



MEMORANDUM

DATE: November 3, 2011
TO: Distribution
FROM: Gena Isaacs, UW Technical Advisor
SUBJECT: January 1, 2012 Rate Memo

This memo contains the following information:

- 2012 Pure Rate Information
- SAIF Rate Tiers **(change)**
- Premium Discount
- Catastrophe and Terrorism Rates
- Retrospective Rating Factors **(change)**
- Increased Limits Part Two Coverage
- Limits of Liability for Jones and FELA Classes
- DCBS Assessment **(change)**
- SAIF Prepay Plan
- Expense Constants and Minimum Premiums
- SAIFPlus Credit
- Miscellaneous Values **(change)**
- Assigned Risk Plan Aircraft Passenger Seat Surcharge
- Assigned Risk Plan Loss Sensitive Retrospective Rating Plan Factors **(change)**

January 1, 2012 Pure Premium Change

Overall rate level change of +1.9% from the 01/01/2011 rates.

		<u>Maximum Increase</u>	<u>Maximum Decrease</u>
Manufacturing	+2.2%	+27%	-23%
Contracting	+1.6%	+27%	-23%
Office and Clerical	-1.5%	+24%	-26%
Goods and Services	+2.6%	+28%	-22%
Miscellaneous	+2.5%	+28%	-22%

SAIF Rate Levels Applied to NCCI Pure Rates

SAIF Voluntary – Effective 1/1/2012

Tier			Jones/FELA Program II	
	State	Federal	State Benefits	Federal Benefits
K	1.040	1.090	1.040	1.090
D	1.120	1.170	1.120	1.170
E	1.220	1.270	1.220	1.270
F	1.340	1.390	1.340	1.390
G	1.500	1.550	1.500	1.550
H	1.700	1.750	1.700	1.750

Assigned Risk State and Federal effective 01/01/2012

		Jones/FELA Program II		
Tier	State	Federal	Jones State Benefits	Jones Federal Benefits
J	1.845	1.817	1.845	1.817

Note: ARP final rates may vary slightly from rates calculated using above factors.

"U" Classes – State Act Classes Loaded for Federal Exposure Effective 01/01/2012

All SAIF Voluntary Tiers **2.02**
 Assigned Risk Plan **1.99**

Premium Discount

SAIF Voluntary – effective 01/01/2010 (No Change)				Assigned Risk - effective 01/01/2011 (No Change) DCBS approved the withdrawal of premium discount for the Assigned Risk Plan effective 01/01/2011.
0	-	3,500	0.0%	
3,500.01	-	18,000	10.0%	
18,000.01	-	100,000	15.0%	
100,000.01	&	Over	16.5%	

Catastrophe (other than Certified Acts of Terrorism) (No Change)

Voluntary \$0.01 per \$100 of payroll
 Assigned Risk \$0.01 per \$100 of payroll

Terrorism Effective (No Change)

Voluntary \$0.01 per \$100 of payroll
 Assigned Risk \$0.01 per \$100 of payroll

Retrospective Rating

Excess Loss Premium Factors Effective 01/01/2012

HAZARD GROUPS							
Limitation	A	B	C	D	E	F	G
\$100,000	.226	.269	.304	.334	.375	.434	.503
\$125,000	.198	.237	.271	.300	.341	.399	.471
\$150,000	.177	.213	.246	.274	.314	.372	.446
\$175,000	.160	.193	.226	.253	.291	.348	.423
\$200,000	.147	.177	.209	.234	.272	.328	.404
\$250,000	.127	.154	.185	.207	.243	.296	.373
\$300,000	.112	.135	.164	.185	.219	.271	.347
\$350,000	.100	.122	.149	.170	.201	.250	.326
\$400,000	.091	.110	.138	.155	.185	.233	.310
\$450,000	.083	.101	.128	.144	.173	.219	.295
\$500,000	.077	.093	.119	.135	.163	.207	.282
\$700,000	.061	.073	.097	.108	.132	.171	.243
\$1,000,000	.050	.059	.078	.088	.107	.141	.207

Retrospective Closure Charges

No changes to closure charges.

Increased Limits Part Two (No Change)

Limits of Liability	Percentage	Minimum Premium
500/500/500 (Standard Limit)	0.00%	\$0
500/500/1,000	0.60%	\$150
500/500/3,000	1.80%	\$200
500/500/5,000	2.50%	\$250
500/500/10,000	3.00%	\$300
1,000/1,000/1,000	1.10%	\$150
1,000/1,000/3,000	2.30%	\$200
1,000/1,000/5,000	2.90%	\$250

Limits of Liability for Jones and FELA Classes (No Change)

Effective 01/01/2001		
Per Accident Limit	Program II Factor	Minimum Premium
100,000	1.00	\$230
150,000	1.15	\$238
200,000	1.28	\$246
250,000	1.39	\$252
300,000	1.48	\$258
400,000	1.63	\$268
500,000	1.75	\$276
600,000	1.85	\$282
700,000	1.94	\$286
800,000	2.01	\$290
900,000	2.07	\$292
1,000,000	2.13	\$296
1,500,000	2.33	\$306
2,000,000	2.46	\$314
2,500,000	2.56	\$320
3,000,000	2.63	\$326
3,500,000	2.67	\$332
4,000,000	2.71	\$338
4,500,000	2.75	\$344
5,000,000	2.77	\$350
6,000,000	2.81	\$362
7,000,000	2.84	\$374
8,000,000	2.86	\$386
9,000,000	2.87	\$398
10,000,000	2.88	\$410
15,000,000	2.92	\$460
20,000,000	2.93	\$510
25,000,000	2.94	\$560

DCBS Assessment – Effective 01/01/2012

6.2%

SAIF Prepay Plan (Voluntary Only) Effective 01/01/2010 (No Change)

Annual in Advance 4.0%

Quarterly in Advance 2.5%

Expense Constants and Minimum Premiums

SAIF Voluntary

Expense Constant for USL&HW (Federal) \$100 (no change)

Minimum Premium Class dependent – subject to \$500 maximum

Assigned Risk

Expense Constant \$180 (no change)

Minimum Premium Class dependent – subject to \$500 maximum

SAIF Segmented Class

Class Description	Segmented Class	NCCI Class	Rate Source Class	ELR & D Ratio Source Class
Garbage Collection-Garage Employees	9351	9403	8380	9403

Maximum SAIFPlus Credit Effective 01/01/2010 (No Change)

3.5% up to \$1,050 maximum credit

Beginning 01/01/2011, the SAIFPlus credit applies only to payment, or credits applied to installments, during the policy period. It will not apply to any additional premium that is due or that is paid after the policy period end date.

Miscellaneous Values

Basis of premium applicable in accordance with the footnote instructions for Class 7370

– Taxicab Company: **Effective 01/01/2012:**

Employee operated vehicle **\$65,800**

Leased or rented vehicle **\$43,800**

Maximum payroll applicable in accordance with Basic Manual footnote instructions for Class 9178 – “Athletic Sports or Park: Non-contact Sports,” Class 9179 – “Athletic Sports or Park: Contact Sports,”:

Effective 01/01/2012 \$3,400

(Effective 01/01/2012, this maximum payroll limit no longer applies to Class 9186 – “Carnival – Traveling.”)

Maximum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”:

Effective 01/01/2012 \$3,400

Minimum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”:

Effective 01/01/2012 \$850

Premium Determination for Partners, Sole Proprietors, and members of Limited Liability Companies (LLC) in accordance with Basic Manual Rule 2-E:

Effective 01/01/2012 \$30,000

Minimum payroll applicable for the following workers, whether subject by statute or employer election (New and Renewal Policies):

Voluntary	Effective 01/01/2012	\$8.50 / hour
Assigned Risk	Effective 01/01/2012	\$8.50 / hour

Volunteers
Municipal Volunteers (excluding volunteers in Class 8411)
Work Experience Trainees
School Directed Vocation Education Project Trainees
Apprentice Trainees
Inmates (both incarcerated and community service)
Sheltered Workshop Trainees

For Assigned Risk Policies Only:

Per Passenger Seat Surcharge – In accordance with the Basic Manual footnote instructions for Class 7421, the surcharge is:

Maximum surcharge per aircraft	\$1,000
Per Passenger Seat	\$100

**Loss Sensitive Retrospective Rating Plan (LSRP) factors effective 1/1/2012
(Updates in Bold)**

Basic Factor	.400
Minimum Premium Factor	.750
Maximum Premium Factor	1.750
Loss Conversion Factor	1.197
Tax Multiplier	1.003

Adjustment (Evaluation Closure)

1st Adjustment
2nd Adjustment
3rd Adjustment
4th Adjustment

Loss Development Factors

.22
.16
.15
.14