

No. 2020-6346

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

**Date: 05/18/2020**

**Subject Considered:**

**National Council on Compensation Insurance Filing  
*Item 01-TX-2019—Revisions to Basic Manual for Workers Compensation and  
Employers Liability Insurance and Forms Manual of Workers Compensation and  
Employers Liability Insurance in Texas***

The subject of this order is the adoption of amendments to the National Council on Compensation Insurance (NCCI) *Basic Manual for Workers Compensation and Employers Liability Insurance* (Basic Manual) and *Forms Manual of Workers Compensation and Employers Liability Insurance in Texas* (Forms Manual), as proposed in *Item 01-TX-2019* (TDI ECase No. 23063; SERFF Tracking Nos. NCCI-132152568 and NCCI-132152610).

**Background**

Senate Bill 1336, 86th Legislature, Regular Session (2019), eliminates references to classification relativities in Chapter 2053 of the Insurance Code. As a result, this filing eliminates references to TDI relativities in the Basic Manual.

NCCI established a loss cost effective July 1, 2020, for Texas special Code 0923, which is currently A-rated. Therefore, this filing revises the A-rate reference in the Texas exception to Basic Manual Rule 3-C—Domestic Workers—Residences. NCCI also made some clarifying edits to this exception regarding domestic workers.

This filing also:

- revises the references to premium basis for limousines and taxicabs,
- revises the email address for submitting applications for Group Purchase of Workers Compensation Insurance and adds a space for Group Number on the GPP-2A application form, and
- eliminates the applicability of the Nonratable Element rule in its entirety.

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

## Findings of Fact

1. NCCI filed *Item 01-TX-2019* with TDI on November 12, 2019, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.
2. *Item 01-TX-2019* amends the Basic Manual and Forms Manual to eliminate references to relativities in ratemaking, revise the rate basis for payroll for Texas special Code 0923—Domestic Workers—Residences—Payroll Basis, revise the references to premium basis for limousines and taxicabs, revise the email address for submitting applications for Group Purchase of Workers Compensation Insurance and add a space for Group Number on the GPP-2A application form, and eliminate the applicability of the Nonratable Element rule in its entirety.
3. Senate Bill 1336, 86th Legislature, Regular Session (2019), eliminates references to classification relativities in Chapter 2053 of the Texas Insurance Code. As a result, NCCI eliminated references to TDI relativities in the Basic Manual.
4. NCCI established a loss cost effective July 1, 2020, for Texas special Code 0923, which is currently A-rated. Therefore, NCCI revised the A-rate reference in the Texas exception to Basic Manual Rule 3-C—Domestic Workers—Residences. NCCI also made some clarifying edits to this exception regarding domestic workers.
5. NCCI proposed that the changes in *Item 01-TX-2019* apply to new and renewal workers' compensation policies that are effective on or after 12:01 a.m. on July 1, 2020.
6. *Item 01-TX-2019* has been available for public inspection in SERFF and at TDI since the filing date.
7. The filing, including exhibits, is incorporated by reference into this order.
8. On February 6, 2020, TDI published notice of the filing on the TDI website at [www.tdi.texas.gov/rules/2019/nccimannual.html](http://www.tdi.texas.gov/rules/2019/nccimannual.html) and distributed notice of the filing to electronic news subscribers.

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9. TDI did not receive written comments on the filing by the March 9, 2020, deadline.

## Conclusions of Law

1. TDI has jurisdiction over this matter under Insurance Code Article 5.96 and §§2051.002, 2051.201, 2052.002, 2053.002, 2053.011, 2053.051, 2053.052, 2053.053, and 36.001.
2. TDI gave notice in compliance with Commissioner's Order No. 3142.
3. The amendments to the NCCI Basic Manual and Forms Manual are consistent with Insurance Code Article 5.96 and Chapters 2051, 2052, and 2053.
4. Applying the changes in *Item 01-TX-2019* to new and renewal workers' compensation policies that are effective on or after 12:01 a.m. on July 1, 2020, is reasonable.

## Order

It is ordered that NCCI's filing, *Item 01-TX-2019*, is approved. The changes in *Item 01-TX-2019* apply to new and renewal workers' compensation policies that are effective on or after 12:01 a.m. on July 1, 2020.

Kent C. Sullivan  
Commissioner of Insurance

By:   
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Doug Slape  
Chief Deputy Commissioner  
Commissioner's Order No. 2018-5528

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Recommended by:

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Mark Worman, Deputy Commissioner

Reviewed by:

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