

Texas Department of Insurance
Notice of Workers' Compensation Filing
National Council on Compensation Insurance *Item E-1405*

Description:

- The National Council on Compensation Insurance (NCCI) filed *Item E-1405 - Revisions to Experience Rating Plan Manual Rules and the Notification of Change in Ownership Endorsement* on December 14, 2017. This item proposes national and state-specific amendments to NCCI's *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)* and NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.
- For Texas, *Item E-1405* proposes the following changes to the *Experience Rating Plan Manual*:
 1. Separate Data Reporting
 - Rule 3-E-1 - add a reference to NCCI's *Experience Rating (ER) Split Data Reporting Guide*.
 2. Ownership Changes
 - Rule 3-A - update the title of the Notification of Change in Ownership Endorsement and add language stating that the reporting requirement applies regardless of whether an experience rating modification is currently applied.
 - Rule 3-E-3-a - revise the recalculation and application requirements related to changes in ownership and/or combinability status.
 - Rule 4-E - add a note clarifying that decreases in experience rating modifications due to a change in ownership and/or combinability status are applied retroactively to the date of the change.
- *Item E-1405* also proposes that the Notification of Change in Ownership Endorsement in the *Forms Manual* be revised to add:
 1. The 90-day reporting requirement language to the title; and

2. Language stating that the reporting requirement applies regardless of whether the policyholder is currently experience rated.
- *Item E-1405* includes various formatting and grammatical changes.

Requested Effective Date:

- The filing proposes that the changes in *Item E-1405* apply to new and renewal workers' compensation policies effective on and after January 1, 2019.

Affected NCCI Manuals:

- *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance.*
- *Forms Manual of Workers Compensation and Employers Liability Insurance.*

Review and Comment:

- TDI prepared this notice. You may review a copy of NCCI's filing in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas 78701; or at www.tdi.texas.gov/rules/2018/nccimanual.html during the comment period.
- To comment on the filing or to request a hearing, submit two copies of your comments or hearing request by 5 p.m., Central time, on April 23, 2018. Refer to TDI ECase No. 15090.
 - Send one copy to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, Mail Code 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.
 - Send the other copy to CommercialPC@tdi.texas.gov, or to Marianne Baker, Director, Property and Casualty Lines Office, Mail Code 104-PC, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

Procedure:

- NCCI filed *Item E-1405* (TDI ECase No. 15090; SERFF Tracking Nos. NCCI-131304706 and NCCI-131304708) with the Texas Department of Insurance on December 14, 2017,

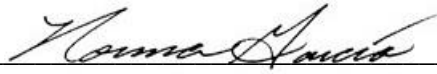
Notice of Filing – NCCI

Item E-1405

Page 3 of 3

under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.

Issued in Austin, Texas on March 22, 2018.



Norma Garcia, General Counsel
Texas Department of Insurance