

No. 2026-9831

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

Date: 03/06/2026

Subject considered:

**National Council on Compensation Insurance Filing
*Item B-1450—Revisions to Basic Manual Classifications for Hazardous Material
Remediation and Military Reservation—Construction—Iron or Steel Erection—Not
Over Two Stories in Height***

The subject of this order is the adoption of amendments proposed in *Item B-1450—Revisions to Basic Manual Classifications for Hazardous Material Remediation and Military Reservation—Construction—Iron or Steel Erection—Not Over Two Stories in Height* (TDI ECase No. 36232; SERFF Tracking No. NCCI-134325204).

Background

The National Council on Compensation Insurance (NCCI) filed *Item B-1450* to amend the NCCI *Basic Manual for Workers Compensation and Employers Liability Insurance* (Basic Manual). Under the workers' compensation classification system, employers with similar operations are grouped by classification so that loss costs and rates may be calculated to reflect overall employee exposure to injury.

The amendments revise classifications related to hazardous material remediation services for asbestos, mold, and lead paint. While the filing name mentions military reservation construction, the changes to those codes do not apply in Texas

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

Findings of Fact

1. NCCI filed *Item B-1450* with TDI on December 5, 2024, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.

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2. In *Item B-1450*, NCCI asked to:
 - a. Replace Texas codes and phraseologies relating to hazardous material remediation services with multistate codes and phraseologies. (See Exhibit A for details).
 - b. Replace Texas phraseologies with new multistate phraseologies for janitorial-type services (codes 9014 and 9170). (This change is not adopted, as discussed below.)
3. NCCI states that the current classification system does not adequately address new types of hazardous material remediation operations. NCCI determined that clarification is needed for the affected classifications, which are currently assigned to asbestos, mold, and lead paint remediation operations.
4. NCCI proposed that the changes in *Item B-1450* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2026.
5. *Item B-1450* has been available for public inspection in SERFF and at TDI since the filing date.
6. On March 31, 2025, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2024/nccimannual.html and distributed notice of the filing to electronic news subscribers.
7. On April 14, 2025, NCCI added to the filing a side-by-side comparison to show changes specific to Texas.
8. TDI received one written comment from Texas Mutual Insurance Company (TMIC) by the May 30, 2025 deadline. TMIC asked that TDI decline to adopt the changes to classification codes 9014 and 9170. TMIC argues that the change proposed by NCCI would reclassify some low-risk window cleaning businesses into the same hazard group as high-risk window cleaning, which would drive down premiums for high-risk operations and raise premiums for those low-risk operations. TMIC also suggested that the change will increase the record keeping burden for employers. Part of the comment also illustrated that the NCCI filing did not fully define "above ground level."
9. TDI agrees with TMIC and declines to adopt the changes to classification codes 9014 and 9170. "Above ground level" is not defined in the NCCI Basic Manual, which could lead to companies not being able to accurately classify risks. Further,

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the impact of the additional record keeping burden is unclear. If businesses do not keep accurate records about when employees are "above ground level," they would be classified in the higher rated class code.

10. NCCI revised the filing on January 13, 2026, to remove the proposed changes to class codes 9014 and 9170 at TDI's request.
11. The amended filing, including exhibits, is incorporated by reference into this order.

Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code §§ 2051.002, 2051.201, 2053.002, 2053.011, 2053.051, and Article 5.96.
2. TDI gave notice in compliance with Commissioner's Order No. 3142.
3. The amendments to the NCCI Basic Manual are consistent with Insurance Code Chapters 2051 and 2053, and Article 5.96.
4. Applying the changes in *Item B-1450* to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2026, is reasonable.

Order

It is ordered that NCCI's filing, *Item B-1450—Revisions to Basic Manual Classifications for Hazardous Material Remediation and Military Reservation—Construction—Iron or Steel Erection—Not Over Two Stories in Height*, is approved with changes as described in Finding of Fact Nos. 8–10. The changes in *Item B-1450* apply to new and renewal policies with effective dates on or after 12:01 a.m. on July 1, 2026.

Signed by:

Amanda Crawford

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Amanda Crawford

Commissioner of Insurance

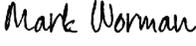
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Recommended and reviewed by:

Signed by:

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Mark Worman, Deputy Commissioner

Signed by:

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Jessica Barta, General Counsel

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Exhibit A

The following table displays the changes to the classification phraseologies. It can also be found in the filing.

Current Texas Phraseologies (Texas classification phraseologies to be eliminated and reassigned to the same multistate code)	Adopted Multistate Phraseologies (Multistate classification treatment to be established in Texas)
Code 5183: Asbestos Insulation Removal From Pipes or Boilers & Drivers	Code 5472: Asbestos Removal Operations Contractor—Pipe and Boiler Work Exclusively & Drivers This phraseology applies to employers that perform asbestos removal or encapsulation on pipes or boilers exclusively. This phraseology includes construction work that is performed as part of the asbestos removal or encapsulation on pipes or boilers exclusively. Operations to be separately rated Construction operations performed after asbestos removal or encapsulation on pipes or boilers has concluded are to be separately rated. Construction operations performed after asbestos removal or encapsulation Refer to NCCI's Basic Manual rule, Rule for assigning more than one basic classification for specific operations, for the assignment of codes related to construction operations performed after asbestos removal or encapsulation has concluded
Code 5479: Asbestos Insulation Removal From Buildings & Drivers	Code 5473: Asbestos and Mold Removal Operations—Contractor—NOC & Drivers

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Current Texas Phraseologies (Texas classification phraseologies to be eliminated and reassigned to the same multistate code)	Adopted Multistate Phraseologies (Multistate classification treatment to be established in Texas)
	<p>This phraseology applies to employers that perform asbestos or mold removal or encapsulation.</p> <p>Included operations</p> <p>This phraseology includes</p> <ul style="list-style-type: none">• dusting, wiping walls, and general cleaning when performed in conjunction with the employer's asbestos or mold removal or encapsulation operations, and• construction work that is performed as part of the asbestos removal or encapsulation operations. <p>Operations to be separately rated</p> <p>Construction operations performed after asbestos or mold removal or encapsulation work has concluded are to be separately rated.</p> <p>Pipe or boiler asbestos operations</p> <p>Refer to Code 5472 for employers that perform asbestos removal or encapsulation performed on pipes or boilers exclusively.</p> <p>Lead paint abatement operations</p> <p>Refer to Code 5474 for lead paint abatement operations.</p> <p>Construction operations performed after asbestos or mold removal or encapsulation</p> <p>Refer to NCCI's Basic Manual rule, Rule for assigning more than one basic classification for specific operations, for the assignment of codes related to construction operations performed after asbestos or mold removal or encapsulation has concluded.</p>

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Current Texas Phraseologies (Texas classification phraseologies to be eliminated and reassigned to the same multistate code)	Adopted Multistate Phraseologies (Multistate classification treatment to be established in Texas)
<p>Code 5474:</p> <p>Painting NOC & Drivers</p> <p>This phraseology includes the painting of (a) balconies, (b) fire escapes, (c) sashes, (d) shutters, (e) staircases, or (f) window frames.</p> <p>Operations to be separately rated</p> <p>Painting of the following is to be separately rated:</p> <ul style="list-style-type: none">• bridges• metal structures over two stories in height, and• ship hulls.	<p>Code 5474:</p> <p>Painting NOC & Shop Operations, Drivers</p> <p>This phraseology includes the painting of (a) balconies, (b) fire escapes, (c) metal storage tanks, (d) sashes, (e) shutters, (f) staircases, or (g) window frames.</p> <p>Operations to be separately rated</p> <p>Painting of the following is to be separately rated:</p> <ul style="list-style-type: none">• bridges• metal structures over two stories in height, or• ship hulls. <p>Waterproofing operations</p> <p>This phraseology applies to specialist contractors who apply waterproofing material by means of brush or hand-pressured caulking gun. This classification treatment applies to waterproofing, other than roofing or subaqueous work, when performed as a separate operation not a part of, or incidental to, any other construction operation performed by the same contractor at the same job or location.</p>