

March 23, 2018

CIRCULAR LETTER NO. 2328

To All Members and Subscribers of the WCRIBMA:

GENERAL REVISION OF RATES

**EFFECTIVE JULY 1, 2018
APPLICABLE TO NEW AND RENEWAL BUSINESS**

The Commissioner of Insurance has approved a Stipulation for the general revision of workers' compensation rates, effective 12:01 A.M., July 1, 2018, applicable to new and renewal policies. This includes:

1. **RATE LEVEL DECREASE OF 12.9%**
The overall average decrease of 12.9% in the existing workers' compensation average rates will vary by class.
2. **REVISED SCOPE OF CLASSIFICATION CODES 5040, 5059 & 5538**
The Scope of Codes 5040, 5059 and 5538 have been updated to clearly describe all operations that are common to all insureds involved in these types of steel erection projects. Consequently, the rates for Codes 5040, 5059 and 5538 have been adjusted downward to reflect the clarification of the scope of these classifications with regard to steel erection operations.
3. **EXPERIENCE RATING PLAN CHANGES**
The Experience Rating Plan Expected Loss Rates, D-Ratios, Weight and Ballast Tables, State Per Claim Accident Limitation and the State Multiple Claim Accident Limitation will be revised.
4. **RETROSPECTIVE RATE PLAN CHANGES**
State Special Rating Values for retrospective rating will be changing, including excess loss factors and hazard group differentials. The various tables of retrospective expense ratios will be revised.
5. **F – CLASSES - OVERALL RATE LEVEL DECREASE OF 13.3%**
The overall average decrease of 13.3% in the existing workers' compensation F- Class average rates will vary by class.

6. USL&HW ACT COVERAGE PERCENTAGE APPLICABLE TO NON-F CLASSIFICATIONS

The percentage applicable in connection with Rule XII-D-3-b “U.S. Longshore and Harbor Workers’ Compensation Act” will be revised.

7. USL&HW ACT EXPECTED LOSS FACTOR APPLICABLE TO NON-F CLASSIFICATIONS

The factor used to modify the expected loss rate for a state class whose rate was modified in accordance with Rule XII-D-3-b “U.S. Longshore and Harbor Workers’ Compensation Act” will be revised.

8. SMALL DEDUCTIBLE CREDITS

The premium credits applicable to the election of small deductibles under either the Massachusetts Benefits Deductible Program or the Massachusetts Benefits Claim and Aggregate Deductible Program will be revised.

9. SUPPLEMENTARY DISEASE RATES

The rates associated with Codes 0059, 0065, 0066 and 0067 will change.

10. NO CHANGES IN THE FOLLOWING:

- A. Expense Constants
- B. Loss Constants
- C. Admiralty Law and Federal Employers’ Liability Act classifications
- D. Merit Rating Program
- E. Massachusetts Construction Classification Premium Adjustment Program (“MCCPAP”)
- F. Premium Discount Tables A and B

Experience ratings and ARAP factors (including replacement of preliminary experience ratings and ARAP factors) effective July 1, 2018 and subsequent will be issued in due course using the new rating values.

MCCPAP Factors effective July 1, 2018 and subsequent will be revised in due course using the revised experience rating offset.

When the new rates and experience ratings are received and incorporated into policy issuance, carriers should no longer attach Massachusetts Pending Premium Change Endorsement WC 20 04 01 to policies. Revised Massachusetts manual rate pages will be available on our website at www.wcribma.org. The new rates and rating values will also be available in electronic form (Microsoft Excel and text files) on our website. A copy of the Commissioner’s Decision and Order and the Stipulation will be available on our website.

DANIEL R. JUDSON
President