

Texas Department of Insurance
Notice of Workers' Compensation Filing
National Council on Compensation Insurance *Item B-1437*

Description:

- The National Council on Compensation Insurance (NCCI) filed *Item B-1437 - Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Aircraft Maintenance* on September 20, 2018. *Item B-1437* is a national filing that:
 - "Eliminates national and state special classifications with low credibility ... NCCI uses the term 'low credibility' to identify classifications that are too small to develop meaningful data for ratemaking purposes." NCCI recommends that certain classifications with low credibility be eliminated and reassigned to other national or state special classifications with similar operations.
 - Revises the classification treatment of the aircraft maintenance and repair industry.
 - Revises and eliminates certain classifications in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* and *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.
 - Revises audit and loss prevention survey tables for certain states in NCCI's *Assigned Carrier Performance Standards*.

- For Texas, *Item B-1437* proposes to:
 - Revise Appendix E-Table of Classifications by Hazard Group to update the codes being eliminated or established.

- Eliminate the following national and state special classifications with low credibility and reassign or replace them with other national classifications with similar operations:
 - Eliminate Code 2286 – Wool Spinning and Weaving; and adopt the national treatment for Code 2220 – Wool Spinning and Weaving.
 - Eliminate Code 2670 – Glove Mfg. – Leather or Textile; and adopt the national treatment for Code 2688 – Glove Mfg. – Leather or Textile.
 - Eliminate Code 4670 – Cottonseed Oil Mfg. & Drivers and Cottonseed Oil Refining & Drivers; and adopt the national treatment for Code 4683 – Cottonseed Oil Mfg. – Mechanical and Cottonseed Oil Mfg. – Solvent. The national code does not include drivers.
 - Eliminate Code 4670 – Oil Mfg. – Vegetable & Drivers; and adopt the national Code 4686 – Oil Mfg. – Vegetable – Solvent Extraction Process. The national code does not include drivers.
 - Eliminate Code 4360 – Motion Picture – Production – In Studios or Outside – All Operations – Includes the Development of Negatives & Drivers; and adopt the national treatment for Code 7610 – Motion Picture – Production – In Studios or Outside – All Operations & Clerical Drivers. Code 7610 includes Clerical and removes the maximum payroll limitation of \$1200.00 per week.

- Add notes to the following state special phraseologies for Code 3805:
 - Aircraft Engine Mfg.
 - Aircraft Propeller Repair Shop – No Aircraft Exposure.
 - Engine Mfg. – Aircraft or Automobile.
 - Propeller Repair – Aircraft.

- Adopt phraseology for Code 7423 – Aviation – Ramp Operations & Drivers.
 - Add a note to the phraseology for Code 3830 – Airplane Mfg. that contains a reference to Code 7423.
- The filing proposes that the changes in *Item B-1437* apply to new and renewal workers' compensation policies effective on and after July 1, 2020.

Affected NCCI Manuals:

Basic Manual for Workers Compensation and Employers Liability Insurance.

Review and Comment:

- You may review a copy of NCCI's *Item B-1437* filing in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, TX 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 your comments or hearing request 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, TX 78714-9104. To be considered, a comment must be received by the Office of the Chief Clerk by 5 p.m., Central time, on January 14, 2019.

Procedure:

NCCI filed *Item B-1437* (SERFF Tracking No. NCCI-131651525) with the Texas Department of Insurance on September 20, 2018, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.

Issued in Austin, Texas on December 14, 2018.

/s/ Norma Garcia
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Texas Department of Insurance