

TEXAS DEPARTMENT OF INSURANCE
NOTIFICATION OF WORKERS' COMPENSATION FILING BY
THE NATIONAL COUNCIL ON COMPENSATION INSURANCE
ITEM 04-TX-2014

The National Council on Compensation Insurance (NCCI) filed *Item 04-TX-2014—Establishment of National Experience Rating Endorsements and Withdrawal of Texas Experience Rating Forms and Endorsements* (TDI ECase No. 8081) with the Texas Department of Insurance on September 25, 2014, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014. As proposed, *Item 04-TX-2014* would be in effect for policies with an effective date on or after 12:01 a.m., July 1, 2015.

The staff of the Texas Department of Insurance filed a petition on September 16, 2014, to adopt the *NCCI Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (NCCI ER Plan Manual)* effective July 1, 2015. The adoption of the *NCCI ER Plan Manual* in Texas requires the withdrawal of five Texas experience rating forms and two endorsements, and it requires the approval of two national experience rating endorsements in the *National Council on Compensation Insurance Forms Manual for Workers Compensation and Employers Liability Insurance (NCCI Forms Manual)* for use in Texas. TDI staff does not expect these changes to affect premiums.

Item 04-TX-2014 proposes the following changes to the *NCCI Forms Manual*:

- Withdraw the Texas Experience Rating Form (ERM1.2), which has been superseded by NCCI's experience rating modification worksheet.
- Withdraw the Texas Accidents Involving Two or More Persons Form (ERM-4.1), which is no longer needed because carriers are required to report all losses under the *NCCI Statistical Plan Manual for Workers Compensation and Employers Liability Insurance*, adopted in Texas for reporting statistical data for Texas workers' compensation policies with an effective date on or after 12:01 a.m., January 1, 2015. The Texas claim limitations for experience modification calculation losses in the *NCCI ER Plan Manual* apply.
- Withdraw the Texas Report of Experience for Self Insurers Forms (ERM-6A, 6B, and 6C). The staff petition filed on September 16, 2014, to adopt the *NCCI ER Plan Manual* proposes to replace Texas Forms ERM-6A, 6B, and 6C with NCCI's Workers Compensation and Experience Rating for Non-Affiliate Data Form (ERM-6).
- Withdraw the Texas Request for Information Form (WC-RFI). When TDI adopts the *NCCI ER Plan Manual*, staff anticipates that NCCI's Confidential Request for Ownership Information Form (ERM-14) will replace Texas Form WC-RFI.

- Withdraw the Texas Anniversary Rating Date Endorsement (WC 42 04 02 A). When TDI adopts the *NCCI ER Plan Manual*, staff anticipates that the endorsement will no longer be applicable in Texas. The petition to adopt the *NCCI ER Plan Manual* proposes eliminating the Anniversary Rating Date rule and adding the Rating Effective Date rule. If the Anniversary Rating Date rule does not apply in Texas, there is no longer a need for the Texas Anniversary Rating Date Endorsement.
- Approve the NCCI Experience Rating Modification Factor Endorsement (WC 00 04 03) to replace the Texas Experience Rating Modifier Endorsement (WC 42 04 03 A) to allow multistate carriers to notify an insured that its experience rating modification factor was not available when the policy was issued, without using a separate endorsement for Texas.
- Approve the NCCI Notification of Change in Ownership Endorsement (WC 00 04 14), which will be used in conjunction with Rule 3-E-3 of the *NCCI ER Plan Manual* to notify insureds of their obligation to report changes in ownership or combinability status to the carrier.

TDI has prepared this description of the proposed amendments. You may review a copy of NCCI's filing in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas 78701.

The commissioner may issue an order approving these amendments without a hearing. To comment on the filing or request a hearing, please submit two copies of your comments or request by 5 p.m., Central time, on December 3, 2014. Refer to TDI ECase No. 8081. Send one copy by mail to the Office of the Chief Clerk, Texas Department of Insurance, Mail Code 113-2A, P.O. Box 149104, Austin, Texas 78714-9104; or by email to chiefclerk@tdi.texas.gov. Send the other copy by mail to Nancy Moore, Team Lead, Workers' Compensation Classification and Premium Calculation, Mail Code 105-2A, P.O. Box 149104, Austin, Texas 78714-9104; or by email to nancy.moore@tdi.texas.gov.

Issued in Austin, Texas on October 29, 2014.



Sara Waitt, General Counsel

Texas Department of Insurance