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Informational Circular 2021-01

Second Injury Fund Assessment & Policy Surcharge Factor

Second Injury Fund Assessment

The Workers Compensation Board of Indiana (“Board”) issued its notice dated December 21, 2020 titled “**2021 Second Injury Fund Calculation of Funding Level**”. The Board certification forms indicate the combined total assessment amount for carriers and self-insureds in 2020 is \$8,298,297. Based on combined total paid losses in 2019 (latest data available) of \$492,122,234, the assessment rate is 1.69% which is within the statutory limit of 2.5%. [Reference IC § 22-3-3-13 (c)]

Payment of Assessment to WC Board

Assessments are due January 31, 2021. For assessments greater than \$1,000, you may choose an installment option, with payments due by January 31, 2021 and June 30, 2021. Payment must be submitted electronically via the State’s electronic payment system.

Policy Surcharge Factor

The 2021 statewide average policy surcharge factor is 0.0087. As in the past, the ICRB does not file an advisory policy surcharge factor with the Indiana Department of Insurance (IDOI). Each carrier must calculate and apply its own factor to its policies. This circular and the factors being provided herein are for informational purposes only. For assigned risk policies, servicing carriers should use the 0.0087 factor.

At-a-Glance Summary

- Carrier must pay its assessment to the WC Board online. Here’s a link to the Board’s online payment options page: <https://www.in.gov/wcb/2516.htm>
- Carrier prints and attaches online payment receipt to the completed Certification form and mails to the Board at this address: Worker's Compensation Board of Indiana 402 West Washington Street, Room W-196 Indianapolis, Indiana 46204
- Carrier must show assessment on policies as “a surcharge based on the employer's premium.”
- The surcharge is not premium, as defined by statute. So, the surcharge amount must be excluded for purposes of computation of agent commission and premium taxes.

- Statistical Code 0935 – Second Injury Fund Surcharge is appropriate to record the amount.
- Because each carrier’s premium is different, then each carrier’s assessment payable to the Board will be different. So, each carrier’s policy surcharge factor may also be different.
- Carriers are not required to file their policy surcharge factors with the IDOI.
- The statewide average surcharge factor of 0.0087 is for informational purposes only.

For More Information

You may also access the Board’s website to view the “2nd Injury Fund Forms” web page. You may access this and previous ICRB circulars about the “Second Injury Fund” on our website at www.icrb.net . We hope this information helps in your understanding of the Second Injury Fund assessment process.

Sincerely,

Paul Keathley CAWC
Vice President

