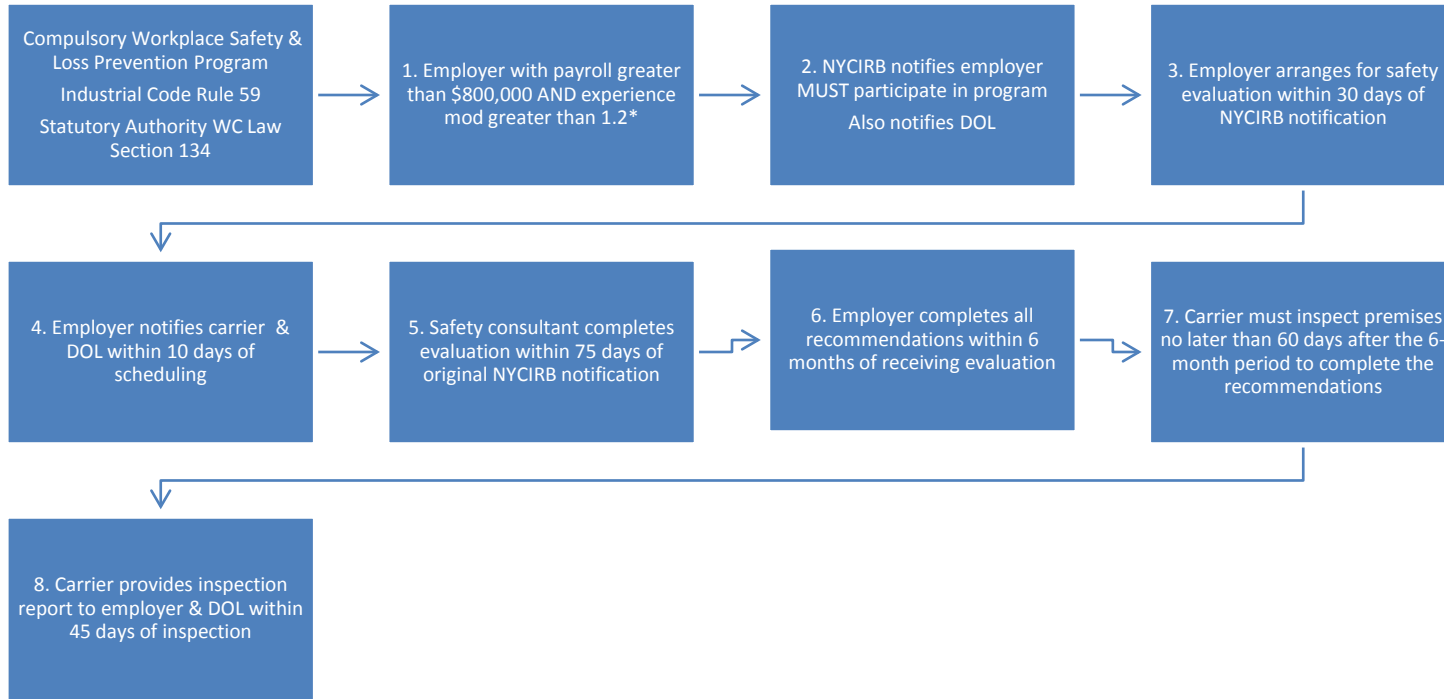


INDUSTRIAL CODE RULE 59



*Additional notes about experience mod development

When determining an employer’s experience mod NYCIRB looks at *primary* and *excess* losses in the calculation of the mod. The “split point” is used to distinguish between primary and excess losses and reflects both the frequency and severity of losses. In 2013 NYCIRB revised the split point from \$5,000 to \$10,000 making more losses *primary* in the calculation of the experience mod. (See bulletin R.C. 2334 for more detailed information) It was subsequently increased from \$10,000 to \$15,000 effective October 1, 2015. (See R.C. Bulletin 2401) New York’s split point is now in line with other states. In 2013 the NCCI split point was increased over a 3-year transition plan to \$15,000 plus two years of inflation adjustment (rounded to the nearest \$500).

Experience Mod Calculation (from the NY Experience Rating Manual)

<u>Primary</u>	+	<u>Ratable Excess</u>	+	<u>Stabilizing Value</u>	=	<u>Totals</u>
Actual Primary Losses		Weighting Value Times Actual Excess Losses		Ballast Value + (1 Minus Weighting Value) Times Expected Excess Losses		Total A
Expected Primary Losses		Weighting Value Times Expected Excess Losses		Ballast Value + (1 Minus Weighting Value) Times Expected Excess Losses		Total B

For the experience modification factor, divide Total A by Total B; round to two decimal places.