



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
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BILL HASLAM  
GOVERNOR

JULIE MIX McPEAK  
COMMISSIONER

To: All Tennessee Workers Compensation Carriers

From: Julie Mix McPeak, Commissioner

A handwritten signature in blue ink that reads "Julie Mix McPeak".

Date: September 30, 2015

Subject: Dissolution of the Tennessee Workers Compensation Insurance Plan (TWCIP)  
Reinsurance Mechanism

As previously announced in April, the Tennessee Department of Commerce and Insurance (TDCI) selected the National Council on Compensation Insurance (NCCI) as the new administrator of the Tennessee workers compensation residual market.

In conjunction with the transition from Aon to NCCI as the new residual market administrator, the former TWCIP reinsurance mechanism will be dissolved and the former plan administrator Aon will be liquidating all assets of the TWCIP. All additional available funds will be distributed by September 30, 2015, to participating carriers for plan years January 1, 1998, through June 30, 2015. These distributed funds represent cumulative net cash flow on this experience and may not be sufficient to cover all future claims and associated expenses.

NCCI's Tennessee Reinsurance Mechanism (TRM) will be replacing the dissolved TWCIP reinsurance mechanism. Going forward, all TWCIP participating carriers will be responsible for quota share adjustments under the TRM for experience on the TWCIP policies with effective dates January 1, 1998, through June 30, 2015. NCCI will provide quarterly reporting to the TRM participating carriers.

All participating carriers will receive details of the transition to the new reinsurance arrangement from both the former administrator, Aon, and the new administrator, NCCI.

Any questions regarding the dissolution of the TWCIP may be directed to Aon representative, Tom Redel, at (816) 698-4602. Questions regarding the implementation of the TRM should be directed to NCCI's Director of Reinsurance, Cliff Merritt, at (561) 893-3013 or by email to [cliff\\_merritt@ncci.com](mailto:cliff_merritt@ncci.com). Any additional questions may be directed to TDCI's Policy Analysis Section at (615) 741-0472.