

INFORMATIONAL GUIDELINE

for the Workers' Compensation Board's annual assessment

Prepared by
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The Workers' Compensation Board's assessment should be calculated according to the following sequence:

1. The experience modification factor is applied to the manual premium.
2. Other deductible credits described in 39-A M.R.S.A. §154(3) (B-1) are applied to the premium, resulting in the standard premium.
3. The Board's assessment percentage is applied.
4. Any applicable premium discounts are applied.
5. The Expense Constant is calculated.
6. The Board's assessment is based on standard premium (after experience rating). The charges for TRIA and for the Domestic Terrorism, Earthquakes and Catastrophic losses is calculated at a later point in the premium calculation algorithm, therefore, they are not included as part of the base premium for this assessment.
7. Anniversary rating rules do not apply. This means that in Maine the rates used are the rates in effect at the policy effective date.
8. "In other reasonable amounts" on the assessment report forms refers to amounts less than either the \$1,000 or \$5,000 deductible. \$1,000 and \$5,000 are the maximum deductible allowed.

Retrospective Rated Policies. The Board's assessment should be paid at policy issuance even though it will be necessary to use a "fictitious premium." A "fictitious premium" is defined by referring to the definition of "standard premium" in the NCCI Basic Manual for Workers' Compensation and Employer's Liability Insurance Rule 7(C)(1). That definition reads as follows:

Standard premium means, for the purposes of this rule, the state premium determined on the basis of authorized rates, disease loadings, non-ratable elements, aircraft seat charges, premium for increased limits of liability, any experience rating modification, any applicable schedule rating modification, and minimum premiums. The Expense Constant shall be excluded from determination of the standard premium.

Any discrepancies will be corrected at reconciliation or audit.