

## BULLETIN

February 19, 2009

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R.C. 2198

To: The Members of the Board

RE: New York Workers Compensation & Employers Liability Manual  
Anniversary Rating Date - Examples

The Underwriting Committee of the New York Compensation Insurance Rating Board has authorized, and the New York State Insurance Department has approved, Anniversary Rating Date examples to be incorporated in the New York Workers Compensation & Employers Liability Manual. This insertion provides clarification and illustration regarding the determination of an Anniversary Rating Date. This new information will show an issue date of February 17, 2009.

These examples provide additional explanation on the interpretation of the scenarios provided in Rule I, Item G, Anniversary Rating Date. A separate example is provided for each scenario in the determination of the Anniversary Rating Date. This update is reflected in the Manual on pages R-2, R-2a, R-2b, and R-2c which are attached.

This amendment is also included in an updated version of the New York Workers Compensation & Employers Liability Manual which is available via our website at: [www.nycirb.org](http://www.nycirb.org).

Very truly yours,

Monte Almer

President

WVT:tg  
Encl.

## 2. Changes

The effective date of a change in any rule, classification or rate is 12:01 a.m. on the date specified on the manual page. Any change will be issued on a reprinted page and will be designated by a ★. Unless specified otherwise, each change applies only from the anniversary rating date which occurs on or after the effective date of the change.

### G. ANNIVERSARY RATING DATE

The anniversary rating date is the month and day of the policy in effect and each anniversary thereafter unless a different anniversary date has been established by the New York Compensation Insurance Rating Board or other licensed rating organization..

Rules, classifications and rates are applied on an Anniversary Rating Date basis for all risks. .

Use the Standard Anniversary Rating Date Endorsement (WC 00 04 02) when necessary. The endorsement is used to show the normal anniversary rating date if different from the policy effective date.

★ To determine the proper application refer to the tables on the following pages:

**Anniversary Rating Date --- Table 1**

For a single policy risk whose . . .	The insurance carrier must apply . . .
Policies have run consecutively, or,  The risk is a new entity . . .	<p>The rates effective on the normal ARD for the full term of:</p> <ul style="list-style-type: none"> <li>• The policy beginning on that date, or</li> <li>• Any other policy beginning up to three months after that date</li> <li>• No more than 15 months</li> </ul>
★	<p><b>Example:</b> for single policy risk whose policies have run consecutively or the risk is a new entity with a normal ARD of 01/01/?</p> <p style="text-align: center;">01/01/07 – 01/01/08 01/01/08 – 01/01/09</p> <p>The rates that are in effect on 01/01/07 will apply to the 01/01/07 policy up to 01/01/08.</p>
Policy has been cancelled and rewritten, either by the same or another carrier within three months after the normal ARD . . .	<p>To the rewritten policy, all rules, classifications and rates of the rewriting carrier that were in effect as of the normal ARD:</p> <ul style="list-style-type: none"> <li>• Until the next ARD has been reached, or</li> <li>• Until the next ARD is established by the NYCIRB</li> <li>• No more than 15 months</li> </ul>
★	<p><b>Example:</b> for a policy that has been cancelled and rewritten, either by the same or another carrier within three months after the normal ARD which is 01/01/??</p> <p style="text-align: center;">01/01/06 – 01/01/07 01/01/07 – 03/01/07 03/01/07 – 03/01/08 03/01/08 – 03/01/09</p> <p>The rates that are in effect on 01/01/07 will apply to the policies effective 01/01/07 and 03/01/07. The new ARD will be 03/01/08.</p>
Policy has been cancelled and rewritten, either by the same or another carrier more than three months after the normal ARD . . .	<ul style="list-style-type: none"> <li>• The rates in effect as of the normal ARD to the new policy until the next normal ARD.</li> <li>• The rates in effect as of the next normal ARD to the new policy until the expiration date of the policy.</li> <li>• The rates in effect as of the new ARD annually thereafter as the new normal ARD. This will be the date that is 12 months after the effective date of the new policy.</li> </ul>
★	<p><b>Example:</b> for a policy that have been cancelled and rewritten, either by the same or another carrier more than three months after the normal ARD.</p> <p style="text-align: center;">01/01/06 – 01/01/07 01/01/07 – 06/01/07 06/01/07 – 06/01/08 06/01/08 – 06/01/09</p> <p>The rates that are in effect on 01/01 will apply to the 01/01/07 policy. The rates that are in effect on 01/01 will apply to the 06/01/07 policy until 01/01/08. The rates that are in effect on 01/01/08 will apply from 01/01/08 to 06/01/08. The new ARD is 06/01/08.</p>

**Anniversary Rating Date --- Table 2**

<p><b>For a multiple policy risk with varying effective dates . . .</b></p>	<p><b>The insurance carrier must apply . . .</b></p>										
<p>That is not a long-term policy or Three-Year Fixed-Rate Policy . . .</p>	<p>The rates in effect on the normal ARD until the next normal ARD:</p> <ul style="list-style-type: none"> <li>• These rates apply to the portion of each policy falling within the 12-month period, regardless of their effective and termination dates.</li> <li>• The renewal rates must be applied in the same manner.</li> <li>• The ARD is determined by the policy with the largest premium, unless otherwise established by the rating organization.</li> </ul>										
<p>★</p>	<p><b>Example:</b> for a multiple policy risk with varying effective dates that are not long-term or Three Year Fixed-Rate policies where the normal ARD is 06/01.</p> <table border="1" data-bbox="443 701 1479 821"> <thead> <tr> <th>Policy A</th> <th>Policy B</th> <th>Policy C</th> </tr> </thead> <tbody> <tr> <td>01/01/07 – 01/01/08</td> <td>06/01/07 – 06/01/08</td> <td>04/01/07 – 04/01/08</td> </tr> <tr> <td>01/01/08 – 01/01/09</td> <td>06/01/08 – 06/01/09</td> <td>04/01/08 – 04/01/09</td> </tr> </tbody> </table> <p>The rates that are in effect on 06/01/06 will apply to the 01/01/07 Policy A from 01/01/07 up to 06/01/07 and from 06/01/07 to 01/01/08.</p> <p>The rates that are in effect on 06/01/07 will apply to Policy B.</p> <p>Policy C, the 04/01/07 policy will use the rates that are in effect on 06/01 from 04/01/07 up to 06/01/07 and from 06/01/07 up to 04/01/08. The 04/01/08 policy will use the rates in effect on 06/01/07 from 04/01/08 up to 06/01/08 and from 06/01/08 to 04/01/09.</p>	Policy A	Policy B	Policy C	01/01/07 – 01/01/08	06/01/07 – 06/01/08	04/01/07 – 04/01/08	01/01/08 – 01/01/09	06/01/08 – 06/01/09	04/01/08 – 04/01/09	
Policy A	Policy B	Policy C									
01/01/07 – 01/01/08	06/01/07 – 06/01/08	04/01/07 – 04/01/08									
01/01/08 – 01/01/09	06/01/08 – 06/01/09	04/01/08 – 04/01/09									
<p>That has been cancelled and rewritten, either by the same or another carrier . . .</p>	<p>To the rewritten policy, all rules, classifications and rates of the rewriting carrier that were in effect as of the normal ARD:</p> <ul style="list-style-type: none"> <li>• Until the next ARD has been reached, or</li> <li>• The next ARD is established by the rating organization</li> </ul>										
<p>★</p>	<p><b>Example:</b> for a multiple risk with varying effective dates that has been cancelled and rewritten either by the same or another carrier where the normal ARD is 01/01, and the new ARD is 06/01/08</p> <table border="1" data-bbox="443 1444 1479 1640"> <thead> <tr> <th>Policy A</th> <th>Policy B</th> </tr> </thead> <tbody> <tr> <td>01/01/06 – 01/01/07</td> <td>01/01/06 – 01/01/07</td> </tr> <tr> <td>01/01/07 – 03/01/07</td> <td>01/01/07 – 06/01/07</td> </tr> <tr> <td>03/01/07 – 03/01/08</td> <td>06/01/07 – 06/01/08</td> </tr> <tr> <td>03/01/08 – 03/01/09</td> <td>06/01/08 – 06/01/09</td> </tr> </tbody> </table> <p>The rates in effect on 01/01/07 will apply to Policy A policies effective 01/01/07 and 03/01/07. The rates in effect on 01/01/08 will apply to the 03/01/08 policy from 03/01/08 up to 06/01/08, and from 06/01/08 to 03/01/09.</p> <p>The rates in effect on 01/01/07 will apply to Policy B policy effective 01/01/07 from 01/01/07 to 06/01/07. The 01/01/07 rate will also apply to the policy effective 06/01/07 from 06/01/07 up to 01/01/08 and from 01/01/08 up to 06/01/08.</p>	Policy A	Policy B	01/01/06 – 01/01/07	01/01/06 – 01/01/07	01/01/07 – 03/01/07	01/01/07 – 06/01/07	03/01/07 – 03/01/08	06/01/07 – 06/01/08	03/01/08 – 03/01/09	06/01/08 – 06/01/09
Policy A	Policy B										
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01/01/07 – 03/01/07	01/01/07 – 06/01/07										
03/01/07 – 03/01/08	06/01/07 – 06/01/08										
03/01/08 – 03/01/09	06/01/08 – 06/01/09										

Anniversary Rating Date --- Table 3

For other situations such as . . .	The insurance carrier must apply . . .
A long-term policy (issued for a period longer than one year and 16 days, other than a Three-Year Fixed-Rate Policy) . . .	All rules, classifications and rates to individual units as if a separate policy had been issued. Divide the policy into consecutive units of 12 months each. <ul style="list-style-type: none"><li>• This division will designate either the first or last unit of less than 12 months as a short-term policy.</li></ul>
A Three-Year Fixed-Rate Policy . . .	The rates in force on the effective date of the policy until its termination.

3. Long-Term Policies

For application of anniversary rating dates on policies issued for a term in excess of one year, *refer to Rule III.C.3.*