



Members of GBC workers' comp. safety grp. to see reduction in costs

September 21, 2007 - Spotlights

In July, the Superintendent of Insurance approved a 20.5% general rate decrease pursuant to the filing by the New York Rating Board. This decrease includes a reduction in the NYS Assessment Charge. As a result, the workers' compensation manual rates will change on October 1. Members of GBC Workers' Compensation Safety Group #550, underwritten by the State Insurance Fund, will see a huge reduction in costs. Although some of the manual rates applicable to members of the construction trade have gone up, many have been reduced considerably. However, the construction Employment Territory Differentials have been significantly reduced, as follows: New York City - 8.5%; Long Island/Hudson Valley - 6.8%; All Other -4%. The \$750 per week wage limitation continues. Eligible contractors should also apply for the New York Construction Contractors Premium Adjustment Plan.

These new rates will apply to members of GBC Safety Group #550 on the next group renewal of December 1, 2007, as well as any new members joining GBC Safety Group #550 on or after October 1. The Manual Rate premiums will be modified by any applicable Experience Modification. Members of GBC Safety Group #550 who are eligible enjoy an Advance Premium Discount of 25% at present.

Finally, the State Fund has advised that they will be billing only the portion of the New York State Assessment that is not attributable to the Second-Injury Fund. Therefore, upon the December 1 group renewal, or at the inception of any new Safety Group #550 policy on or after October 1, that policy will contain a New York State Assessment charge of 6.6%, not the 15.5% Assessment charge approved by the New York Compensation Insurance Rating Board. The assessment charge will be applied after the advance discount.

Private insurance carriers will likely continue to bill the entire 15.5% assessment charge. Self-Insured Trusts, which historically have not billed the assessment charge, will now likely offer little or no savings up-front as compared to the Safety Group #550 program. When employers consider the long dividend history of Safety Group #550 (dividends of 25% or more annually since group inception in 1992), in addition to the huge up-front savings, the benefits of GBC Safety Group #550 are overwhelming.

GCG Risk Management, Inc. manages the program, providing underwriting, claims and consulting services to the members of the program. GBC Safety & Construction Services provides safety services to the members. Only members of the GBC are eligible to participate in Safety Group #550.

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