

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

Filing at a Glance

Company: NCCI
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
State: Missouri
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Rule
Date Submitted: 10/04/2011
SERFF Tr Num: NCCI-127683289
SERFF Status: Closed-APPROVED
State Tr Num:
State Status: APPROVED
Co Tr Num: 01-MO-2011 (LB)
Effective Date: 11/01/2011
Requested (New):
Effective Date: 11/01/2011
Requested (Renewal):
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Roy Wood, Robert Dalton
Reviewer(s): Karen Rimel (primary)
Disposition Date: 11/02/2011
Disposition Status: APPROVED
Effective Date (New): 11/01/2011
Effective Date (Renewal): 11/01/2011
State Filing Description:

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 11/02/2011
 State Status Changed: 11/02/2011 Deemer Date:
 Created By: Frank Gnolfo Submitted By: Frank Gnolfo
 Corresponding Filing Tracking Number:
 State TOI: 16.0 Workers Compensation State Sub-TOI: 16.0004 Standard WC

Filing Description:

This item revises the Missouri Workers Compensation Premium Algorithm as provided in the Missouri Miscellaneous Rules of NCCI's Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual).

Company and Contact

Filing Contact Information

Roy Wood, State Relations Executive roy_wood@ncci.com
 11430 Gravois Road 314-843-4001 [Phone]
 Suite 310 314-842-3188 [FAX]
 St. Louis, MO 63126

Filing Company Information

NCCI	CoCode:	State of Domicile: Florida
901 Peninsula Corporate Circle	Group Code:	Company Type:
Boca Raton, FL 33487	Group Name:	State ID Number:
(561) 893-3186 ext. [Phone]	FEIN Number: 65-0439698	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

State Specific

NAIC Number: RO99985
 Have you reviewed the General Instructions document? (yes/no)(General Instructions updated 9/14/07): Yes
 If this is a rate filing, was rate data added on the rate/rule schedule? (yes/no): No

State: Missouri Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Karen Rimel	11/02/2011	11/02/2011

State: Missouri Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

Disposition

Disposition Date: 11/02/2011
Effective Date (New): 11/01/2011
Effective Date (Renewal): 11/01/2011
Status: APPROVED

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Filing Memorandum	REVIEWED	Yes
Rate	Exhibit !	APPROVED	Yes

SERFF Tracking #:

NCCI-127683289

State Tracking #:**Company Tracking #:**

01-MO-2011 (LB)

State: Missouri
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

Filing Company: NCCI

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	APPROVED 11/02/2011	Exhibit !	Missouri Misc Rules	Replacement	06-MO-2007	01-MO-2011 Exh 1.pdf

ITEM 01-MO-2011—REVISION OF MISSOURI MISCELLANEOUS RULES—MISSOURI WORKERS COMPENSATION PREMIUM ALGORITHM

**EXHIBIT 1
BASIC MANUAL—2001 EDITION
MISSOURI MISCELLANEOUS RULES**

MISSOURI WORKERS COMPENSATION 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	EXPLANATORY NOTES
	MANUAL PREMIUM	[(PAYROLL / 100) * RATE]
+	Supplementary Disease (foundry, abrasive, sandblasting)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+	USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]
	TOTAL MANUAL PREMIUM	
+	Waiver of Subrogation factor**	[% applied to the portion of Total Manual Premium where waiver is applicable]
+	Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]
+	Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+	Employers Liability increased limits factor (Admiralty, FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]
+	Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]
-	Small -Deductible credit#	[% applied to Total Manual Premium]
	TOTAL SUBJECT PREMIUM	
X	Experience Modification (Exp Mod)	
	TOTAL MODIFIED PREMIUM	
X	Contracting Class Prem Adj Program factor (1 - CCPAP credit %)	
X	Schedule Rating factor (1 - SR credit %) or (1 + SR debit %) [§]	
+	Supplemental Disease Exposure (Asbestos, NOC) [†]	
+	Atomic Energy Radiation Exposure NOC [†]	
+	Charge for nonratable catastrophe loading [†]	
+	Aircraft Seat Surcharge	
+	Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]
+	Balance to Minimum Premium (Admiralty, FELA)	
	TOTAL STANDARD PREMIUM[‡]	
-	Premium Discount ^{§§}	[% applied to Standard Premium]
+	Coal Mine Disease Charge	[Underground, surface, surface auger]
+	Expense Constant	
+	Terrorism	[(PAYROLL / 100) * TERRORISM VALUE]
	ESTIMATED ANNUAL PREMIUM	

** Premium charges established for Waiver of Subrogation are not filed by NCCI for the voluntary market.

Second Injury Fund assessments are calculated as if the deductible plan were not being used.

§ Schedule Rating Plans are individually filed by each carrier.

* The above rating method would be used in the absence of independent carrier filings.

**ITEM 01-MO-2011—REVISION OF MISSOURI MISCELLANEOUS RULES—MISSOURI
WORKERS COMPENSATION PREMIUM ALGORITHM**

**EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
MISSOURI MISCELLANEOUS RULES**

† Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.

‡ ~~Statistical calls for ratemaking data contain a different definition of "Standard Premium." Refer to **Reporting Guidebook for the Annual Calls for Experience.**~~

§§ For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

NOC = Not Otherwise Classified.

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification.

State: Missouri Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 01-MO-2011 Revision of Missouri Miscellaneous Rules - Missouri Workers Compensation Premium Algorithm
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Filing Memorandum
Comments:	
Attachment(s):	01-MO-2011 Memorandum.pdf
Item Status:	REVIEWED
Status Date:	11/02/2011

FILING MEMORANDUM

ITEM 01-MO-2011—REVISION OF MISSOURI MISCELLANEOUS RULES—MISSOURI WORKERS COMPENSATION PREMIUM ALGORITHM

(To become effective 12:01 a.m. on November 1, 2011, applicable to new and renewal voluntary policies only.)

PURPOSE

This item revises the Missouri Workers Compensation Premium Algorithm as provided in the Missouri Miscellaneous Rules of NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*.

BACKGROUND

In accordance with Missouri Revised Statutes, Section 287.310, the Second Injury Fund surcharge owed by an employer that purchases a deductible policy will be assessed upon total premiums that would have been paid in the absence of the deductible option.

When calculating the Missouri Second Injury Fund (SIF) surcharge, the total premium should not be reduced by a deductible (small or large) credit. The Missouri Department of Insurance (DOI) has identified situations where insurers are assessing the Missouri SIF surcharge on policies with small deductibles based on NCCI's Missouri Workers Compensation Premium Algorithm (algorithm), which includes the small deductible credit in total premium.

To eliminate confusion concerning the calculation of the Missouri SIF surcharge, the Missouri DOI has requested that the algorithm be revised to retitle the "Small Deductible credit" listed in the algorithm as "Deductible credit." In addition, NCCI is proposing to add a footnote to the algorithm to explain that SIF assessments are calculated as if the deductible plan were not being used.

Lastly, NCCI has determined that the footnote in the algorithm for Total Standard Premium should be removed because the footnote concerns statistical calls, which have no direct relationship to premium calculation for underwriting purposes.

PROPOSAL

This item proposes to revise the Missouri Workers Compensation Premium Algorithm in NCCI's *Basic Manual* to:

- Remove the word "Small" from the "Small Deductible credit" premium element
- Add a footnote explaining that SIF assessments are calculated as if the deductible plan were not being used
- Remove the footnote for the Total Standard Premium element

IMPACT

There will be no statewide premium impact as a result of this change.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

FILING MEMORANDUM

**ITEM 01-MO-2011—REVISION OF MISSOURI MISCELLANEOUS RULES—MISSOURI
WORKERS COMPENSATION PREMIUM ALGORITHM**

IMPLEMENTATION

Exhibit 1 contains the changes to the Missouri Workers Compensation Premium Algorithm in NCCI's *Basic Manual*.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.