
State Information

West Virginia Workers Compensation Regulatory Surcharge Change

Please review the attached July 2012 West Virginia Informational Letter No. 183, issued by the West Virginia Offices of the Insurance Commissioner, regarding a change to the workers compensation Regulatory Surcharge effective January 1, 2013 for voluntary and assigned risk policies in West Virginia.



STATE OF WEST VIRGINIA

Offices of the Insurance Commissioner

Earl Ray Tomblin
Governor

JULY 2012

Michael D. Riley
Insurance Commissioner

WEST VIRGINIA INFORMATIONAL LETTER

NO. 183

TO: All Insurance Companies Doing Business in the State of West Virginia, Self Insured Employers, Insurance Trade Associations, Insurance Media Publications and Other Interested Persons

RE: WEST VIRGINIA WORKERS' COMPENSATION REGULATORY SURCHARGE CHANGE

This informational letter is to advise of a reduction in the workers' compensation regulatory surcharge effective January 1, 2013 for private market policies and July 1, 2012 for self-insured employers. The surcharge rates set forth in this Informational Letter replace those in West Virginia Informational Letter 160 dated May 2008.

REGULATORY SURCHARGE – PRIVATE MARKET -- The Insurance Commissioner is required by W. Va. Code §23-2C-3(f)(1) to assess and collect a surcharge that is designed to cover the costs of the Commissioner's regulation of the workers' compensation private carrier market. This surcharge will be 5.0% with respect to policies with an effective date of January 1, 2013 or later. This surcharge is to be assessed on the premium due as well as on "the total of all premium discounts based on deductible provisions that were applied" in arriving at the premium due. The regulatory surcharge, like the deficit surcharge, must be assessed on actual premium and not estimated premium. This regulatory surcharge must be remitted to the Offices of the Insurance Commissioner (OIC) on a quarterly basis. See W. Va. Code §23-2C-3(f)(1)(C). The annual tax forms include a schedule for these surcharges.

An explanation of the surcharge computations entitled "Workers' Compensation Surcharges Summary" can be found under the Workers' Compensation section of the OIC's website. Questions related to the private market surcharge should be directed to Rhonda Hartwell at Rhonda.Hartwell@wvinsurance.gov or by calling 304.558.6279, ext. 1285.

REGULATORY SURCHARGE – SELF INSURED EMPLOYERS – The Insurance Commissioner is required by W. Va. Code §23-2C-3(f)(2) to assess and collect a surcharge that is designed to cover the costs of the Commissioner's regulation of the workers' compensation self insurance program. This regulatory surcharge is assessed as a percentage of the self insured employer's payroll and is reported and remitted to the Insurance Commissioner on a quarterly basis utilizing the forms provided by the Insurance Commissioner. The FY2013 regulatory surcharge for self-insured employers will be .14%, effective July 1, 2012 for the quarter ending September 30, 2012.

Questions related to the self insurance surcharge should be directed to Angela Shepherd at Angela.Shepherd@wvinsurance.gov or by calling 304.558.6279, ext. 1283.

Michael D. Riley
Insurance Commissioner

