



Texas Department of Insurance

333 Guadalupe Street P.O.Box 149104 Austin, Texas 78714-9104
512/463-6169

June 21, 1996

Commissioner's Bulletin No. B-0044-96

W. C. Circular Letter No. 677
Retrospective Rating Article No. 170

TO: ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALLS, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE IN THE STATE OF TEXAS AND TO THEIR AGENTS AND REPRESENTATIVES AND TO THE PUBLIC GENERALLY:

RE: DESIGNATION OF THE NATIONAL COUNCIL ON COMPENSATION INSURANCE AS STATISTICAL AGENT FOR WORKERS' COMPENSATION DATA FOR TEXAS

Notice is hereby given of Commissioner's Order No. 96-0576 dated May 23, 1996, designating the National Council on Compensation Insurance (NCCI) as the Texas statistical agent for workers' compensation data effective May 23, 1996. Insurers shall fulfill regulatory requirements for the reporting of Unit Statistical (Unit Stat) data, Detailed Claim Information (DCI) data and Workers' Compensation Financial Call (WCFC) data to the Texas Department of Insurance (the Department) by now submitting these reports to the Department's statistical agent, NCCI. This bulletin provides information to companies regarding the transition in reporting of workers' compensation experience from the Texas Department of Insurance to NCCI.

General

Designation of NCCI as the Texas workers' compensation statistical agent does not alter the requirements for workers' compensation insurers to report their experience pursuant to the Department's promulgated statistical plans. This designation does not give NCCI authority to use data collected from companies for any purposes other than providing reports to the Department.

Unit Statistical Reports

The transfer of the collection of Unit Stat data from the Department to NCCI will be effective September 1, 1996. All submissions due on or after that date should be sent directly to NCCI.

Carriers who currently report their Unit Stat data to NCCI for experience rating services, should continue to do so and may cease reporting this data to the Department immediately. Carriers who currently report their Unit Stat data only to the Department should continue to do so until September 1, 1996.

Unit Statistical Data -- ASWG Format

NCCI can accept unit stat data in both the 120 byte and 250 byte record lengths. Carriers choosing to report to NCCI in the 250 byte record length must continue to code the data according to the *Texas Unit Statistical Plan*. The Department plans to require carriers to report Unit Stat data in the ASWG expanded record length format with Texas exceptions for policies effective January 1, 1998.

Detailed Claim Information

The transfer of the collection of DCI data from the Department to NCCI will be effective January 1, 1997. All submissions due on or after that date should be sent directly to NCCI.

Texas Workers' Compensation Financial Call

NCCI will distribute the TXWCFC to carriers for 1996 experience which will be due to NCCI, April 1, 1997. If you have not received the call by February 1, 1997, please contact Peter Langdon with NCCI at (407) 997-4395.

Company Permission Required for NCCI to Use Company Data for Advisory Organization Activities

All carriers are required to have a data collection agreement in place prior to September 1, 1996. Under these agreements, carriers can specify whether NCCI can also use their data for advisory organization purposes. Insurers are under no obligation to allow NCCI the use of the company data for advisory organization purposes.

Data Collection Fees

As a condition of designation, NCCI has agreed to charge \$3.25 per unit statistical card, which will cover the costs of data collection activities for Texas Unit Stat, DCI and TXWCFC. Start up costs will not exceed \$380,000. The license fee for use of NCCI's historical unit statistical data for regulatory purposes is \$90,000. These costs will be billed to carriers by NCCI proportionately, based on their 1995 premium volume as reported on the TXWCFC. Experience modifier prices will be based on NCCI's national sliding fee schedule for carriers who choose to purchase experience rating services from NCCI. No affiliation fee with NCCI will be required for Texas data collection or Texas intra-state experience modifier services from NCCI.

NCCI can accept hard copy submissions of Unit Stat, DCI and TXWCFC although electronic reporting is preferable. Carriers choosing to report by hard copy will be charged by NCCI for keying the data.

NCCI may only charge those fees for data collection necessary to recover the necessary and reasonable costs of providing those services pursuant to the *Texas Insurance Code*, Article 21.69. The Department will audit and verify the costs incurred by NCCI to ensure that the fees charged are necessary and reasonable.

Where to File

You shall begin filing data with NCCI according to the dates noted above. Reports should be filed as follows:

Electronic Reports Mailing Address:

National Council on Compensation Insurance, Inc.
Data Services
777 Yamato Road, Suite 400
P.O. Box 5049
Boca Raton, FL 33431-0849

Delivery Address:

National Council on Compensation Insurance, Inc.
Data Services
777 Yamato Road, Suite 400
Boca Raton, FL 33487

**Hard Copy
Reports**

Mailing Address:
NCCI, c/o First Image Data Input Division
P.O. Box 7369
London, KY 40742-7369

Delivery Address:
NCCI, c/o First Image Data Input Division
1084 South Laurel Road
London, KY 40741-9928

Questions

NCCI will be contacting all carriers who are writing or have written workers' compensation insurance in Texas with detailed information on NCCI's reporting requirements, training availability and data collection agreements. You should receive a mailing from NCCI by June 30, 1996. If you have additional questions after reviewing NCCI's correspondence or if you have not received any information by the above date, please contact Marie Wayland, NCCI Project Manager for Texas at (407) 995-1804.

Clare Pramuk is the Department's project manager for this transition. You can contact her at (512) 475-1878.

Sincerely,



Nancy Moore
Deputy Commissioner
Workers' Compensation
Mail Code 105-2A