



Tonry Topics

7/1/2018 MASSACHUSETTS 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., July 1, 2018, applicable to new and renewal policies.

Average Rates

The overall average decrease of 12.9% will vary by industry group as follows:

Industry	Credit
Manufacturing	11.2%
Construction	14.2%
Office & Clerical	13.4%
Goods & Services	12.0%
Miscellaneous	13.0%

Average rates include adjustments for experience factors, the construction class credit and other factors.

Change in Manual Rates

The overall decrease in manual rates by industry group is:

Industry	Credit
Manufacturing	10.8%
Construction	16.1%
Office & Clerical	9.7%
Goods & Services	11.6%
Miscellaneous	12.5%

The changes by class, even within the same industry group, vary substantially.

The classification phraseology for class codes 5040 (Iron or Steel: Erection – Frame Structures), 5059 (Iron or Steel: Erection – Frame Structures Not Over Two Stories) and 5538 (Sheet Metal Work – Shop & Outside) have been updated to clearly describe all operations that are common to all insureds involved in these types of steel erection

projects. Consequently, the rates for these codes have been adjusted downward to reflect the clarification of the scope of these classifications with regard to steel erection operations. For further details, refer to [Circular Letter No. 2331](#).

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, the web site of the Workers' Compensation Rating and Inspection Bureau of Massachusetts, on their [Class Code Lookup](#) page.

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 premium for an experience rated risk. Expected loss rates used in calculating experience factors decreased by an average of (5.3%) over all industry groups.

There were also changes in the Weight and Ballast Tables used in calculating experience factors and the per claim accident limitation increased from \$210,000 to \$250,000.

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 7/1/18 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 or the Massachusetts Benefits Claim and

Aggregate Deductible Program have been revised. The deductible credits will be:

Benefits Deductible Coverage Program

Deductible Amount	Credit
\$500	2.0%
\$1,000	3.1%
\$2,000	4.9%
\$2,500	5.6%
\$5,000	8.3%

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

For additional information, please contact Lou Tonry or your account manager at (617) 773-9200.

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.



Estimated Annual Standard Premium	Credit
\$0 to \$75,000	5.5%
\$75,001 to \$100,000	5.4%
\$100,001 to \$125,000	5.3%
\$125,001 to \$150,000	5.2%
\$150,001 to \$200,000	5.0%
over \$200,000	4.7%

Other Factors

There were changes to the Retrospective Rate Plan as well as an overall average decrease in F-Classes rates of 13.3% and a decrease in the United States Longshore and Harbor Workers' (USL&H) factor for non-F classes to 22.6%. For details, see the Bureau's web site at www.wcribma.org.

There were no changes in the following:

-) Expense Constant
-) Loss Constant
-) Admiralty Law and Federal Employers' Liability Act classifications
-) Merit Rating Program
-) Massachusetts Construction Classification Premium Adjustment Program
-) Premium Discount Tables A and B



MASSACHUSETTS WORKERS' COMPENSATION RATES

Selected Rates per \$100 of Payroll

Class	Description	9/1/08 Rate	9/1/10 Rate	4/1/14 Rate	7/1/16 Rate	7/1/18 Rate	% Change 16 to 18
7600	Alarm Systems	\$3.03	\$3.23	\$3.54	\$3.97	\$2.96	-25.4%
5472	Asbestos Removal	\$7.22	\$8.75	\$8.98	\$9.27	\$8.75	-5.6%
5473	Asbestos Removal NOC	\$12.48	\$12.60	\$11.70	\$10.25	\$10.55	2.9%
1463	Asphalt Works & Drivers	\$6.06	\$7.53	\$8.27	\$8.98	\$8.79	-2.1%
8232	Building Material Dealer – New Materials	\$4.87	\$4.43	\$4.75	\$5.53	\$5.81	5.1%
8058	Building Material Dealer – Store Employees	\$3.45	\$2.71	\$2.58	\$2.44	\$2.18	-10.7%
8204	Building Material Yard	\$6.89	\$5.42	\$4.89	\$4.23	\$4.49	6.1%
5703	Building Raising or Moving	\$26.58	\$26.72	\$24.80	\$21.41	\$14.57	-31.9%
9014	Buildings Operations By Contractors	\$2.50	\$2.48	\$2.66	\$3.01	\$2.28	-24.3%
9015	Buildings Operations By Owners	\$2.94	\$2.72	\$2.99	\$3.17	\$2.89	-8.8%
5437	Carpentry - Cabinet Work, Interior Trim, Wood Flooring	\$5.93	\$5.23	\$4.86	\$5.52	\$4.49	-18.7%
5645	Carpentry - Detached Dwellings	\$7.50	\$8.68	\$8.06	\$8.11	\$7.10	-12.5%
2802	Carpentry - Shop	\$4.35	\$4.63	\$3.93	\$4.42	\$3.67	-17.0%
5403	Carpentry NOC	\$11.92	\$9.61	\$9.86	\$11.00	\$7.64	-30.5%
5610	Cleaner Debris Removal	\$5.83	\$5.43	\$5.57	\$6.49	\$5.66	-12.8%
8810	Clerical NOC	\$0.12	\$0.09	\$0.08	\$0.07	\$0.07	0.0%
5222	Concrete - Bridge Construction	\$8.43	\$8.70	\$8.93	\$10.40	\$8.58	-17.5%
5213	Concrete Construction NOC	\$21.45	\$18.85	\$17.50	\$15.46	\$11.97	-22.6%
5221	Concrete Floors, Driveways	\$6.62	\$6.24	\$6.40	\$6.77	\$6.97	3.0%
5215	Concrete Work - Private Residence	\$5.07	\$5.33	\$4.95	\$5.65	\$4.33	-23.4%
6325	Conduit Construction-Cable or Wires	\$3.61	\$4.38	\$4.49	\$4.79	\$3.41	-28.8%
8227	Contractors Permanent Yard	\$3.24	\$3.93	\$4.03	\$4.70	\$4.79	1.9%
5102	Door, Door Frame, Sash Erection	\$6.76	\$6.89	\$6.40	\$6.12	\$6.12	0.0%
6229	Drainage or Irrigation Systems	\$4.17	\$4.35	\$4.46	\$4.56	\$3.77	-17.3%
6204	Drilling NOC	\$9.81	\$9.67	\$9.01	\$7.78	\$5.85	-24.8%
7380	Drivers NOC	\$5.56	\$5.71	\$6.17	\$6.08	\$5.96	-2.0%
5190	Electrical Wiring	\$3.17	\$2.84	\$2.74	\$2.61	\$2.17	-16.9%
5160	Elevator Erection or Repair	\$3.47	\$4.21	\$3.91	\$3.37	\$2.75	-18.4%
8601	Engineer or Architect - Consulting	\$0.33	\$0.26	\$0.29	\$0.27	\$0.21	-22.2%
6217	Excavation / Grading of Land	\$4.17	\$4.35	\$4.46	\$4.53	\$4.03	-11.0%
5606	Executive Supervisor	\$1.75	\$1.62	\$1.66	\$1.87	\$1.47	-21.4%
6400	Fence Erection	\$6.33	\$7.05	\$6.55	\$6.00	\$4.71	-21.5%
5478	Floor Covering Installation	\$4.68	\$4.68	\$4.80	\$5.59	\$4.18	-25.2%
5462	Glazier	\$8.93	\$9.58	\$8.89	\$7.70	\$6.18	-19.7%
4000	Gravel & Sand Digging	\$5.31	\$4.82	\$4.41	\$4.29	\$4.48	4.4%
9521	House Furnishings Installation	\$4.56	\$4.53	\$3.85	\$3.40	\$2.73	-19.7%



Class	Description	9/1/08 Rate	9/1/10 Rate	4/1/14 Rate	7/1/16 Rate	7/1/18 Rate	% Change 16 to 18
5479	Insulation Work	\$8.94	\$7.78	\$7.98	\$8.90	\$6.92	-22.2%
5040	Iron or Steel Erection	\$44.61	\$54.08	\$55.49	\$59.07	\$24.00	-59.4%
5057	Iron or Steel Erection NOC	\$39.97	\$33.00	\$30.63	\$26.45	\$21.61	-18.3%
5059	Iron or Steel Erection: Not over 2 Stories	\$39.97	\$33.00	\$30.63	\$26.45	\$16.69	-36.9%
3030	Iron or Steel Shop - Structural	\$7.34	\$8.53	\$7.24	\$6.16	\$5.47	-11.2%
3041	Iron Works - Shop - Decorative	\$5.16	\$4.71	\$4.25	\$4.74	\$3.40	-28.3%
3040	Iron Works - Shop - Ornamental	\$9.01	\$7.77	\$7.03	\$5.98	\$4.52	-24.4%
6005	Jetty or Breakwater Construction	\$5.09	\$6.01	\$6.16	\$6.52	\$4.51	-30.8%
0042	Landscape Gardening	\$4.23	\$4.03	\$4.11	\$4.09	\$3.55	-13.2%
8820	Law Office	\$0.10	\$0.09	\$0.09	\$0.09	\$0.08	-11.1%
9102	Lawn Maintenance	\$1.97	\$2.24	\$2.47	\$2.66	\$2.49	-6.4%
5022	Masonry NOC	\$11.62	\$10.55	\$9.80	\$9.70	\$9.60	-1.0%
3724	Millwright Work NOC	\$6.79	\$5.48	\$5.09	\$4.99	\$5.08	1.8%
9534	Mobile Crane Hoisting Service	\$6.95	\$5.60	\$5.75	\$6.70	\$5.29	-21.0%
8742	Outside Sales	\$0.20	\$0.15	\$0.16	\$0.16	\$0.12	-25.0%
5474	Painting or Paper Hanging NOC	\$5.01	\$5.09	\$5.22	\$5.66	\$4.25	-24.9%
6003	Pile Driving	\$14.99	\$12.92	\$11.99	\$10.46	\$9.15	-12.5%
5480	Plastering	\$4.89	\$4.68	\$4.80	\$4.64	\$4.04	-12.9%
5183	Plumbing NOC	\$3.88	\$3.50	\$3.25	\$3.45	\$2.93	-15.1%
1624	Quarry NOC	\$4.77	\$5.33	\$5.34	\$4.64	\$3.60	-22.4%
9079	Restaurant	\$1.10	\$1.07	\$1.15	\$1.09	\$1.03	-5.5%
5547	Roofing - Built-Up	\$14.08	\$17.07	\$15.85	\$13.68	\$11.44	-16.4%
5545	Roofing NOC	\$30.35	\$30.99	\$31.79	\$37.05	\$35.68	-3.7%
7720	Security Enforcement or Protection	\$1.50	\$1.73	\$1.90	\$1.71	\$1.34	-21.6%
6306	Sewer Construction	\$6.28	\$7.61	\$7.81	\$9.10	\$8.09	-11.1%
5538	Sheet Metal Work - Shop & Outside	\$5.74	\$5.72	\$5.31	\$4.58	\$3.82	-16.6%
9552	Sign Mfg - Erection, Repair, Maintenance	\$8.29	\$8.35	\$7.92	\$6.94	\$7.12	2.6%
5188	Sprinkler Installation	\$4.68	\$4.13	\$4.24	\$4.94	\$4.32	-12.6%
9402	Street Cleaning	\$5.49	\$4.92	\$5.40	\$4.80	\$3.92	-18.3%
5507	Street or Road Construction	\$6.26	\$7.05	\$7.24	\$7.64	\$5.60	-26.7%
5506	Street or Road Paving	\$6.96	\$7.05	\$7.09	\$6.85	\$5.20	-24.1%
5348	Tile, Stone or Mosaic Work	\$6.45	\$5.81	\$5.93	\$5.12	\$4.15	-18.9%
0106	Tree Pruning	\$13.52	\$14.64	\$15.80	\$13.63	\$10.05	-26.3%
7219	Trucking NOC	\$7.68	\$8.28	\$9.10	\$9.77	\$8.41	-13.9%
5445	Wallboard Installation	\$7.13	\$7.24	\$7.43	\$6.90	\$6.08	-11.9%
6319	Water / Gas Main or Connection Construction	\$5.14	\$4.86	\$4.66	\$4.48	\$3.55	-20.8%
7520	Waterworks Operation	\$3.29	\$3.15	\$3.46	\$3.16	\$2.77	-12.3%
3365	Welding NOC	\$9.72	\$9.67	\$8.98	\$7.75	\$5.73	-26.1%

NOC = Not Otherwise Classified