



JOEL M. PRESSMAN
Commissioner

The Commonwealth of Massachusetts

Department of Industrial Accidents

600 Washington Street
Boston, Mass. 02111

CIRCULAR LETTER NO. 254

OCTOBER 1, 1990

TO: ALL INTERESTED PARTIES

FROM: JOEL M. PRESSMAN, COMMISSIONER

SUBJECT: COLA'S, REIMBURSEMENTS, MAXIMUM AND MINIMUM WEEKLY COMPENSATION RATES

This Circular Letter, which supersedes Circular Letters Nos. 246a and 249a, should be used to determine all of the following:

- (a) The maximum weekly benefits payable under G.L. c.152 (prior to the application of any cost-of-living adjustment required under the statute);
- (b) The minimum compensation rates payable under §34 and §34A;
- (c) The proper amounts of adjustments to compensation required under §34B and §35F;
- (d) The reimbursement amount payable to insurers for COLAs paid on permanent and total or survivors' benefits for injuries occurring on or before October 1, 1986; and
- (e) The reimbursement amount payable to insurers for COLAs paid on permanent and total or survivors' benefits for injuries occurring subsequent to October 1, 1986.

The average weekly wage in the Commonwealth determined under subsection (2) of §29 of Chapter 151A and promulgated by the Director of Employment and Training is \$490.57. Therefore, for injuries occurring on or after October 1, 1990 the maximum unadjusted weekly incapacity compensation may not exceed \$490.57.

For recipients of permanent and total benefits under §34A, the minimum weekly compensation rate is 20 percent of the average weekly wage or \$98.11 for injuries occurring on or after October 1, 1990.

For temporary and total benefits under §34, the new minimum weekly benefit allowed is the employee's average weekly wage before the injury or \$98.11, whichever is less.

AGREEMENT BETWEEN INSURER PROVIDING
CLAIMS HANDLING SERVICES
AND WORKERS' COMPENSATION SELF-INSURER OR SELF-INSURANCE GROUP

WHEREAS, the Division of Insurance ("DOI") and the Department of Industrial Accidents ("DIA") are responsible for administering the provisions of the workers' compensation laws, including those governing the option available to employers to self-insure or to form self-insurance groups; and

WHEREAS, G.L. c. 152, §25A allows employers to fulfill their obligations to their employees through self-insurance, but requires such employers to obtain a license to self-insure or to be part of a self-insurance group which can be obtained only after an evaluation of the effect of such license on the health, safety and welfare of employees; and

WHEREAS, DOI has concluded that it is permissible for domestic insurance companies, under G.L. c. 175, §47A, to engage in the business of investigating, adjusting and settling claims for employers regardless of any general or special law to the contrary; and foreign insurance companies so long as the laws in their states of domicile and their by-laws permit such activities and provided they comply with all the requirements under Massachusetts laws and regulations governing such activities; and