

No. **2017-5054**

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

**Date: May 01, 2017**

**Subject Considered:**

**Amendments to the  
National Council on Compensation Insurance Manual  
NCCI Filing *Item P-1413***

The Department of Insurance (TDI) considered amendments to the National Council on Compensation Insurance *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*, proposed in *Item P-1413—Establishment of Experience Rating Modification Factor Revision Endorsement* (TDI ECase No. 12330; SERFF Tracking No. NCCI-130838268; December 16, 2016).

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

**Findings of Fact**

1. NCCI filed *Item P-1413* on December 16, 2016, using the procedure adopted in Commissioner's Order No. 3142 for revisions to NCCI's workers compensation manuals.
2. The commissioner of insurance issued Commissioner's Order No. 4630 on August 15, 2016, which approved NCCI's national filing, *Item B-1430—Elimination of Anniversary Rating Date* for new and renewal policies with effective dates on or after May 1, 2017.
3. *Item P-1413* adds an endorsement advising employers that their experience rating modification factors may change during the policy term instead of on the anniversary rating date.
4. Experience rating modification factors may change during a policy term for a variety of reasons, including but not limited to: rating effective date changes, revision of payroll or losses, and changes from a preliminary to a final modification status.
5. In Texas, the rules, classifications, and rates already apply based on the policy effective date, not the anniversary rating date, so TDI expects no significant impact from *Item P-1413*.
6. The TDI chief clerk has had copies of the full text of the filing and related exhibits since the filing date. The filing and exhibits are incorporated by reference into this order.

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7. The changes in *Item P-1413* apply to new and renewal policies effective on and after May 1, 2017.
8. On January 25, 2017, TDI published notice of the filing on the TDI website at [www.tdi.texas.gov/rules/2016/nccimanual.html](http://www.tdi.texas.gov/rules/2016/nccimanual.html) and distributed notice of the filing to electronic news subscribers.
9. TDI received no comments on the filing by the February 27, 2017, deadline.

### Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code Article 5.96 and Sections 2051.002, 2051.201, 2052.002, and 36.001.
2. Commissioner's Order No. 3142, dated March 21, 2014, established a procedure for the commissioner to consider changes to NCCI's manuals:
  - a) NCCI makes a filing,
  - b) TDI publishes notice of the filing on the TDI website and distributes notice of the filing to subscribers to TDI's electronic news, with at least a 30-day period for interested persons to submit comments or request a hearing, and
  - c) the commissioner issues an order approving the filing, approving the filing with changes, or rejecting the filing.
3. TDI gave proper and timely notice in compliance with Commissioner's Order No. 3142.
4. The amendments to the NCCI *Forms Manual* are reasonable and consistent with Texas workers compensation statutes and rules.
5. Applying the changes in *Item P-1413* to new and renewal policies effective on and after May 1, 2017, is reasonable.

TDI approves NCCI's filing, *Item P-1413—Establishment of Experience Rating Modification Factor Revision Endorsement* for new and renewal policies effective on and after May 1, 2017.

  
Kevin Brady  
Deputy Commissioner for Agency Affairs  
Texas Department of Insurance  
Delegation Order 4506