



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

June 26, 2012

CIRCULAR LETTER NO. 2198

To All Members and Subscribers of the WCRIBMA:

DEPARTMENT OF INDUSTRIAL ACCIDENTS ASSESSMENT

Attached is a letter from The Department of Industrial Accidents (DIA) outlining the official assessment rates to be applied to policies effective July 1, 2012 and thereafter.

Carriers are again reminded that the DIA developed a separate algorithm to assist the insurance community in understanding the components included in the DIA's definition of standard premium as outlined in 452 CMR 7.00. A copy of the DIA Assessment Premium Algorithm can be found in [WCRIBMA Circular Letter 2011](#).

Any questions should be directed to:

Ms. Yvette Nelson-Smith
Department of Industrial Accidents
Charles F. Hurley Building
19 Staniford St, 5th Floor
Boston, MA 02114-2017
(617) 626-5484
ysmith@detma.org

Please note that the DIA's letter includes the self-insured assessment rates. These rates apply solely to self-insured entities and are provided for informational purposes only. The DIA's letter also includes an Information Bulletin on Public Employer Opt Out that was originally posted to the DIA's website in March 2012.

DANIEL M. CROWLEY, CPCU
Vice President – Customer Services

Attachment

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



THE COMMONWEALTH OF MASSACHUSETTS

Department of Industrial Accidents

**Charles F. Hurley Building
Finance Services
19 Staniford Street, 5th Floor
Boston, MA 02114**

DEVAL L. PATRICK
Governor

PHILIP L. HILLMAN
Director

TIMOTHY P. MURRAY
Lieutenant Governor

June 22, 2012

Paul F. Meagher, President
Workers' Compensation Rating & Inspection Bureau
101 Arch Street
Boston, MA 02110

RE: Assessment Rates effective July 1, 2012

Dear Mr. Meagher:

Pursuant to M.G.L. c. 152, §65 (4) & (5), the Department of Industrial Accidents has established the insured assessment rates to be calculated for all policies effective July 1, 2012. The insured assessment rates are as follows:

<u>Employer</u>	<u>Insured Assessment Rate</u>	<u>Self-Insured Assessment Rate</u>
Private	0.042	0.040
Private opt-out	N/A	0.005
Public	0.000	0.000
Public opt out	N/A	N/A

Attached please find a list of both public and private employers that have exercised their right to opt-out of Trust Fund assessments. Also attached please find informational bulletin dated March 12, 2012 which is also posted on the DIA website.

We ask that you please let us review your circular letter announcing the new assessment rate before it is issued. If you have any questions, please contact me at your convenience.

Sincerely,

Philip Hillman
Director

Attachment

OPT-OUT SELF-INSURED CO'S AND GROUPS

DATE	COMPANIES
7/1/92	HARVARD COMMUNITY HEALTH
7/1/92	STURDY MEMORIAL HOSPITAL
7/1/92	DEACONESS HOSPITAL
7/1/92	UNICCO
7/1/92	MARKET BASKET, INC.
7/1/92	DEMOULAS
7/1/92	STOP & SHOP COMPANIES
7/1/92	PURITY
7/1/92	MORTON INTERNATIONAL
7/1/92	ARMSTRONG
7/1/92	GILLETTE COMPANY
7/1/92	ST. JOHNSBURY
7/1/92	CAPE COD HOSPITAL
7/1/92	YELLOW FREIGHT SYSTEMS (YRC)
7/1/92	NORWOOD HOSPITAL
7/1/92	FLATELY COMPANY
7/1/92	FEDERAL EXPRESS
7/1/92	BOSTON COLLEGE
7/1/92	NEW ENGLAND MEDICAL CENTER
7/1/92	SALEM HOSPITAL
7/1/94	DUPONT MERCK PHARMACEUTICAL
7/1/94	E.I. DUPONT DE REMOURS
7/1/94	FREUDENBERG NONWOVENS
7/1/94	ROCHE BROS
7/1/94	AFFILIATED PUBLICATIONS
7/1/96	SISTERS OF PROVIDENCE HEALTH
7/1/96	HOLYOKE-CHICOPEE AREA HEALTH
7/1/96	BAYSTATE HEALTH
7/1/96	STAR MARKETS
7/1/98	BRITTANY DYEING & PRINTING
7/1/98	SHAWS (AHOLD)
7/1/99	CHRONICLE PUBLISHING
7/1/99	COOLEY DICKINSON HOSPITAL
7/1/01	AERVOX, INC.

(VALLEY HEALTH)

DATE	COMPANIES
7/1/03	PARTNERS HEALTHCARE SYSTEMS
7/1/03	WINCHESTER HOSPITAL
7/1/03	BROCKTON HOSPITAL
7/1/04	NEWTON WELLESLEY HOSPITAL
7/1/04	BOSTON MEDICAL CENTER
7/1/05	SOUTH COAST HEALTH SYSTEM
7/1/06	CHILDREN'S HOSPITAL BOSTON
7/1/06	HORIZON BEVERAGE COMPANY
7/1/07	TRUSTEES OF BOSTON UNIVERSITY
7/1/10	CAREGROUP

DATE	GROUPS
7/1/92	MASS RETAIL MERCHANT WORKERS
7/1/96	MASS HIGH TECHNOLOGY S.I. GROUP
7/1/98	SELF-INSURED LUMBER BUSINESS
7/1/05	MASS. HEALTHCARE S.I. GROUP
7/1/05	MASS CARE S.I. GROUP
7/1/05	MASS. MANUFACTURING S.I. GROUP.
7/1/05	MASS. TRADE S.I. GROUP.
7/1/05	AUTOMOTIVE INDUSTRIES COMP. CORP.
7/1/06	MA MCDONALD'S OPERATOR'S WC GROUP
7/1/06	MA NAHRD INSURANCE GROUP, INC.
7/1/07	ABC MASS. WC SIG
7/1/08	MASS BAY SIG
7/1/08	SCHOOL TRANSPORTATION SIG
7/1/09	INDEPENDENT SCHOOL COMPENSATION CORPORATION
7/1/11	HVAC COMPENSATION CORPORATION
7/1/11	NEEIA COMPENSATION, INC.

PUBLIC OPT-OUTS

OPT OUT PUBLIC ENTITES			
DATE	CITIES	DATE	TOWNS
7/1/95	ATTLEBORO	7/1/92	AMHERST
7/1/92	BEVERLY	7/1/92	ARLINGTON
7/1/02	BOSTON	7/1/92	BARNSTABLE
7/1/99	BROCKTON	7/1/92	BELLINGHAM
7/1/92	CAMBRIDGE	7/1/92	BOXBOROUGH
7/1/96	CHELSEA	7/1/96	BRAINTREE
7/1/95	CHICOPEE	7/1/00	BROOKLINE
7/1/92	FALL RIVER	7/1/96	CONCORD
7/1/01	FITCHBURG	7/1/93	DANVERS
7/1/03	GLOUCESTER	7/1/92	DEDHAM
7/1/92	HAVERHILL	7/1/92	FRAMINGHAM
7/1/92	HOLYOKE	7/1/92	FRANKLIN
7/1/99	LAWRENCE	7/1/92	HINGHAM
7/1/93	LOWELL	7/1/95	HULL
7/1/99	LYNN	7/1/92	LEXINGTON
7/1/03	MALDEN	7/1/98	MARBLEHEAD
7/1/92	MARLBOROUGH	7/1/92	MARION
7/1/03	MEDFORD	7/1/92	METHUEN
7/1/04	MELROSE	7/1/92	MIDDLEBOROUGH
7/1/92	NEW BEDFORD	7/1/00	NATICK
7/1/99	NEWTON	7/1/92	NEEDHAM
7/1/03	PEABODY	7/1/97	NORFOLK
7/1/99	PITTSFIELD	7/1/92	NORWOOD
7/1/03	REVERE	7/1/05	OAK BLUFFS
7/1/92	QUINCY	7/1/92	READING
7/1/03	SALEM	7/1/96	SCITUATE
7/1/92	SOMERVILLE	7/1/92	SOMERSET
7/1/92	SPRINGFIELD	7/1/98	STOUGHTON
7/1/97	TAUNTON	7/1/92	SOUTH HADLEY
7/1/00	WALTHAM	7/1/92	STOW
7/1/92	WESTFIELD	7/1/96	SUDBURY
7/1/97	WOBURN	7/1/97	WEYMOUTH
7/1/92	WORCESTER	7/1/99	WINCHESTER
			OTHERS
			7/1/98 MASS. TURNPIKE AUTHORITY
			7/1/98 MASS. PORT AUTHORITY
			7/1/92 P.E.R.A.
			7/1/92 M.I.I.A.
			7/1/92 WOODS HOLE, MARTHA'S VINEYARD &
			7/1/92 NANTUCKET STEAMSHIP AUTHORITY
			7/1/92 MA EDUCATION & GOVT ASSN W.C. TRUST.
			7/1/96 BOSTON WATER & SEWER COMMISSION



THE COMMONWEALTH OF MASSACHUSETTS

Department of Industrial Accidents

1 Congress Street, Suite 100
Boston, Massachusetts 02114-2017

DEVAL L. PATRICK
Governor

**INFORMATIONAL BULLETIN
PUBLIC EMPLOYER OPT OUT
DIA/OFFICE OF LEGAL COUNSEL**

PHILIP HILLMAN
Director

TIMOTHY P. MURRAY
Lieutenant Governor

March 12, 2012

The Department of Industrial Accidents (“DIA” or “Department”), through its Office of Legal Counsel is issuing this informational bulletin to clarify issues regarding the definition of a public entity or public employer (hereinafter, “public employer”) for the purposes of determining the Trust Fund assessment rates as required under M.G.L. c. 152, § 65 (4) (d). This bulletin will also clarify the process whereby a public employer may file a notice of non-participation and the resultant effect on its right to reimbursement from the Workers’ Compensation Trust Fund (“Trust Fund”).

M.G.L. c. 152, § 65 (2) requires that the Commonwealth and any of its political subdivisions subject to the Workers’ Compensation Act pay assessments in order to fund the Trust Fund: Section 65 (2) goes on to provide that “... neither the commonwealth, nor any city, town, or other political subdivision of the commonwealth or public employer self-insurance group shall be required to pay assessments... if such employer or group has given up an entitlement to reimbursement ... by “filing a notice of non-participation with the department”. This process is commonly referred to as “opting out”. There are two ways that a public employer can opt-out of the fund. The public employer can opt out on its own, or it may be a member of a public self-insurance group which opts out. When a public employer opts out it is irrevocable. After opt out, the public employer is not required to pay assessments. It is likewise no longer entitled to reimbursement from the Trust Fund. Reimbursement from the Trust Fund is barred for the public employer which has opted out and its insurer or self-insurance group for dates of injury before and after the date the public employer opted out. Insurers and self-insurance groups must then seek reimbursement from the public employer. See, M.G.L. c. 152, § 65 (2). As of July 1, 2005 all cities and towns in the Commonwealth had opted out of the Trust Fund. The following examples are provided to assist in defining what is a “public employer” and the effect of opting out:

- There is no assessment due from a public employer that opts out and then becomes privately insured. Neither the public employer nor the insurance company is entitled to reimbursement from the Trust Fund after the public employer opts out. The determinative factor is that the public employer has opted out.

- A public employer that is a member of a self-insurance group is bound by the election of that group to opt out. There is no assessment due from a public employer that is a member of that public employer self-insurance group where the group opts out. Neither the public employer nor the public employer self-insurance group is entitled to reimbursement from the Trust Fund after either of them opts out.

- Where a public employer is privately insured, and then becomes self-insured, neither the public employer nor the private insurer that previously insured the public employer is entitled to reimbursement from the Trust Fund if the public employer elects individually or as a member of a public self-insurance group to opt out. Once a public employer opts out it is no longer entitled to any reimbursement from the Trust Fund, even for dates of injury before its opt out.

- As set forth in M.G.L. c. 152, § 65 (2), the term “public employer” includes the commonwealth, cities, towns, political subdivisions of the commonwealth or public employer self-insurance groups. For purposes of § 65, housing authorities are not considered political subdivisions of the Commonwealth, and thus, are not “public employers” as that term is used therein.

William Tattan
General Counsel
Department of Industrial Accidents