

No. **2024-8571**

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

Date: 03/13/2024

Subject Considered:

**National Council on Compensation Insurance Filing
*Item 02-TX-2023—Revisions to NCCI's Basic Manual for Texas for Classifications
and Table of Classifications by Hazard Group***

The subject of this order is the adoption of amendments as proposed in *Item 02-TX-2023—Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group* (TDI ECase No. 33355; SERFF Tracking No. NCCI-133863204).

Background

NCCI filed *Item 02-TX-2023* to amend the NCCI *Basic Manual for Workers Compensation and Employers Liability Insurance for Texas* (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.

NCCI analyzed Texas classifications to determine which Texas-specific classes should be changed to align with multistate classifications. This filing replaces some Texas-specific classifications and phraseologies with the corresponding multistate classifications.

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

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Findings of Fact

1. NCCI filed *Item 02-TX-2023* with TDI on October 26, 2023, under the worker's compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.
2. *Item 02-TX-2023* amends the Basic Manual by making the following changes:
 - a. Replaces Texas phraseologies with the corresponding multistate phraseologies. (See [Exhibit A](#) for details.)
 - b. Removes references to class code 9521 because it does not apply in Texas.
 - c. Corrects the hazard group assignment for class code 2361 from group D to C.
3. NCCI says that these changes will help streamline the classification approach in Texas. This will make both the Texas and multistate classifications more uniform and will better align exposure to pricing within an individual class code.
4. For the Texas classifications that are reassigned to the same multistate code, NCCI expects that payroll should not move to different classifications because the multistate phraseology is similar to the Texas phraseology. NCCI also says the hazard group correction should have no premium impact because the loss costs and experience rating values are based on the correct hazard group. Overall, NCCI expects no impact on statewide premium and loss costs because of the code reassignments.
5. At TDI's request, NCCI amended the filing to remove changes to class code 5551 because it could have caused classification code changes and premium impacts for some insureds.
6. NCCI proposed that the changes in *Item 02-TX-2023* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2024.
7. *Item 02-TX-2023* has been available for public inspection in SERFF and at TDI since the filing date.
8. The filing, including exhibits, is incorporated by reference into this order.
9. On November 16, 2023, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2023/nccimannual.html and distributed notice of the filing to electronic news subscribers.
10. TDI received no written comments on the filing.

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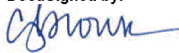
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Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code §§ 2051.002, 2051.201, 2053.002, 2053.011, and 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 02-TX-2023*, as amended, to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2024, is reasonable.

Order

It is ordered that NCCI's filing, *Item 02-TX-2023—Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group*, as amended, is approved. The changes in *Item 02-TX-2023* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2024.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:

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Mark Worman, Deputy Commissioner

DocuSigned 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 0016: <ul style="list-style-type: none">• Farm—Orchard & Drivers• Pecan Harvesting & Drivers	Code 0016: <ul style="list-style-type: none">• Farm—Orchard or Grove & Drivers (Note: This phraseology includes "other nuts.")• Turpentine Farm & Drivers.
Code 1463: <ul style="list-style-type: none">• Asphalt Works—Operated by Road Paving Contractors—Permanent Location & Drivers• Asphalt Works & Drivers	Code 1463: Asphalt Works Operated by Paving Contractors—Permanent Location & Drivers (Multistate phraseology to be established in Texas will be in addition to the multistate phraseology currently applicable in Texas, which is Code 1463: Coal Billet or Briquet Mfg. & Drivers.)
Code 1747: No Texas-specific phraseologies to be eliminated for Code 1747.	Code 1747: Clay Milling & Drivers (Multistate phraseology to be established in Texas will be in addition to multistate phraseologies currently applicable in Texas, which include Code 1747: <ul style="list-style-type: none">• Emery Works & Drivers• Talc Mill & Drivers.)
Code 2172: <ul style="list-style-type: none">• Cigarette Mfg.• Cigar Mfg.• Tobacco Mfg. NOC	Code 2172: Tobacco Products Mfg. NOC
Code 3022: Copper Tubing Drawing & Drivers	Code 3022: No additional multistate phraseologies to be established for Code 3022 in Texas.

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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)
	(Multistate phraseology currently applicable in Texas is Code 3022: Pipe or Tube Mfg. NOC & Drivers.)
Code 3028: <ul style="list-style-type: none">• Pipe or Tube Mfg.—Iron, Steel, or Cast Iron & Drivers• Upsetting Tubing & Drivers	Code 3028: Pipe or Tube Mfg.—Iron or Steel & Drivers
Code 3081: No Texas-specific phraseologies to be eliminated for Code 3081.	Code 3081: Enameled Ironware Mfg. (Multistate phraseology to be established in Texas will be in addition to multistate phraseology currently applicable in Texas, which is Code 3081: Foundry—Ferrous—NOC.)
Code 3131: No Texas-specific phraseologies to be eliminated for Code 3131.	Code 3131: Zipper Mfg. (Multistate phraseology to be established in Texas will be in addition to multistate phraseologies currently applicable in Texas, which include Code 3131: <ul style="list-style-type: none">• Button or Fastener Mfg.—Metal• Fastener or Button Mfg.—Metal.)
Code 4034: <ul style="list-style-type: none">• Burial Vault Mfg.—Concrete—Including Installation & Drivers• Cast Stone Slab Mfg. & Drivers• Concrete Products Mfg. & Drivers*• Concrete Stave Mfg.—Grain Bins—Shop & Drivers• Concrete Tank Mfg.—Shop & Drivers• Grain Bins—Concrete Stave Mfg. & Drivers	Code 4034: <ul style="list-style-type: none">• Coffin and Casket Mfg. and Installation—Concrete & Drivers• Concrete Products Mfg. & Drivers*
Code 4635: <ul style="list-style-type: none">• Freon Recycling by Specialty Contractor & Drivers	Code 4635: No additional multistate phraseologies to be established for Code 4635 in Texas.

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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)
<ul style="list-style-type: none">• Gas Mfg.—Oxygen, Acetylene, Etc. & Drivers• Nitrogen Mfg. & Drivers	(Multistate phraseologies currently applicable in Texas include Code 4635: <ul style="list-style-type: none">• Acetylene Gas Mfg. & Drivers• Carbonic Acid Gas Mfg. & Drivers• Hydrogen or Oxygen Mfg. & Drivers• Oxygen or Hydrogen Mfg. & Drivers.)
Code 4720: <ul style="list-style-type: none">• Detergent Mfg.• Disinfectants Mfg.—Household	Code 4720: No additional multistate phraseologies to be established for Code 4720 in Texas. (Multistate phraseology currently applicable in Texas is Code 4720: Soap or Synthetic Detergent Mfg.)
Code 7855: <ul style="list-style-type: none">• Railroad Construction—Laying or Re-Laying of Tracks or Maintenance of Way by Contractor—No Work on Elevated Railroads & Drivers• Railroad Track Removal & Drivers	Code 7855: Railroad Construction—Laying or Relaying of Tracks or Maintenance of Way by Contractor—No Work on Elevated Railroads & Drivers
Code 8304: Rice Drying & Drivers	Code 8304: No additional multistate phraseologies to be established for Code 8304 in Texas. (Multistate phraseology currently applicable in Texas is Code 8304: Grain Elevator Operation & Local Managers, Drivers.)
Code 8820: <ul style="list-style-type: none">• Abstract or Title Co.—All Employees & Clerical, Messengers, Drivers• Court Reporters—For Law Firms & Messengers, Clerical, Drivers• Title or Abstract Co.—All Employees & Clerical, Messengers, Drivers	Code 8820: No additional multistate phraseologies to be established for Code 8820 in Texas. (Multistate phraseologies currently applicable in Texas include Code 8820: <ul style="list-style-type: none">• Attorney—All Employees & Clerical, Messengers, Drivers• Law Office—All Employees & Clerical, Messengers, Drivers.)