

TEXAS DEPARTMENT OF INSURANCE
EXEMPT FILING NOTIFICATION PURSUANT TO TEXAS INSURANCE CODE
CHAPTER 5, SUBCHAPTER L, ARTICLE 5.96

The Commissioner of Insurance (Commissioner) will hold a public hearing under Docket No. 2723 on November 10, 2010, at 9:30 a.m., in Room 100 of the William P. Hobby Building, 333 Guadalupe Street, in Austin, Texas, to consider a petition by the staff of the Texas Department of Insurance (Department) proposing the adoption of amendments to the Texas Retrospective Rating Plan Manual for Workers' Compensation and Employers' Liability Insurance (Retro Manual) concerning the Excess Loss Premium Factors in Part Four – F and the Longshore and Harbor Workers' Compensation Act (LHWCA) Excess Loss Premium Factors in Part Four – G. Staff's petition (Reference No. W-1010-13-I) was filed on October 11, 2010.

Staff requests that the updated tables for the Excess Loss Premium Factors and the LHWCA Excess Loss Premium Factors in the Retro Manual be made effective for workers' compensation policies with an effective date on or after May 1, 2011.

Articles 5.96 and 5.77 of the Texas Insurance Code authorize the filing of the petition and the requested Commissioner's action. Article 5.77 authorizes the Department to make or approve and promulgate premium rating plans that may be approved on an optional basis to apply prospectively or retrospectively and may include premium discount plans, retrospective rating plans or other systems, plans or formulas. Article 5.96 authorizes the Department to prescribe, promulgate, adopt, approve, amend, or repeal standard and uniform manual rules, rating plans, classification plans, statistical plans, and policy and endorsement forms for various lines of insurance, including workers' compensation insurance.

Staff's petition proposes to amend the Retro Manual by updating the tables for the Excess Loss Premium Factors in Part Four – F and the LHWCA Excess Loss Premium Factors in Part Four – G. The proposed change reflects the concurrent proposed expansion of the hazard groups from four groups to seven groups. The proposed change from four hazard groups to seven hazard groups is addressed in a separate staff petition (Reference No. W-1010-11-I), filed on October 11, 2010. The proposed update of the excess loss premium factors is necessary because excess loss premium factors vary by hazard group.

Copies of the full text of the staff petitions and the proposed updated excess loss premium factors tables are available for review in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas, 78714-9104. For further information or to request copies of the petitions and proposed tables, please contact Sylvia Gutierrez at ChiefClerk@tdi.state.tx.us, (512) 463-6327 (Reference Nos. W-1010-11-I and W-1010-13-I).

Comments on the proposed amendments may be submitted in writing by 5:00 PM on November 22, 2010, to Gene Jarmon, General Counsel and Chief Clerk, Texas Department of Insurance, P.O. Box 149104, Mail Code 113-2A, Austin, Texas, 78714-9104. An additional copy of the comments should be simultaneously submitted to Nancy Moore, Deputy Commissioner, Workers' Compensation Classification and Premium Calculation Division, Texas Department of Insurance, P.O. Box 149104, Mail Code 105-2A, Austin, Texas, 78714-9104. Interested persons may also submit oral and/or written comments at the hearing.

This notification is made pursuant to Article 5.96 of the Texas Insurance Code, which exempts action taken under this article from the requirements of the Administrative Procedure Act (Government Code, Title 10, Chapter 2001).