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**State:** Missouri **Filing Company:** NCCI  
**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC  
**Product Name:** B-1432 Establishment of Basic Manual Appendix G - Dispute Resolution Process  
**Project Name/Number:** /

## Filing at a Glance

Company: NCCI  
Product Name: B-1432 Establishment of Basic Manual Appendix G - Dispute Resolution Process  
State: Missouri  
TOI: 16.0 Workers Compensation  
Sub-TOI: 16.0004 Standard WC  
Filing Type: Rule  
Date Submitted: 06/03/2016  
SERFF Tr Num: NCCI-130588693  
SERFF Status: Closed-APPROVED  
State Tr Num: 31  
State Status: APPROVED  
Co Tr Num: B-1432

Effective Date: 07/01/2017  
Requested (New):  
Effective Date: 07/01/2017  
Requested (Renewal):  
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnoflo, Carolyn Pearl, Robert Dalton, Michelle Baker, Miguel Joubert  
Reviewer(s): Patrick Lennon (primary)  
Disposition Date: 07/07/2016  
Disposition Status: APPROVED  
Effective Date (New): 07/01/2017  
Effective Date (Renewal): 07/01/2017

State Filing Description:

**State:** Missouri **Filing Company:** NCCI  
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## 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: 07/07/2016  
 State Status Changed: 07/07/2016 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:

- Establishes a national rule and eliminates the state-specific miscellaneous rules for NCCI's Dispute Resolution Process in NCCI's Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)
- Replaces NCCI's Internal Review Panel or other process for reviewing disputes in certain states with a candidate board member list process where qualified candidates are selected as needed
- Replaces designated board members in states that have very low to nonexistent frequency of appeals with a candidate board member list process
- Revises NCCI's role in certain states from a voting member to a nonvoting advisor on Workers Compensation Appeals Boards

## Company and Contact

### Filing Contact Information

Carla Townsend, State Relations Executive carla\_townsend@ncci.com  
 11430 Gravois Road 314-843-4001 [Phone]  
 Suite 310 314-842-3188 [FAX]  
 St. Louis, MT 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: 9999-85000  
 (561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: Rule filing  
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
NCCI	\$50.00	06/03/2016	110022925

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## State Specific

NAIC Number: NA

Have you reviewed the General Instructions document? (yes/no)(General Instructions updated 11/14/14): Yes

If this is a rate filing, was rate data added on the rate/rule schedule? (yes/no): No

Are you paying the \$50 per company per submission filing fee electronically using EFT or would you like to be billed in arrears? All companies and filing entities are strongly encouraged to take advantage of the EFT payment option. The utilization of SERFF and EFT for the payment of filing fees in other states has resulted in a more efficient filing review process and has provided a significant administrative cost savings for the industry.: EFT

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Patrick Lennon	07/07/2016	07/07/2016

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## Disposition

Disposition Date: 07/07/2016  
Effective Date (New): 07/01/2017  
Effective Date (Renewal): 07/01/2017  
Status: APPROVED

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Filing Memorandum	APPROVED	Yes
Rate	Exhibit 1	APPROVED	Yes
Rate	Exhibit 2	APPROVED	Yes
Rate	Exhibit 4	APPROVED	Yes

**SERFF Tracking #:**

NCCI-130588693

**State Tracking #:**

31

**Company Tracking #:**

B-1432

**State:** Missouri **Filing Company:** NCCI  
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## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	APPROVED 07/07/2016	Exhibit 1	Part One - Rule	Replacement	B-1430	B-1432_Exh 1.pdf
2	APPROVED 07/07/2016	Exhibit 2	Appendix G	New		B-1432_Exh 2.pdf
3	APPROVED 07/07/2016	Exhibit 4	Appendix G	New		B-1432_Exh 4 MO.pdf

**ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS**

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**EXHIBIT 1-RULE  
BASIC MANUAL—2001 EDITION  
PART ONE—RULES**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

This manual contains rules that have been approved by state insurance regulators. These rules cover the following topics:

- Introduction—Application of Manual Rules
- Rule 1—Classification Assignment
- Rule 2—Premium Basis and Payroll Allocation
- Rule 3—Rating Definitions and Application of Premium Elements
- Rule 4—Workers Compensation Insurance Plan Rules

**INTRODUCTION—APPLICATION OF MANUAL RULES**

1. Rules apply separately to each policy, except as provided in the rules related to premium discount and executive officers.
2. This manual applies only from the policy effective date that occurs on or after the effective date of this manual.
3. The effective date of a change in any rule, classification, rate, or loss cost is 12:01 a.m. on the date approved for use.
4. Changes made during a policy period are effective as of the policy effective date on or after the date of the change, unless otherwise specified.
5. The rules in this manual are based on policy periods not longer than one year.
  - a. A policy issued for a period not longer than one year and 16 days is treated as a one-year policy.
  - b. A policy issued for a period longer than one year and 16 days, that is not a three-year fixed-rate policy, is a long-term policy and treated as follows:
    - The policy period is divided into consecutive 12-month units.
    - The Policy Period Endorsement is used to designate either the first or last unit of less than 12 months as a short-term policy.
    - Rules, classifications, and rates are applied to individual units of 12 months each as if a separate policy had been issued for each unit.
6. The National Council on Compensation Insurance, Inc. (NCCI) has the right to conduct inspections of operations, assign classifications, and determine the propriety of classification assignments and applicability of all **Basic Manual** rules.
7. NCCI has authority to conduct test audits and to require corrections in accordance with the results of the test audit.
8. Appeals involving the application of the rules or classifications of this manual may be resolved through the applicable administrative appeals process. *Refer to the **User's Guide Appendix G** for more information.*
9. Interpretation of state or federal laws pertaining to coverage issues is not within the jurisdiction of NCCI.
10. Some **Basic Manual** rules may have special assigned risk rules, notes, or exceptions. In states where assigned risk markets do not exist, these rules, notes, and exceptions do not apply.

**Informational Note:** This exhibit contains changes proposed in Item B-1430 effective May 1, 2017. Item B-1430 is pending approval in Texas.

**ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS**

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**EXHIBIT 2-RULE  
BASIC MANUAL—2001 EDITION  
APPENDIX G**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

**DISPUTE RESOLUTION PROCESS****1. Summary of Dispute Resolution Process**

- a. The Dispute Resolution Process (Process) provides policyholders with a means to resolve disputes regarding the application of NCCI manual rules to NCCI's Workers Compensation and Employers Liability Insurance Policy (Policy). For purposes of this Process, manual rules are defined as rules in NCCI's manuals, that pertain to the application of the workers compensation rating system used as the basis for premium calculation, including but not limited to, classifications and experience rating modifications (NCCI Manual Rules). The NCCI Manual Rules in effect for the policy period(s) in dispute will apply to this Process.
- b. To comply with requirements in state statutes and/or regulations, NCCI established the Workers Compensation Appeals Board (Board) to assist in dispute resolution where NCCI serves as the Administrator to the Board (Administrator). Refer to Appendix G-3-d for more information about the Administrator.
- c. The Process has three steps:
  - (1) A policyholder must first attempt to resolve the dispute directly with the carrier and must calculate and pay the carrier all undisputed premium that is due. The policyholder must provide to the carrier an estimate of the premium in dispute with a written explanation of the premium calculation.
  - (2) If a policyholder cannot resolve the dispute directly with the carrier, then it may ask the Administrator for assistance. If the dispute is a bona fide dispute, the Administrator will attempt to assist the policyholder and the carrier in reaching a resolution. Refer to Appendix G-3-d(1)(d) for more information on bona fide disputes.
  - (3) If a policyholder, with the Administrator's assistance, is unable to resolve the dispute, then the policyholder may ask the Administrator to refer the bona fide dispute to the Board.
- d. This Process applies to voluntary and assigned risk policies. However, assigned risk policyholders must first seek dispute resolution assistance in accordance with NCCI's **Basic Manual** Rule 4-A, where applicable, before this Process applies.

**2. Authority, Purpose, and Scope of the Process**

- a. The purpose of the Process is to review the application of NCCI Manual Rules to a Policy.
- b. The Board interprets and applies NCCI Manual Rules based on the facts of each dispute.
- c. The Board and the Administrator are not authorized to interpret, apply, or provide an opinion on state or federal laws, rules, or regulations; they also cannot interpret or dispute court decisions or administrative proceedings.
- d. The Board and the Administrator are not authorized to make exceptions to rules that are approved by the regulatory authority.
- e. This Process fulfills any state statutes and/or regulations that require the rating organization to establish a dispute resolution mechanism.
- f. Under this Process, only policyholders can seek dispute resolution services from the Administrator. The Process is not available to carriers. Disputes by carriers about any aspect of the Plan or Pool are governed by NCCI's **Basic Manual** Rule 4-A, where applicable.
- g. The Board does not hear disputes about any issue that is pending in another forum. If the issue is pending in another forum, a stay or dismissal of proceedings is required.



**ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS**

**EXHIBIT 2-RULE (CONT'D)  
BASIC MANUAL—2001 EDITION  
APPENDIX G**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

- h. All issues in dispute for the same Policy and policy period must be submitted for resolution at the same time.
- i. This Process applies to any policyholder dispute pending with and/or received by the Administrator on or after the effective date of these rules. Policyholders requesting dispute resolution services from the Administrator must do so within three years after the policy expiration date for the Policy in dispute. No time extensions will be granted for any reason.
- j. If a policyholder cannot resolve the dispute directly with the carrier, a policyholder must send the Administrator a written request to review the manner in which NCCI Manual Rules have been applied to its Policy. Refer to Appendix G-3-d(1)(d) for more information on bona fide disputes.
- k. Once the dispute is referred to the Board, this Process, including without limitation all steps in Appendix G-1-c, must be exhausted before a dispute may be appealed to the next level of review. Refer to Appendix G-9 for more information on appealing the Board or the Administrator's decision.

**3. Board Operations**

**a. Board Composition**

The following table lists the Board composition and other state requirements:

**Board Composition Table**

<b>State</b>	<b>Board Composition</b>	<b>Appointments and Vacancies</b>
<b>AK, AL, DC, HI, IA, ID, KS, KY, LA, MD, ME, MS, MT, NE, OK, RI, SD, TN, UT, VA, VT, WV</b>	<p>3 voting members selected from the list of qualified candidates include:</p> <ul style="list-style-type: none"> <li>• 1 private sector member doing business in the state that governs the dispute</li> <li>• 1 carrier member actively writing workers compensation and employers liability insurance in the state that governs the dispute</li> <li>• 1 agent member doing business in the state that governs the dispute</li> </ul>	<p>At the Administrator's discretion, candidates are chosen and added to the list of qualified candidates.</p> <p>Annually, the Administrator submits the list of qualified candidates for each voting member position to the appropriate regulatory authority for informational purposes.</p> <p>As Board meetings are scheduled, qualified candidates for each voting member position are selected by the Administrator based on the candidate's connection to the state and availability.</p> <p>A Board member who is unable to participate in a Board meeting must promptly notify the Administrator. The Administrator will select an alternate board member of the same status as a replacement.</p>
<b>AR</b>	5 voting members	<p>The Insurance Department:</p> <ul style="list-style-type: none"> <li>• Appoints voting members</li> <li>• Fills Board vacancies</li> </ul>

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

EXHIBIT 2-RULE (CONT'D)  
 BASIC MANUAL—2001 EDITION  
 APPENDIX G

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)  
 (Cont'd)

Board Composition Table

State	Board Composition	Appointments and Vacancies
		<p>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate board member of the same status. The Chair must approve the alternate before the meeting in question.</p>
<b>AZ</b>	<ul style="list-style-type: none"> <li>• 9-10 voting members include:                             <ul style="list-style-type: none"> <li>• At least 4 representatives of the public, including at least two employer representatives, and the remaining public members must be knowledgeable about workers compensation insurance</li> <li>• At least 5 carrier representatives, one of which is the carrier with the largest Arizona workers compensation market share as reported by the Department of Insurance in its latest annual report</li> </ul> </li> <li>• 1 nonvoting advisory member from NCCI</li> </ul>	<p>The Director of the Department of Insurance:</p> <ul style="list-style-type: none"> <li>• Appoints voting members</li> <li>• Fills Board vacancies</li> </ul> <p>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question.</p>
<b>CO</b>	<ul style="list-style-type: none"> <li>• 5 voting members include:                             <ul style="list-style-type: none"> <li>• 3 private sector employers                                     <ul style="list-style-type: none"> <li>• At least one representative of the construction industry</li> <li>• All memberships must be held in the name of the individual</li> <li>• All must be knowledgeable about workers compensation insurance, rules, and classifications, and must be familiar with the business environment and community in Colorado</li> </ul> </li> <li>• No private employer member must be an employee of an insurance carrier, insurance broker, insurance agent, law firm, actuary, Pinnacol Assurance, or any association of such entities or persons</li> </ul> </li> </ul>	<p>The Commissioner of the Division of Insurance:</p> <ul style="list-style-type: none"> <li>• Appoints voting members</li> <li>• Fills Board vacancies</li> </ul>

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

EXHIBIT 2-RULE (CONT'D)  
 BASIC MANUAL—2001 EDITION  
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 (Cont'd)

Board Composition Table

State	Board Composition	Appointments and Vacancies
	<ul style="list-style-type: none"> <li>• <u>2 salaried employees of a carrier from different carriers that issue Colorado workers compensation policies. One person must be selected to serve as an alternate member, to represent the interests of the insurance industry in the event the primary member excuses himself or herself</u></li> <li>• <u>1 nonvoting member from NCCI appointed by the CEO or another designated officer</u></li> </ul> <p><u>Each voting member must be knowledgeable about workers compensation classifications and experience rating modification factors.</u></p>	
<p><b>CT</b></p>	<ul style="list-style-type: none"> <li>• <u>5-7 voting members include:</u> <ul style="list-style-type: none"> <li>• <u>At least 1 private sector employer or at least one member from a private sector employer located and doing business in Connecticut</u></li> <li>• <u>At least 1 member affiliated with a local chamber of commerce, small business federation, or similar business association member in Connecticut</u></li> <li>• <u>Less than 50% of the voting members must be affiliated with the insurance industry</u></li> </ul> </li> <li>• <u>1 nonvoting member from the staff of the Commissioner</u></li> </ul> <p><u>Members must not be affiliated with the same business organization, affiliated group (except insurance members), business league or labor organization.</u></p> <p><u>Each member must be knowledgeable about workers compensation insurance and must be familiar with the business environment and business community in Connecticut.</u></p>	<p><u>The Commissioner of the Insurance Department:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members and the nonvoting member</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question. The Chair may appoint an alternate, if necessary, to achieve a quorum.</u></p>

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

EXHIBIT 2-RULE (CONT'D)  
 BASIC MANUAL—2001 EDITION  
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 (Cont'd)

Board Composition Table

State	Board Composition	Appointments and Vacancies
<u>FL</u>	10 voting members include: <ul style="list-style-type: none"> <li>• <u>1 private sector member affiliated with a local chamber of commerce, small business federation, or similar business association in Florida</u></li> <li>• <u>1 private sector member who is an employer or an employer representative</u></li> <li>• <u>2 agent members from agent associations in Florida</u></li> <li>• <u>3 carrier members not domiciled in Florida</u></li> <li>• <u>2 carrier members domiciled in Florida</u></li> <li>• <u>1 member from the Florida Department of Financial Services, Office of the Insurance Consumer Advocate</u></li> </ul>	The Commissioner of the Office of Insurance Regulation: <ul style="list-style-type: none"> <li>• <u>Appoints voting members</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question.
<u>GA</u>	5 voting members include: <ul style="list-style-type: none"> <li>• <u>3 private sector members</u></li> <li>• <u>1 member from the Office of Insurance and Safety Fire Commissioner</u></li> <li>• <u>1 member from a carrier trade association</u></li> <li>• <u>1 nonvoting carrier member</u></li> </ul>	The Director of the Office of Insurance and Safety Fire Commissioner: <ul style="list-style-type: none"> <li>• <u>Appoints voting members and the nonvoting carrier member</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Director. The Director may appoint an alternate to achieve a quorum.
<u>IL</u>	<ul style="list-style-type: none"> <li>• <u>4 voting members</u></li> <li>• <u>1 nonvoting representative from the Department of Insurance</u></li> </ul>	The Director of the Department of Insurance: <ul style="list-style-type: none"> <li>• <u>Appoints voting members and the nonvoting representative</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question. The Chair may appoint an alternate, if necessary, to achieve a quorum.

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

EXHIBIT 2-RULE (CONT'D)  
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Board Composition Table

State	Board Composition	Appointments and Vacancies
<p><b>MO</b></p>	<ul style="list-style-type: none"> <li>• <u>5 voting members include:</u> <ul style="list-style-type: none"> <li>• <u>3 representatives of the interests of employers</u> <ul style="list-style-type: none"> <li>• <u>At least 1 employer representative whose employees are represented by a labor union</u></li> <li>• <u>At least 1 employer representative whose employees are not represented by a labor union</u></li> </ul> </li> <li>• <u>1 representative of the interests of carriers</u></li> <li>• <u>1 representative of the interests of independent insurance agents</u></li> </ul> </li> <li>• <u>1 nonvoting member from the staff of the state actuary</u></li> <li>• <u>1 nonvoting member from NCCI</u></li> </ul> <p><u>In accordance with Mo. Rev. Stat. Ann. § 287.335, no more than 3 members of the Board can belong to the same political party.</u></p>	<p><u>The Governor:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members with the advice and consent of the Senate</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question.</u></p>
<p><b>NH</b></p>	<ul style="list-style-type: none"> <li>• <u>6 voting members include:</u> <ul style="list-style-type: none"> <li>• <u>2 members from the New Hampshire business community</u></li> <li>• <u>2 representatives from the New Hampshire domestic or national insurance carrier</u></li> <li>• <u>2 New Hampshire resident licensed insurance agents</u></li> </ul> </li> <li>• <u>1 nonvoting advisor from the Insurance Department</u></li> </ul>	<p><u>The Commissioner of the Insurance Department:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members and the nonvoting advisor</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question. The Chair may appoint an alternate, if necessary, to achieve a quorum.</u></p>

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(Cont'd)

Board Composition Table

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NM	<ul style="list-style-type: none"> <li>• <u>5 voting members, to be held in the name of the individual, include:</u> <ul style="list-style-type: none"> <li>• <u>1 private sector employer or representative of a private sector employer located in New Mexico</u></li> <li>• <u>1 member affiliated with a local chamber of commerce, small business federation, or similar business association in New Mexico</u></li> <li>• <u>2 independent insurance agents licensed in New Mexico</u></li> <li>• <u>1 member from a New Mexico self-insurance group</u></li> </ul> </li> <li>• <u>1 nonvoting regulatory participant from the staff of the Office of Superintendent of Insurance</u></li> <li>• <u>1 nonvoting carrier advisor that writes workers compensation insurance policies in New Mexico</u> <ul style="list-style-type: none"> <li>• <u>The insurance carrier must designate one salaried employee to represent it on the Board, and another salaried employee as an alternate.</u></li> <li>• <u>The carrier representative or alternate representative must attend each Board meeting and serve as a technical and business resource. The representative will provide advice to the Board on issues relating to experience rating modification factors, classification assignments, manual rules, and other related matters deemed pertinent to the Superintendent. The carrier representative may participate in the discussion but must have no vote on determining the Board's decision.</u></li> </ul> </li> <li>• <u>1 nonvoting advisor from NCCI</u></li> </ul> <p><u>Each of the five voting members:</u></p>	<p><u>The Superintendent of the Office of Superintendent of Insurance:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members, the nonvoting advisors, and nonvoting regulatory participant</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status in writing. The Chair must approve the alternate before the meeting in question.</u></p>

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

EXHIBIT 2-RULE (CONT'D)  
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Board Composition Table

State	Board Composition	Appointments and Vacancies
	<ul style="list-style-type: none"> <li>• <u>Must be knowledgeable about workers compensation insurance, rules, and classifications and must be familiar with the business environment and business community in New Mexico</u></li> <li>• <u>Must not be an employee, of an insurance carrier, insurance broker, law firm, actuary, or any association of any such entities; neither must any such member be under contract to any such entity</u></li> <li>• <u>Must not be affiliated with the same business organization, affiliated group, business league, or labor organization</u></li> </ul>	
<p><b>NV</b></p>	<ul style="list-style-type: none"> <li>• <u>7 voting members include:</u> <ul style="list-style-type: none"> <li>• <u>2 representatives of the general public</u> <ul style="list-style-type: none"> <li>• <u>1 employed by, or the proprietor of, a business which is a member of a local chamber of commerce, or another organization representing the general business interests of a group of business located in Nevada</u></li> </ul> </li> <li>• <u>Neither representative may be an independent contractor to, or an employee or representative of, an insurance carrier, insurance broker, insurance agent or insurance solicitor, a law firm, actuary or a representative of a trade association that represents or supports the interests specific to the trade of any such persons</u></li> </ul> </li> <li>• <u>1 agent who is licensed in accordance with Nevada law and qualified in accordance with Nevada regulations to take an application for, procure or place on behalf of others, industrial insurance, and who is a member of</u></li> </ul>	<p>The Governor, in consultation with the Commissioner of the Division of Insurance:</p> <ul style="list-style-type: none"> <li>• <u>Appoints members</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question. <u>Refer to Nevada's Appendix G-3-c(1)(b) for more information.</u></p>

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EXHIBIT 2-RULE (CONT'D)  
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(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)  
(Cont'd)

Board Composition Table

State	Board Composition	Appointments and Vacancies
	<p><u>a nationally recognized association of insurance agents</u></p> <ul style="list-style-type: none"> <li>• <u>2 private carrier members</u></li> <li>• <u>1 member from the Division of Insurance, Department of Business and Industry</u></li> <li>• <u>1 voting member from NCCI; as the Administrator, NCCI will always abstain from voting</u></li> </ul>	
OR	<ul style="list-style-type: none"> <li>• <u>7 voting members include:</u> <ul style="list-style-type: none"> <li>• <u>1 member who is insured under an Oregon workers compensation and employers liability insurance policy.</u></li> <li>• <u>1 public body member as defined by ORS 192.410(1).</u></li> <li>• <u>5 carriers, including 1 from the State Accident Insurance Fund Corporation. No two carriers that share common ownership or management so as to meet the definition of a controlled group under Sections 851(c)(3) or 1563(a) of the Internal Revenue Code must serve together on the Board.</u></li> </ul> </li> <li>• <u>1 nonvoting member who is the Director of the Insurance Division or the Director's designee</u></li> </ul>	<p><u>The Director of the Insurance Division:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members and the nonvoting representative</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>Each member appointed by the Director must furnish to the Director, and to the Administrator, the contact information of the individuals selected to serve as alternates.</u></p>
SC	<p><u>5 voting members including 1 member from the Department of Insurance</u></p>	<p><u>The Director of the Department of Insurance:</u></p> <ul style="list-style-type: none"> <li>• <u>Appoints voting members</u></li> <li>• <u>Fills Board vacancies</u></li> </ul> <p><u>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status.</u></p>



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(Cont'd)

Board Composition Table

State	Board Composition	Appointments and Vacancies
		The Chair must approve the alternate before the meeting in question.
TX	<ul style="list-style-type: none"> <li>• 5 voting members</li> <li>• 1 nonvoting member from the Department of Insurance</li> </ul>	<p>The Commissioner of the Department of Insurance:</p> <ul style="list-style-type: none"> <li>• Appoints voting members and the nonvoting member</li> <li>• Fills Board vacancies</li> </ul> <p>A Board member who is unable to participate in a Board meeting or in other Board business must promptly notify the Chair and select an alternate Board member of the same status. The Chair must approve the alternate before the meeting in question.</p>

**b. Board Meetings**

- (1) The Board will hear a bona fide dispute unless:
  - (a) A continuance is granted to either party to the dispute. For additional information on the request for a continuance, refer to Appendix G-7.
  - (b) The Administrator or the Board determines that some action is required by NCCI, the policyholder, or the carrier, in which case the matter may be rescheduled.
  - (c) The Administrator has determined, in accordance with Appendix G-3-d(1)(j), that the dispute is ineligible to be heard and has issued a decision notice to the policyholder denying the request without scheduling a meeting on the matter.
- (2) The Board meeting consists of two phases: a discussion phase when presentations are given by the parties to the dispute and a deliberation phase during which voting Board members deliberate among themselves and vote on the dispute. Parties to the dispute are the policyholder, carrier, and their representatives.
- (3) The Board meeting is limited to Board members, the parties to the dispute, witnesses, regulators, and the Administrator. Refer to Appendix G-3-a for each state's Board composition.
- (4) The Board meeting is not audio or video recorded in any manner by the Administrator, the parties to the dispute, or any person, witness, or observer. The official record of the Board's decision is the decision notice issued on behalf of the Board by the Administrator following each meeting. Refer to Appendix G-8-d for more information on the decision notice. Any minutes of other Board business are prepared and separately maintained by the Administrator.
- (5) **Term Limits**
  - (a) The term of each Board begins on October 1 and expires on September 30 (Board Term)
  - (b) Board member terms may begin at any time during the Board Term

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(c) The following table lists the term limits of the Board members by state:

**Board Member Term Limits Table**

<u>State</u>	<u>Term Limits</u>
<u>AK, AL, DC, HI, IA, ID, KS, KY, LA, MD, ME, MS, MT, NE, OK, RI, SD, TN, UT, VA, VT, WV</u>	Candidates are initially on the list for three years. At the discretion of the Administrator, qualified candidates may be selected to remain on the list for one or more consecutive three year periods.
<u>AR, IL, SC, TX</u>	Board members serve an indefinite term or for a time frame determined by the appropriate regulatory authority.
<u>AZ</u>	Board members serve three-year terms but must not serve more than two consecutive terms.
<u>CO</u>	Voting Board members serve one three-year term and may serve a second consecutive three-year term. The nonvoting member is appointed without limitation.
<u>CT, MO</u>	Board members serve three-year terms.
<u>FL</u>	Board members serve three-year terms or for an extended period of time as approved by the Commissioner of the Office of Insurance Regulation.
<u>GA</u>	Board members have no term limits and are selected by the Director of the Office of Insurance and Safety Fire Commissioner for each Board meeting.
<u>NH</u>	Board members serve two-year terms or for a time frame determined by the Insurance Department.
<u>NM</u>	<ul style="list-style-type: none"> <li>• Voting Board members serve staggered three-year terms so that the terms of no more than two voting members expire concurrently.</li> <li>• No voting member is permitted to serve more than two consecutive three-year terms.</li> <li>• The nonvoting carrier advisor and regulatory participant serve three-year terms, with no limitation on serving successive terms.</li> </ul>
<u>NV</u>	Voting Board members serve two-year terms.
<u>OR</u>	Carrier Board members serve staggered three-year terms. The insured and public body members serve one-year terms.

(6) **Meeting Schedule**

The following table lists the Board meeting schedule by state:

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Meeting Schedule Table

State	Meeting Schedule
AK, AL, DC, HI, IA, ID, KS, KY, LA, MD, ME, MS, MT, NE, OK, RI, SD, TN, UT, VA, VT, WV	Board members meet on an as-needed basis to hear policyholder disputes. All voting Board members must be present for Board meetings to be held.
AR, AZ, CO, CT, FL, GA, IL, MO, NH, NM, NV, OR, SC, TX	Board members meet on an as-needed basis to hear policyholder disputes. A quorum consisting of a simple majority of all Board members must be present for Board meetings to be held.

c. Board Duties

- (1) It is the duty of every Board member to:
  - (a) Review all Board materials and agendas thoroughly before each Board meeting.
  - (b) Determine, as soon as possible, whether they have a personal and/or financial conflict of interest with any dispute being brought before the Board. If so, that member will excuse themselves from participating in that matter by notifying the Administrator or the Chair, whichever applies.  
An insurance carrier or self-insurance fund Board member is deemed to have a conflict of interest if it is one of the parties to the dispute.  
**Note:** A conflict of interest may be waived if, after full disclosure of the facts raising such a conflict, all parties to the dispute agree to such a waiver.
  - (c) Refrain from discussing any matter pending before the Board except at a Board meeting.
  - (d) Participate fully in all disputes heard by the Board and vote, if authorized to vote on a given dispute.
- (2) It is the duty of the Board to perform the duties shown in the following Board Duties Table:

Board Duties Table

State	Duties
AK, AL, DC, HI, IA, ID, KS, KY, LA, MD, ME, MS, MT, NE, OK, RI, SD, TN, UT, VA, VT, WV	At the beginning of each Board meeting, a Chair is elected by the Board members for purposes of that meeting.  The Chair maintains order during all phases of the Board meeting and votes for the purpose of breaking a tie vote.

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Board Duties Table (Cont'd)

<p><u>AR, AZ, CO, CT, FL, NH, NM, NV</u></p>	<p>At the beginning of the first Board meeting of the Board Term, the Board members elect a Chair and a Vice Chair, if applicable, for the remainder of the Board Term.</p> <p>The Chair:</p> <ul style="list-style-type: none"> <li>• <u>Maintains order during all phases of the Board meeting</u></li> <li>• <u>Votes for the purpose of breaking a tie vote</u></li> <li>• <u>Promptly provides a written report to the appropriate regulatory authority of any chronic absence or inappropriate behavior by any Board member</u></li> </ul> <p>The Vice Chair will assist the Chair with any duties and substitute for the Chair when the Chair cannot attend a meeting or has a conflict of interest.</p>
<p><u>GA</u></p>	<p>The Director of the Office of Insurance and Safety Fire Commissioner serves as the Chair. The Chair maintains order during all phases of the Board meeting and votes for the purpose of breaking a tie vote.</p>
<p><u>IL</u></p>	<p>At the beginning of the first Board meeting of the Board Term, the Board members elect a Chair and a Vice Chair for the remainder of the Board Term.</p> <p>The Chair:</p> <ul style="list-style-type: none"> <li>• <u>Maintains order during all phases of the Board meeting</u></li> <li>• <u>Promptly provides a written report to the appropriate regulatory authority of any chronic absence or inappropriate behavior by any Board member</u></li> </ul> <p>The Vice Chair will assist the Chair with any duties and substitute for the Chair when the Chair cannot attend a meeting or has a conflict of interest.</p> <p>The Department of Insurance nonvoting representative votes for the purpose of breaking a tie vote.</p>
<p><u>MO</u></p>	<p>An employer representative serves as the Chair. The Chair:</p> <ul style="list-style-type: none"> <li>• <u>Maintains order during all phases of the Board meeting</u></li> <li>• <u>Votes for the purpose of breaking a tie vote</u></li> <li>• <u>Promptly provides a written report to the Department of Insurance of any chronic absence or inappropriate behavior by any Board member</u></li> </ul>

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Board Duties Table (Cont'd)

<p><u>OR</u></p>	<p>The Director or Director's designee serves as the Chair. The Chair:</p> <ul style="list-style-type: none"> <li>• Maintains order during all phases of the Board meeting</li> <li>• Votes for the purpose of breaking a tie vote</li> <li>• Promptly provides a written report to the Oregon Insurance Division of any chronic absence or inappropriate behavior by any Board member</li> </ul> <p>At the beginning of the first Board meeting of the Board Term, the Board members elect a First and a Second Vice Chair for the Board Term. One of the Vice Chairs must be from the State Accident Insurance Fund Corporation. The Vice Chair will assist the Chair with any duties and substitute for the Chair when the Chair cannot attend a meeting or has a conflict.</p> <p>The Chair and Vice Chair promptly review all Board minutes and the decision, and within five calendar days of receiving them from the Administrator:</p> <ul style="list-style-type: none"> <li>• Responds to the Administrator with written approval of the Board minutes and decision</li> <li>• Directs any additions, changes, or objections to the content of the Board minutes and decision</li> </ul> <p>Failure of the Chair or Vice Chair to respond to the Administrator within this time frame is deemed as approval of the minutes and decision by the Board.</p>
<p><u>SC</u></p>	<p>The Department of Insurance member serves as the Chair. The Chair maintains order during all phases of the Board meeting and votes for the purpose of breaking a tie vote.</p> <p>At the beginning of the first Board meeting of the Board Term, the Board members elect a Vice Chair for the remainder of the Board Term. The Vice Chair will assist the Chair with any duties and substitute for the Chair when the Chair cannot attend a meeting or has a conflict.</p>
<p><u>TX</u></p>	<p>The Department of Insurance nonvoting member serves as the Chair. The Chair maintains order during all phases of the Board meeting and votes for the purpose of breaking a tie vote.</p>

(3) Failure to comply with all of the duties in Appendix G is cause for removal from the Board.

d. NCCI as Administrator to the Board

(1) NCCI, as Administrator to the Board:

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**EXHIBIT 2-RULE (CONT'D)  
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- (a) Serves as a nonvoting technical advisor regarding NCCI's Manual Rules.
- (b) Sends an acknowledgement letter to the policyholder and the carrier within 20 calendar days of receiving a request from the policyholder for dispute resolution services. The letter provides notification of the name of, and contact information for, NCCI's staff member assigned to the dispute.
- (c) Reviews requests for dispute resolution services and requests information from all parties.
- (d) Determines, based on its technical knowledge, whether the policyholder has established a bona fide dispute regarding the application of NCCI Manual Rules. A bona fide dispute exists when the policyholder has submitted a written request to the Administrator that includes:
  - 1) A request for dispute resolution services
  - 2) An estimate of the premium in dispute, verification of payment of all undisputed premium provided to the carrier, and a written explanation of the premium calculation in accordance with Appendix G-1-c(1)
  - 3) All documentation relevant to the dispute
  - 4) A description of the attempts to resolve the dispute with the carrier
- (e) Schedules disputes for a meeting before the Board only after all requested information has been provided by all parties and after the policyholder has established a bona fide dispute.
- (f) Schedules each Board meeting and sends meeting confirmation, no less than 10 business days before the meeting, to all Board members and parties to the dispute appearing before the Board.
- (g) Prepares and distributes, before each Board meeting, agenda materials to all Board members and parties to the dispute.
- (h) Establishes the parameters for each dispute to be heard by the Board including, but not limited to, the issues to be decided by the Board, any time limits for presentations by each party, and any limits on the documents to be presented by the parties to the Board.
- (i) Prepares and distributes Board decision notices to the appropriate regulatory authority and the parties to the dispute; and prepares and maintains the minutes of any other Board business.
- (j) Issues a decision denying a policyholder's request, in whole or in part, for dispute resolution services, without scheduling a meeting before the Board, when one or more of the following is determined by the Administrator:
  - 1) The policyholder has not established a bona fide dispute within a reasonable time frame, but never more than six months from the original date of the policyholder's request.

**Exception:** If the Administrator determines that the policyholder is unable to establish a bona fide dispute because of the carrier's failure to provide all of the requested information by the deadline, but the policyholder has provided all requested information that is available to it by that deadline, then the policyholder is deemed to have established a bona fide dispute and a meeting before the Board will be scheduled. The only information considered by the Board will be the information provided by the policyholder or the Administrator. Any information provided by the carrier will not be considered by the Board.

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- 2) The policyholder has failed to provide all requested information after the Administrator's third request.
- 3) Issues are raised in the dispute related to matters outside the scope of the Process, including but not limited to:
  - a) Rating values, premium elements, and/or rules that a carrier was required to independently file with the appropriate regulatory authority, including, but not limited to, large deductible policies
  - b) Rating values and/or premium elements negotiated by the carrier and the policyholder
  - c) Topics not addressed by NCCI Manual Rules
- 4) The policyholder's request for dispute resolution services was submitted after three years of the policy expiration date of the Policy in dispute.

**Note:** In the event the Administrator partially denies a request for dispute resolution services, the Administrator will schedule a Board meeting only for the issues within the scope of this Process. Any request for dispute resolution services that is denied for one or more of the above reasons will not be reopened by the Administrator. Refer to Appendix G-9-a for more information on appealing the Administrator's decision.

- (2) NCCI, in its role as Administrator, is deemed not to have a conflict of interest regarding any dispute, based solely on the fact that NCCI is affiliated with, and/or provides services to, a party or one of its representatives involved in the dispute.
- (3) Any administrative functions, including but not limited to, organizing the agenda of each meeting, arranging facilities, and receiving the request for dispute resolution services delegated by the Chair or regulatory authority are assumed by the Administrator.

**4. Appearances Before the Board**

- a. Formal administrative procedures and rules are not applicable during the Board meetings. Legal representation for either the policyholder or the carrier is not required. The policyholder or the carrier may, at its own expense, be represented by legal counsel, or the policyholder may be represented by the policyholder's agent. In all cases, the policyholder bringing the dispute must participate in the meeting.
- b. Either the policyholder or the carrier may have witnesses participate in the meeting.
- c. Unless a continuance is granted, failure by a party to appear before the Board as scheduled may result in the Board making a decision based solely on the information that was provided by that party and distributed by the Administrator before the Board meeting. Any other parties present will be permitted to proceed as stated in these rules.
- d. On request, Board members are reimbursed by the Administrator for reasonable expenses connected with Board functions, such as travel expenses, food, nonalcoholic beverages, and lodging. Members do not receive any other compensation for participation on the Board.
- e. Each party to the dispute will be responsible for its own costs associated with participation in the Process.
- f. The following table lists the appearance requirements by state:

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Appearances Before the Board Table

State	Method of Appearance	Other
<p><u>AK, AL, DC, HI, IA, ID, KS, KY, LA, MD, ME, MS, MT, NE, OK, RI, SD, TN, UT, VA, VT, WV</u></p>	<p>The Board and all other parties participate by teleconference unless the policyholder requests an in-person meeting.</p> <p>If the policyholder chooses to participate in person, the Board members participate in person, and the carrier may choose to appear in person, by teleconference, or other means of an electronic conference, at their discretion.</p>	<p>The Administrator notifies all parties, in writing, of the meeting date and time. All parties are provided with a:</p> <ul style="list-style-type: none"> <li>• Telephone number for teleconference participation, and/or</li> <li>• Location for in-person participation</li> </ul>
<p><u>AR, AZ, CT, FL, GA, IL, MO, NH, SC, TX</u></p>	<p>The Board participates in person. All other parties participate by teleconference, in person, or other means of an electronic conference, at their discretion.</p> <p>If the policyholder chooses to participate in person, the carrier may choose to appear in person, by teleconference, or other means of an electronic conference, at their discretion.</p>	<p>The Board, in making its decisions, considers agenda materials prepared by the Administrator before the Board meeting and any verbal statements and/or documentation presented at the time of the meeting.</p>
<p><u>CO, NM, NV, OR</u></p>	<p>The Board participates by teleconference or in person. All other parties participate by teleconference, in person, or other means of an electronic conference, at their discretion.</p> <p>If the policyholder chooses to participate in person, the Board and the carrier may choose to appear in person, by teleconference, or other means of an electronic conference, at their discretion.</p>	

5. Where to Send Documents

a. Initial requests for dispute resolution services must be sent to NCCI at one of the following:

**Mail:**  
NCCI  
Dispute Resolution Services



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901 Peninsula Corporate Circle  
Boca Raton, FL 33487-1362

**Email:** regulatoryassurance@ncci.com

**Fax:** 561-893-5043

- b. The dispute resolution request sent to NCCI must also be sent simultaneously to all other parties to the dispute.

**6. Disputes Involving Interstate Policies**

When the resolution of the issue in dispute affects the policyholder's premium in more than one state, the Board's decision applies only to business operations located in the state of the dispute.

**7. Continuances**

- a. Except in an emergency, requests for continuances must be received by the Administrator at least three business days before the date that the meeting is scheduled to be held.
- b. The Administrator may grant a request that was submitted in a timely manner by either the policyholder or the carrier for a continuance of a meeting; only one continuance per party is allowed.

**8. Board Decision**

- a. A quorum consisting of a simple majority of Board members eligible to vote must be present for a vote to be taken.
- b. The Board's decision is made by simple majority vote of those voting Board members present at the meeting and do not abstain from voting. The votes of the individual Board members are not recorded or noted in the Board's decision notice or otherwise disclosed in any manner, by the Administrator, to any person or entity.
- c. The Administrator distributes the decision notice to all parties to the dispute and the appropriate regulatory authority within 30 calendar days after the Board meeting, and to no other person or entity unless required to do so by these rules, state law, or the appropriate regulatory authority.
- d. The Board's decision notice is a summary of the dispute resolution proceedings. It includes:
- A list of the issues in dispute
  - A statement of the applicable NCCI Manual Rules
  - A summary of the policyholder's and carrier's positions on the issues in dispute
  - A brief discussion of the Board's analysis
  - The Board's decision

**9. Appeal of Board or Administrator Decision**

- a. The decision notice provides information about how to appeal the Board's decision or how to appeal the Administrator's decision to deny a request for dispute resolution services. If a decision is not appealed within 30 calendar days after the date of the decision notice, then the decision notice becomes final and the parties will have waived their right to further review by the appropriate regulatory authority. The carrier and policyholder abide by the Administrator's decision or implement

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the Board's decision, whichever is applicable, subject to any state laws, regulations, or rules governing any option to appeal.

b. The following table lists the option to appeal by state:

**Appeal of Board or Administrator Decision Table**

<u>State</u>	<u>Option to Appeal</u>
<u>AK, AL, AR, AZ, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, OK, RI, SC, SD, TN, TX, UT, VA, VT, WV</u>	<u>A policyholder may appeal the Board's decision or the Administrator's decision to the appropriate regulatory authority unless otherwise prohibited by state law.</u>
<u>CO, NM, NV, OR</u>	<u>Any party to the dispute may appeal the Board's decision or the Administrator's decision to the appropriate regulatory authority.</u>

ITEM B-1432—ESTABLISHMENT OF BASIC MANUAL APPENDIX G—DISPUTE RESOLUTION PROCESS

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EXHIBIT 4-RULE  
BASIC MANUAL—2001 EDITION  
MISSOURI RULE EXCEPTIONS  
APPENDIX G

**DISPUTE RESOLUTION PROCESS**

**1. Summary of Dispute Resolution Process**

Add the following to Appendix G-1-b:

For purposes of this Process, the Workers' Compensation Determinations Review Board is the Board.

Add the following to Appendix G-1-d:

Unless a carrier or residual market administrator other than the Administrator under this Process (NCCI) independently files a dispute resolution process approved by the Missouri Department of Insurance, the rules of this Process apply to disputes involving policies written in the residual market to the extent that the residual market does not have its own rules.

**3. Board Operations**

**b. Board Meetings**

Change Appendix G-3-b(3) as follows:

- (3) The Board meeting is subject to, and the Board will abide by, Missouri's Open Meeting Act, RSMO 610.010 through 610.030. Board meetings are open to the public but the public is not permitted to participate in the Board meeting. Refer to Appendix G-3-a for Missouri's Board composition.

Change Appendix G-3-b(4) as follows:

- (4) The Board meeting may be recorded by any person in attendance as long as there is minimal disruption to the meeting. The Administrator must take and retain meeting minutes. The minutes must include, but not be limited to:
- The date, time, and place of the meeting
  - The Board members recorded as either present or absent
  - A record of any votes taken

The official record of the Board's decision is the decision notice issued on behalf of the Board by the Administrator following each meeting. Refer to Appendix G-8-d for more information about the decision notice. Any minutes of other Board business are prepared and separately maintained by the Administrator.

State: Missouri Filing Company: NCCI  
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC  
Product Name: B-1432 Establishment of Basic Manual Appendix G - Dispute Resolution Process  
Project Name/Number: /

## Supporting Document Schedules

Satisfied - Item:	Filing Memorandum
Comments:	
Attachment(s):	B-1432 Filing Memorandum.pdf
Item Status:	APPROVED
Status Date:	07/07/2016

## FILING MEMORANDUM

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#### PURPOSE

This item:

- Establishes a national rule and eliminates the state-specific miscellaneous rules for NCCI's Dispute Resolution Process in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*
- Replaces NCCI's Internal Review Panel or other process for reviewing disputes in certain states with a candidate board member list process where qualified candidates are selected as needed
- Replaces designated board members in states that have very low to nonexistent frequency of appeals with a candidate board member list process
- Revises NCCI's role in certain states from a voting member to a nonvoting technical advisor on Workers Compensation Appeals Boards

#### BACKGROUND

In most states, NCCI is required by state statutes and/or regulations to provide a dispute resolution mechanism that enables policyholders to obtain a review of how NCCI manual rule(s) are applied to NCCI's Workers Compensation and Employers Liability Insurance Policy. In the majority of states, those manual rules are defined as rules in NCCI's manuals, that pertain to the application of the workers compensation rating system, including but not limited to, classifications and experience rating modifications. The Dispute Resolution Process (Process) for most states is currently located in the state-specific miscellaneous rules in NCCI's *Basic Manual*.

The current Process varies by state. Some states appoint a Workers Compensations Appeals Board (Board) or a Committee to hear disputes, while other states require disputes to be heard by an Internal Review Panel (Panel). A Board or Committee is appointed by a state's Department of Insurance. NCCI facilitates the Board or Committee meetings and may be asked to provide technical advice on how NCCI manual rules are applied regarding the issue in dispute. In certain states, NCCI is a voting member. A Panel is composed of NCCI employees who have particular knowledge in the subject matter of the dispute. Regardless of the type of Process, NCCI, in most states, provides the written decision of disputes heard by a Board, Panel, or Committee to the policyholder and carrier involved in the dispute.

While the Process varies by state, there are many rules that are similar in all states. As a result, NCCI has determined that:

- A national rule must be established to replace the state-specific miscellaneous rules in NCCI's *Basic Manual*. This allows for a single, comprehensive source of information about the Process in NCCI's *Basic Manual*. Where possible, the national rule incorporates the state-specific requirements in a table format.
- The Panel Process must be replaced with a process that enables qualified external parties to review disputes. In states using the candidate board member list process, NCCI, as Administrator to the Board, will submit a list of qualified candidates for each voting member position annually to the appropriate regulatory authority for informational purposes. Qualified candidates on this list represent different groups of stakeholders, are connected to the state, and are selected by the Administrator, as Board meetings are scheduled.

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- NCCI must remove itself as a voting member of a Board or Panel in all applicable states.

#### PROPOSAL

This item proposes to:

1. Update the Introduction—Application of Manual Rules in NCCI's *Basic Manual*
2. Establish national Appendix G—Dispute Resolution Process in NCCI's *Basic Manual*
3. Eliminate the Dispute Resolution Process state-specific miscellaneous rules in NCCI's *Basic Manual*
4. Replace the Panel dispute mechanism with a candidate board member list process in Alabama, District of Columbia, Kansas, Kentucky, Maryland, Maine, Mississippi, Nebraska, Oklahoma, Tennessee, Utah, Virginia, and West Virginia, as detailed in Appendix G
5. Replace the existing 5-8 voting member Board in Idaho, Iowa, Rhode Island, and South Dakota with a 3 voting member Board selected on a dispute basis from a candidate board member list, as detailed in Appendix G
6. Remove NCCI as a voting Board member in Georgia, Nevada, and Vermont

#### Alaska, Hawaii, Louisiana, and Vermont Specific

This item:

1. Replaces any current appeals mechanism that may exist in these states
2. Proposes the NCCI's appeals mechanism be adopted and published in NCCI's *Basic Manual* Appendix G

#### Arizona, Colorado, Georgia, Missouri, Nevada, New Mexico, and Oregon Specific

This item establishes *Basic Manual* Appendix G that incorporates the current appeals mechanism in these states. These procedures have not previously been published in any NCCI manuals for these states.

#### Montana Specific

This item proposes the NCCI's appeals mechanism be adopted and published in NCCI's *Basic Manual* Appendix G.

#### IMPACT

There will be no statewide premium impact as a result of the changes proposed in this item.

#### EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

In all states except Hawaii, this item will become effective for disputes that are pending with and/or received by NCCI on and after 12:01 a.m. on July 1, 2017.

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In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.

The following exhibits impact NCCI's *Basic Manual*:

Exhibit	Exhibit Comments
1-Rule	Details the revision to Introduction—Application of Manual Rules
2-Rule	Details the establishment of national Appendix G—Dispute Resolution Process
3-Rule	Details the elimination of Dispute Resolution Process state-specific miscellaneous rules in AK, AL, AR, CT, DC, FL, IA, ID, IL, KS, KY, MD, ME, MS, NE, NH, OK, RI, SC, SD, TN, TX, UT, VA, and WV
4-Rule	Details the establishment of exceptions to Appendix G in AK, AL, AR, AZ, CO, FL, KY, MO, MS, MT, NE, NH, NM, NV, OR, and TN
5-Rule	<ul style="list-style-type: none"><li>• Details the revision to Alaska's exception to Rule 4-A-10</li><li>• Details the establishment of South Dakota's exception to Rule 4-A-10-b</li></ul>
6-Rule	Details the revision to NCCI's <i>New Mexico Workers' Compensation Assigned Risk Pool Manual</i> Rule 9-D-1-b
7-Form	Details the revision to the Texas Amendatory Endorsement (WC 42 03 01 H) in NCCI's <i>Forms Manual of Workers Compensation and Employers Liability Insurance</i>

**Note:** Rule and form filings must be filed separately in Texas. For filing purposes, this memorandum is being provided for both the rule and form exhibits in Texas. The rule exhibits are filed with the Texas Department of Insurance as Item B-1432-R. The form exhibit is filed with the regulatory authority as Item B-1432-F.

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