



January 1, 2018, rate memo

This memo contains the following information:

- 2018 pure rate information
- SAIF rate tiers **(change)**
- Premium discount
- Catastrophe rate
- Terrorism rate **(change)**
- Retrospective rating factors **(change)**
- Increased limits, part two coverage
- Limits of liability for Jones and FELA classes
- DCBS assessment **(change)**
- Nondisabling claims reimbursement
- SAIF Prepay Plan
- Expense constants and minimum premiums
- SAIFPlus credit
- Installment plans
- Miscellaneous values **(change)**
- Assigned Risk Plan Loss-Sensitive Retrospective Rating Plan Factors **(change)**

January 1, 2018, pure premium change

Overall average rate level change of **-14.0%** from the 01/01/2017 rates

		Maximum increase	Maximum decrease
Manufacturing	-13.9%	+11%	-39%
Contracting	-12.6%	+12%	-38%
Office & clerical	-14.5%	+11%	-39%
Goods & services	-14.6%	+10%	-40%
Miscellaneous	-13.8%	+11%	-39%

SAIF rate levels applied to NCCI pure rates

SAIF voluntary – effective 01/01/2018 (changes in bold)

Tier			Jones/FELA Program II	
	State	Federal	State benefits	Federal benefits
K	1.080	1.130	1.080	1.130
D	1.190	1.240	1.190	1.240
E	1.340	1.390	1.340	1.390
F	1.460	1.510	1.460	1.510
G	1.560	1.610	1.560	1.610
H	1.740	1.790	1.740	1.790

Assigned Risk state and federal effective 01/01/2018 (changes in bold)

Tier			Jones/FELA Program II	
	State	Federal	Jones state benefits	Jones federal benefits
J	2.111	2.093	2.111	2.092

Note: ARP final rates may vary slightly from rates calculated using above factors.

“U” classes – state act classes loaded for federal exposure

Effective 01/01/2018 (no change)

All SAIF voluntary tiers 1.89

Assigned Risk Plan 1.87

Premium discount

SAIF voluntary – effective 01/01/2017 (no change)				Assigned Risk - effective 01/01/2011 (No change)
0	-	5,000	0.0%	
5,000.01	-	15,000	10.5%	
15,000.01	-	50,000	16.5%	
50,000.01	&	Over	18.0%	

DCBS approved the withdrawal of premium discount for the Assigned Risk Plan effective 01/01/2011.

Catastrophe (other than certified acts of terrorism) (no change)

Voluntary \$0.01 per \$100 of payroll

Assigned Risk \$0.01 per \$100 of payroll

Terrorism (changes in bold)

Voluntary **\$0.005 per \$100 of payroll**

Assigned Risk \$0.01 per \$100 of payroll

Retrospective rating

Excess loss premium factors - effective 01/01/2018 (change)

Hazard Groups							
Limitation	A	B	C	D	E	F	G
\$100,000	.176	.217	.240	.273	.313	.346	.398
\$125,000	.153	.192	.215	.246	.284	.317	.369
\$150,000	.136	.172	.195	.224	.262	.293	.346
\$175,000	.123	.157	.180	.207	.245	.274	.328
\$200,000	.112	.145	.167	.194	.230	.258	.312
\$250,000	.096	.127	.149	.173	.208	.234	.288
\$300,000	.084	.113	.134	.157	.191	.215	.268
\$350,000	.075	.103	.124	.145	.177	.199	.253
\$400,000	.068	.095	.115	.134	.167	.188	.241
\$450,000	.063	.088	.107	.126	.157	.177	.230
\$500,000	.058	.082	.102	.120	.149	.169	.220
\$700,000	.045	.066	.084	.099	.127	.143	.193
\$1,000,000	.034	.053	.069	.082	.107	.120	.167

Retrospective closure charges

No changes to closure charges.

Increased limits, part two – effective 01/01/2013 (no change)

Assigned Risk policies are eligible for limits up to a maximum of \$1m/1m/1m.

Limits of liability (000 omitted)	Percentage	Minimum premium
500/500/500 (standard limit)	0.0%	\$0
500/500/1,000	0.1%	\$0
500/500/3,000	0.3%	\$0
500/500/5,000	0.5%	\$0
500/500/10,000	1.0%	\$0
1,000/1,000/1,000	0.4%	\$120
1,000/1,000/3,000	0.6%	\$120
1,000/1,000/5,000	0.8%	\$120
1,000/1,000/10,000	1.3%	\$120
2,000/2,000/2,000	0.7%	\$140
3,000/3,000/3,000	0.9%	\$160

Limits of liability for Maritime/Jones and FELA classes – effective 01/01/2013

(no change)

Assigned Risk policies qualify for Maritime/Jones \$100,000 limits only. FELA is not available for Assigned Risk policies.

Per-accident limit	Program II factor	Minimum premium
100,000	1.00	\$0
200,000	1.26	\$100
300,000	1.41	\$100
400,000	1.50	\$100
500,000	1.54	\$100
1,000,000	1.70	\$150
2,000,000	1.88	\$175
3,000,000	1.97	\$200
4,000,000	2.02	\$225
5,000,000	2.04	\$250
6,000,000	2.06	\$260
7,000,000	2.08	\$270
8,000,000	2.09	\$280
9,000,000	2.10	\$290
10,000,000	2.11	\$300

DCBS assessment – effective 01/01/2018 (change)

7.4%

Nondisabling claims reimbursement – effective 01/01/2017 (no change)

\$2,000

SAIF Regional Prepay Plan (voluntary only) - effective 01/01/2016 (no change)

Annual in advance	3.5%
Quarterly in advance	1.0%
Monthly (10-pay) in advance	1.0%

Beginning 01/01/2016, SAIF began extending the monthly prepay discount to regional policies on a 10-pay payment plan.

Expense constants and minimum premiums

SAIF voluntary (no change)

Expense constant for USL&HW (Federal) \$100

Minimum premium class dependent – subject to \$500 maximum

Minimum premium calculation:

Beginning 01/01/2014, when a policy incepts with multiple classes, the minimum premium is based on the highest minimum premium for any class on the policy that has estimated payroll/premium.

Assigned Risk (no change)

Expense constant - \$160

Minimum premium class dependent – subject to \$550 maximum

Maximum SAIFPlus credit effective 01/01/2016 (no change)

2.0% up to \$600 maximum credit

Beginning 01/01/2011, the SAIFPlus credit applies only to payment, or credits applied to installments, during the policy period. It will not apply to any additional premium that is due or paid after the policy period end date.

Installment plan determination (no change)

Billing plan installments for voluntary policies will be determined using net estimated annual premium (NEAP) instead of standard premium. To keep the majority of policies on their current billing plan, the thresholds for determining installment frequency have been adjusted as follows:

- Annual: \$550.00 or less
- Semiannual: \$550.01 to \$1,000.00
- Quarterly: \$1,000.01 to \$5,000.00
- 10-pay: \$5,000.01 or larger

Miscellaneous values

Basis of premium applicable in accordance with the footnote instructions for Class 7370

– Taxicab company: **Effective 01/01/2018 (changes in bold):**

Employee-operated vehicle	\$75,100
Leased or rented vehicle	\$50,100

Maximum payroll applicable in accordance with Basic Manual footnote instructions for Class 9178 – “Athletic Sports or Park: Non-contact Sports,” Class 9179 – “Athletic Sports or Park: Contact Sports”:

Effective 1/1/2017 (no change) \$3,900

Minimum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”: **Effective 1/1/2017 (no change)** \$950

Maximum payroll applicable in accordance with Basic Manual Rule 2-E-1 – “Executive Officers”: **Effective 1/1/2017** (No Change) \$3,900

Premium determination for Partners, Sole Proprietors, and members of limited liability companies (LLC) in accordance with Basic Manual Rule 2-E:
Effective 01/01/2018 (changed) \$50,100

Minimum payroll applicable for the following workers, whether subject by statute or employer election (new and renewal policies):

Voluntary: effective 01/01/2018 – BOLI rates effective 7/1/2017

Assigned Risk: effective 01/01/2018 – BOLI rates effective 7/1/2017

- Volunteers
- Municipal volunteers (excluding volunteers in Class 8411)
- Work experience trainees
- School-Directed Vocation Education Project trainees
- Apprentice trainees
- Inmates (both incarcerated and community service)
- Sheltered workshop trainees

For Assigned Risk policies only:

Loss-Sensitive Retrospective Rating Plan (LSRP) factors effective 1/1/2018 (updates in bold)

Basic factor	.400
Minimum premium factor	.750
Maximum premium factor	1.750
Loss-conversion factor	1.206
Tax multiplier	1.000

Adjustment (evaluation closure)

First adjustment
Second adjustment
Third adjustment
Fourth adjustment

Loss-development factors

.19
.11
.10
.09