Texas W/C Programs and Reporting Exceptions

Presented by:
Richard Saltzman and Veruschka Zachshinsky

Texas—New NCCI State
Welcome to Texas

Texas Trivia

• Only place in the world where they make this
• In Texas, it is illegal to put graffiti on what?
• Texas extends how many straight-line miles?
• 75% of the world’s ______ are made in Waco, TX
• Texans consume 50% of what farm-grown product?
• In Mesquite, it is illegal for children to have what?
Agenda

- Background
- Implementation of Texas Rules
- Three Categories Texas Statistical Plan Rules
- Texas Programs
- Wagon Wheel Wrap-Up
NCCI and Texas

- At one time, NCCI provided services in Texas
- The Texas Department of Insurance (TDI) became the rating bureau for Texas in the early 1990s
- NCCI’s current role in Texas:
  - Provide statistical agent services pursuant to Texas manuals and rules
  - Collect Policy, Unit Statistical, DCI, and Financial Call data
  - Administer Data Quality programs
  - Produce experience ratings based on rating values calculated by TDI
  - Provide Retrospective Rating Plan Manual
  - Produce Loss Costs

Texas Transition Steps

- **Basic Manual** and **Forms Manual**
  - June 1, 2014

- **Statistical Plan**
  - January 1, 2015

- **Experience Rating Plan Manual**
  - July 1, 2015
Key Texas Communications

- **FYI-CW-2014-06**—Basic Manual and Forms Manual Petition Approval
- **UNITS-TX-2014-03**—Statistical Plan Petition Approval
- **FYI-TX-2014-01**—Experience Rating Plan Manual Petition Announcement
- Frequently Asked Questions
  - **FYI-CW-2014-04** and **FYI-CW-2014-05**
  - **FYI-TX-2014-02**
  - **UNITS-TX-2014-02**

**Texas Educational Session Webinars**

- Explains the changes associated with the petitions to adopt NCCI’s manuals
- Provides an overview of the changes to the Experience Rating Plan Manual Rules and Endorsements
- Posted on [ncci.com](http://ncci.com) under Education tab
Benefits of Texas Becoming an NCCI State

- Customer service available weekdays, 8:00 am–8:00 pm EST
- Consistency with other states
- Conforms to URE 250 Data Reporting Standards
- Vast majority of carriers already report URE
- Vast majority of national rules apply
- Dispute Resolution Process administration
- Classification inspections upon request
- Educational opportunities and resources available

Adoption of NCCI’s Manuals

Basic Manual and Forms Manual
- Applies to new and renewal policies effective on or after June 1, 2014
- Texas classification system remains the same
- Majority of rules, forms, and endorsements remain the same

NCCI’s Statistical Plan (URE Format)
- Effective for units with Policy Effective Dates (PEDs) of January 1, 2015, and subsequent
- Optional for prior PEDs
Adoption of NCCI’s Manuals

Experience Rating Plan Manual

• Effective July 1, 2015
• Majority of rules remain the same
• Impacts Texas experience rating modifications with rating effective dates of July 1, 2015, and after

Applying Texas State Exceptions

National Rule
B. Effective Date
(Exceptions: TX)

This Plan is applicable to the reporting of statistical data for all policies effective January 1, 1996 and subsequent. This Plan may also apply to policies effective January 1, 1995 at the data providers option.

Texas State Exceptions
B. Effective Date

This Plan is applicable to the reporting of statistical data for all policies effective January 1, 2015 and subsequent. This Plan is optional for policies effective prior to January 1, 2015.
Implementation of Texas Rules

Implementation of Texas in NCCI’s Statistical Plan

- **Category 1**: Adopted National Rule
- **Category 2**: National Rule Not Applicable
- **Category 3**: Texas State Exceptions
Category 1
Adoption of NCCI National Rule

• All national **Statistical Plan** rules with the exception of Texas state exceptions and unique coding values
• URE Reporting Format and Code structure
  • 1st–10th reports
  • Noncompensable and fraudulent claim rules

<table>
<thead>
<tr>
<th>Current Texas Claim Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim No.</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>12345</td>
</tr>
<tr>
<td>12345</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1/1/15 Texas Claim Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim No.</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>12345</td>
</tr>
</tbody>
</table>
Category 1
Adoption of NCCI National Rule

• New Pension Tables
• Claims valued 1/1/15 and subsequent

<table>
<thead>
<tr>
<th>Pension Table Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Texas Pension Tables</td>
</tr>
<tr>
<td>Table I</td>
</tr>
<tr>
<td>Table II</td>
</tr>
<tr>
<td>Table III (Prior to 1/1/91)</td>
</tr>
<tr>
<td>Table III (on and after 1/1/91)</td>
</tr>
<tr>
<td>Table L&amp;H-I</td>
</tr>
<tr>
<td>Table L&amp;H-II</td>
</tr>
<tr>
<td>Table L&amp;H-III</td>
</tr>
<tr>
<td>Table L&amp;H-IV</td>
</tr>
</tbody>
</table>

Category 2
NCCI National Rule Not Applicable in Texas

• Three-year fixed-rate policies
• Specified coding values (examples)
  • Deductible Type 02 (Indemnity Only)
  • Only MCO Codes 00 and 07 apply
• Subrogation 10% rule
• Claimant awards (attorney, witness fees, court costs)
  • Not included in loss amount
• Penalties for delays in making compensation payments
  • Within or beyond the control of the carrier
## Category 3
### Texas State Exceptions

### Texas Injury Type Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Death</td>
</tr>
<tr>
<td>02</td>
<td>Lifetime Income</td>
</tr>
<tr>
<td>03</td>
<td>Temporary, Impairment, and Supplemental Income</td>
</tr>
<tr>
<td>04</td>
<td>Temporary and Impairment Income</td>
</tr>
<tr>
<td>05</td>
<td>Temporary Income</td>
</tr>
<tr>
<td>06</td>
<td>Medical-Only</td>
</tr>
</tbody>
</table>

### Medical Losses
Excludes bonuses or return-to-work incentives paid by the carrier to the medical care provider (contract medical only)

### Indemnity Losses
Excludes awards and penalties for delays in making compensation payments for reasons beyond the carrier’s control

### ALAE
Additional expense components:
- Treating doctor post-designated doctor exams
- Independent Review Organization (IRO) fees
- Peer review fees
- State Office of Administrative Hearings (SOAH) fees

### ULAE
Adds Electronic Data Interchange (EDI) data reporting and electronic medical billing expenses
Category 3
Texas State Exceptions

Texas Coal Mine Black Lung Disease
• No separation for surface and underground
• Unique classification and statistical codes

<table>
<thead>
<tr>
<th>Texas Black Lung Disease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classification Code</td>
</tr>
<tr>
<td>1165—Coal Mining &amp; Drivers</td>
</tr>
<tr>
<td>Any non-coal mining class code</td>
</tr>
</tbody>
</table>

Texas Tumbleweed Teaser
• Effective date of NCCI’s *Basic/Forms Manuals*
• Claims including both W/C and EL benefits
• *Experience Rating Plan Manual* effective date
• Claimant awards
• Central resource on ncci.com
Texas Programs

Rules That Apply Across Manuals

- Basic Manual
- Experience Rating Plan Manual
- Statistical Plan
Group Purchase of Workers Compensation

Basic Manual
• Formation of a group for the benefit of a group purchase program (e.g., construction contractors)
• Texas Group Purchase of Workers Compensation Insurance Endorsement (WC 42 04 04 A)

Statistical Plan
Part 6—Coding Values
• Policy Type Code—Type of Coverage
  • Group Policy Code 03—Coverage under the TX WC Group Purchase Program

Anniversary Rating Date (ARD)

Basic Manual
• ARD does not apply in Texas
• Rules, classifications, and rates continue to apply on the Policy Effective Date

Statistical Plan
Part 3 Exposure (Texas Exceptions)
• Rate Effective Date
  • Corresponds to the class code, rate, exposure, and premium
• Manual Rate
  • Carrier’s authorized rate for each class code
Rating Effective Date (RED)

Experience Rating Plan Manual
• Rating Effective Date (RED) introduced
  • Earliest date that an experience rating modification applies to a policy

Statistical Plan (Texas Exceptions—Part 3 Exposure)
• Split Period Code
  • Indicating changes in an experience modification during the policy period
• Company Rate Deviations
  • Approved rate deviations apply to corresponding fields

Part 6—Coding Values
• Rate Deviation Statistical Codes (N/A in Texas)
  • 0994, 0998, 9037, 9039, 9034, 9036

Per Passenger Seat Surcharge

Basic Manual
• Aircraft losses reported to the applicable classification code

Experience Rating Plan Manual
• Losses will be included in the experience used to calculate an insured’s experience rating modification

Statistical Plan
Part 3—Exposure
• Non-payroll Exposure—Aircraft Operations

Part 6—Coding Values
• Discontinued Statistical Code 0088, effective 12/31/14
Professional Employer Organizations (PEOs)

Basic Manual
• Provides rules and definitions under which policies involving PEO services agreements are written
  • PEO policy basis
    • Four endorsements
  • Client policy basis
    • Two endorsements

Experience Rating Plan Manual
• Modification of new client applied for first two years
• After two years, the PEO’s modification is applied

Statistical Plan

Part 3—Exposure (Texas Exceptions)
• Professional Employer Organizations rule—Exposure for each client to be reported separately

Part 6—Coding Values
• Employee Leasing Code E—Report E for each PEO client
Waiver of Right to Recover From Others (Subrogation)

**Basic Manual**
- Specific waiver is up to 5% of the premium developed in conjunction with the work for which the waiver is provided.
- Blanket waiver charge is up to 2% of the total Texas manual premium.
- Texas Waiver of Our Right to Recover From Others Endorsement (WC 42 03 04 B)

**Statistical Plan**
**Part 6—Coding Values**
- Waiver of Subrogation Statistical Code 0930 applies in Texas

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**Texas Premium Algorithm**

<table>
<thead>
<tr>
<th>PREMIUM ELEMENTS</th>
<th>EXPLANATORY NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MANUAL PREMIUM</td>
<td>Work Loss + 102% * RATE</td>
</tr>
<tr>
<td>2.</td>
<td>SUBJECT (HARMFUL) + DISABILITY RATE</td>
</tr>
<tr>
<td>3.</td>
<td>Rate Multiplier (Based on Classification Code)</td>
</tr>
<tr>
<td>4.</td>
<td>Loss Exposure for Non-NC Classification Codes</td>
</tr>
<tr>
<td>5. TOTAL MANUAL PREMIUM</td>
<td>Total of all rate code premium [Rate = 1 + 3 + 4]</td>
</tr>
<tr>
<td>6.</td>
<td>Rate of Subrogation Factor (Specific, Non-NC)</td>
</tr>
<tr>
<td>7.</td>
<td>Applied to the portion of Total Manual Premium based on the type of waiver selected, if applicable, subject to minimum charge</td>
</tr>
<tr>
<td>8.</td>
<td>Texas Waiver of Our Right to Recover From Others (WC 42 03 04 B)</td>
</tr>
<tr>
<td>9.</td>
<td>2% of the total Texas manual premium</td>
</tr>
<tr>
<td>10.</td>
<td>Texas Waiver of Our Right to Recover From Others Endorsement (WC 42 03 04 B)</td>
</tr>
<tr>
<td>11.</td>
<td>5% of the premium developed in conjunction with the work for which the waiver is provided</td>
</tr>
<tr>
<td>12.</td>
<td>Waiver of Subrogation Statistical Code 0930 applies in Texas</td>
</tr>
<tr>
<td>13.</td>
<td>Coverage is Non-Collapsible Texas Fund</td>
</tr>
</tbody>
</table>

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17

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Texas Premium Algorithm

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

**Premium Elements**

- **Manual Premium**
  - (Premiums x 100) / RATING
- **Geographical (Home Office, branch office, self-insuring) Line**
- **Premium for Non-Compliance (Code)**
- **Risky Exposure for Non-Compliance (Code)**
- **Loss Adjustment (Code)**
  - If loss adjustment exceeds 100, adjust to nearest whole number
- **Premium Incentives for Small Employers**
  - Carriers must grant a discount to small employers that qualify
  - No more than 15%
  - Carriers must assess a surcharge based on loss history
  - No more than 10%
- **Waiver of Subrogation Factor**
  - Applied to Total Manual Premium
  - To apply to Total Manual Premium (Factor)

**Part 3 Exposure (Texas Exceptions)**
- Individual Risk Rating Plans—Premium adjustment for small employers
- Statistical Code 9885 (Premium Credit)
- Statistical Code 9886 (Premium Debit)

**Premium Incentives for Small Employers**

**Basic Manual**
- Carriers must grant a discount to small employers that qualify
  - No more than 15%
- Carriers must assess a surcharge based on loss history
  - No more than 10%

**Statistical Plan**

**Part 3 Exposure (Texas Exceptions)**
- Individual Risk Rating Plans—Premium adjustment for small employers

**Part 6—Coding Values**
- Statistical Code 9885 (Premium Credit)
- Statistical Code 9886 (Premium Debit)
Texas Premium Algorithm

The following algorithm provides the framework for premium charges and credits, where not specified, the premium base would be the equal from the prior line.

1. **MANUAL PREMIUM**
   - **EXPLANATORY NOTES**
   - **FORMULA**
   - **DATA**

2. **Supplementary Data (Adverse, Exposure, and Registry)**
   - **FORMULA**
   - **DATA**

3. **Total Exposure**
   - **FORMULA**
   - **DATA**

4. **Total Manual Premium**
   - **FORMULA**
   - **DATA**

5. **Premium Incentive for Small Employers**
   - **FORMULA**
   - **DATA**

6. **Premium Incentive for Large Employers**
   - **FORMULA**
   - **DATA**

7. **Estimated Annual Premium**
   - **FORMULA**
   - **DATA**

Premium Incentive for Small Employers

- **FORMULA**
- **DATA**
Modeled Rating Factor (MRF)

Basic Manual
- Optional factor used by carriers when calculating premium
- MRF takes into consideration the individual risk characteristics and loss experience

Statistical Plan
Part 3 Exposure (Texas Exceptions)
- Modeled Rating Factor—Premium credit or debit
Part 6—Coding Values
- Statistical Code 9147 (Premium Credit)
- Statistical Code 9148 (Premium Debit)

Texas Premium Algorithm

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base must be the sum of the prior line.

<table>
<thead>
<tr>
<th>PREMIUM ELEMENTS</th>
<th>EXPLANATORY NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MANUAL PREMIUM</td>
<td>UNPAIDOC / (1 + 0.0125) * RATE</td>
</tr>
<tr>
<td>2. Commercial/Industrial (Exposure * 0.6)</td>
<td>SUBJECT RATE * 300 / 2100 * (1 - 0.05)</td>
</tr>
<tr>
<td>3. Total Manual Premium</td>
<td>SUBJECT RATE * 100 / 110 * (1 - 0.05)</td>
</tr>
<tr>
<td>4. PERMANENT LIABILITY - Increased limits factor</td>
<td>% applied to the portion of Total Manual Premium based on the type of water involved. If applicable, subject to minimum charge</td>
</tr>
<tr>
<td>5. PERMANENT LIABILITY - Increased limits factor</td>
<td>Factor applied to the portion of Manual Premium where Alembica/MDLA coverage is extended</td>
</tr>
<tr>
<td>6. PERMANENT LIABILITY - Increased limits factor</td>
<td>Factor applied to the portion of Manual Premium where Alembica/MDLA coverage is extended</td>
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<tr>
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<tr>
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<tr>
<td>9. PERMANENT LIABILITY - Increased limits factor</td>
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<tr>
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<tr>
<td>12. PERMANENT LIABILITY - Increased limits factor</td>
<td>Factor applied to the portion of Manual Premium where Alembica/MDLA coverage is extended</td>
</tr>
</tbody>
</table>

TOTAL PREMIUM | Premium for Small Installations (0.15 x FIP credit factor) + (0.02 x FIP credit factor) |

TOTAL STANDARD PREMIUM | % applied to Total Standard Premium |

ESTIMATED ANNUAL PREMIUM | UNPAIDOC / (1 + 0.0125) * (1 - 0.05) |
Texas Premium Algorithm

The following algorithm provides the framework for premium charges and credits. When not specified, the premium base could be the value from the prior line.

<table>
<thead>
<tr>
<th>MRF Considerations</th>
<th>Modeled Rating Factor</th>
<th>Texas Rodeo Recap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Employer Program</td>
<td>Pension Tables Effective Date</td>
<td>MRF Considerations</td>
</tr>
</tbody>
</table>
Schedule Rating

Basic Manual
• Available to any risk whose estimated annual premium is greater than the minimum premium
• Maximum modification is +/- 40%
• Criteria differ between carriers

Statistical Plan
Part 3—Exposure
• Individual Risk Rating Plans—Schedule Rating

Part 6—Coding Values
• Statistical Code 9887 (Premium Credit)
• Statistical Code 9889 (Premium Debit)

Certified Workers Compensation Healthcare Network

Basic Manual
• Premium credit for policyholders that elect to participate in the network
• Helps reduce the cost of claims
• Texas Healthcare Network Endorsement (WC 42 04 08 A)

Statistical Plan
Part 3 Exposure (Texas Exceptions)
• Certified Workers Compensation Healthcare Network—Premium Credit

Part 6—Coding Values
• Policy Condition Indicator
  • (Y for Certified Healthcare Network)
• Statistical Code 9874 (Premium Credit)
• Managed Care Organization (MCO) Code
  • Code 07 (Medical Losses administered by Certified Healthcare Network)
Texas Premium Algorithm

The following algorithm provides the framework for premium charges and criteria. Where not specified, the premium basis will be the result from the prior line.

**PREMIUM ELEMENTS**

1. **MANUAL PREMIUM**
   - Certified Healthcare Network
   - Texas Premium Algorithm
   - Certified Healthcare Network
   - Texas Premium Algorithm

2. **EXPLANATORY NOTES**
   - Certified Healthcare Network
   - Texas Premium Algorithm
   - Certified Healthcare Network
   - Texas Premium Algorithm

**DATA EDUCATIONAL PROGRAM**

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Deductible Programs

Basic Manual

• Deductibles must be made available to eligible policyholders
  • Indemnity and Medical (per accident)
    • Texas Accident Deductible Endorsement (WC 42 06 02 A)
  • Indemnity and Medical (per claim)
    • Texas Claim Deductible Endorsement (WC 42 06 05)
  • Medical-Only (per claim)
    • Texas Medical Benefits Deductible Endorsement (WC 42 06 06)
  • Premium credit is determined using loss elimination ratios

• Negotiated deductibles remain available (optional)
  • Indemnity and Medical (per accident)
  • Indemnity and Medical (per claim)
  • Medical-Only (per claim)
  • Endorsement must be filed by carrier
  • Premium credit is determined by the carrier and policyholder
  • Deductible Notice of Election (DNE-1 A)
Deductible Programs

Statistical Plan

Part 3—Exposure

• Individual Risk Rating Plans—Deductible Programs

Part 6—Coding Values

• Negotiated Deductible—Type of Plan Code 13
• Statistical Code 9663 (Premium Credit)
• Statistical Code 9664 (Premium Credit)
• Statistical Code 9657 (Premium Credit)

Texas Small Deductible Programs

Effective 6/1/14—Deductible Credit Reported to Statistical Code 9663

<table>
<thead>
<tr>
<th>Type of Deductible</th>
<th>Type of Plan</th>
<th>Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity and Medical (03)</td>
<td>Per Accident (02)</td>
<td>$1,000, $2,500, $5,000, $10,000, $25,000</td>
</tr>
<tr>
<td>Indemnity and Medical (03)</td>
<td>Per Claim (01)</td>
<td>$1,000, $2,500, $5,000, $10,000, $25,000</td>
</tr>
<tr>
<td>Medical-Only (01)</td>
<td>Per Claim (01)</td>
<td>$500, $1,000, $1,500, $2,000, $2,500</td>
</tr>
<tr>
<td>Indemnity and Medical (03)</td>
<td>Negotiated (13)</td>
<td>Per Accident Greater Than $25,000</td>
</tr>
<tr>
<td>Indemnity and Medical (03)</td>
<td>Negotiated (13)</td>
<td>Per Claim Greater Than $25,000</td>
</tr>
<tr>
<td>Medical-Only (01)</td>
<td>Negotiated (13)</td>
<td>Per Claim Greater Than $2,500</td>
</tr>
</tbody>
</table>
Premium Discount

Basic Manual
• Discount based on the size of total standard premium

Statistical Plan
Part 3—Exposure
• Premium adjustment resulting from the application of the approved premium discount plan

Part 6—Coding Values
• Statistical Code 0063 (Premium Credit)

Acquisition Expense Discount

Basic Manual
• Premium credit given to policyholders that are members of a common group or organization and are written by the same carrier (e.g., contractors)
• Reflects acquisition expense savings, such as reduction in marketing or sales costs and commission reductions

Statistical Plan
Part 6—Coding Values
• Statistical Code 9639 (Premium Credit)
Texas Premium Algorithm

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

1. **MANUAL PREMIUM**
   - EXPANDED * RATE
2. **Contribution Expenses (Labour, salaries, supplies)**
   - EXPANDED * RATE
3. **Vandalism Losses (Non-Catastrophe losses)**
   - EXPANDED * RATE
4. **Adjust Expansions for non-Catastrophe losses**
   - EXPANDED * RATE
5. **TOTAL MANUAL PREMIUM**
   - Total of all charge items
6. **Waste of Substitution Factor (Market, Specific, Hazard)**
   - EXPANDED
7. **Employer Liability (SLR) increased limit factor**
   - EXPANDED
8. **Employee Liability increased limit charge**
   - EXPANDED
9. **TOTAL MANUAL PREMIUM**
   - EXPANDED
10. **Waste of Substitution Factor (Market, Specific, Hazard)**
    - EXPANDED
11. **Employer Liability (SLR) increased limit charge**
    - EXPANDED
12. **EMPLOYEE LIABILITY**
    - EXPANDED
13. **EXCESS LIABILITY**
    - EXPANDED
14. **TOTAL PREMIUM**
    - EXPANDED
15. **Premium Discount for Small Risks (1 – EXPAND * RATE) or (1 – EXPAND * RATE)**
16. **Discount for Small Risks**
    - EXPANDED
17. **Schedule Notation Factor (SLR, SLR, SLR)**
    - EXPANDED
18. **Certified Galaxy Compensation Network (Healthcare Network Credit Factor (1 – EXPAND * RATE)**
19. **Delinquent Credit**
    - EXPANDED
20. **Decrease in Premium Due to (1 – EXPAND * RATE)**
21. **Waste of Substitution Factor (Market, Specific, Hazard)**
22. **Balance to Minimum Premium (State Act)**
    - EXPANDED
23. **Balance to Minimum Premium (State Act)**
    - EXPANDED
24. **TOTAL STANDARD PREMIUM**
    - EXPANDED
25. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
26. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
27. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
28. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
29. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
30. **Voluntary Compensation Rate (1 – EXPAND * RATE)**
31. **ESTIMATED ANNUAL PREMIUM**
    - EXPANDED
Implementation of Texas in NCCI’s Experience Rating Plan Manual

• All national Experience Rating Plan rules except the following Texas exceptions:
  • Eligibility continues to be based on manual premium
  • Minimum requirement of 12 continuous months of data remains applicable
  • TX-2014-14 provides the proposed experience rating values effective July 1, 2015

Negotiated Experience Modifications

Experience Rating Plan

• Negotiated modifications remain available
  • Option sunsets on July 1, 2018, impacting modifications with REDs of July 1, 2018, and after

Statistical Plan

Part 3—Exposure (Texas Exceptions)

• Premium credit for the downward negotiation of an experience modifier

Part 6—Coding Values

• Statistical Code 9890 (Premium Credit)
Classes for Oil, Gas, or Other Minerals Over Water

Experience Rating Plan
- Classifications for oil, gas, or other minerals on or over water

Statistical Plan
Part 6—Coding Values
Oil, Gas, or Other Minerals Over Water Coverage
- G. Exposure Act/Exposure Coverage Codes
  - State Act (Code 05)
  - USL&HW (Code 08)
- K-1. Act—Loss Condition Codes
  - State Act (Code 05)
  - USL&HW (Code 08)

Summary
Thanks for attending!
Gopher, how about a Texas game?
Yee haaa! Let the games begin!
You all earned your Texas spurs!
Wagon Wheel Wrap-Up

- Basic Manual Eff. Date
- Certified W/C Healthcare Network
- Not Applicable in Texas
- Home of Snickers Bars
- Employee Leasing Code “E”
- Stat Plan Eff. Date
- Risk Modeling Statistical Codes
- Experience Rating Plan Eff. Date
- Unique Texas Deductible Program

Thanks for participating!

Any questions?
Supplemental Information
Presenter Biographies

Richard Saltzman has more than 30 years of experience in the insurance industry, including 20 years of insurance company experience. Richard works in Statistical Services, and his responsibilities include data reporting compliance projects, industry communications, and NCCI’s data reporting manuals.

Veruschka Zachtshinsky is currently a regulatory services manager in NCCI’s Regulatory Assurance Department. She is responsible for preparing national and state item filings and providing technical support to regulators, carriers, employers, and agents on NCCI’s manual rules.

Veruschka has more than 18 years of insurance industry experience, including 13 years with NCCI. At NCCI, she has served on the Experience Rating Modifications, Data, and Classification Teams in Customer Operations.

She is a graduate of Florida Atlantic University and has a bachelor of business administration degree.