



B U L L E T I N

September 8, 2008

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R.C. 2184

To the Members of the Board

**RE: New York Workers Compensation
Revision of CPAP Endorsement (WC 31 03 19E)
Effective October 1, 2007**

The Underwriting Committee of the New York Compensation Insurance Rating Board (NYCIRB) has authorized, and the New York State Insurance Department has approved an amendment to the Construction Premium Adjustment Program CPAP Endorsement (WC 31 03 19E). This revised endorsement is effective October 1, 2007.

This endorsement is being modified to reflect an update and elimination of eligible codes 6254 and 6259. Codes 6254 and 6259 were discontinued effective October 1, 2007.

Along with this bulletin is the updated endorsement WC 31 03 19E which replaces the current version (WC 31 03 19D). Pages within the NYCIRB W.C. & E.L. Manual which reflect this change, and are attached to this Bulletin, are as follows: R-1, R-67, the Alphabetical Index and the Numerical Index of endorsements.

This endorsement is also available via our website at: www.nycirb.org.

Very truly yours,

Monte Almer

President

WVT:tg
Encl.

**NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT**

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of \$15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit:

0042	5057	5193	5429	5491	5606	6003	6229	6325	9526
3365	5059	5213	5443	5506	5610	6005	6233	6400	9527
3724	5069	5221	5445	5507	5645	6017	6235	6701	9534
3726	5102	5222	5462	5508	5648	6018	6251	7536	9539
3737	5160	5223	5473	5536	5651	6045	6252	7538	9545
5000	5183	5348	5474	5538	5701	6204	6260	7601	9549
5022	5184	5402	5479	5545	5703	6216	6306	7855	9553
5037	5188	5403	5480	5547	5709	6217	6319	8227	
5040	5190	5428							

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:



<u>POLICY EFFECTIVE DATE</u>	<u>THIRD QUARTER PAYROLL</u>
4/1/06 thru 3/31/07	2005
4/1/07 thru 3/31/08	2006
4/1/08 thru 3/31/09	2007
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009
4/1/11 thru 3/31/12	2010
4/1/12 thru 3/31/13	2011

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. You must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 200 East Forty-Second Street, New York, New York 10017.

Applications must be received by the Rating Board six (6) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.

PART ONE—RULES

RULE I—GENERAL

A. WORKERS COMPENSATION

Workers Compensation as used in this manual means workmen's compensation, workers compensation or occupational disease.

B. STANDARD POLICY

Standard Policy means the standard provisions Workers Compensation and Employers Liability Insurance Policy and the Information Page approved by the New York State Insurance Department. Every policy affording coverage under the New York Workers' Compensation Law must have the following endorsements attached:

- WC 31 03 08 - New York Limit of Liability Endorsement;
- ★ • WC 31 03 19E - New York Construction Classification Premium Adjustment Program Explanatory Endorsement;
- WC 00 04 19 - Premium Due Date Endorsement;
- ◆ • WC 00 04 21C - Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement
- ◆ • WC 00 04 22A - Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement

Exception: The Standard Policy shall not be used to provide coverage for employees subject to the New York Volunteer Firefighters' Benefit Law or the New York Volunteer Ambulance Workers' Benefit Law. Such coverage can be afforded only by means of a Volunteer Firefighters' Benefit Law Policy or a Volunteer Ambulance Workers' Benefit Law Policy, respectively.

C. ENDORSEMENT FORMS

Endorsement forms means authorized endorsements listed in the Alphabetical List of Endorsements in Part Four of this manual. All endorsements must be used in the form prescribed in this manual.

D. POLICY AND ENDORSEMENT FORMS

Refer to the Policy Forms and Authorized Endorsement section of this manual for a complete description of coverages and instructions on use of policy and endorsement forms.

E. APPLICATION OF MANUAL RULES

Rules apply separately to each policy, except as allowed by Rule VII—Premium Discount.

F. EFFECTIVE DATE

1. Manual

This manual applies only from the anniversary rating date which occurs on or after the effective date of this manual.

5. Audit

- a. 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, the revised information must be submitted to the Rating Board for recalculation.
- b. 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.

6. Information Page

The credit, authorized by the Rating Board, shall appear on Item 4 of the Information Page.

If a credit has not been authorized for the insured, the value of ".00" is to be shown on the Information Page.

7. Form of Endorsement

- ★ The New York Construction Classification Premium Adjustment Program Explanatory Endorsement (WC 31 03 19E) shall be attached to each policy.

8. Notification to Insured

Carriers are required to use a standardized text letter to notify all their insureds that have one or more construction classifications on their policy that they may be eligible for a premium adjustment credit. A copy of this form must be filed, by each carrier, with the Rating Board prior to the carrier's implementation of the program.

9. Statistical Code

Report the premium credit on the Information Page and Unit Statistical Report under Code 9046.

J. LOSS COST TRANSITION PROGRAM

This program applies to insureds previously written under certain classifications that have been discontinued. It does not apply to new risks or any other programs. The Rating Board will identify those affected insureds and will notify the carriers. It is then the responsibility of the carrier to apply the transitional loss cost in the development of the rate for the affected insureds. The Board will publish a transitional loss cost on the Loss Cost pages of the manual for those insureds affected by the discontinuance of the class.

For the first year after the elimination of a code, the transitional loss cost will be equal to a 4-1 weighting of the loss cost used prior to the discontinuance of the code and the newly developed loss cost. For the second year, a 3-2 weighting is used. A 2-3 weighting is used for the third year and a 1-4 weighting is used for the fourth year. The transition program does not apply after the fourth year.

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New York Designated Workplace Cancellation Endorsement and Notice of Partial Cancellation	WC 31 03 02
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WC 31 03 07	New York Liability of Municipalities to Police Officers or Paid Firefighters—Exclusion Endorsement
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WC 31 03 10	New York Medical Benefits Reimbursement Endorsement
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WC 31 03 20	New York Optional Labor Contractor Endorsement
WC 31 03 21	New York Optional Labor Contractor Exclusion Endorsement
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WC 31 04 01	New York Construction Classification Premium Adjustment Factor Endorsement
WC 31 04 02	New York Merit Rating Endorsement
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