

No. **2023-7933**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 05/04/2023

Subject Considered:

**National Council on Compensation Insurance Filing
*Item B-1447—Revisions to NCCI Manual Rules Related to the COVID-19
(Coronavirus) Pandemic – Paid Furloughed Employees and Final Premium
Reporting***

The subject of this order is the adoption of amendments to the National Council on Compensation Insurance (NCCI) manuals, as proposed in *Item B-1447—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic – Paid Furloughed Employees and Final Premium Reporting* (TDI ECase No. 31394; SERFF Tracking No. NCCI-133543302).

Background

NCCI filed *Item B-1447* to amend the *NCCI Basic Manual for Workers Compensation and Employers Liability Insurance* (Basic Manual) and the *Statistical Plan for Workers Compensation and Employers Liability Insurance* (Statistical Plan).

On August 4, 2020, the Texas Department of Insurance (TDI) approved *Item B-1441*, which established rules related to payments by an employer to paid furloughed employees due to COVID-19 and for reporting final premium for employers affected by COVID-19, and revised rules for claims attributable to paid furloughed employees.

Item B-1441 provided an expiration date for the rule revisions of December 31, 2020. On December 16, 2020, TDI approved *Item B-1443*, which removed the expiration date and stated that a future filing would be made to establish a new expiration date. This filing, *Item B-1447*, establishes an expiration date for these rules.

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After considering the filing, the commissioner of insurance adopts the following findings of fact and conclusions of law.

Findings of Fact

1. NCCI filed *Item B-1447* with TDI on February 1, 2023, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.
2. Payments to paid furloughed employees reported to statistical code 0012 have declined significantly over the last two years and are insignificant in comparison with the total reported payroll. Based on the negligible amount of payroll being assigned to statistical code 0012, NCCI determined that the code is no longer needed and proposed June 30, 2023, as an expiration date for statistical code 0012 and its associated rules.
3. This filing establishes an expiration date of June 30, 2023, for:
 - a. statistical code 0012 (paid furloughed employees),
 - b. excluding payments to paid furloughed employees from premium and experience rating calculations due to COVID-19, and
 - c. the final premium reporting rule exception for COVID-19.
4. NCCI proposed that the changes in *Item B-1447* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023.
5. *Item B-1447* has been available for public inspection in SERFF and at TDI since the filing date.
6. The filing, including exhibits, is incorporated by reference into this order.
7. On February 28, 2023, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2023/nccimanual.html and distributed notice of the filing to electronic news subscribers.
8. TDI received no written comments on the filing or hearing requests during the comment period.

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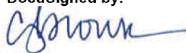
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Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code Article 5.96 and §§ 2051.002, 2051.201, 2053.051, and 2053.052.
2. TDI gave notice in compliance with Commissioner's Order No. 3142.
3. The amendments to the NCCI Basic Manual and Statistical Plan are consistent with Insurance Code Article 5.96 and Chapters 2051 and 2053.
4. Applying the changes in *Item B-1447* to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023, is reasonable.

Order

It is ordered that NCCI's filing, *Item B-1447—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic – Paid Furloughed Employees and Final Premium Reporting* is approved. The changes in *Item B-1447* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023.

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

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Mark Worman, Deputy Commissioner

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Jessica Barta, General Counsel