

No. **4630**

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

Date: Aug. 15, 2016

Subject Considered:

**Amendments to the
National Council on Compensation Insurance Manuals
NCCI Filing *Item B-1430***

The commissioner of insurance considered amendments to the following National Council on Compensation Insurance manuals, proposed in *Item B-1430—Elimination of Anniversary Rating Date* (TDI ECase No. 10480; SERFF Tracking Nos. NCCI-130130168 and 130130169):

- *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*
- *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan)*
- *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*
- *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Retro Plan)*, and
- *Statistical Plan for Workers Compensation and Employers Liability Insurance (Stat Plan)*.

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

Findings of Fact

1. NCCI filed *Item B-1430* on July 2, 2015, using the procedure adopted in Commissioner's Order No. 3142 for revisions to NCCI's workers compensation manuals.
2. *Item B-1430* is a national filing to require—in all NCCI states—that the rules, classifications, and rates in effect on the policy effective date apply to the policy, rather than those in effect on the anniversary rating date.
3. In Texas, the rules, classifications, and rates already apply based on the policy effective date, so TDI expects no significant Texas impact from *Item B-1430*.
4. *Item B-1430* eliminates or revises rules and endorsements that reference the anniversary rating date and makes minor grammatical and formatting revisions in the NCCI *Basic Manual*, *Experience Rating Plan Manual*, *Forms Manual*, *Retro Plan*, and *Stat Plan*.
5. *Item B-1430* also amends Rule 4-E and other experience rating rules in NCCI's *Experience Rating Plan Manual*. Currently, Rule 4-E allows a carrier to use either the policy effective date or the rating effective date to determine how to apply an increase in a policyholder's experience rating

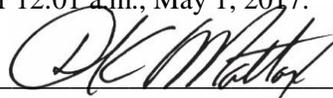
modification. The change to Rule 4-E allows carriers to use only the policy effective date for that purpose. For other experience rating rules, the filing changes "anniversary rating date" to "rating effective date."

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.
7. As filed, the changes in *Item B-1430* would apply to new and renewal policies with effective dates on or after 12:01 a.m., May 1, 2017.
8. On June 3, 2016, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2015/nccimanual.html, and distributed notice of the filing to electronic news subscribers.
9. TDI received no comments on the filing by the July 8, 2016, deadline.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under Insurance Code Article 5.96 and Sections 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 *Basic Manual*, *Experience Rating Plan Manual*, *Forms Manual*, *Retro Plan*, and *Stat Plan* are reasonable and consistent with Texas workers compensation statutes and rules.
5. Applying the changes in *Item B-1430* to new and renewal policies with effective dates on or after 12:01 a.m., May 1, 2017, is reasonable.

The commissioner approves NCCI's filing, *Item B-1430—Elimination of Anniversary Rating Date*, for new and renewal policies with effective dates on or after 12:01 a.m., May 1, 2017.



David C. Mattax
Commissioner of Insurance