

No. **2023-7844**

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

Date: 3/10/2023

Subject Considered:

**National Council on Compensation Insurance Filing
*Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and
Forms Manual***

The subject of this order is the adoption of amendments to the National Council on Compensation Insurance (NCCI) manuals, as proposed in *Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual* [TDI ECase No. 30923; SERFF Tracking Nos. NCCI-133437671 (form) and NCCI-133436612 (rate/rule)].

Background

The amendments in *Item B-1446* replace the countrywide table of classifications by hazard group with a Texas-specific table. The amendments also make nonsubstantive changes to various rules and classifications.

After considering the filing, the Texas Department of Insurance (TDI) adopts the following findings of fact and conclusions of law.

Findings of Fact

1. NCCI filed *Item B-1446* with TDI on November 8, 2022, under the workers' compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.
2. *Item B-1446* consisted of a rate/rule filing to amend NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance* (Basic Manual) and a form filing to amend NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance* (Forms Manual).

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3. In the rate/rule filing, *Item B-1446* makes changes to the Basic Manual to:
 - a. replace the countrywide table of classifications by hazard group with a Texas-specific table to improve usability and enable users to view hazard group assignments for Texas, and
 - b. make nonsubstantive changes, including revising the format and structure of some rules and classifications, updating various rule references, and addressing grammatical issues.
4. In the form filing, *Item B-1446* made a minor grammatical edit to the Texas Form DNE-1A—Deductible Notice of Election in the Forms Manual.
5. In other states, NCCI is also updating the *Residual Market Manual*. Texas does not have a *Residual Market Manual*, so this change does not apply.
6. On November 30, 2022, TDI published notice of the filing on the TDI website at www.tdi.texas.gov/rules/2022/nccimanual.html and distributed notice of the filing to electronic news subscribers.
7. TDI received one comment letter, from Texas Mutual Insurance Company (TMIC), on the filing by the December 30, 2022, deadline. TMIC suggested a minor edit and effective date change to a rule for Class Code 8810, Clerical Office Employees NOC. TDI determined that NCCI's proposal shows the information appropriately, so no revision was made due to this comment.
8. TMIC also recommended additional grammatical edits to the DNE-1A form. TDI determined that neither NCCI's nor TMIC's proposed edits were needed because the current DNE-1A form is clear.
9. At TDI's request, NCCI withdrew the form filing because the minor change to the DNE-1A form was the only proposed change. NCCI also revised the rate/rule filing to align with the withdrawn form.
10. NCCI proposed that the changes in *Item B-1446* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023.
11. *Item B-1446* has been available for public inspection in SERFF and at TDI since the filing date.

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12. The amended filing, including exhibits, is incorporated by reference into this order.

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.
2. TDI gave notice in compliance with Commissioner's Order No. 3142.
3. The amendments to the NCCI Basic Manual are consistent with Insurance Code Article 5.96 and Chapters 2051, 2052, and 2053.
4. Applying the changes in *Item B-1446*, as amended, to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023, is reasonable.

Order

It is ordered that NCCI's filing, *Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual*, as amended, is approved. The changes in *Item B-1446* apply to new and renewal policies that are effective on or after 12:01 a.m. on July 1, 2023.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:

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Jessica Barta, General Counsel