

11-0128

TEXAS DEPARTMENT OF INSURANCE  
EXEMPT FILING NOTIFICATION PURSUANT TO TEXAS INSURANCE CODE  
CHAPTER 5, SUBCHAPTER L, ARTICLE 5.96

**ADOPTION OF AMENDMENTS TO THE TEXAS RETROSPECTIVE RATING PLAN  
MANUAL FOR WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY  
INSURANCE UPDATING PART FOUR – F AND PART FOUR – G**

The Commissioner of Insurance (Commissioner) adopts the amendments proposed by the staff of the Texas Department of Insurance (Department) in a petition (Reference No. W-1010-13-I) to amend Part Four – F and Part Four – G of the Texas Retrospective Rating Plan Manual for Workers' Compensation and Employers' Liability Insurance (Retro Manual), filed on October 11, 2010. Notice of the proposal was published in the October 22, 2010 issue of the *Texas Register* (35 TexReg 9514). The hearing took place on November 10, 2010, under Docket No. 2723. No comments were received on the proposal. Part Four – G of the Retro Manual has been changed to include the words "United States Longshore and Harbor Workers' Act" which were inadvertently omitted in the sentence below the table in the proposed exhibits. In addition, Part Four – F and Part Four – G have been amended to change the percentage to a decimal in the sentence below each table to correspond with the decimals in the table. With the exception of the aforementioned exhibits, the amendments are adopted without changes to the proposed text.

The following amendments to the Retro Manual are adopted:

Retro Manual Part Four – F is amended to update the table of Excess Loss Premium Factors, and Retro Manual in Part Four – G is amended to update the table of

Longshore and Harbor Workers' Compensation Act (LHWCA) Excess Loss Premium Factors. The updated tables for the Excess Loss Premium Factors and the LHWCA Excess Loss Premium Factors reflect the change from four hazard groups to seven hazard groups which was addressed in a separate order (Commissioner's Order No. 11-0126), filed on February 10, 2011.

The Commissioner has determined that the amendments to Retro Manual Part Four – F and Part Four – G are necessary to update the excess loss premium factors to reflect the change from four hazard groups to seven, because excess loss premium factors vary by hazard group.

A copy of the full text of the staff petition and related exhibits has been on file with the Office of the Chief Clerk of the Department since October 11, 2010, and are incorporated by reference into this Commissioner's Order.

This adoption is made pursuant to Articles 5.77 and 5.96 of the Texas Insurance Code. Article 5.77 authorizes the Department to make or approve and promulgate premium rating plans that may be approved on an optional basis to apply prospectively or retrospectively and may include premium discount plans, retrospective rating plans or other systems, plans or formulas. Article 5.96 exempts action taken under this article from the requirements of the Administrative Procedure Act (Government Code, Title 10, Chapter 2001), authorizing the Department to prescribe, promulgate, adopt, approve, amend, or repeal standard and uniform manual rules, rating plans, classification plans,

statistical plans, and policy and endorsement forms for various lines of insurance, including workers' compensation insurance.


The Department hereby certifies that the amendments to the Retro Manual have been reviewed by legal counsel and found to be a valid exercise of the Department's authority.

Issued in Austin, Texas on February <sup>9<sup>th</sup></sup>, 2011.

  
Gene C. Jarmon  
General Counsel and Chief Clerk  
Texas Department of Insurance

**IT IS THEREFORE THE ORDER** of the Commissioner of Insurance that the amendments to the Retro Manual proposed by the staff petition (Reference No. W-1010-13-I) as described herein and set forth in the exhibit attached to this Order and incorporated into this Order by reference, be effective for all workers' compensation policies with an effective date on or after June 1, 2011.

**AND IT IS SO ORDERED.**

  
Mike Geeslin  
Commissioner of Insurance

**11-0128**

ADOPTION OF AMENDMENTS TO RETRO MANUAL  
EXCESS LOSS PREMIUM FACTORS / LHWCA EXCESS LOSS PREMIUM FACTORS  
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Recommended by:



Nancy Moore

Deputy Commissioner, WC Classification and Premium Calculation Division  
Texas Department of Insurance

ATTEST:



Gene C. Jarmon

General Counsel and Chief Clerk  
Texas Department of Insurance

Commissioner's Order No. 11-0128

FEB 09 2011

**UNITED STATES LONGSHORE AND HARBOR WORKERS' ACT  
EXCESS LOSS PREMIUM FACTORS  
IN ACCORDANCE WITH RETROSPECTIVE RATING OPTIONS I, II, III, IV, V**

<u>Per Accident Limitation</u>	<u>Hazard Groups</u>				
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E, F &amp; G</u>
\$ 25,000	0.352	0.373	0.398	0.432	0.466
30,000	0.330	0.352	0.378	0.414	0.451
35,000	0.312	0.334	0.361	0.398	0.438
40,000	0.295	0.318	0.346	0.383	0.426
50,000	0.268	0.291	0.319	0.358	0.404
75,000	0.222	0.243	0.272	0.312	0.363
100,000	0.192	0.212	0.240	0.279	0.333
125,000	0.171	0.190	0.217	0.255	0.311
150,000	0.156	0.174	0.200	0.237	0.293
175,000	0.144	0.161	0.186	0.222	0.279
200,000	0.134	0.150	0.175	0.210	0.266
225,000	0.126	0.141	0.165	0.199	0.256
250,000	0.119	0.134	0.158	0.191	0.247
275,000	0.113	0.127	0.150	0.183	0.239
300,000	0.107	0.121	0.144	0.176	0.232
325,000	0.102	0.116	0.138	0.170	0.225
350,000	0.098	0.111	0.133	0.164	0.219
375,000	0.094	0.107	0.128	0.159	0.213
400,000	0.090	0.103	0.124	0.154	0.208
425,000	0.087	0.099	0.120	0.149	0.203
450,000	0.084	0.096	0.116	0.145	0.199
475,000	0.081	0.093	0.113	0.141	0.194
500,000	0.079	0.090	0.109	0.138	0.190
600,000	0.070	0.080	0.099	0.125	0.176
700,000	0.064	0.073	0.090	0.115	0.164
800,000	0.059	0.068	0.084	0.107	0.155
900,000	0.055	0.063	0.078	0.100	0.146
1,000,000	0.052	0.059	0.073	0.094	0.139
2,000,000	0.033	0.037	0.047	0.062	0.096
3,000,000	0.026	0.029	0.036	0.048	0.077
4,000,000	0.022	0.025	0.030	0.041	0.066
5,000,000	0.020	0.022	0.027	0.036	0.058
6,000,000	0.017	0.019	0.023	0.031	0.052
7,000,000	0.015	0.017	0.021	0.028	0.047
8,000,000	0.014	0.016	0.019	0.026	0.043
9,000,000	0.013	0.014	0.017	0.024	0.040
10,000,000	0.012	0.013	0.016	0.022	0.037

If the selected loss limitation is between two of the amounts shown in the Per Accident Limitation column, the applicable United States Longshore and Harbor Workers' Act Excess Loss Premium Factor shall be determined by linear interpolation to the nearest 0.001.

## EXCESS LOSS PREMIUM FACTORS

<u>Per Accident Limitation</u>		<u>Hazard Groups</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
\$	25,000	0.292	0.329	0.352	0.373	0.398	0.432	0.466
	30,000	0.270	0.307	0.330	0.352	0.378	0.414	0.451
	35,000	0.251	0.287	0.312	0.334	0.361	0.398	0.438
	40,000	0.235	0.271	0.295	0.318	0.346	0.383	0.426
	50,000	0.210	0.243	0.268	0.291	0.319	0.358	0.404
	75,000	0.168	0.197	0.222	0.243	0.272	0.312	0.363
	100,000	0.142	0.168	0.192	0.212	0.240	0.279	0.333
	125,000	0.124	0.148	0.171	0.190	0.217	0.255	0.311
	150,000	0.111	0.133	0.156	0.174	0.200	0.237	0.293
	175,000	0.101	0.122	0.144	0.161	0.186	0.222	0.279
	200,000	0.093	0.112	0.134	0.150	0.175	0.210	0.266
	225,000	0.086	0.104	0.126	0.141	0.165	0.199	0.256
	250,000	0.080	0.098	0.119	0.134	0.158	0.191	0.247
	275,000	0.075	0.092	0.113	0.127	0.150	0.183	0.239
	300,000	0.071	0.087	0.107	0.121	0.144	0.176	0.232
	325,000	0.067	0.082	0.102	0.116	0.138	0.170	0.225
	350,000	0.064	0.078	0.098	0.111	0.133	0.164	0.219
	375,000	0.061	0.075	0.094	0.107	0.128	0.159	0.213
	400,000	0.058	0.071	0.090	0.103	0.124	0.154	0.208
	425,000	0.055	0.068	0.087	0.099	0.120	0.149	0.203
	450,000	0.053	0.066	0.084	0.096	0.116	0.145	0.199
	475,000	0.051	0.063	0.081	0.093	0.113	0.141	0.194
	500,000	0.049	0.061	0.079	0.090	0.109	0.138	0.190
	600,000	0.043	0.054	0.070	0.080	0.099	0.125	0.176
	700,000	0.039	0.048	0.064	0.073	0.090	0.115	0.164
	800,000	0.036	0.044	0.059	0.068	0.084	0.107	0.155
	900,000	0.033	0.041	0.055	0.063	0.078	0.100	0.146
	1,000,000	0.031	0.038	0.052	0.059	0.073	0.094	0.139
	2,000,000	0.020	0.024	0.033	0.037	0.047	0.062	0.096
	3,000,000	0.016	0.019	0.026	0.029	0.036	0.048	0.077
	4,000,000	0.013	0.016	0.022	0.025	0.030	0.041	0.066
	5,000,000	0.011	0.014	0.020	0.022	0.027	0.036	0.058
	6,000,000	0.010	0.012	0.017	0.019	0.023	0.031	0.052
	7,000,000	0.009	0.011	0.015	0.017	0.021	0.028	0.047
	8,000,000	0.008	0.010	0.014	0.016	0.019	0.026	0.043
	9,000,000	0.007	0.009	0.013	0.014	0.017	0.024	0.040
	10,000,000	0.007	0.009	0.012	0.013	0.016	0.022	0.037

If the selected loss limitation is between two of the amounts shown in the Per Accident Limitation column, the applicable Excess Loss Premium Factor shall be determined by linear interpolation to the nearest 0.001.