



## NCCI WCIP STATE INSTRUCTIONS

Use the state chart below along with the ACORD® Forms Instruction Guide for completing the ACORD® 133 Workers Compensation Insurance Plan Assigned Risk section and ACORD® 130 Workers Compensation Application. For questions relating to the Plan, please refer to

- NCCI's **Residual Market Manual for Workers Compensation and Employers Liability Insurance** for Tennessee (**Residual Market Manual** for Tennessee)
- NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance** for Tennessee (**Basic Manual** for Tennessee)
- NCCI's **Basic Manual User's Guide**, and
- NCCI's **Assigned Risk Supplement**.

You may also contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123).

TENNESSEE (as of 1/1/2025)				
Estimated Annual Premium	Minimum Deposit %	Premium Installment Basis	Additional Payments During Year	Number of Refusers: Two—one must be the current carrier, if applicable.
\$1,000 or less	100%	Annual	None	<b>Effective Date:</b> The later of the following options: • 12:01 a.m. on the date following receipt by the Plan Administrator of a complete and eligible application • The date of expiration of existing coverage • A date that the applicant requests  If an eligible application and check are sent via US mail, coverage will be bound at 12:01 a.m. on the day following the postmark on the envelope or the expiration of existing coverage. For effective date determination, a private postage meter mark will not be accepted, and only a US Postal Service postmark affixed to the envelope will be accepted by the Plan Administrator as a valid postmark.
\$1,001 - \$10,000	40%	Quarterly	Three	
At least \$10,001	25%	Monthly	Ten	
<p>Additional premium installments must be equal payments, the sum of which, when added to the deposit premium, must equal 100% of the estimated annual premium. Estimated annual premium and the premium installment schedule are subject to adjustment at preliminary, interim, and/or final audit(s) or when an endorsement is issued. At policy inception, the employer may request a higher minimum deposit percentage, but may not select a deposit percentage lower than the otherwise applicable minimum stated in the deposit and premium installment table.</p> <p>This deposit and premium installment table is followed by all assigned carriers. However, the assigned carrier, based on sound underwriting practices, may make appropriate to the governing state's premium installment basis that the employer selected. The assigned carrier must provide the reason(s) for such change(s) to the employer and will appropriately document the file.</p> <p><b>Minimum Premium Policies</b>            The deposit premium for a minimum premium policy is 100% of the estimated annual premium. Minimum premium policies must be paid in full and are not eligible for premium installments.</p> <p><b>Short-Term Policies</b>            The deposit premium for short-term policies with a duration of six months or less is 100% of the estimated premium. The estimated premium is based on the estimated payroll for the policy period, unless otherwise approved by the Plan Administrator.</p> <p><b>Premium Financed Policies</b>            The deposit premium for a premium financed policy is 100% of the total estimated annual premium. The policy is not eligible for premium installment payments for the entire policy year.</p> <p>For any dispute concerning the change of an employer's payment basis, refer to NCCI's <b>Residual Market Manual</b> for Tennessee rule, Dispute resolution procedure.</p>				
<p><b>Application Submission Options (for applications effective 7/1/2015 and after):</b></p> <ul style="list-style-type: none"> <li>• Online—Applications may be submitted via NCCI's website at <a href="http://ncci.com">ncci.com</a>. To enroll for access to this free service, contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123) or at <a href="mailto:customer_service@ncci.com">customer_service@ncci.com</a>.</li> <li>• Telephone—Applications may be submitted by contacting NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123).</li> <li>• Mail—Applications may be submitted via the US Postal Service or private overnight delivery to the address provided below.</li> </ul> <p><b>Note:</b> An agent/producer is required to be licensed with the Tennessee Department of Commerce and Insurance (Department) to submit an application to NCCI for primary coverage. The Department requires completion of signed ACORD® 130 and ACORD® 133 forms before coverage in the Plan is approved.</p>				
<p><b>Voluntary Coverage Assistance Program (VCAP® Service):</b>            NCCI's <b>VCAP® Service</b> applies to all employers seeking coverage through the residual market in which NCCI is the Plan Administrator, and is offered through NCCI's <b>RMAPS® Online Application Service</b>. Through this free, Internet-based application, voluntary coverage providers have the opportunity to evaluate potential employers that submit applications through the residual market. All assigned risk applications (electronic, phone-in, or mail-in) submitted to NCCI as Plan Administrator are processed through <b>VCAP® Service</b> to determine if they match the preselected criteria specified by a participating voluntary coverage provider.</p> <p>Refer to NCCI's <b>Residual Market Manual</b> for Tennessee rule, Voluntary Coverage Assistance Program (<b>VCAP® Service</b>) for more information.</p>				
<p><b>Loss Sensitive Rating Plan:</b>            The Loss Sensitive Rating Plan (LSRP) is a mandatory assigned risk retrospective rating plan for those employers that have a workers compensation and employers liability insurance policy(ies) with an LSRP standard premium that equals or exceeds \$250,000.</p> <p>In addition to the WCIP initial or deposit premium, employers qualifying for the LSRP are required to submit an LSRP contingency deposit to the assigned carrier. The LSRP contingency deposit is calculated by multiplying the LSRP standard premium by 20%. Subject to certain conditions, the</p>				



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LSRP contingency deposit may be paid by Automated Clearing House/Electronic Funds Transfer (ACH/EFT), credit card, personal or business check, or an Irrevocable Letter of Credit (ILOC).

**Note:** LSRP does not apply to nonprofit organizations. A nonprofit organization means any corporation, trust, community chest fund or foundation that is:

- Exempt from United States federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (Code); and
- Described in Section 170(c)(2) of the Code.

Refer to NCCI's **Residual Market Manual** for Tennessee rule, Loss Sensitive Rating Plan (LSRP) for more information.

### Guide to Premium Calculation:

- Experience rating modification, if applicable
- Assigned Risk Adjustment Program (ARAP)
- Tennessee Drug-Free Workplace Premium Credit factor, if applicable
- Tennessee Small Employer Plan, if applicable
- Tennessee Special Risk Plan, if applicable

### Election/Rejection Under State Law:

**Sole proprietors and partners** are automatically excluded under the Act but may elect to be covered by providing the applicable form to the carrier. The form is available from the Tennessee Bureau of Workers' Compensation (TN BWC). Attach to the application a copy of the form. Payroll must be included for any sole proprietor or partners electing coverage.

**Members of limited liability companies** are treated as partnerships for premium determination purposes in Tennessee. Members are automatically excluded, but may elect to be covered by providing the applicable form to the carrier. The form is available from the TN BWC. Attach to the application a copy of the form. Payroll must be included for any members of limited liability companies electing coverage.

**Corporate officers** are automatically covered but may elect to be excluded from coverage by providing the applicable form to the corporation and carrier. The form is available from the TN BWC. Attach to the application a copy of the form. Payroll must be excluded for any corporate officers rejecting coverage. Failure to provide proper notice/forms related to the election or rejection of coverage in accordance with state laws may result in additional premium being charged and collected by the Plan Administrator or the assigned carrier.

### Volunteers

Any carrier offering workers compensation insurance is required to offer medical benefits coverage for paid-on-call and volunteer firefighters. Volunteer firefighter means any member or personnel of a fire department, volunteer fire department, rescue squad or volunteer rescue squad, including, but not limited to, a junior member, a board member, or an auxiliary member of the department or squad.

### Construction Industry

All construction services providers are required to carry workers compensation insurance to cover themselves unless they are eligible for exemption from coverage pursuant to T.C.A. § 50-6-901, et. seq. Refer to the Tennessee Bureau of Workers' Compensation Exemption Registry at [www.tn.gov/workforce/injuries-at-work/employers/employers/wc-exemption-registry](http://www.tn.gov/workforce/injuries-at-work/employers/employers/wc-exemption-registry) for further details.

Refer to the Tennessee Department of Commerce and Insurance at [www.tn.gov/commerce](http://www.tn.gov/commerce) for the most current rules, regulations, and forms.

**Note:** This information applies only to Tennessee. If additional states are to be covered, additional action may be necessary under applicable state law.

### Employee Leasing:

**IMPORTANT: Before completing Professional Employer Organization (PEO) Arrangement applications, refer to NCCI's Residual Market Manual for Tennessee rule, Professional Employer Organization (PEO) arrangements for more information. Obtain forms from NCCI.**

**PEO registration/license requirement:** The state of Tennessee requires the PEO to be registered with the state. PEO applicants will be asked to provide proof of PEO registration.

- All of the PEO's leased workers to clients under the state's WCIP must be secured under an MCP basis
- The client's policy covering its leased workers will be issued in the name and FEIN of the client in accordance with this rule and all other rules governing the issuance of a standard policy for assigned risk business
  - Direct workers of a client will not be included on the client's policy for its leased workers
- The PEO's policy covering its direct workers will be issued in the name and FEIN of the PEO in accordance with this rule and all other rules governing the issuance of a standard policy for assigned risk business under the WCIP
  - If the PEO has no direct workers in the state where its clients' coverage is being obtained, the PEO's policy will be issued with premium based on the use of Code 8810—Clerical Office Employees NOC on an "if any" basis

### Work Relationship Determination:

Tennessee Code Annotated Section 50-6-102(12)(D) provides the following factors to be considered in a work relationship to determine whether an individual is an "employee," or whether an individual is a "subcontractor" or an "independent contractor":

- The right to control the conduct of the work
- The right of termination
- The method of payment
- The freedom to select and hire helpers
- The furnishing of tools and equipment
- Self-scheduling of working hours, and
- The freedom to offer services to other entities.

A premium shall not be charged by an insurance company for any individual determined to be an independent contractor pursuant to T.C.A § 50-6-102(12)(D).

NCCI does not determine whether an Applicant or any individual or entity is an "employee," "subcontractor," or "independent contractor" under Tennessee or any other state's laws.



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<b>Submit Application via Regular Mail to:</b>	NCCI Attn: Treasury Department PO Box 3045 Boca Raton, FL 33431	<b>Send Correspondence to:</b>	NCCI Customer Service Center 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362 Phone: 800-622-4123 Fax: 561-893-1191
<b>Submit Application via Overnight Delivery to:</b>	NCCI Attn: Treasury Department 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362		