



October 9, 2018

CIRCULAR LETTER NO. 2342

To All Members and Subscribers of the WCRIBMA:

BASIS OF PREMIUM – TAXI CAB COMPANIES
EFFECTIVE OCTOBER 1, 2018
APPLICABLE TO NEW AND RENEWAL BUSINESS

The Basis of Premium entries for Code 7370 - "Taxicab Co." for taxicab operators without verifiable payroll records are shown on the Miscellaneous Values page of the Massachusetts Workers' Compensation & Employers Liability Insurance Manual.

The Basis of Premium for taxicab operators without verifiable payroll records in connection with an **employee operated vehicle** of a taxicab company is a function of the Statewide Average Weekly Wage (SAWW) and is calculated as follows:

Step 1: Initial Value = $150\% \times \text{SAWW} \times 52 \text{ weeks}$

Step 2: Basis of Premium equals the Initial Value rounded to the nearest \$100.

The Basis of Premium for taxicab operators without verifiable payroll records in connection with a **leased or rented vehicle** of a taxicab company is calculated as follows:

Step 1: Initial Value = $\text{SAWW} \times 52 \text{ weeks}$

Step 2: Basis of Premium equals the Initial Value rounded to the nearest \$100

Effective October 1, 2018, the SAWW in the Commonwealth of Massachusetts is \$1,383.41. Consequently, the following Basis of Premium entries for taxicab operators without verifiable payroll records are:

Employee operated vehicles.....	\$107,900
Leased or rented vehicles.....	\$71,900

This change only affects new and renewal business effective on or after October 1, 2018.

Daniel M. Crowley, CPCU
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