

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Filing at a Glance

Company: NCCI
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
State: Missouri
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Form/Rule
Date Submitted: 12/16/2016
SERFF Tr Num: NCCI-130838256
SERFF Status: Closed-APPROVED
State Tr Num: 16
State Status: APPROVED
Co Tr Num: P-1413

Effective Date: 05/01/2017
Requested (New):
Effective Date: 05/01/2017
Requested (Renewal):
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Robert Dalton, Michelle Baker, Miguel Joubert
Reviewer(s): Patrick Lennon (primary)
Disposition Date: 02/01/2017
Disposition Status: APPROVED
Effective Date (New): 05/01/2017
Effective Date (Renewal): 05/01/2017

State Filing Description:

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
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: 02/01/2017
 State Status Changed: 02/01/2017 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 the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual).

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: Form/Rule filing
 Per Company: Yes

| Company | Amount | Date Processed | Transaction # |
|---------|---------|----------------|---------------|
| NCCI | \$50.00 | 12/16/2016 | 117891092 |

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

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

and has provided a significant administrative cost savings for the industry.: Yes

State: Missouri Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|----------------|------------|----------------|
| APPROVED | Patrick Lennon | 02/01/2017 | 02/01/2017 |

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Disposition

Disposition Date: 02/01/2017
 Effective Date (New): 05/01/2017
 Effective Date (Renewal): 05/01/2017
 Status: APPROVED

Comment:

Rate data does NOT apply to filing.

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---------------------|--|----------------------|---------------|
| Supporting Document | Filing Memorandum | APPROVED | Yes |
| Supporting Document | Form Exhibit | APPROVED | Yes |
| Form | Experience Rating Modification Factor Revision Endorsement | APPROVED | Yes |
| Rate | Exhibit 7 | APPROVED | Yes |

State: Missouri
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Filing Company: NCCI

Form Schedule

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|------------------------|--|----------------|--------------|-----------|-------------|----------------------|-------------------|-----------------------------------|
| 1 | APPROVED 02/01/2017 | Experience Rating Modification Factor Revision Endorsement | WC 00 04 25 | 5/2017 | DSC | New | | 0.000 | P-1413 National Clean Page.pdf |

Form Type Legend:

| | | | |
|------------|--|------------|----------------------------------|
| ABE | Application/Binder/Enrollment | ADV | Advertising |
| BND | Bond | CER | Certificate |
| CNR | Canc/NonRen Notice | DEC | Declarations/Schedule |
| DSC | Disclosure/Notice | END | Endorsement/Amendment/Conditions |
| ERS | Election/Rejection/Supplemental Applications | OTH | Other |

Effective May 1, 2017

EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

This endorsement is added to Part Five—Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

SERFF Tracking #:

NCCI-130838256

State Tracking #:

16

Company Tracking #:

P-1413

State: Missouri **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Rate/Rule Schedule

| Item No. | Schedule Item Status | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Attachments |
|----------|------------------------|--------------|------------------|-------------|------------------------------|-------------------------|
| 1 | APPROVED 02/01/2017 | Exhibit 7 | Rule 4 | Replacement | E-1379 | P-1413 MO Exhibit 7.pdf |

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

**EXHIBIT 7—RULE
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
MISSOURI RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS**

E. CHANGES IN EXPERIENCE RATING MODIFICATIONS

Change the Changes in Experience Rating Modifications Table of Rule 4-E as follows:

This rule applies only to portions of an insurance policy that provides coverage for risks principally localized in Missouri.

Changes in Experience Rating Modifications Table

| If the change results in . . . | And the change occurs . . . | Then the change is applied . . . |
|--|---|---|
| A decrease in the experience rating modification for any reason other than a correction in classification in accordance with Rule 4-B-3 | <ul style="list-style-type: none"> • At any time during the policy period, or • After expiration of the policy but within the revision period according to Rule 4-B | <ul style="list-style-type: none"> • Retroactively to the inception of the policy, or • As of the rating effective date, if later than the policy effective date |
| An increase in the experience rating modification due to: <ul style="list-style-type: none"> • Revision of payroll • Revision of losses • Change in status from preliminary to final modification • Change in status of contingent modification • Any additional reasons other than exclusions listed below | After the policy effective date | <ul style="list-style-type: none"> • 60 days after the date the carrier provides written notification of the increase to the risk if the policy was issued with the Experience Rating Modification Factor Endorsement and/or the <u>Experience Rating Modification Factor Revision Endorsement</u> • To the next policy renewal, or rating effective date if later than the policy effective date, if the policy was not issued with the Experience Rating Modification Factor Endorsement and/or the <u>Experience Rating Modification Factor Revision Endorsement</u> |
| Exclusions: An increase in the experience rating modification due to: <ul style="list-style-type: none"> • Changes in ownership or combinability status • Retroactive reclassification of a risk • The termination of an employee leasing arrangement under a master policy approach • Late issuance of an experience rating modification due to a risk that has failed to cooperate with audits or other actions attributable to the risk or agents of the risk, including but not limited to modification avoidance | <ul style="list-style-type: none"> • At any time during the policy period, or • After expiration of policy | <ul style="list-style-type: none"> • Retroactively to the inception of the policy, or • As of the rating effective date, if later than the policy effective date <p>Note: Increases in experience rating modifications due to a change in ownership or combinability status are applied retroactively to the date of change according to Rule 3-E-3</p> |

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 7—RULE (CONT'D)
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
MISSOURI RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS
Changes in Experience Rating Modifications Table (Cont'd)**

| If the change results in . . . | And the change occurs . . . | Then the change is applied . . . |
|--|-----------------------------|----------------------------------|
| <ul style="list-style-type: none">Determinations Review Board or other appropriate administrative process or judicial decision | | |

State: Missouri Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: P-1413 Establishment of Experience Rating Modification Factor Revision Endorsement
Project Name/Number: /

Supporting Document Schedules

| | |
|--------------------------|------------------------------|
| Satisfied - Item: | Filing Memorandum |
| Comments: | |
| Attachment(s): | P-1413 Filing Memorandum.pdf |
| Item Status: | APPROVED |
| Status Date: | 02/01/2017 |

| | |
|--------------------------|----------------------|
| Satisfied - Item: | Form Exhibit |
| Comments: | |
| Attachment(s): | P-1413 Exhibit 1.pdf |
| Item Status: | APPROVED |
| Status Date: | 02/01/2017 |

FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

PURPOSE

This item establishes the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.

BACKGROUND

NCCI's Workers Compensation and Employers Liability Insurance Policy Part Five, Section A—Our Manuals states:

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

Further, NCCI's *Experience Rating Plan Manual* Rule 1-D-5 states, "The calculated experience rating modification factor is applied by the carrier(s) in accordance with this Plan, other applicable rules, statutes, and regulations."

Experience rating modification factors may change during a policy period for a variety of reasons, including but not limited to:

- Rating effective date change
- Revision of payroll and/or losses
- Change from preliminary to final modification status

Recently, Item B-1430—Elimination of Anniversary Rating Date (ARD) was approved nationally. As a result, the Anniversary Rating Date Endorsement (WC 00 04 02) will be eliminated effective May 1, 2017. The current endorsement language includes a provision that the experience rating modification factor, if any, may change on the anniversary rating date.

Because Form WC 00 04 02 is being eliminated, NCCI is introducing a new endorsement to advise employers that their experience rating modification factor may change during the policy term. The proposed language in Exhibit 1 is based on existing policy and manual language detailed above.

PROPOSAL

This item proposes to establish the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's *Forms Manual*.

Florida-Specific

NCCI's Florida Experience Rating Modification Factor Endorsement (WC 09 04 02) is used to inform employers that their experience rating modification factor is not available at the time of policy issuance. It also details how changes to the experience rating modification factor are applied to the policy.

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 P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

NCCI is proposing to establish the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08), similar to the proposed national endorsement but including the application information in Form WC 09 04 02. This new Florida endorsement will be consistent with the existing Florida Experience Rating Modification Factor Endorsement. Although Form WC 09 04 02 is related to the proposal, it is not impacted by the establishment of Form WC 09 04 08. However, NCCI is proposing to revise Form WC 09 04 02 to include appropriate references to rating effective date and additional application information to be consistent with the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.

Florida's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains a reference to the Experience Rating Modification Factor Endorsement. This state exception must be revised to also include a reference to the proposed Experience Rating Modification Factor Revision Endorsement.

This item proposes to:

1. Revise the Florida Experience Rating Modification Factor Endorsement (WC 09 04 02) for consistency with the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.
2. Establish the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08) in NCCI's *Forms Manual*.
3. Revise the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E to clarify that a decrease in the experience modification factor is applied retroactively to the rating effective date if the rating effective date is later than the policy effective date. Also, a reference will be included to the proposed Florida Experience Rating Modification Factor Revision Endorsement.

Missouri-Specific

Missouri's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains references to the Experience Rating Modification Factor Endorsement. This item proposes to revise the Missouri exception to Rule 4-E to include references to the proposed Experience Rating Modification Factor Revision Endorsement.

Nebraska-Specific

NCCI's Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) is used to inform employers that their experience rating modification factor is not available at the time of policy issuance. It also details how changes to the experience rating modification factor are applied to the policy.

NCCI is proposing to establish the Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03), similar to the proposed national endorsement but including the application information in Form WC 26 04 01 A. This new Nebraska endorsement will be consistent with the existing Nebraska Experience Rating Modification Endorsement. Although Form WC 26 04 01 A is related to the proposal, it is not impacted by the establishment of Form WC 26 04 03. However, NCCI is proposing to revise Form WC 26 04 01 A to include appropriate references to rating effective date and additional application information to be consistent with the Nebraska exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.

This item proposes the following in NCCI's *Forms 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.

FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

1. Revise the Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) for consistency with the Nebraska exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.
2. Establish the Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03).

Oregon-Specific

Oregon's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains references to the Experience Rating Modification Factor Endorsement. This item proposes to revise the Oregon exception to Rule 4-E to include references to the proposed Experience Rating Modification Factor Revision Endorsement.

IMPACT

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

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

| Exhibit | Exhibit Comments | Implementation Summary |
|---------|--|--|
| 1-Form | <ul style="list-style-type: none"> • Displays the establishment of the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's <i>Forms Manual</i> • Applies in all states except FL and NE | To become effective for new and renewal policies effective on and after 12:01 a.m. on May 1, 2017. |
| 2-Form | Displays the revision to the Florida Experience Rating Modification Factor Endorsement (WC 09 04 02 A) in NCCI's <i>Forms Manual</i> . | |
| 3-Form | Displays the establishment of the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08) in NCCI's <i>Forms Manual</i> . | |
| 4-Form | Displays the revision to the Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) in NCCI's <i>Forms Manual</i> . | |
| 5-Form | Displays the establishment of Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03) in NCCI's <i>Forms Manual</i> . | |

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 P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
 REVISION ENDORSEMENT

| Exhibit | Exhibit Comments | Implementation Summary |
|---------|--|--|
| 6-Rule | Displays the revision to Florida's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> . | To become effective for experience rating modification factors with rating effective dates on and after May 1, 2017. |
| 7-Rule | Displays the revision to Missouri's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> . | |
| 8-Rule | Displays the revision to Oregon's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> . | |

Note: Due to the approval of Item B-1430—Elimination of Anniversary Rating Date (ARD), effective May 1, 2017, Exhibits 4–Form, 6–Rule, 7–Rule, and 8–Rule show the changes as a result of Item B-1430 and Item P-1413.

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.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

EXHIBIT 1—FORM

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 00 04 25)
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT,
NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 00 04 25)

This endorsement is added to Part Five—Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.