



October 10, 2019

**CIRCULAR LETTER NO. 2356**

To All Members and Subscribers of the WCRIBMA:

**BASIS OF PREMIUM – TAXI CAB COMPANIES**  
**EFFECTIVE OCTOBER 1, 2019**  
**APPLICABLE TO NEW AND RENEWAL BUSINESS**

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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, 2019, the SAWW in the Commonwealth of Massachusetts is \$1,431.66. Consequently, the following Basis of Premium entries for taxicab operators without verifiable payroll records are:

Employee operated vehicles.....	<b>\$111,700</b>
Leased or rented vehicles.....	<b>\$74,400</b>

This change only effects new and renewal business effective on or after October 1, 2019.

Daniel M. Crowley, CPCU  
Vice President - Customer Services