September 30, 2020

Dear Workers' Compensation Insurer:

The purpose of this correspondence is to provide official notification of the

District of Columbia Workers' Compensation Program – Fiscal Year 2021
"PREMIUM SURCHARGE FOR WORKERS' COMPENSATION POLICIES."

Attachment A explains the formula used to calculate the premium surcharge. Effective October 1, 2020 through September 30, 2021, the rate is .91 percent.

For your immediate reference, Attachments B and C contain the schedule and format for remitting premium surcharge payments to the D.C. Department of Employment Services, Office of the Chief Financial Officer at 4058 Minnesota Avenue, NE – 5th Floor, Suite 5700, Washington, D.C. 20019.

If you have any questions or concerns, I can be reached at 202-671-1555 or by e-mail at Mohammad.sheikh@dc.gov.

Sincerely,

[Signature]
Mohammad R. Sheikh
Deputy Director
Labor Standards Bureau

Attachments
FISCAL YEAR 2021 PREMIUM SURCHARGE RATE
(Formula Used to Calculate the Premium Surcharge)

Computation Factors

Total Fiscal Year 2019 Reported Losses (Self Insurers and Insurance Carriers) = $137,422,122.83
Total Fiscal Year 2019 Reported Losses (Carriers Only) = $103,323,190.58
Fiscal Year 2021 Special Fund Assessment = $2,300,000.00
2019 Paid Workers’ Compensation Insurance Premiums = $190,738,535.00

Computations

1. Determine Insurance Carriers’ Proportion of the Total Paid Losses for the Preceding Fiscal Year.
   Insurance Carriers Paid Losses divided by Total Paid Losses =
   Insurance Carriers Proportion:
   Divided by $103,323,190.58 divided by $137,422,122.83 = .7519

2. Determine the Dollar Amount of the Special Fund to be Collected through the Employer Insurance
   Premium Surcharge.
   Special Fund Assessment x Insurance Carrier Proportion of Total Paid Losses =
   Amount to be Collected through Insurance Premium Surcharge:
   $2,300,000.00 x .7519 = $1,729,370.00

3. Determine Premium Surcharge Rate.
   Amount to be collected divided by the Preceding Year’s Paid Workers’ Compensation
   Insurance Premiums = Premium Surcharge Rate:
   $1,729,370.00 divided by $190,738,535.00
   =
   PREMIUM SURCHARGE RATE
   [OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021]
   .0091 or .91 Percent

Attachment A