



Construction Classification Premium Adjustment Program Explained

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Background

The New York Construction Classification Premium Adjustment Program (“Program” or “CPAP”) is a statutory program that provides premium credit to employers paying high wages in the construction industry. The rationale for the program is to (i) encourage employers in the construction industry to pay high wages; and (ii) help employers paying high wages remain competitive when bidding for jobs.



CPAP Program Problems and the Resulting Redesign

In 2023, the New York Compensation Insurance Rating Board (“Rating Board”) reviewed the Program with the intent to make tweaks, fine tune the formula, and update the wage table. During this review, the Rating Board discovered that the Program needed a complete overhaul.

Problems Discovered

- Employer participation was very low, and when they participated, applications were often submitted after the policy was quoted.
- Credits were based on wages from years past and on a credit table that did not keep pace with the times, causing the Program to be out of alignment: low wage paying employers qualified for credits and high wage paying employers did not receive enough credits.
- The Program applied a single wage credit table to all construction classifications, and in doing so, failed to recognize that wages vary across construction occupations. A particular hourly wage may be considered high for one construction occupation and low for a different construction occupation.
- The measure of wages – average hourly wage per class code – was unique in workers' compensation and presented challenges at premium audit.

The New Program: Redesign Improvements

Applies to policies effective on and after October 1, 2025



Increase Participation

Rather than require employers to submit a CPAP application, the redesigned Program requires insurers to ask its policyholders to provide CPAP payroll information during final premium audit.

Estimate Program Credits at Policy Quotation

Insurers will be able to include an estimated CPAP credit when quoting policies.



Reward High Wage Paying Employers

The credit derived under the redesigned Program will utilize (i) current wage information from the policy at issue, and (ii) a wage credit table that recognizes that hourly wages in the construction industry vary across occupations and accordingly, individualizes credit determinations by class code. In addition, the new wage credit table appropriately benchmarks high wages in each classification code by leveraging prevailing wage information published by the New York State Department of Labor.

The New Program: Overview

Applies to policies effective on and after October 1, 2025

Eligibility

To be eligible for the Program, a policy must satisfy each of the following elements:

- A policy must have at least \$5,000 in Subject Premium in New York State (as defined in Rule VI(O) of the New York Workers' Compensation and Employers' Liability Manual ("Manual"));





- A policy must contain one or more eligible construction classifications listed in the table in the appendix of this pamphlet; and
- The hourly wages paid must satisfy the Program’s hourly wage requirement as set forth in the CPAP Classification Code and Hourly Wage Table, which is contained under “Miscellaneous Values” of Part Three – Loss Costs of the Manual.

Program Exclusions

The following types of policies are not eligible for the Program:

- Retrospective rating plan policies, including those written under the Large Risk Rating Option (“LRRO”);
- Policies written in accordance with an insurer’s independently filed Large Deductible programs; and
- The above listed exclusions extend to related programs, such as LRRO wrap-up policies and large deductible wrap-up policies.



Program Credit Estimator

Insurers will be empowered to obtain estimated Program credits prior to policy quotation by utilizing the Rating Board’s CPAP Estimator online application (or similar tool developed by the insurer), or an employer’s most recent final CPAP credit.



To use the Rating Board’s CPAP Estimator online application, insurers will be required to submit the following information:

- Estimated remuneration by class code; and
- Average base hourly wage by class code OR the number of full time employees by class code.

Final Program Credit Determination

While a program credit may be estimated at policy quotation and issuance, a final program credit must be calculated during the final premium audit process following policy expiration. During final premium audit, an insurer must ask its policyholder to submit CPAP required payroll information, which is set forth in the sample table below. Upon receipt of such CPAP required payroll information, insurers will transmit it to the Rating Board for credit determination. The Rating Board will then calculate the CPAP credit percentage and send it to the insurer so that it can be applied against the final premium.

For CPAP Eligible Classification Codes

Employee	Class Code	# of Hours Worked During the Policy Period (including overtime)	Remuneration During the Policy Period	OR	Average Base Hourly Wage

For non-CPAP Class Codes

Class Code	Remuneration During the Policy Period

Employer Cooperation Required

Endorsement WC 31 03 23, which must be attached to all CPAP eligible policies, provides policyholders with advance notice of the data elements they will be required to submit to participate in the Program. Policyholders are responsible for submitting all required payroll-related information to insurers in a timely fashion during the final premium audit process. Insurers are not required to apply a CPAP credit to an otherwise eligible policy if an employer does not submit the necessary information for the calculation of the CPAP credit within a reasonable timeframe (which shall not be less than 10 business days) following an insurer's request for same. An insurer may require that employers submit CPAP information in a particular format or utilize a template provided.

Credits are calculated by the Rating Board for each individual policy and are only applicable to that policy. If an estimated CPAP credit is provided at policy issuance, such estimated credit is subject to revision at premium audit.



CPAP Credit Calculation

A CPAP credit percentage is determined based upon the hourly wage of each employee in a CPAP eligible classification. Each employee's CPAP credit percentage is calculated by utilizing the CPAP Classification Code and Hourly Wage Table, which is contained under "Miscellaneous Values" of Part Three – Loss Costs of the Manual.

Employees in non-CPAP eligible classes are assigned a 0% credit. The weighted average credit for all employees (using the loss cost level premiums for each employee as weights) serves as the final CPAP credit for the policy.

For the purposes of CPAP credit determination, employees with hours worked in multiple classification codes during a policy period are assigned to the classification code with the most hours worked during the policy period.

Example

If during a policy period, an employee worked 1,000 hours in classification code A and 600 hours in classification code B, then for purposes of CPAP credit determination, that employee shall be treated as though all hours were worked in classification code A.



For a description of the CPAP credit calculation, see the CPAP educational video in the Learning Center on the Rating Board's website.

For additional information relating to CPAP, please visit the Rating Board's website at www.nycirb.org.

Appendix

List of Eligible Construction Classifications

As of October 1, 2025, there are 80 construction classification codes that are eligible for the CPAP program (listed below) and these codes are identified in Rule VIII(I) of the Manual.

0042	Landscape Gardening – All Operations to Completion & Drivers
3365	Welding or Cutting – NOC – All Operations to Completion & Drivers
3724	Machinery or Equipment Erection or Installation – NOC – All Operations to Completion & Drivers
3726	Boiler Installation or Repair – Steam – All Operations to Completion
3737	Machinery or Equipment Repair or Servicing at Customers' Premises – NOC – All Operations to Completion & Drivers
5000	Chimney Construction – Not Metal – All Operations to Completion
5022	Masonry – NOC – All Operations to Completion
5037	Painting – Metal Structures – Over Two Stories in Height – All Operations to Completion & Drivers
5040	Iron or Steel Erection – Frame Structures – All Operations to Completion
5057	Iron or Steel Erection – NOC – All Operations to Completion
5059	Iron or Steel Erection – Frame Structures – Not Over Two Stories in Height – All Operations to Completion

5102	Door, Door Frame or Sash Erection – Metal or Metal Covered – All Operations to Completion
5160	Elevator Erection or Repair – All Operations to Completion
5183	Plumbing – NOC – All Operations to Completion & Drivers
5184	Boiler or Steam Pipe Insulating – All Operations to Completion & Drivers
5188	Automatic Sprinkler Installation – All Operations to Completion & Drivers
5190	Electrical Wiring – Within Buildings – All Operations to Completion & Drivers
5193	Oil or Gas Burner Installation, Service or Repair Shop – All Operations to Completion & Drivers
5213	Concrete Construction – NOC – All Operations to Completion
5221	Concrete or Cement Work – Floors, Driveways, Yards or Sidewalks – All Operations to Completion & Drivers
5222	Concrete Construction in Connection with Bridges or Culverts – All Operations to Completion
5223	Swimming Pool Construction – Not Iron or Steel – All Operations to Completion & Drivers
5348	Marble or Stone Setting – Inside – All Operations to Completion
5402	Greenhouse Erection – All Operations to Completion

5403	Carpentry – NOC – All Operations to Completion
5428	Storm Door, Storm Sash, Screens or Weather-Stripping Installation – All Operations to Completion
5429	Cabinet Works Installation – All Operations to Completion
5443	Lathing – All Operations to Completion & Drivers
5445	Wallboard Installation – Within Buildings – All Operations to Completion & Drivers
5462	Glazier – Away From Shop – All Operations to Completion & Drivers
5473	Asbestos Removal Operations – Contractor – NOC – All Operations to Completion
5474	Painting or Decorating – NOC – All Operations to Completion & Drivers
5479	Insulation Work – NOC – All Operations to Completion & Drivers
5480	Plastering – NOC – All Operations to Completion & Drivers
5491	Wallpaper Hanging – All Operations to Completion & Drivers
5506	Street or Road Construction – Paving or Repaving – All Operations to Completion & Drivers
5507	Street or Road Construction – Sub-Surface Work – All Operations to Completion & Drivers

5508	Excavation – Rock – All Operations to Completion & Drivers
5536	Air Conditioning and Heating Duct Work – Shop and Outside – All Operations to Completion & Drivers
5538	Sheet Metal Work Erection, Installation or Repair – NOC – Shop or Outside – All Operations to Completion & Drivers
5545	Roofing – NOC – All Operations to Completion & Drivers
5547	Roofing – Built-Up – All Operations to Completion & Drivers
5606	Contractor – Executive Supervisor, Construction Executive, Construction Manager, Construction Superintendent or Project Manager
5610	Cleaner – Debris Removal – Construction or Erection
5645	Carpentry – Detached One or Two-Family Dwellings – All Operations to Completion
5648	Aluminum, Plastic or Vinyl Siding Installation – All Operations to Completion & Drivers
5651	Carpentry – Dwellings – Three Stories or Less – All Operations to Completion
5701	Wrecking – Buildings – Not Marine – All Operations to Completion & Drivers
5703	Building Raising or Moving – All Employees – All Operations to Completion & Drivers
5709	Wrecking – Not Building or Marine Wrecking – All Operations to Completion

6003	Pile Driving – NOC – All Operations to Completion & Drivers
6005	Breakwater or Jetty Construction – All Operations to Completion & Drivers
6017	Dam or Lock Construction – Concrete Work – In Connection with Dams or Locks – All Types – All Operations to Completion & Drivers
6018	Dam or Lock Construction – Earthmoving or Placing – In Connection with Dams or Locks – All Types – All Operations to Completion & Drivers
6045	Levee Construction – All Operations to Completion & Drivers
6204	Drilling – NOC – All Operations to Completion & Drivers
6216	Gas or Oil Lease Work – NOC – Natural Gas – By Contractor – All Operations to Completion & Drivers
6217	Excavation – NOC – All Operations to Completion & Drivers
6229	Irrigation System Construction – All Operations to Completion & Drivers
6233	Gas or Oil Pipeline Construction – All Operations to Completion & Drivers
6235	Oil or Gas Well – Drilling or Redrilling – All Operations to Completion & Drivers
6251	Tunneling – All Operations to Completion
6252	Shaft Sinking – All Operations to Completion

6306	Sewer Construction – All Operations to Completion & Drivers
6319	Gas Main or Connection Construction – All Operations to Completion & Drivers
6325	Conduit Construction – For Cables or Wires – All Operations to Completion & Drivers
6400	Fence Erection – Metal – All Operations to Completion
6701	Railroad Construction – All Operations to Completion & Drivers
7536	Cable Installation – All Operations to Completion & Drivers
7538	Electric Light or Power Line Construction – All Operations to Completion & Drivers
7601	Telephone, Telegraph or Fire Alarm Line Construction – All Operations to Completion & Drivers
7855	Railroad Construction – Laying or Re-laying Tracks – No Work on Elevated Railroads – All Operations to Completion & Drivers
8227	Construction or Erection Permanent Yard
9526	Scaffolds, Hod Hoists or Construction Elevators – Built-Up From the Ground – Installation, Repair or Removal – All Operations to Completion & Drivers
9527	Scaffolds – Sidewalk Bridges – Not Over One Story in Height – Installation, Repair or Removal – All Operations to Completion & Drivers
9534	Mobile Crane and Hoisting Service Contractors – NOC – All Operations to Completion & Drivers

9539	Awning, Tent or Canvas Goods Erection, Removal or Repair – All Operations to Completion & Drivers
9545	Bill Posting – All Operations to Completion & Drivers
9549	Advertising Co. – All Operations to Completion & Drivers
9553	Sign Painting or Lettering on Buildings or Structures – All Operations to Completion & Drivers