



# Tonry Topics

## 9/1/08 WORKERS' COMPENSATION RATE CHANGE

The Massachusetts Commissioner of Insurance has approved a Stipulation for the general revision of workers' compensation rates, effective 12:01 A.M., September 1, 2008. The rate change will affect new and renewal policies with an anniversary rating date of September 1, 2008 and after. The anniversary rating date is commonly the effective date of the policy but can be different if a policy is canceled and rewritten or if there are multiple policies.



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### Average Rate Decrease

The rate change includes an overall average decrease of 1.0% in the existing workers' compensation average rates. The change in average rates by industry group is a decrease of 2.4% for manufacturing, an increase of 0.9% for construction, a decrease of 3.2% for office and clerical, no change for goods and services and a decrease of 5.4% for Miscellaneous. The changes by class, even within the same industry group, vary substantially.

The average rate decrease does not take into consideration an overall increase of 8.55% in the existing workers' compensation F-class average rates nor the increase in the U.S. Longshore and Harbor Workers' Compensation Act (USL&H) percentage from 38.4% to 39.2%.

### Change in Manual Rates

Following is a list of the more common classifications we work with and the new manual rates per \$100 of payroll. The rates for all Massachusetts classes can be found at [www.wcribma.org](http://www.wcribma.org), the web site of the Workers' Compensation Rating and Inspection Bureau of Massachusetts on their [Class Code Lookup](#) page and/or on the [Rates and Rating Values](#) page. The manual rates by industry group decreased 2.4% for manufacturing, increased

4.3% for construction, decreased 0.4% for office and clerical, increased 3.3% for goods and services and decreased 2.4% for miscellaneous. Again, the changes by class, even within the same industry group, vary substantially.

### Experience Rating Plan Changes

The Experience Rating Plan Expected Loss Rates and D-Ratios, have also changed. These rates and ratios are used in calculating experience rating factors (experience mod. and ARAP) and are a significant component in determining the final rates for an experience rated risk. A risk is eligible for experience rating when the payrolls or other exposures developed in the last year or last two years

of the experience period produced a premium of at least \$11,000. If more than two years, an average annual premium of at least \$5,500 is required.

Experience mods and ARAPs already issued effective 9/1/08 or after on a preliminary basis will be recalculated to reflect the new Expected Loss Rates.

### Small Deductible Credits

The premium credits applicable to the election of small deductibles under either the Massachusetts Benefits Deductible Program of the Massachusetts Benefits Claim and Aggregate Deductible Program have been revised. The deductible credits will be:

#### Benefits Deductible Coverage Program

Deductible Amount	Credit
\$500	2.3%
\$1,000	3.7%
\$2,000	5.5%
\$2,500	6.2%
\$5,000	9.0%

#### Benefits Claim and Aggregate Deductible Program

Under this program, a per claim deductible of \$2,500 applies subject to an aggregate of \$10,000. For policies with an estimated annual

standard premium over \$200,000, the aggregate is 5% of the estimated annual standard premium.

For additional information, please contact your account handler at (617) 773-9200. Albert J. Tonry & Co., Inc., Crown Colony Office Park, 300 Congress Street, Quincy, MA 02169. [www.tonry.com](http://www.tonry.com)

<b>Estimated Annual Standard Premium</b>	<b>Credit</b>
\$0 to \$75,000	6.2%
\$75,001 to \$100,000	6.0%
\$100,001 to \$125,000	5.8%
\$125,001 to \$150,000	5.5%
\$150,001 to \$200,000	5.0%
over \$200,000	5.0%

**Other Factors**

A new three tiered system of expense constants will replace the existing two tiered system. Policies with less than \$200 in standard premium are subject to an expense constant of \$159. Policies with at least \$200 in standard premium but less than \$1,000 in standard premium are subject to an expense constant of \$250. Policies with at least \$1,000 in standard premium will be subject to an expense constant of \$338. Per capita classes are subject to an expense constant of \$64 per exposure up to a maximum of 4 exposures.



There were changes to the Retrospective Rate Plan and the Disease Elements Table. For details, see the Bureau's web site at [www.wcribma.org](http://www.wcribma.org). There were no changes in the following:

- Loss Constants
- Admiralty Law and Federal Employers' Liability Act classifications
- Merit Rating Program
- Premium Discount Tables A and B
- Take-Out Credit
- Qualified Loss Management Program [QLMP]
- Weights and Ballasts Tables

It is important to remember this rate change will affect each insured differently and the premium changes will vary. Please consult with your account handler to review how this change will affect you.



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## MASSACHUSETTS WORKERS' COMPENSATION RATES

### Selected Rates per \$100 of Payroll

Class	Description	7/1/01 Rate	9/1/03 Rate	9/1/05 Rate	9/1/07 Rate	9/1/08 Rate	% Change 07 to 08
5472	Asbestos Removal	\$9.94	\$10.19	\$8.65	\$7.21	\$7.22	0.1%
5473	Asbestos Removal NOC	\$20.61	\$15.57	\$18.65	\$12.86	\$12.48	-3.0%
1463	Asphalt Works & Drivers	\$7.06	\$6.52	\$5.84	\$6.16	\$6.06	-1.6%
8058	Building Material Dealers - Store	\$2.73	\$2.63	\$3.17	\$2.89	\$3.45	19.4%
5703	Building Raising or Moving	\$29.18	\$24.70	\$20.59	\$22.18	\$26.58	19.8%
9014	Buildings Operations By Contractors	\$3.86	\$3.32	\$2.65	\$2.09	\$2.50	19.6%
9015	Buildings Operations By Owners	\$3.64	\$3.30	\$3.19	\$2.69	\$2.94	9.3%
7382	Bus Co. - All Other	\$4.75	\$4.30	\$4.58	\$3.88	\$3.65	-5.9%
8385	Bus Co. - Garage	\$4.22	\$4.91	\$3.91	\$2.75	\$2.90	5.5%
5437	Carpentry - Cabinet Work, Interior Trim, Wood Flooring	\$6.96	\$6.07	\$6.88	\$5.60	\$5.93	5.9%
5645	Carpentry - Detached Dwellings	\$10.62	\$9.93	\$9.03	\$6.80	\$7.50	10.3%
5651	Carpentry - Dwellings, Three Stories or Less	\$10.62	\$9.93	\$9.03	\$6.80	\$7.50	10.3%
2802	Carpentry - Shop	\$5.31	\$5.88	\$5.73	\$4.29	\$4.35	1.4%
5403	Carpentry NOC	\$16.60	\$16.09	\$16.48	\$11.46	\$11.92	4.0%
9521	Carpet Installation	\$5.30	\$6.23	\$6.29	\$4.62	\$4.56	-1.3%
5610	Cleaner Debris Removal	\$9.34	\$7.06	\$5.89	\$5.28	\$5.83	10.4%
8810	Clerical NOC	\$0.18	\$0.17	\$0.15	\$0.12	\$0.12	0.0%
5222	Concrete - Bridge Construction	\$7.84	\$7.63	\$8.61	\$8.62	\$8.43	-2.2%
5213	Concrete Construction NOC	\$17.84	\$17.95	\$22.32	\$19.51	\$21.45	9.9%
5221	Concrete Floors, Driveways	\$9.34	\$8.10	\$9.18	\$6.57	\$6.62	0.8%
5215	Concrete Work - Private Residence	\$8.62	\$8.66	\$7.22	\$4.98	\$5.07	1.8%
6325	Conduit Construction-Cable or Wires	\$5.49	\$4.16	\$3.47	\$3.39	\$3.61	6.5%
5102	Door, Door Frame, Sash Erection	\$14.31	\$12.35	\$11.04	\$7.61	\$6.76	-11.2%
6229	Drainage or Irrigation Systems	\$6.41	\$6.49	\$6.08	\$4.19	\$4.17	-0.5%
6204	Drilling NOC	\$11.48	\$13.04	\$12.12	\$11.05	\$9.81	-11.2%
7380	Drivers NOC	\$6.94	\$6.90	\$7.13	\$6.22	\$5.56	-10.6%
5190	Electrical Wiring	\$3.69	\$3.69	\$4.18	\$3.20	\$3.17	-0.9%
5160	Elevator Erection or Repair	\$3.43	\$3.08	\$3.62	\$3.32	\$3.47	4.5%
8601	Engineer or Architect - Consulting	\$0.53	\$0.46	\$0.46	\$0.31	\$0.33	6.5%
6217	Excavation / Grading of Land	\$6.41	\$6.49	\$6.08	\$4.19	\$4.17	-0.5%
5606	Executive Supervisor	\$2.65	\$2.46	\$2.41	\$1.70	\$1.75	2.9%
6400	Fence Erection	\$9.45	\$8.13	\$7.60	\$6.07	\$6.33	4.3%
8232	Fuel & Material Dealer	\$5.20	\$5.45	\$5.80	\$4.78	\$4.87	1.9%
5462	Glazier	\$8.63	\$7.55	\$9.25	\$8.96	\$8.93	-0.3%



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Class	Description	7/1/01 Rate	9/1/03 Rate	9/1/05 Rate	9/1/07 Rate	9/1/08 Rate	% Change 07 to 08
4000	Gravel & Sand Digging	\$7.20	\$5.37	\$5.00	\$5.59	\$5.31	-5.0%
5479	Insulation Work	\$14.02	\$13.48	\$14.59	\$10.06	\$8.94	-11.1%
5040	Iron or Steel Erection	\$40.78	\$35.13	\$43.69	\$45.71	\$44.61	-2.4%
5057	Iron or Steel Erection NOC	\$35.81	\$27.39	\$34.06	\$36.69	\$39.97	8.9%
3030	Iron or Steel Shop - Structural	\$12.57	\$10.22	\$8.32	\$7.00	\$7.34	4.9%
3041	Iron Works - Shop - Decorative	\$4.96	\$4.18	\$4.50	\$4.76	\$5.16	8.4%
3040	Iron Works - Shop - Ornamental	\$15.76	\$14.90	\$13.48	\$9.45	\$9.01	-4.7%
6005	Jetty or Breakwater Construction	\$7.39	\$5.59	\$5.19	\$4.25	\$5.09	19.8%
0042	Landscape Gardening	\$6.19	\$5.76	\$4.98	\$3.84	\$4.23	10.2%
8820	Law Office	\$0.19	\$0.16	\$0.14	\$0.11	\$0.10	-9.1%
9102	Lawn Maintenance	\$2.88	\$2.33	\$2.53	\$2.22	\$1.97	-11.3%
5022	Masonry NOC	\$14.44	\$13.04	\$15.67	\$10.81	\$11.62	7.5%
3724	Millwright Work NOC	\$6.28	\$5.76	\$6.88	\$5.67	\$6.79	19.8%
9534	Mobile Crane Hoisting Service	\$5.89	\$5.44	\$6.76	\$6.06	\$6.95	14.7%
8742	Outside Sales	\$0.29	\$0.27	\$0.29	\$0.20	\$0.20	0.0%
5474	Painting or Paper Hanging NOC	\$8.26	\$7.54	\$6.85	\$4.79	\$5.01	4.6%
8227	Permanent Yard	\$4.73	\$4.33	\$3.64	\$3.05	\$3.24	6.2%
6003	Pile Driving	\$14.80	\$14.31	\$15.92	\$14.68	\$14.99	2.1%
5480	Plastering	\$5.69	\$5.34	\$6.62	\$5.08	\$4.89	-3.7%
5183	Plumbing NOC	\$5.09	\$4.55	\$4.80	\$3.98	\$3.88	-2.5%
1624	Quarry NOC	\$4.89	\$4.96	\$4.27	\$4.13	\$4.77	15.5%
9079	Restaurant	\$2.19	\$1.85	\$1.60	\$1.14	\$1.10	-3.5%
5547	Roofing - Built-Up	\$22.60	\$22.03	\$19.72	\$13.60	\$14.08	3.5%
5545	Roofing NOC	\$33.29	\$38.25	\$47.57	\$32.80	\$30.35	-7.5%
6306	Sewer Construction	\$10.46	\$9.57	\$8.05	\$5.55	\$6.28	13.2%
5538	Sheet Metal Work - Shop & Outside	\$8.79	\$7.47	\$6.72	\$5.15	\$5.74	11.5%
9552	Sign Mfg - Erection, Repair, Maintenance	\$5.95	\$5.54	\$6.88	\$6.94	\$8.29	19.5%
3064	Sign Mfg - Metal	\$2.92	\$3.44	\$3.47	\$2.88	\$3.04	5.6%
5188	Sprinkler Installation	\$5.12	\$5.12	\$5.45	\$4.07	\$4.68	15.0%
9402	Street Cleaning	\$6.34	\$5.39	\$6.75	\$5.24	\$5.49	4.8%
5507	Street or Road Construction	\$8.81	\$8.45	\$7.91	\$6.35	\$6.26	-1.4%
5506	Street or Road Paving	\$8.75	\$7.18	\$7.27	\$5.81	\$6.96	19.8%
5348	Tile, Stone or Mosaic Work	\$11.47	\$9.24	\$8.78	\$6.21	\$6.45	3.9%
0106	Tree Pruning	\$17.06	\$13.82	\$16.40	\$14.82	\$13.52	-8.8%
7219	Trucking NOC	\$8.69	\$7.53	\$8.22	\$7.13	\$7.68	7.7%
5445	Wallboard Installation	\$10.47	\$8.18	\$8.90	\$6.70	\$7.13	6.4%
6319	Water / Gas Main or Connection Construction	\$7.02	\$6.12	\$6.76	\$5.41	\$5.14	-5.0%
3365	Welding NOC	\$9.89	\$11.36	\$14.12	\$9.98	\$9.72	-2.6%

NOC = Not Otherwise Classified