

RULE IX

Effective May 1, 2006

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2. Premium

a. Specific

A premium charge of 5% to 10% of the total premium developed in conjunction with the work for which the waiver is provided shall apply for each person or organization named in the endorsement, subject to a minimum premium of \$250 per policy.

b. Blanket

A premium charge equal to 2% to 10% of the total premium, subject to a minimum premium of \$250 per policy.

Note: If a premium charge other than the minimum percentage is used, the underwriting file will be documented as to the reason for the higher percentage.

L. NEW YORK STATE ASSESSMENT

1. Explanation

The New York State Assessment is a separate identifiable charge to policyholders for the funding of the Special Disability Fund, Reopened Case Fund, Workers' Compensation Board expenses, Special Funds Conservation Committee expenses and interdepartmental expenses associated with the administration of OSHA requirements.

2. General Information

The New York State Assessment amount must be displayed as a separate identifiable charge on the policy information page. Code 0932 must be used in conjunction with this charge **for policy submission use only**.

The New York State Assessment amount is subject to change at audit and at all subsequent retrospective rating adjustments.

The New York State Assessment amount is charged in conjunction with the effective date of the rates used on each policy. Therefore, where the Anniversary Rate Date Endorsement (WC 00 04 02) applies, e.g., when two sets of rates are used, two assessment percentages will apply.

For **all policies effective on or after January 1, 2001**, in accordance with applicable New York statutes (Chapter 188, Laws of 1999 and Chapter 510, Laws of 2000) **premium must be used** as the basis for calculating the policy charge.

3. Premium Base for Calculating the New York State Assessment

For purpose of this rule, premium is defined as premium determined on the basis of Rating Board or authorized (deviated) rates (or percentage premium deviation) plus any applicable territory differential premium, including any experience modification, merit rating factor, minimum premium, Construction Classification Premium Adjustment Program policy credit factor, surcharges and credits from Workplace Safety Programs, credits from independently filed carrier specialty programs (for example, alternative dispute resolution, drug-free workplace, managed care or preferred provider organization programs) and the additional charge for the Terrorism Risk Insurance Act of 2002. The expense constant, including the expense constant in the minimum premium, the premium discount, as defined in Rule VII, and premium credits for participation in any deductible program are excluded from the premium base for the determination of the assessment charge.

For retrospectively rated policies, premium is defined as the retrospective premium, as determined by the applicable parameters of the Retrospective Rating Plan, plus the implied premium discount determined on the basis of standard premium.

For policies written under all independently filed programs, e.g., large deductible programs, the use of a premium base, other than as described in this rule, must be approved by the New York State Insurance Department prior to use.

4. **Assessment Charge**

The assessment percentages to be applied to each policy can be found in the Miscellaneous Values page of the rates section of this manual.

Note: Legislation requires that the assessment amounts collected from policyholders be considered as premium for tax purposes. Assessment charges contemplate premium tax, but not commission.

M. WORKERS COMPENSATION SECURITY FUND SURCHARGE

1. **Explanation**

The Workers Compensation Security Fund Surcharge is a separate identifiable charge to policyholders for the funding of the Workers Compensation Security Fund which serves as the guaranty fund for fulfilling the obligations of insolvent private carriers writing workers compensation in the state of New York.

2. **General Information**

The Workers Compensation Security Fund Surcharge amount must be displayed as a separate identifiable charge on the policy information page. Code 9749 must be used in conjunction with this charge.

The Workers Compensation Security Fund Surcharge amount is subject to change at audit and at all subsequent retrospective rating adjustments.

The Workers Compensation Security Fund Surcharge amount is charged in conjunction with the effective date of the rates used on each policy. Therefore, where the Anniversary Rate Date Endorsement (WC 00 04 02) applies, e.g., when two sets of rates are used, two surcharge percentages will apply.

3. **Premium Base for Calculating the Security Fund Surcharge**

Total policy premium, including the New York State Assessment, is the premium base to which the surcharge percentage, shown in the Miscellaneous Values page in the rates section of this manual, is to be applied.

★ N. CATASTROPHE PROVISIONS

1. **Foreign Terrorism**

Premium for foreign terrorism is calculated on the basis of total payroll. A risk's total payroll is divided by units of \$100 and multiplied by the foreign terrorism rate as shown on the Miscellaneous Values Page. The calculation is expressed as $(\text{Payroll}/100 \times \text{Foreign Terrorism Rate} = \text{Premium})$. For non-payroll classes the premium for foreign terrorism is calculated as a percentage, as shown on the Miscellaneous Values Page, multiplied by the non-payroll class premium. The foreign terrorism premium is not subject to any other modifications including, but not limited to, premium discount, experience rating or retrospective rating.

Unless an "If Any" policy develops premium during the policy term or at audit, policies issued on an "If Any" basis will not be charged this premium.

Attach the Terrorism Risk Insurance Extension Act Endorsement (WC 00 01 13) and the Foreign Terrorism Premium Endorsement (WC 00 04 22).

2. Domestic Terrorism, Natural Disaster and Catastrophic Industrial Accidents

Premium for Domestic Terrorism, Natural Disaster and Catastrophic Industrial Accidents is calculated on the basis of total payroll. A risk's total payroll is divided by units of \$100 and multiplied by the domestic terrorism rate as shown on the Miscellaneous Values Page. The calculation is expressed as $(\text{Payroll}/100 \times \text{Domestic Terrorism Rate} = \text{Premium})$. For non-payroll classes the premium for domestic terrorism is calculated as a percentage, as shown on the Miscellaneous Values Page, multiplied by the non-payroll class premium. The domestic terrorism premium is not subject to any other modifications including, but not limited to, premium discount, experience rating or retrospective rating.

Unless an "If Any" policy develops premium during the policy term or at audit, policies issued on an "If Any" basis will not be charged this premium.

Attach the Domestic Terrorism Earthquake and Catastrophic Industrial Accident's Premium Endorsement (WC 00 04 21A)