

## WHAT IS THE PREMIUM BASE FOR CALCULATING THE NEW YORK STATE ASSESSMENT POLICYHOLDER CHARGE?

### A. INCLUSIONS

For the purpose of calculating the New York State Assessment policyholder charge, standard premium is defined as the premium determined on the basis of the insurer's approved rates, as modified by:

| PREMIUM ELEMENT   | STATISTICAL CODE       |
|---|------------------------|
| Any experience modification factor  | N/A                    |
| Any merit rating factor   | 9884, 9885, 9886, 9896 |
| Any applicable territorial differential   | 9126, 9127, 9128       |
| The insurer's minimum premium, including the minimum premium balance amount       | 0990                   |
| Any outstanding rate change factor  | 0994, 0998             |
| Any employers' liability increased limits charge, with Workers'                   | 9803 thru 9816, 9837   |
| Any employers' liability increased limits charge, without Workers' Compensation   | 9823 thru 9836         |
| Any employers' liability minimum premium charge                                   | 9848                   |
| Any charge for the waiver of subrogation  | 0930                   |
| Any repatriation expense premium  | 9606                   |
| Any charge for radiation exposure   | 9985, 9984             |
| Any short rate cancellation penalty charge  | 0931                   |
| The additional charge for terrorism   | 9740                   |
| The additional charge for natural disasters and catastrophic industrial accidents | 9741                   |

## B. EXCLUSIONS

For the purpose of calculating the New York State Assessment policyholder charge, standard premium does not include the following items and, therefore, these items shall be excluded from the premium base:

| PREMIUM ELEMENT  | STATISTICAL CODE           | Form GA-2 Column  |
|--|----------------------------|---|
| Federal premium, Including: Premium generated from coverage of F-Classes* as well as any premium provided for coverage under any federal program such as USL&H, Admiralty, and FELA. | 9817 thru 9822, 9840, 9849 | Column 3<br>Report as a positive amount   |
| Volunteer Firefighters' and Volunteer Ambulance Workers' Premium, Including:   | 7711, 7716, 7370           | Column 4<br>Report as a positive amount   |
| Extension of Employers' Liability Coverage to Additional Interests – Volunteer Firefighters' Benefit Law Policy  | 9850                       | Column 4<br>Report as a positive amount   |
| Extension of Employers' Liability Coverage to Additional Interests – Volunteer Ambulance Workers' Benefit Law Policy   | 9851                       | Column 4<br>Report as a positive amount   |
| The insurer's expense constant – including the expense constant in the minimum premium   | 0900                       | Column 5<br>Report as a positive amount   |
| Any premium discount   | 0063, 0064                 | Column 6<br>Report as a negative amount**   |
| Any deductible premium credit (after experience modification)  | 9663                       | Column 7<br>Report as a negative amount   |
| Any deductible premium credit (prior to experience modification)   | 9664                       | Column 7<br>Report as a negative amount   |
| Any premium adjustments due to Large Risk Rating or Alternative Rating Option.   |                            | Column 8<br>Report as a negative amount   |
| Any Retrospective Rating Adjustment Premium  |                            | Column 9<br>Report a net premium return as negative and a net premium charge as positive. |

\* F-classes:

| Classification | Phraseology  |
|----------------|--|
| 6801           | Boat Building - NOC - Wood & Drivers - Coverage Under U.S. Act   |
| 6824           | Boat Building Or Repair & Drivers - Coverage Under U.S. Act  |
| 6826           | Marina & Drivers - Coverage Under U.S. Act   |
| 6843           | Ship Building - Iron Or Steel - NOC & Drivers - Coverage Under U.S. Act                                  |
| 6872           | Ship Repair Or Conversion - All Operations & Drivers - Coverage Under U.S. Act                           |
| 6874           | Painting - Ship Hulls - Coverage Under U.S. Act  |
| 6875           | Ship Cleaning Or Allied Operations & Drivers - Coverage Under U.S. Act                                   |
| 7309           | Stevedoring – NOC  |
| 7313           | Coal Dock Operation & Stevedoring  |
| 7317           | Stevedoring - By Hand Or Hand Trucks – Exclusively   |
| 7327           | Stevedoring - Containerized Freight & Drivers  |
| 7366           | Freight Handlers - On Piers Or In Terminals Or Areas Adjoining Piers                                     |
| 8709           | Stevedoring - Talliers And Checking Clerks Engaged In Connection With Stevedore Work - Cov Under U.S Act |
| 8726           | Steamship Line Or Agency - Port Emps - Superintendents, Capt, Engineers, Stewards Or Assts, Pay Clerks   |

\*\* If in a particular calendar quarter, the premium discount amount results in a positive amount, report as positive.

**EXCLUSIONS (Continued)**

| <b>PREMIUM ELEMENT</b>   | <b>STATISTICAL CODE</b> | <b>Form GA-2 Column</b>  |
|--|-------------------------|--|
| Any New York Construction Classification Premium Adjustment Program credit   | 9046                    | Column 10<br>Report as a negative amount   |
| Any surcharge from a workplace safety program, including surcharges under the Compulsory Workplace Safety and Loss Consultation Program (DOL Code Rule 59) | 9747                    | Column 10<br>Report as a positive amount   |
| Any premium credit provided under Workplace Safety Loss Prevention Incentive Program (WSLPIP) (DOL Code Rule 60):  |                         | Column 10<br>Report as a negative amount   |
| <ul style="list-style-type: none"> <li>○ Drug &amp; Alcohol Prevention Program Credit</li> </ul>   | 9753                    | Column 10<br>Report as a negative amount   |
| <ul style="list-style-type: none"> <li>○ Return-To-Work Program Premium Credit</li> </ul>  | 9743                    | Column 10<br>Report as a negative amount   |
| <ul style="list-style-type: none"> <li>○ Workplace safety program</li> </ul>   | 9748                    | Column 10<br>Report as a negative amount   |
| Any drug-free workplace credit   | 9846                    | Column 10<br>Report as a negative amount   |
| Any New York Safe Patient Handling Act Program premium credits   | 9651                    | Column 10<br>Report as a negative amount   |
| Any credit from managed care or preferred provider organization programs   | 9874                    | Column 10<br>Report as a negative amount   |
| Any credit / debit from an independently filed insurer premium adjustment program  |                         | Column 10<br>Report credit as a negative amount.<br>Report debit as a positive amount.                       |
| New York Schedule Rating Plan credit   | 9887                    | Column 10<br>Report as a negative amount.  |
| New York Schedule Rating Plan debit  | 9889                    | Column 10<br>Report as a positive amount.  |
| Any carrier specific premium deviations  |                         | Column 10<br>Report downward deviations as a negative amount. Report upward deviations as a positive amount. |

## C. EXAMPLES

### Example A1 - Minimum Premium

(Balance to minimum premium does not include expense constant)

| ABC Inc.   |      |       |                   |             |                        |
|--|------|-------|-------------------|-------------|------------------------|
| Description  | Code | Misc. | Payroll           | Rate        | Estimated Premium      |
| Accountant – Traveling   | 8803 |       | \$ 300,000        | 0.05        | \$ 150                 |
| <b>Total Annual Manual Premium</b>   |      |       | <b>\$ 300,000</b> | <b>0.05</b> | <b>\$ 150</b>          |
| <b>Total Subject Premium</b>   |      |       |                   |             | <b>\$ 150</b>          |
| Total Experience Modified Premium  |      | 1.00  |                   |             | 150                    |
| Drug Free Workplace Credit   | 9846 | 5.0%  |                   |             | (8)                    |
| Minimum Premium Balance Amount*  | 0990 |       |                   |             | 439                    |
| <i>*Amount required to balance to policy minimum premium<br/>(excludes expense constant)</i> |      |       |                   |             |                        |
| <b>Total Standard Premium</b>  |      |       |                   |             | <b>\$ 582</b>          |
| Premium Discount   | 0063 | 0.0%  |                   |             | -                      |
| Expense Constant   | 0900 |       |                   |             | 280                    |
| Terrorism  | 9740 |       |                   | 0.039       | 117                    |
| Catastrophe  | 9741 |       |                   | 0.007       | 21                     |
| <b>Total Estimated Annual Premium</b>  |      |       |                   |             | <b>\$ 1,000</b>        |
|  |      |       |                   |             | Policy Minimum Premium |
|  |      |       |                   |             | <b>\$ 1,000</b>        |
| <b>Exclusions for Assessment Calculation</b>   |      |       |                   |             |                        |
|  |      |       |                   |             |                        |
| Drug Free Workplace Credit   | 9846 |       |                   |             | 8                      |
| Premium Discount   | 0063 |       |                   |             | -                      |
| Expense Constant   | 0900 |       |                   |             | (280)                  |
|  |      |       |                   |             |                        |
| <b>Total Adjustments</b>   |      |       |                   |             | <b>\$ (273)</b>        |
| <b>Assessment Base</b>   |      |       |                   |             | <b>\$ 727</b>          |
| Assessment   | 0932 | 10.2% |                   |             | 74                     |
| <b>Total Estimated Premium incl Assessment</b>   |      |       |                   |             | <b>\$ 1,074</b>        |
| NY WC Security Fund  | 9749 | 0.0%  |                   |             | -                      |
|  |      |       |                   |             |                        |
| <b>Total Estimated Policy Premium incl Assessment</b>  |      |       |                   |             | <b>\$ 1,074</b>        |

## Example A2 - Minimum Premium

(Balance to minimum premium includes expense constant)

| ABC Inc.   |                        |       |                   |             |                   |
|--|------------------------|-------|-------------------|-------------|-------------------|
| Description  | Code                   | Misc. | Payroll           | Rate        | Estimated Premium |
| Accountant – Traveling                                       | 8803                   |       | \$ 300,000        | 0.05        | \$ 150            |
|  |                        |       |                   |             |                   |
| <b>Total Annual Manual Premium</b>                           |                        |       | <b>\$ 300,000</b> | <b>0.05</b> | <b>\$ 150</b>     |
|  |                        |       |                   |             |                   |
| <b>Total Subject Premium</b>                                 |                        |       |                   |             | <b>\$ 150</b>     |
| Total Experience Modified Premium                            |                        | 1.00  |                   |             | 150               |
| Drug Free Workplace Credit                                   | 9846                   | 5.0%  |                   |             | (8)               |
| Minimum Premium Balance Amount*                              | 0990                   |       |                   |             | 719               |
| <i>*Amount required to balance to policy minimum premium</i> |                        |       |                   |             |                   |
| <i>(includes expense constant)</i>                           |                        |       |                   |             |                   |
| <b>Total Standard Premium</b>                                |                        |       |                   |             | <b>\$ 862</b>     |
| Premium Discount   | 0063                   | 0.0%  |                   |             | -                 |
| Terrorism  | 9740                   |       |                   | 0.039       | 117               |
| Catastrophe  | 9741                   |       |                   | 0.007       | 21                |
|  |                        |       |                   |             |                   |
| <b>Total Estimated Annual Premium</b>                        | Policy Minimum Premium |       |                   |             | <b>\$ 1,000</b>   |
|  |                        |       |                   |             |                   |
| <b>Exclusions for Assessment Calculation</b>                 |                        |       |                   |             |                   |
|  |                        |       |                   |             |                   |
| Drug Free Workplace Credit                                   | 9846                   |       |                   |             | 8                 |
| Premium Discount   | 0063                   |       |                   |             | -                 |
| Expense Constant   | 0900                   |       |                   |             | (280)             |
|  |                        |       |                   |             |                   |
| <b>Total Adjustments</b>                                     |                        |       |                   |             | <b>\$ (273)</b>   |
| <b>Assessment Base</b>                                       |                        |       |                   |             | <b>\$ 727</b>     |
| Assessment   | 0932                   | 10.2% |                   |             | 74                |
| <b>Total Estimated Premium incl Assessment</b>               |                        |       |                   |             | <b>\$ 1,074</b>   |
| NY WC Security Fund  | 9749                   | 0.0%  |                   |             | -                 |
|  |                        |       |                   |             |                   |
| <b>Total Estimated Policy Premium incl Assessment</b>        |                        |       |                   |             | <b>\$ 1,074</b>   |

## Example B - Merit Rating

| ABC Inc.  |      |         |                   |             |                   |                 |                 |
|---|------|---------|-------------------|-------------|-------------------|-----------------|-----------------|
| Description   | Code | Misc.   | Payroll           | Rate        | Estimated Premium | VFF F-Classes   | All Other       |
| Retail Store NOC- Incl SVC of Food                    | 8043 |         | \$ 150,000        | 1.35        | \$ 2,025          |                 | \$ 2,025        |
| Executive Officers NOC                                | 8809 |         | 110,000           | 0.22        | 242               |                 | 242             |
| Restaurant: Fast Food & Drivers                       | 9072 |         | 80,000            | 2.31        | 1,848             |                 | 1,848           |
| Stevedoring - NOC                                     | 7317 | F Class | 20,000            | 3.17        | 634               | 634             |                 |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Annual Manual Premium</b>                    |      |         | <b>\$ 360,000</b> | <b>1.32</b> | <b>\$ 4,749</b>   | <b>\$ 634</b>   | <b>\$ 4,115</b> |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Subject Premium</b>                          |      |         |                   |             | <b>\$ 4,749</b>   | <b>\$ 634</b>   | <b>\$ 4,115</b> |
| Total Experience Modified Premium                     |      | 1.00    |                   |             | 4,749             | 634             | 4,115           |
| Merit Rating  | 9885 | 0.92    |                   |             | (380)             | (51)            | (329)           |
| Drug Free Workplace Credit                            | 9846 | 5.0%    |                   |             | (237)             | (32)            | (206)           |
| Schedule Rating Debit                                 | 9889 | 2.5%    |                   |             | 119               | 16              | 103             |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Standard Premium</b>                         |      |         |                   |             | <b>\$ 4,250</b>   | <b>\$ 567</b>   | <b>\$ 3,683</b> |
| Premium Discount                                      | 0063 | 3.3%    |                   |             | (140)             |                 |                 |
| Expense Constant                                      | 0900 |         |                   |             | 280               |                 |                 |
| Terrorism   | 9740 |         |                   | 0.039       | 140               |                 |                 |
| Catastrophe   | 9741 |         |                   | 0.007       | 25                |                 |                 |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Estimated Annual Premium</b>                 |      |         |                   |             | <b>\$ 4,556</b>   |                 |                 |
|   |      |         |                   |             |                   |                 |                 |
| <b>Exclusions for Assessment Calculation</b>          |      |         |                   |             | <b>Method 1</b>   | <b>Method 2</b> |                 |
|   |      |         |                   |             |                   |                 |                 |
| F-Classes   | 7317 |         | w Merit Rating    |             | (583)             | \$ (567)        |                 |
| Drug Free Workplace Credit                            | 9846 |         |                   |             | 237               | 206             |                 |
| Schedule Rating                                       | 9889 |         |                   |             | (119)             | (103)           |                 |
| Premium Discount                                      | 0063 |         |                   |             | 140               | 140             |                 |
| Expense Constant                                      | 0900 |         |                   |             | (280)             | (280)           |                 |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Adjustments</b>                              |      |         |                   |             | <b>\$ (604)</b>   | <b>\$ (604)</b> |                 |
| <b>Assessment Base</b>                                |      |         |                   |             | <b>\$ 3,951</b>   |                 |                 |
| Assessment  | 0932 | 11.8%   |                   |             | 403               |                 |                 |
| <b>Total Estimated Premium incl Assessment</b>        |      |         |                   |             | <b>\$ 4,959</b>   |                 |                 |
| NY WC Security Fund                                   | 9749 | 0.0%    |                   |             | -                 |                 |                 |
|   |      |         |                   |             |                   |                 |                 |
| <b>Total Estimated Policy Premium incl Assessment</b> |      |         |                   |             | <b>\$ 4,959</b>   |                 |                 |

### Example C - Deductible Before Experience Rating

| ABC Inc.  |      |         |                        |                  |                   |                 |                  |
|---|------|---------|------------------------|------------------|-------------------|-----------------|------------------|
| Description   | Code | Misc.   | Payroll                | Rate             | Estimated Premium | VFF F-Classes   | All Other        |
| Retail Store NOC- Incl SVC of Food                    | 8043 |         | \$ 500,000             | 1.35             | \$ 6,750          |                 | \$ 6,750         |
| Executive Officers NOC                                | 8809 |         | 110,000                | 0.22             | 242               |                 | 242              |
| Restaurant: Fast Food & Drivers                       | 9072 |         | 350,000                | 2.31             | 8,085             |                 | 8,085            |
| Stevedoring - NOC                                     | 7317 | F Class | 50,000                 | 3.17             | 1,585             | 1,585           |                  |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Annual Manual Premium</b>                    |      |         | <b>\$ 1,010,000</b>    | <b>1.65</b>      | <b>\$ 16,662</b>  | <b>\$ 1,585</b> | <b>\$ 15,077</b> |
| Deductible Credit (Before Experience Rating)          | 9664 | 3.0%    |                        |                  | (500)             | (48)            | (452)            |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Subject Premium</b>                          |      |         |                        |                  | <b>\$ 16,162</b>  | <b>\$ 1,537</b> | <b>\$ 14,625</b> |
| Total Experience Modified Premium                     |      | 0.98    |                        |                  | 15,839            | 1,507           | 14,332           |
| Drug Free Workplace Credit                            | 9846 | 5.0%    |                        |                  | (792)             | (75)            | (717)            |
| Schedule Rating Credit                                | 9887 | 2.5%    |                        |                  | (396)             | (38)            | (358)            |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Standard Premium</b>                         |      |         |                        |                  | <b>\$ 14,651</b>  | <b>\$ 1,394</b> | <b>\$ 13,257</b> |
| Premium Discount                                      | 0063 | 3.3%    |                        |                  | (483)             |                 |                  |
| Expense Constant                                      | 0900 |         |                        |                  | 280               |                 |                  |
| Terrorism   | 9740 |         |                        | 0.039            | 394               |                 |                  |
| Catastrophe   | 9741 |         |                        | 0.007            | 71                |                 |                  |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Estimated Annual Premium</b>                 |      |         | Policy Minimum Premium |                  | <b>\$ 14,912</b>  |                 |                  |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Exclusions for Assessment Calculation</b>          |      |         |                        |                  | <b>Method 1</b>   | <b>Method 2</b> |                  |
|   |      |         |                        |                  |                   |                 |                  |
| F-Classes   | 7317 |         |                        | w Experience Mod | (1,553)           | \$ (1,394)      |                  |
| Deductible Credit (Before Experience Rating)          | 9664 |         |                        | w Experience Mod | 490               | 443             |                  |
| Drug Free Workplace Credit                            | 9846 |         |                        |                  | 792               | 717             |                  |
| Schedule Rating                                       | 9887 |         |                        |                  | 396               | 358             |                  |
| Premium Discount                                      | 0063 |         |                        |                  | 483               | 483             |                  |
| Expense Constant                                      | 0900 |         |                        |                  | (280)             | (280)           |                  |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Adjustments</b>                              |      |         |                        |                  | <b>\$ 328</b>     | <b>\$ 328</b>   |                  |
| <b>Assessment Base</b>                                |      |         |                        |                  | <b>\$ 15,240</b>  |                 |                  |
| Assessment  | 0932 | 10.2%   |                        |                  | 1,554             |                 |                  |
| <b>Total Estimated Premium incl Assessment</b>        |      |         |                        |                  | <b>\$ 16,467</b>  |                 |                  |
| NY WC Security Fund                                   | 9749 | 0.0%    |                        |                  | -                 |                 |                  |
|   |      |         |                        |                  |                   |                 |                  |
| <b>Total Estimated Policy Premium incl Assessment</b> |      |         |                        |                  | <b>\$ 16,467</b>  |                 |                  |

### Example D - Deductible After Experience Rating

| ABC Inc.  |      |         |                     |             |                   |                  |                  |
|---|------|---------|---------------------|-------------|-------------------|------------------|------------------|
| Description   | Code | Misc.   | Payroll             | Rate        | Estimated Premium | VFF F-Classes    | All Other        |
| Retail Store NOC- Incl SVC of Food                    | 8043 |         | \$ 5,000,000        | 1.35        | \$ 67,500         |                  | \$ 67,500        |
| Executive Officers NOC                                | 8809 |         | 310,000             | 0.22        | 682               |                  | 682              |
| Restaurant: Fast Food & Drivers                       | 9072 |         | 1,500,000           | 2.31        | 34,650            |                  | 34,650           |
| Stevedoring - NOC                                     | 7317 | F Class | 150,000             | 3.17        | 4,755             | 4,755            |                  |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Annual Manual Premium</b>                    |      |         | <b>\$ 6,960,000</b> | <b>1.55</b> | <b>\$ 107,587</b> | <b>\$ 4,755</b>  | <b>\$102,832</b> |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Subject Premium</b>                          |      |         |                     |             | <b>\$ 107,587</b> | <b>\$ 4,755</b>  | <b>\$102,832</b> |
| Total Experience Modified Premium                     |      | 1.05    |                     |             | 112,966           | 4,993            | 107,974          |
| Drug Free Workplace Credit                            | 9846 | 5.0%    |                     |             | (5,648)           | (250)            | (5,399)          |
| Deductible Credit (After Experience Rating)           | 9663 | 15.0%   |                     |             | (16,945)          | (749)            | (16,196)         |
| Schedule Rating Debit                                 | 9889 | 2.5%    |                     |             | 2,824             | 125              | 2,699            |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Standard Premium</b>                         |      |         |                     |             | <b>\$ 93,197</b>  | <b>\$ 4,119</b>  | <b>\$ 89,078</b> |
| Premium Discount                                      | 0063 | 5.0%    |                     |             | (4,660)           |                  |                  |
| Expense Constant                                      | 0900 |         |                     |             | 280               |                  |                  |
| Terrorism   | 9740 |         |                     | 0.039       | 2,714             |                  |                  |
| Catastrophe   | 9741 |         |                     | 0.007       | 487               |                  |                  |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Estimated Annual Premium</b>                 |      |         |                     |             | <b>\$ 92,019</b>  |                  |                  |
|   |      |         |                     |             |                   |                  |                  |
| <b>Exclusions for Assessment Calculation</b>          |      |         |                     |             | <b>Method 1</b>   | <b>Method 2</b>  |                  |
|   |      |         |                     |             |                   |                  |                  |
| F-Classes   | 7317 |         | w Experience Mod    |             | (4,993)           | \$ (4,119)       |                  |
| Drug Free Workplace Credit                            | 9846 |         |                     |             | 5,648             | 5,399            |                  |
| Deductible Credit (After Experience Rating)           | 9663 |         |                     |             | 16,945            | 16,196           |                  |
| Schedule Rating                                       | 9889 |         |                     |             | (2,824)           | (2,699)          |                  |
| Premium Discount                                      | 0063 |         |                     |             | 4,660             | 4,660            |                  |
| Expense Constant                                      | 0900 |         |                     |             | (280)             | (280)            |                  |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Adjustments</b>                              |      |         |                     |             | <b>\$ 19,156</b>  | <b>\$ 19,156</b> |                  |
| <b>Assessment Base</b>                                |      |         |                     |             | <b>\$ 111,175</b> |                  |                  |
| Assessment  | 0932 | 10.2%   |                     |             | 11,340            |                  |                  |
| <b>Total Estimated Premium incl Assessment</b>        |      |         |                     |             | <b>\$ 103,359</b> |                  |                  |
| NY WC Security Fund                                   | 9749 | 0.0%    |                     |             | -                 |                  |                  |
|   |      |         |                     |             |                   |                  |                  |
| <b>Total Estimated Policy Premium incl Assessment</b> |      |         |                     |             | <b>\$ 103,359</b> |                  |                  |