No. **3866**

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OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: March 18, 2015

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Subject Considered:

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AMENDMENTS TO THE
NATIONAL COUNCIL ON COMPENSATION INSURANCE
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE
(NCCI *ITEM NO. P-1412*)

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The commissioner of insurance considers amendments to the *NCCI Forms Manual of Workers Compensation and Employers Liability Insurance* (*NCCI Forms Manual*), as proposed in *Item P-1412—Terrorism Risk Insurance Program Reauthorization Act of 2015 Endorsements* (TDI ECase No. 8726).

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

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FINDINGS OF FACT

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1. The U.S. Congress enacted the Terrorism Risk Insurance Act of 2002 (TRIA) to mitigate insurers' exposure to terrorism. Congress renewed TRIA in 2005 (as the Terrorism Risk Insurance Extension Act of 2005, or TRIEA) and in 2007 (as the Terrorism Risk Insurance Program Reauthorization Act of 2007, or TRIPRA), but it expired on December 31, 2014.

2. Congress enacted the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA of 2015) on January 12, 2015, with an effective date of January 1, 2015, to expire on December 31, 2020.

3. NCCI filed *Item P-1412—Terrorism Risk Insurance Program Reauthorization Act of 2015 Endorsements* on January 13, 2015, to update the *NCCI Forms Manual* in response to TRIPRA of 2015 by replacing one endorsement with an updated endorsement and withdrawing another obsolete endorsement.

4. A copy of the full text of the filing and related exhibits has been on file with the TDI chief clerk since then. The filing and exhibits are incorporated by reference into this order.

5. TDI published notice of the filing on the TDI website on January 30, 2015, at www.tdi.texas.gov/rules/2015/nccimanual.html, and distributed notice of the filing to electronic news subscribers on February 2, 2015.

6. Comments on the filing were due by 5 p.m., Central time, on March 2, 2015.

7. TDI received no comments or requests for a hearing on the filing.

8. *Item P-1412* replaces the TRIPRA Disclosure Endorsement (WC 00 04 22 A) in NCCI's *Forms Manual* with the TRIPRA Disclosure Endorsement (WC 00 04 22 B), which is consistent with the language in TRIPRA of 2015. Form WC 00 04 22 B
    *   updates TRIPRA references to TRIPRA of 2015
    *   updates the definitions to conform to TRIPRA of 2015
    *   updates the insurer deductible provisions, and
    *   revises the program trigger amounts and the federal share of compensation provisions.

9. *Item P-1412* withdraws the Texas Notification of Pending Law Change to TRIPRA of 2007 (WC 42 01 01) in NCCI's *Forms Manual* due to obsolescence.

10. Because TRIPRA of 2015 was effective on January 1, 2015, it is reasonable for *Item P-1412* to apply to policies with effective dates on or after 12:01 a.m., January 1, 2015.

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: 1) NCCI makes a filing; 2) 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 3) 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. Amending the *NCCI Forms Manual* as *Item P-1412* proposes is reasonable, and is consistent with Texas workers' compensation statutes and rules.

The commissioner approves NCCI's filing, *Item P-1412—Terrorism Risk Insurance Program Reauthorization Act of 2015 Endorsements*, with no changes, for policies with effective dates on or after 12:01 a.m., January 1, 2015.

David C. Mattax
Commissioner of Insurance