October 10, 2012

CIRCULAR LETTER NO. 2208

To All Members and Subscribers of the WCRIBMA:

BASIS OF PREMIUM – TAXI CAB COMPANIES

EFFECTIVE OCTOBER 1, 2012
APPLICABLE TO NEW AND RENEWAL BUSINESS

The basis of premium entries for Code 7370 - “Taxicab Co.” for taxicab operators without verifiable payroll records are shown on the Miscellaneous Values page of the Massachusetts Workers’ Compensation & Employers Liability Insurance Manual.

The basis of premium for taxicab operators without verifiable payroll records in connection with an employee operated vehicle of a taxicab company is calculated as follows:

Step 1: Initial Value = 52 weeks x SAWW x 1.50.

Step 2: Basis of Premium equals the Initial Value rounded to the nearest $100.

The basis of premium for taxicab operators without verifiable payroll records in connection with a leased or rented vehicle of a taxicab company is calculated as follows:

Step 1: Initial Value = 52 weeks x SAWW.

Step 2: Basis of Premium equals the Initial Value rounded to the nearest $100.
Effective October 1, 2012, the SAWW in the Commonwealth of Massachusetts is $1,173.06. Consequently, the following basis of premium entries for taxicab operators without verifiable payroll records are:

- Employee operated vehicles......................... $91,500
- Leased or rented vehicles.............................. $61,000

This change only affects new and renewal business effective on or after October 1, 2012.

Daniel M. Crowley, CPCU
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