



July 2, 2008

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance  
***Experience Rating Plan Manual*** Rule Changes  
for Cat 87

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved revisions to the NCCI's ***Experience Rating Plan Manual*** Rule 1-C-3a. The revision of the rule relates to workers' compensation occupational disease losses resulting from the rescue, recovery, and clean-up work attributable to the terrorist attacks on the World Trade Center (coded as Catastrophe Code 87). Such losses will be excluded from the calculation of an employer's experience rating modification factor. The employee must have sustained these injuries within the jurisdiction of New York, and the injuries must have occurred between September 11, 2001 and September 12, 2002. Additionally, the claimant must be filing for benefits under New York law.

The ***Experience Rating Plan Manual*** requires that a policy of one year and 16 days be treated as a one-year policy, and that all experience used in a rating calculation be valued at least three months prior to the rating. The Plan also allows for the extension of the experience period under select circumstances. Based on these rules, this change has the potential to impact affected employers with experience rating modifications with rating effective dates of May 27, 2002 through June 12, 2007.

The changes to the rule have been approved effective June 26, 2008. The attached exhibit highlights the changes to NCCI's ***Experience Rating Plan Manual***.

Contact the Information Center at 919-582-1056 for [wcinfo@ncrb.org](mailto:wcinfo@ncrb.org) if you have any questions regarding the information contained in this circular.

Sincerely,

Sue Taylor

Director, Insurance Operations

ST:dg

C-08-10

**ITEM E-1400—EXCLUSION OF CATASTROPHE LOSSES FROM EXPERIENCE RATING**

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**EXHIBIT 1  
EXPERIENCE RATING PLAN MANUAL—2003 EDITION  
RULE 1-GENERAL EXPLANATION  
C. DEFINITIONS**

**3. Losses**

Incurring losses for each classification in the experience period are those reported according to the ***Statistical Plan***.

- a. No loss is excluded from the experience of a risk even if the employer was not responsible for the accident that caused such loss.

**Exception:** Losses reported with Catastrophe Number 87 are excluded from experience rating calculations. Catastrophe Number 87 claims include all workers compensation occupational disease claims resulting from the rescue, recovery, and clean-up work at the World Trade Center occurring between the dates of September 11, 2001 and September 12, 2002. This rule applies to experience rating modifications with rating effective dates of May 27, 2002 through June 12, 2007.

**Exception:** Losses reported with Catastrophe Number 48 are excluded from experience rating calculations. Catastrophe Number 48 claims include all workers compensation claims directly attributable to the September 11, 2001 attacks with accident dates of September 11 through September 14, 2001. This rule applies to experience rating modifications with anniversary rating dates of May 27, 2002 through June 14, 2006.

- b. Loss amounts may be limited in the experience rating calculation. For application of a loss limitation, refer to *Rule 2-C-13*.