurance company providing 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 State Treasury.

The assessment charge, which is determined by applying a rate (subject to annual change) to the standard premium developed under your policy, is shown as a separate item on the information page of the policy. The rate may be different for private employers and for the Commonwealth and its political subdivisions.

The income derived from the assessment charge will be used to fund the operating expenses of the DIA and to fund certain employee benefits as described in Chapter 152.

Note:

Use this endorsement with any policy showing Massachusetts in item 3.A. of the Information Page.

MASSACHUSETTS – ASSESSMENT CHARGE

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On behalf of the Department of Industrial Accidents (DIA), the insurance company providing 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 State Treasury.

The assessment charge, which is determined by applying a rate (subject to annual change) to the **DIA's** standard premium, **as defined and outlined in 452 CMR 7.00**, developed under your policy, is shown as a separate item on the information page of the policy. The rate may be different for private employers and for the Commonwealth and its political subdivisions.

The income derived from the assessment charge will be used to fund the operating expenses of the DIA and to fund certain employee benefits as described in Chapter 152.

Note:

Use this endorsement with any policy showing Massachusetts in item 3.A. of the Information Page.