



March 16, 2021

CIRCULAR LETTER NO. 2383

To All Members and Subscribers of the WCRIBMA:

**REVISIONS TO THE MASSACHUSETTS CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM**

On March 10, 2021, the Massachusetts Division of Insurance ("DOI") approved the WCRIBMA's attached Filing Memorandum and Exhibits that proposed certain technical revisions to the Massachusetts Construction Classification Premium Adjustment Program (MCCPAP) Special Program pages, including changes to the *Workers' Compensation Premium Credit Application* and *Acknowledgement of Receipt of Notice Form* within the Massachusetts Workers' Compensation and Employers Liability Insurance Manual (Manual). These revisions highlight the availability of the WCRIBMA's Online MCCPAP website tool and other electronic means for submitting construction credit applications. These changes become effective April 1, 2021.

The Internet-based versions of the affected MA Manual pages, accessible at www.wcribma.org, will be updated soon.

Please contact Dan Crowley (617-646-7594 or dcrowley@wcribma.org) if you have any questions.

Attachment

DANIEL M. CROWLEY, CPCU
Vice President – Customer Services

February 23, 2021

Filing Memorandum

Proposed Revisions to the Massachusetts Construction Classification Premium Adjustment Program

Purpose

The purpose of this filing is to propose certain technical revisions to the Massachusetts Construction Classification Premium Adjustment Program (MCCPAP) Special Program pages, including changes to the *Workers' Compensation Premium Credit Application* and *Acknowledgement of Receipt of Notice Form* within the Massachusetts Workers' Compensation and Employers Liability Insurance Manual (Manual). The changes are being proposed to highlight the availability of the WCRIBMA's Online MCCPAP website tool and other electronic means for submitting construction credit applications.

Background

On September 12, 2012, the WCRIBMA introduced Online MCCPAP on its website to accept the electronic submission of Construction Credit applications. Online MCCPAP is a web-based software application that allows an employer, or a producer authorized by the employer, to complete the application on the employer's behalf and electronically submit a construction credit application to the WCRIBMA through its website. Today, the majority of applications are submitted through Online MCCPAP and we propose updating the Manual pages to reflect the online submission options.

Proposal

We request that the proposed revisions become effective April 1, 2021.

Impact

The proposed changes will have no impact on current rates or classification premiums.

Implementation

The attached exhibits include the proposed changes necessary to implement this filing. Upon approval by the DOI, the WCRIBMA will publish new Manual pages.

Exhibit 1: Current Massachusetts Construction Classification Premium Adjustment Program Special Program pages.

Exhibit 2: Marked up Massachusetts Construction Classification Premium Adjustment Program Special Program pages.

Exhibit 3: Revised - clean version of Massachusetts Construction Classification Premium Adjustment Program Special Program pages.

Respectfully submitted,

Daniel Crowley, CPCU
Vice President - Residual Market and Customer Services
WCRIBMA

Exhibit 1

MASSACHUSETTS CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

The Massachusetts Construction Classification Premium Adjustment Program allows for a premium credit to be applied to any experience rated insured with an average hourly wage of at least \$30.00 for one or more of the following construction classifications.

Eligible Construction Classifications

3365	5160	5437	5508	6003	7538
3724	5183	5443	5509	6005	7601
3726	5188	5445	5538	6204	7855
5020	5190	5462	5545	6217	8227
5022	5213	5472	5547	6229	9014
5037	5215	5473	5606	6233	9533
5040	5221	5474	5610	6251	9534
5057	5222	5478	5645	6252	
5059	5223	5479		6306	
	5348	5480	5701	6319	
5102	5402	5506	5703	6325	
5146	5403	5507	5705	6400	

‡ Class Codes 5069 and 5651 are eliminated effective May 1, 2017.

Carriers are required to provide notice, at policy inception or during the policy term, to any insured that has a policy with one or more of the eligible construction classifications by sending them a "Workers' Compensation Premium Credit Application" form. Refer to Exhibit 1 which illustrates a sample Application. Side One of the form on Page S-11 instructs the insured to complete and sign the application shown on the reverse side of the form, Side Two/Page S-12, and to submit it to the MA Bureau.

For all classifications listed on the policy, the application requests total Massachusetts payroll (excluding overtime premium pay) and hours worked by classification. In the absence of specific records for salaried employees, assume each such individual worked forty (40) hours per week.

Payroll and hours worked should be reported for the third calendar quarter (July, August, September) preceding the policy inception date. However, if the insured did not engage in operations for the reported third quarter, then the last complete quarter prior to the year the policy takes effect shall be used. A credit will be determined for each construction classification by dividing the total payroll, excluding overtime premium pay, by the number of hours worked to arrive at the average hourly wage for the classification.

Upon receipt of an insured's properly completed application, the MA Bureau computes the premium credit factor, if applicable. The credit for average hourly wage is listed below:

Average Hourly Wage		Manual Premium Credit %	Average Hourly Wage		Manual Premium Credit %
\$29.99	or less	0%	\$35.00	- \$35.49	15%
\$30.00	- \$30.49	5%	\$35.50	- \$35.99	16%
\$30.50	- \$30.99	6%	\$36.00	- \$36.49	17%
\$31.00	- \$31.49	7%	\$36.50	- \$36.99	18%
\$31.50	- \$31.99	8%	\$37.00	- \$37.49	19%
\$32.00	- \$32.49	9%	\$37.50	- \$37.99	20%

\$32.50	-	\$32.99	10%	\$38.00	-	\$38.49	21%
\$33.00	-	\$33.49	11%	\$38.50	-	\$38.99	22%
\$33.50	-	\$33.99	12%	\$39.00	-	\$39.49	23%
\$34.00	-	\$34.49	13%	\$39.50	-	\$39.99	24%
\$34.50	-	\$34.99	14%	\$40.00	and over		25%

The total construction classification credit amount in dollars must be calculated and then divided by the total policy manual premium for all (construction and non-construction) classifications. The MA Bureau will obtain additional inputs from the Experience Rating Plan Calculation Worksheet to administer offsets required to calculate the policy credit factor. The result would be the percentage credit, which is to be applied to the qualifying policy. When calculating the total policy credit, the percentage shall be rounded to two decimal places. (As an example, .1547 rounded to .15 and .1551 rounded to .16.)

The carrier shall, upon audit, verify the information that was submitted by the insured and used in the calculation of the credit. If the carrier discovers an error in the original request for policy credit, revised information must be submitted to the MA Bureau for recalculation. If the insured does not furnish records to verify the payrolls and hours worked originally submitted and used in the calculation of the credit, there shall be no credit applied to the policy.

If the insured has not submitted a completed application for credit prior to policy's premium audit, the auditor will request that the insured sign an "Acknowledgment of Receipt of Notice Form" with the understanding that a completed and signed original application must be submitted to the MA Bureau before the completion of the premium audit of the affected policy. *Refer to Exhibit 2 on Page S-13.* In any event, the completed and signed application must be received by the MA Bureau within six months of the expiration date of the affected policy, or within one month of the time the insured received notice of the Massachusetts Construction Classification Premium Adjustment Program, whichever is later.

The credit authorized by the MA Bureau shall appear on Item 4. of the Information Page of the policy. The policy credit factor is to be applied in the premium determination process directly after the application of an experience modification. The premium adjustment is included in Standard Premium. *Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.* If the credit is not available at the time of policy issuance, the carrier shall endorse the policy by use of Massachusetts Construction Classification Premium Adjustment Endorsement (WC 20 04 03) to provide initial notification of the Massachusetts Construction Classification Premium Adjustment Program.

(Name of Insured)
(Address)
(Town/City, State, Zip Code)

PART ONE
SPECIAL PROGRAMS
EXHIBIT 1
Side One
Page S-11

**MASSACHUSETTS CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM
WORKERS' COMPENSATION PREMIUM CREDIT APPLICATION**

The Massachusetts Construction Classification Premium Adjustment Program has been proposed for employers engaged in construction operations and is applicable to policies eligible for experience rating.

A special premium calculation, which may result in a premium credit for you, will be based on average hourly pay rates for each classification of construction operations. In order that your premium may be correctly established, please return the completed premium credit application, as shown on the reverse side of this letter to: **The Workers' Compensation Rating and Inspection Bureau of Massachusetts, 101 Arch Street 5th Floor, Boston, Massachusetts 02110, Attention: Customer Services.**

They will advise us of any premium credit applicable.

IMPORTANT: *Initial written notice of possible credit under this Program is given to you at policy inception or during the policy term. If you have not already submitted an application for credit prior to policy audit, you will be requested to sign a form acknowledging receipt of notice and, at the same time, requested to indicate whether you will apply for a credit. If you apply for a credit, you must submit a completed and signed application to the Bureau before the completion of the audit of the affected policy. In any event, the completed and signed application must be received by the Bureau within six months of the expiration date of the affected policy, or within one month of the time you receive written notice of the Program, whichever is later.*

For each applicable classification (both construction and non-construction) covering your company's operations in the State of Massachusetts, report the total Massachusetts payroll (excluding overtime premium pay) and the corresponding total number of hours worked for the third calendar quarter (July, August, September) as reported to taxing authorities.

Note #1: If you did not engage in construction operations during the most recent third calendar quarter, the requested information to be provided should then be for the last complete calendar quarter prior to the effective date of your workers' compensation policy.

Note #2: If you are a new business (no prior operations), or an existing business engaged in construction operations for the first time, submit the requested information for the first complete calendar quarter following the effective date of your workers' compensation policy when available.

Note #3: In the absence of specific records for salaried employees, you should assume that each individual worked forty (40) hours per week.

Please preserve your payroll records which formed the basis for this declaration as we will be required to verify the reported information in order for any premium credit to be applied.

Thank you for your cooperation.

Sincerely,

Turn Page Over for Premium Credit Application

**WORKERS' COMPENSATION
MASSACHUSETTS CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT
PROGRAM APPLICATION**

Insured: Sample Construction Co, Inc.

Federal Employers ID No.: 04-123456

123 Main Street
Address

City MA 02000
City State Zip

Policy # WC123456789 Effective Date 01/01/06

Carrier Abacus Insurance Company Issuing Office Boston, MA

Notice: Unless code(s), total wages paid, total hours worked, and calendar quarter reported are indicated and application is signed, it cannot be processed. Contact your agent if assistance is desired.

CLASSIFICATION(S)	CODE	TOTAL MASSACHUSETTS WAGES PAID ¹	TOTAL HOURS WORKED
Concrete Construction	5213	\$46,176	2,080
Carpentry	5403	32,339	1,560
Excavation	6217	23,639	1,040
Contractors Yard	8227	16,640	1,040
Executive Supervisor	5606	13,000	520
Salesmen	8742	45,000	1,560
Clerical	8810	19,500	2,600

The foregoing is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending 09/30/05.

Signature _____ Position _____ Date _____

¹ Excluding overtime premium pay.

IMPORTANT NOTICE

PLEASE READ CAREFULLY

**THIS NOTICE FORM AND THE APPLICATION MUST
BE RETURNED BEFORE YOUR AUDIT CAN BE PROCESSED**

**MASSACHUSETTS CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM**

ACKNOWLEDGMENT OF RECEIPT OF NOTICE FORM

I, the undersigned, acknowledge receipt of Massachusetts Workers' Compensation Premium Credit Application.

I understand that in order to receive a credit under this Program, I must submit a complete and signed original application, which must be received within the time frame stated in the application, to:

**The Workers' Compensation Rating and Inspection Bureau
of Massachusetts
101 Arch Street 5th Floor
Boston, Massachusetts 02110
Attention: Customer Services**

*Signature and Title
(Corporate Officer,
General Partner, or
Sole Proprietor)*

Employer's Name

Retain a copy of this form in your file.

Exhibit 2

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Carriers are required to provide notice, at policy inception or during the policy term, to any insured that has a policy with one or more of the eligible construction classifications by sending them a "Workers' Compensation Premium Credit Application" form. **Refer to Exhibit 1, which illustrates a sample Application.** Side One of the form on Page S-11 instructs the insured to complete and sign the application shown on the reverse side of the form, Side Two/Page S-12, and to submit it to the [MA-Workers' Compensation Rating & Inspection Bureau of Massachusetts \("WCRIBMA"\)](#).

For all classifications listed on the policy, the application requests total Massachusetts payroll (excluding overtime premium pay) and hours worked by classification. In the absence of specific records for salaried employees, assume each such individual worked forty (40) hours per week.

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Upon receipt of an insured's properly completed application, the [MA-BureauWCRIBMA](#) computes the premium credit factor, if applicable. The credit for average hourly wage is listed below:

Average Hourly Wage			Manual Premium Credit %	Average Hourly Wage			Manual Premium Credit %
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The credit authorized by the ~~MA Bureau~~ WCRIBMA shall appear on Item 4. of the Information Page of the policy. The policy credit factor is to be applied in the premium determination process directly after the application of an experience modification. The premium adjustment is included in Standard Premium. **Refer to Appendix E – Voluntary Market Premium Algorithm and Appendix F – Residual Market Premium Algorithm.** If the credit is not available at the time of policy issuance, the carrier shall endorse the policy by use of Massachusetts Construction Classification Premium Adjustment Endorsement (WC 20 04 03) to provide initial notification of the Massachusetts Construction Classification Premium Adjustment Program.

(Name of Insured)
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A special premium calculation, which may result in a premium credit for you, will be based on average hourly pay rates for each classification of construction operations. In order that your premium may be correctly established, **please** ~~return the completed premium credit application, as shown on the reverse side of this letter~~ submit the application through the web tool, **Online MCCPAP – Construction Credit Application**, located on our website (www.wcribma.org) under the Tools and Services menu within the time frame stated in the application. Insureds who are unable to submit their application through the web tool may also be eligible for the credit by submitting a completed application by email to customerservices@wcribma.org, by fax to Customer Services #617-439-6055, or by mail to: The Workers' Compensation Rating and Inspection Bureau of Massachusetts, 101 Arch Street 5th Floor, Boston, Massachusetts 02110, Attention: Customer Services.

~~They~~ WCRIBMA will advise us of any premium credit applicable.

IMPORTANT: Initial written notice of possible credit under this Program is given to you at policy inception or during the policy term. If you have not already submitted an application for credit prior to policy audit, you will be requested to sign a form acknowledging receipt of notice and, at the same time, requested to indicate whether you will apply for a credit. If you apply for a credit, you must submit a completed and signed application to the ~~Bureau~~ WCRIBMA before the completion of the audit of the affected policy. In any event, the completed and signed application must be received by the ~~Bureau~~ WCRIBMA within six months of the expiration date of the affected policy, or within one month of the time you receive written notice of the Program, whichever is later.

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 MASSACHUSETTS CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT
 PROGRAM APPLICATION**

Sample Construction Co. Inc.

Insured

04-1234567

Federal Employers ID No.

123 Main Street

Address

City	MA	02000
City	State	Zip

WC123456789	01/01/2020
Policy No.	Effective Date

Abacus Insurance Company	Boston MA
Carrier	Issuing Office

NOTICE ~~Notice~~: Unless code(s), ~~€~~**T**otal ~~Massachusetts~~ ~~w~~**W**ages ~~p~~**P**aid, ~~€~~**T**otal ~~h~~**H**ours ~~w~~**W**orked, and calendar quarter reported are indicated and application is signed, it cannot be processed. Contact your agent if assistance is ~~desired~~**required**.

CLASSIFICATION(S)	CODE	TOTAL MASSACHUSETTS WAGES PAID ^{*±}	TOTAL HOURS WORKED
Concrete Construction	5213	\$46,176	2,080
Carpentry	5403	32,339	1,560
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Salesmen	8742	45,000	1,560
Clerical	8810	19,500	2,600

~~*±~~ EXCLUDEING OVERTIME PREMIUM PAY

The foregoing is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending ~~09/30/2019~~**05**.

Signature _____ Position _____ Date _____

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PLEASE READ CAREFULLY

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Attention: Customer Services**

Signature and Title
(Corporate Officer, General Partner
or Sole Proprietor)

Employer's/Policyholder's Name

Date

Retain a copy of this form in your file.

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(Name of Insured)
(Address)
(Town/City, State, Zip Code)

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A special premium calculation, which may result in a premium credit for you, will be based on average hourly pay rates for each classification of construction operations. In order that your premium may be correctly established, please submit the application through the web tool, **Online MCCPAP – Construction Credit Application**, located on our website (www.wcribma.org) under the Tools and Services menu within the time frame stated in the application. Insureds who are unable to submit their application through the web tool may also be eligible for the credit by submitting a completed application by email to customerservices@wcribma.org, by fax to **Customer Services #617-439-6055**, or by mail to: **The Workers' Compensation Rating and Inspection Bureau of Massachusetts, 101 Arch Street 5th Floor, Boston, Massachusetts 02110, Attention: Customer Services.**

WCRIBMA will advise us of any premium credit applicable.

IMPORTANT: Initial written notice of possible credit under this Program is given to you at policy inception or during the policy term. If you have not already submitted an application for credit prior to policy audit, you will be requested to sign a form acknowledging receipt of notice and, at the same time, requested to indicate whether you will apply for a credit. If you apply for a credit, you must submit a completed and signed application to the WCRIBMA before the completion of the audit of the affected policy. In any event, the completed and signed application must be received by the WCRIBMA within six months of the expiration date of the affected policy, or within one month of the time you receive written notice of the Program, whichever is later.

For each applicable classification (both construction and non-construction) covering your company's operations in the State of Massachusetts, report the total Massachusetts payroll (excluding overtime premium pay) and the corresponding total number of hours worked for the third calendar quarter (July, August, September) as reported to taxing authorities.

- Note #1: If you did not engage in construction operations during the most recent third calendar quarter, the requested information to be provided should then be for the last complete calendar quarter prior to the effective date of your workers' compensation policy.
- Note #2: If you are a new business (no prior operations), or an existing business engaged in construction operations for the first time, submit the requested information for the first complete calendar quarter following the effective date of your workers' compensation policy when available.
- Note #3: In the absence of specific records for salaried employers, you should assume that each individual worked forty (40) hours per week.

Please preserve your payroll records which formed the basis for this declaration as we will be required to verify the reported information in order for any premium credit to be applied.

Thank you for your cooperation.

Sincerely,

Turn Page Over for Premium Credit Application

**PART ONE
SPECIAL PROGRAMS
EXHIBIT 1**

Side Two
Page S-12

**WORKERS' COMPENSATION
MASSACHUSETTS CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT
PROGRAM APPLICATION**

Sample Construction Co. Inc.

Insured

04-1234567

Federal Employers ID No.

123 Main Street

Address

City

MA

02000

City

State

Zip

WC123456789

01/01/2020

Policy No.

Effective Date

Abacus Insurance Company

Boston MA

Carrier

Issuing Office

NOTICE: Unless code(s), Total **Massachusetts** Wages Paid, Total Hours Worked, and calendar quarter reported are indicated and application is signed, it cannot be processed. Contact your agent if assistance is **required**.

CLASSIFICATION(S)	CODE	TOTAL MASSACHUSETTS WAGES PAID*	TOTAL HOURS WORKED
Concrete Construction	5213	\$46,176	2,080
Carpentry	5403	32,339	1,560
Excavation	6217	23,639	1,040
Contractors Yard	8227	16,640	1,040
Executive Supervisor	5606	13,000	520
Salesmen	8742	45,000	1,560
Clerical	8810	19,500	2,600

*** EXCLUDE OVERTIME PREMIUM PAY**

The foregoing is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending **09/30/2019**.

Signature _____ Position _____ Date _____

IMPORTANT NOTICE

PLEASE READ CAREFULLY

**THIS NOTICE FORM AND THE APPLICATION MUST
BE RETURNED BEFORE YOUR AUDIT CAN BE PROCESSED**

**MASSACHUSETTS CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM**

ACKNOWLEDGMENT OF RECEIPT OF NOTICE FORM

I, the undersigned, acknowledge receipt of Massachusetts Workers' Compensation Premium Credit Application.

I understand that in order to receive a credit under this Program, I must submit the application through the web tool, **Online MCCPAP – Construction Credit Application**, located on the WCRIBMA website (www.wcribma.org) under the Tools and Services menu within the time frame stated in the application. If I am unable to submit an application through the web tool I may also submit a completed application by email to customerservices@wcribma.org, by fax to Customer Services #617-439-6055, or by mail to the address shown below. The complete and signed original application must be received within the time frame stated in the application.

**The Workers' Compensation Rating and Inspection Bureau
of Massachusetts
101 Arch Street, 5th Floor
Boston, Massachusetts 02110
Attention: Customer Services**

Signature and Title
(Corporate Officer, General Partner,
or Sole Proprietor)

Policyholder's Name

Date

Retain a copy of this form in your file.