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New Workers' Compensation Rates For Massachusetts

3% Average Rate Level Decrease Effective 9/1/05

As many of you have heard the Division of Insurance announced an overall **average decrease** of -3.0% in the Workers' Compensation rates to be effective September 1, 2005 for all policies that are newly issued or renewed on or after that date. For any policy that has an effective date or Anniversary Rating Date prior to 9/1/05, the new rates will not apply until its next renewal or next Anniversary Rating Date.

The overall **average decrease** is -3%, **but** the actual change varies by industry and by class. The average rate change for the Construction Industry is a 1.1% **increase**. We have attached a listing of the new rates for the most common construction classifications. The average manual rate change for the classes on the list is a 3.7% **increase**.

Experience Modifications and ARAP factors effective 9/1/05 and later will be issued in due course using the new Expected Loss Rates.

No changes were made to the Loss Constants, "F" Class or USL&H percentage factor, nor the Merit Rating Program.

Please let us know of any questions or if you need to know a rate that has not been included on our list.

Very truly yours,

DeSanctis Insurance Agency, Inc.