



**January 1, 2021 Rate Memo**

This memo contains the following information:

- 2021 Pure Rate Information
- SAIF Rate Tiers **(change)**
- USL&H Load Factors for State Act Classifications **(change)**
- Premium Discount
- Catastrophe Rate & Terrorism Rate
- Retrospective Rating Factors **(change)**
- Increased Limits Part Two Coverage
- Limits of Liability for Jones and FELA Classes
- DCBS Assessment **(change)**
- Non-Disabling Claims Reimbursement **(change)**
- SAIF Prepay Plan
- Expense Constants and Minimum Premiums
- Claim Rating Plan **(change)**
- Installment Plans
- Experience Rating Modification Eligibility **(change)**
- Miscellaneous Values **(change)**
- Assigned Risk Plan Loss Sensitive Retrospective Rating Plan Factors **(change)**

**January 1, 2021 Pure Premium Change**

**Overall average rate level change of -5.6% from the 01/01/2020 rates**

		<u>Maximum Increase</u>	<u>Maximum Decrease</u>
Manufacturing	-4.8%	+20%	-30%
Contracting	-5.9%	+19%	-31%
Office & Clerical	-6.2%	+19%	-31%
Goods & Services	-6.4%	+19%	-31%
Miscellaneous	-4.2%	+21%	-29%

**SAIF Rate Levels Applied to NCCI Pure Rates**

**SAIF Voluntary – Effective 01/01/2021 (Changes in Bold)**

Tier			Jones/FELA Program II	
	State	Federal	State Benefits	Federal Benefits
K	<b>1.100</b>	<b>1.150</b>	<b>1.100</b>	<b>1.150</b>
D	<b>1.280</b>	<b>1.330</b>	<b>1.280</b>	<b>1.330</b>
E	<b>1.430</b>	<b>1.480</b>	<b>1.430</b>	<b>1.480</b>
F	<b>1.550</b>	<b>1.600</b>	<b>1.550</b>	<b>1.600</b>
G	<b>1.650</b>	<b>1.700</b>	<b>1.650</b>	<b>1.700</b>
H	<b>1.770</b>	<b>1.820</b>	<b>1.770</b>	<b>1.820</b>
L	1.950	2.00	1.950	2.00



**Assigned Risk State and Federal Effective 01/01/2021 (Changes in Bold)**

			Jones/FELA Program II	
Tier	State	Federal	Jones State Benefits	Jones Federal Benefits
J	<b>2.168</b>	<b>2.149</b>	<b>2.168</b>	<b>2.148</b>

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

**“U” Classes – State Act Classes Loaded for Federal Exposure Effective 01/01/2020 (Changes in Bold)**

All SAIF Voluntary Tiers **1.87**  
 Assigned Risk Plan 1.85

**Premium Discount**

SAIF Voluntary – effective 01/01/2017 <i>(No Change)</i>				Assigned Risk - effective 01/01/2011 <i>(No Change)</i> DCBS approved the withdrawal of premium discount for the Assigned Risk Plan effective 01/01/2011.
0	-	5,000	0.0%	
5,000.01	-	15,000	10.5%	
15,000.01	-	50,000	16.5%	
50,000.01	&	Over	18.0%	

**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 *(No Change)***

Voluntary \$0.005 per \$100 of payroll  
 Assigned Risk \$0.01 per \$100 of payroll

### **Retrospective Rating**

#### **Excess Loss Premium Factors - Effective 01/01/2021 (Change)**

<b>Hazard Groups</b>							
Limitation	A	B	C	D	E	F	G
100,000	.138	.171	.193	.229	.265	.304	.349
125,000	.117	.148	.168	.202	.238	.275	.321
150,000	.102	.130	.151	.183	.217	.253	.298
175,000	.090	.117	.137	.167	.200	.234	.280
200,000	.081	.106	.125	.155	.186	.219	.264
250,000	.068	.090	.108	.135	.165	.195	.240
300,000	.059	.079	.097	.121	.149	.178	.221
350,000	.053	.070	.087	.110	.138	.164	.206
400,000	.047	.064	.080	.102	.127	.153	.194
450,000	.043	.059	.074	.095	.120	.144	.184
500,000	.040	.055	.070	.089	.113	.136	.175
700,000	.032	.044	.056	.073	.094	.114	.149
1,000,000	.025	.035	.046	.060	.078	.094	.126

### **Retrospective Closure Charges**

No changes to closure charges.

### **Increased Limits Part Two – Effective 01/01/2013 (No Change)**

Assigned Risk policies are eligible for limits up to a maximum of \$1m/1m/1m.

Limits of Liability (000 Omitted)	Percentage	Minimum Premium
500/500/500 (Standard Limit)	0.0%	\$0
500/500/1,000	0.1%	\$0
500/500/3,000	0.3%	\$0
500/500/5,000	0.5%	\$0
500/500/10,000	1.0%	\$0
1,000/1,000/1,000	0.4%	\$120
1,000/1,000/3,000	0.6%	\$120
1,000/1,000/5,000	0.8%	\$120
1,000/1,000/10,000	1.3%	\$120
2,000/2,000/2,000	0.7%	\$140
3,000/3,000/3,000	0.9%	\$160

**Limits of Liability for Maritime/Jones and FELA Classes – Effective 01/01/2013**

(No Change)

Assigned Risk policies qualify for Maritime/Jones \$100,000 limits only. FELA is not available for Assigned Risk policies.

Per Accident Limit	Program II Factor	Minimum Premium
100,000	1.00	\$0
200,000	1.26	\$100
300,000	1.41	\$100
400,000	1.50	\$100
500,000	1.54	\$100
1,000,000	1.70	\$150
2,000,000	1.88	\$175
3,000,000	1.97	\$200
4,000,000	2.02	\$225
5,000,000	2.04	\$250
6,000,000	2.06	\$260
7,000,000	2.08	\$270
8,000,000	2.09	\$280
9,000,000	2.10	\$290
10,000,000	2.11	\$300

**DCBS Assessment – Effective 01/01/2021 (Change)**

**9.0%**

**Non-Disabling Claims Reimbursement – Effective 01/01/2021 (Change)**

**\$2,300**

**Regional Prepay Plan (Voluntary) Effective 01/01/2019 (No Change)**

Annual in Advance	3.5%
Quarterly in Advance	1.0%
Monthly (10-pay) in Advance	1.0%
Semi-annual in Advance	2.0%

**Expense Constants and Minimum Premiums:**

**SAIF Voluntary (No Change)**

Expense Constant for USL&HW (Federal) - \$100

Minimum Premium Class dependent – subject to \$500 maximum

Minimum Premium Calculation:

Beginning 01/01/2014, when a policy incepts with multiple classes, the minimum premium is based on the highest minimum premium for any class on the policy that has estimated payroll/premium.

**Assigned Risk (No Change)**

Expense Constant - \$160

Minimum Premium Class dependent – subject to \$550 maximum



**Claim Rating Plan Effective 01/01/2021(Changes in Bold)**

For Non-Experience Rated policies with limited claims in the Claims Rating Period:

Rate Level	# Claims in Rating Period
The assigned rate tier minus 10%	Zero Claims
The assigned rate tier	One or more total claims

**Effective 1/1/21, new and renewing, qualifying Covid Claims will not be considered in the number of claims in the rating period**

**Installment Plan Determination (No Change)**

Billing plan installments for voluntary policies will be determined using net estimated annual premium (NEAP) instead of standard premium. To keep the majority of policies on their current billing plan, the thresholds for determining installment frequency have been adjusted as follows:

- Annual: \$550.00 or less
- Semi -Annual: \$550.01 to \$1,000.00
- Quarterly: \$1,000.01 to \$5,000.00
- 10-Pay: \$5,000.01 or larger

**Experience Rating Modification Premium Eligibility (Change)**

Rating effective date	Most recent 24 months of base-period subject premium* equal to or greater than	Base-period average annual subject premium* equal to or greater than
July 1, 2019	\$5,500	\$2,750
<b>July 1, 2021 &amp; after</b>	<b>\$6,000</b>	<b>\$3,000</b>

\* Subject premium is manual premium plus waiver and EL-increased limit premium.



**Miscellaneous Values**

Basis of premium applicable in accordance with the footnote instructions for Class 7370 – Taxicab Company: **Effective 01/01/2021 (Changed):**

Employee operated vehicle	<b>\$85,300</b>
Leased or rented vehicle	<b>\$56,900</b>

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”:

<b>Effective 1/1/2021 (Changed)</b>	<b>\$4,400</b>
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Minimum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”:

<b>Effective 1/1/2021 (Changed)</b>	<b>\$1,100</b>
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Maximum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”:

<b>Effective 1/1/2021(Changed)</b>	<b>\$4,400</b>
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Premium Determination for Partners, Sole Proprietors, and members of Limited Liability Companies (LLC) in accordance with Basic Manual Rule 2-E:

<b>Effective 01/01/2021 (Changed)</b>	<b>\$56,900</b>
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Minimum payroll applicable for the following workers, whether subject by statute or employer election (New and Renewal Policies):

**Voluntary: Effective 01/01/2021 – BOLI Rates Effective 7/1/2020 (Changed)**  
**Assigned Risk: Effective 01/01/2021 – BOLI Rates Effective 7/1/20 (Changed)**

- 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:**

**Loss Sensitive Retrospective Rating Plan (LSRP) factors effective 1/1/2021**

**(Changes in Bold)**

Basic Factor	.400
Minimum Premium Factor	.750
Maximum Premium Factor	1.750
Loss Conversion Factor	<b>1.199</b>
Tax Multiplier	1.000

Adjustment (Evaluation Closure)

1<sup>st</sup> Adjustment

Loss Development Factors

**.16**

2<sup>nd</sup> Adjustment

**.09**

3<sup>rd</sup> Adjustment

**.07**

4<sup>th</sup> Adjustment

**.06**

Distribution: [All Underwriting]; [Marketing Sales Staff]; [All Premium Audit]; [All Actuary]; [Service Center]; Jaye Fraser