

B. RATING EFFECTIVE DATE

1. The Rating Effective Date appears on a risk's experience rating worksheet. It is the earliest date that a specific modification is applied to a policy. To determine modification application, refer to Rule 4 Section (D) of this Plan.

The Rating Board establishes the rating effective date. In most cases, a risk's rating effective date is the same as its policy effective date.

Note: Wrap-up policies are not used to determine rating effective dates. Refer to Rule 5 Section (A)(4) of this Plan for information on wrap-up policies.

2. The rating effective date may differ from a risk's Policy Effective Date for reasons including, but not limited to:
 - Short-term policies
 - Cancellations
 - Gaps in coverage
 - Changes in ownership or combinability status
 - Multiple policy effective dates
 - A policy that is longer than one year and 16 days
 - Late receipt of current policy information by the Rating Board.
3. To determine a risk's rating effective date, the Rating Board will apply the Rating Effective Date Determination Table in conjunction with a review of the most recent full-term policies and unit statistical data. For purposes of this Rule, a full-term policy is considered to be written for 12 months and is not cancelled prior to its expiration date.

Rating Effective Date Determination Table

If the risk is...	Then the rating effective date is...
A single policy risk, or a multiple policy risk with all policies having the same effective date	The effective month and day of the most recent full-term policy in effect and each policy thereafter unless the date is changed due to a reason listed above.
A multiple policy risk with policies having different effective dates	The effective month and day of the most recent full-term policy in effect with the largest amount of estimated standard premium.

4. **Rating Effective Date Examples**

The rating effective date is the earliest date that a specific modification is applied to a policy.

Example 1:

Assume that a risk has a current policy effective January 1, and all previous policies have also been effective on January 1 since the risk was in business:

Since all policies have had January 1 effective dates, the rating effective date is January 1.

Example 2:

Assume that after several years, the policy effective date changes.

Policy	Rating Effective Date
01/01/18 – 01/01/19	01/01/18
01/01/19 – 06/01/19	01/01/19
06/01/19 – 06/01/20	01/01/19 (applicable from 06/01/19 to 01/01/20) 01/01/20 (applicable from 01/01/20 to 06/01/20)
06/01/20 – 01/01/21	06/01/20

Since the next full-term policy after the change in effective date is 06/01/19-06/01/20, experience ratings will be issued with rating effective dates of 01/01/18, 01/01/19 and 01/01/20. Upon expiration of the 06/01/19-06/01/20 policy, a new rating effective date of 06/01/20 will apply.

Example 3:

Assume that after several years, the policy effective date changes, and then changes again.

Policy Period	Rating Effective Date
01/01/18 – 01/01/19	01/01/18
01/01/19 – 05/01/19	01/01/19
05/01/19 – 05/01/20	01/01/19 (applicable from 05/01/19 to 01/01/20) 01/01/20 (applicable from 01/01/20 to 05/01/20)
05/01/20 – 05/01/21	05/01/20
01/01/21 – 01/01/22	05/01/20 (applicable from 01/01/21 to 05/01/21) 05/01/21 (applicable from 05/01/21 to 01/01/22)
01/01/22 – 01/01/23	01/01/22

Since the next full-term policy after the first change in effective date is 05/01/19-05/01/20, experience ratings will be issued with rating effective dates of 01/01/18, 01/01/19 and 01/01/20. Upon expiration of the 05/01/19-05/01/20 policy, a new rating effective date of 05/01/20 will apply. The 05/01 rating effective date will remain until after expiration of the 01/01/21-01/01/22 policy. A new rating effective date will become effective 01/01/22.