

No. **2023-8356**

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

Date: 11/27/2023

Subject considered:

**National Council on Compensation Insurance Filing
*Item R-1422—Revisions to the Retrospective Rating Plan Manual Rule Related to
the Tax Multiplier***

The subject of this order is the adoption of amendments as proposed in *Item R-1422—Revisions to the Retrospective Rating Plan Manual Rule Related to the Tax Multiplier* (TDI ECase No. 32528; SERFF Tracking No. NCCI-133760105).

Background

NCCI filed *Item R-1422* to update information related to state and federal tax multipliers in the NCCI *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance* (Retrospective Rating Plan Manual).

Workers' compensation carriers use NCCI's Tax and Assessment Directory (TAAD) to determine individual state tax multipliers for licenses, fees, assessments, and taxes that carriers must pay on premium for retrospective policies.

NCCI no longer provides the tax multipliers in the TAAD, but rather provides the tax multiplier formula in the TAAD that carriers can use to calculate their own tax multipliers. The Retrospective Rating Plan Manual is being revised to be consistent with the updates to the TAAD.

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 R-1422* with the Texas Department of Insurance (TDI) on July 31, 2023, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.
2. State and federal tax multipliers are no longer provided in NCCI's TAAD. Instead, the tax multiplier formula is included in the TAAD's glossary so that carriers can calculate their own tax multipliers.
3. *Item R-1422* amends the tax multiplier information in Retrospective Rating Plan Manual Rule 1-B-2-g to be consistent with the updates to the TAAD.
4. NCCI proposed that the changes in *Item R-1422* apply to new and renewal voluntary policies only that are effective on or after 12:01 a.m. on January 1, 2024.
5. The filing, including exhibits, is incorporated by reference into this order.
6. On September 8, 2023, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2023/nccimanual.html and distributed notice of the filing to electronic news subscribers.
7. TDI received no written comments or hearing requests on the filing by the October 9, 2023, deadline.
8. NCCI recommended that this filing apply to "voluntary policies only," but that wording is needed only for states where NCCI administers the assigned risk program to distinguish between assigned risk policies and voluntary policies. Because Texas does not use NCCI's assigned risk program, this filing applies to all Texas policies.

Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code §§ 2051.002, 2051.201, 2053.002, and 2053.011, and Article 5.96.
2. TDI gave notice in compliance with Commissioner's Order No. 3142.
3. The amendments to the NCCI Retrospective Rating Plan Manual are consistent with Insurance Code Chapters 2051 and 2053, and Article 5.96.

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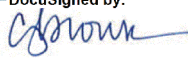
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4. Applying the changes in *Item R-1422* to new and renewal policies that are effective on or after 12:01 a.m. on January 1, 2024, is reasonable.

Order

It is ordered that NCCI's filing, *Item R-1422—Revisions to the Retrospective Rating Plan Manual Rule Related to the Tax Multiplier* is approved. The changes in *Item R-1422* apply to new and renewal policies that are effective on or after 12:01 a.m. on January 1, 2024.

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:

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Mark Worman, Deputy Commissioner

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Jessica Barta, General Counsel