



Countrywide—Approval of Item B-1427—Revisions to Basic Manual Classifications and Appendix E—Classifications by Hazard Group in Eight States

ACTION NEEDED

This circular announces the approval of Item B-1427—Revisions to Basic Manual Classifications and Appendix E—Classifications by Hazard Group in Alabama, Arizona, Connecticut, Kansas, Mississippi, Oklahoma, South Dakota, and West Virginia.

BACKGROUND

Circular CIF-2013-52, dated December 24, 2013, announced the filing of Item B-1427. As of **January 6, 2014**, the following states had approved this item as filed:

State	Effective Date	State	Effective Date
Alabama	March 1, 2015	Maine	April 1, 2015
Arizona	January 1, 2015	Maryland	January 1, 2015
Arkansas	July 1, 2015	Mississippi	March 1, 2015
Connecticut	January 1, 2015	Nevada	March 1, 2015
Idaho	January 1, 2015	Oklahoma	January 1, 2015
Iowa	January 1, 2015	South Dakota	July 1, 2015
Kansas	January 1, 2015	Tennessee	March 1, 2015
Kentucky	October 1, 2014	West Virginia	November 1, 2014

A participating company may respond to an NCCI filing in any of the following ways:

Alabama Company Response

When a company that has given NCCI filing authorization receives an approval circular of a filing containing new or revised rules and other supplementary rating information, the company must decide whether to revise its rules and other supplementary rating information and when to make any revision effective.

Company Action Table

If	Then
Company decides to use the revisions and effective date as filed	Company does not file anything with the Insurance Department
Company decides to use the revisions as filed but with a different effective date	Company must notify the Insurance Department of its effective date before NCCI's approved effective date
Company decides not to use the revision	Company must notify the Insurance Department before NCCI's effective date

Company Action Table

If	Then
Company decides to use the revision with modification(s)	Company must file the modification with the Insurance Department for approval, specifying the basis for the modification and company's proposed effective date if different than the effective date filed by NCCI

Arizona Company Response

A participating company must decide whether to adhere to the filings made on its behalf by NCCI, or make a deviation filing.

Company Action Table

If	Then
Company decides to use NCCI's rules and other supplementary information	Company does not file anything
Company decides not to use rules and other supplementary information	Company must notify the Department specifying the basis for not adopting

Connecticut Company Response

Every company **must** adhere to the approved uniform classification plan, uniform experience plan, and manual rules in writing and reporting its business.

Note:

- All supporting rate information to be used in support of, or in conjunction with, a rate must be filed at the same time as the filing of the rates
- If an insurer wishes to adopt loss costs filed by a rating or advisory organization, with or without any modifications, it should **not** file supplementary or supporting information already included in the loss cost reference document filed by the rating or advisory organization

Kansas Company Response

When a company that has given NCCI filing authorization receives an approval circular of a filing containing new or revised rules, and other supplementary information, the company must decide whether to adhere to the filings made on its behalf by NCCI or to make a rate deviation filing.

Company Action Table

If	Then
Company decides to use NCCI's rates, rules, and other supplementary information	Company does not file anything; the company's rates, rules, and other supplementary information are those submitted by NCCI
Company decides not to use NCCI's rates	Company must file with the Commissioner for a deviation and send a copy of the filing simultaneously to NCCI

Mississippi Company Response

Upon approval of the filing, a participating company must decide whether to use NCCI's rules and supplementary information or to file independently.

Company Action Table

If	Then
Company decides to use the revisions and effective date as filed	Company does not file anything with the Insurance Department
Company decides to use the revisions as filed but with a different effective date	Company must notify the Insurance Department of its effective date before NCCI's approved effective date
Company decides not to use the revision	Company must notify the Insurance Department before NCCI's effective date
Company decides to use the revision with modification(s)	Company must file the modification with the Insurance Department for approval, specifying the basis for the modification and company's proposed effective date if different than the effective date filed by NCCI

Oklahoma Company Response

When a company that has given NCCI filing authorization receives an approval circular of a filing containing new or revised rules or supplementary information, the company must decide to adhere to the filing or deviate from the filing upon approval with the Commissioner. Company may decide to adopt the rule or supplementary information or deviate.

Company Action Table

If	Then
Company decides to adhere to the filing made by the advisory organization	Company will not need to file anything further with the Commissioner
Company decides to deviate from the filing made by the advisory organization	Company must file the deviation to be applied and the information necessary to justify the deviation with the advisory organization and with the Commissioner

Note: When rate deviations other than direct deviations are proposed, the filing memorandum must indicate the applicable NCCI filing and state, by manual name and page number, the percentage of deviation and subject matter to which the deviation applies.

South Dakota Company Response

When a company that has given NCCI filing authorization receives an approval circular of a filing containing new or revised rules and other supplementary information, the company must decide whether to revise its rules and other supplementary information and when to make any revision effective.

Company Action Table

If	Then
Company accepts the filing including the effective date	Company does not file with the Division of Insurance
Company wishes to deviate from the filing	Company must file with the Division of Insurance and specify the basis for the modification
Company wishes to delay or defer the adoption	Company must file with the Division of Insurance and specify the basis for the delay or deferment

West Virginia Company Response

When a company that has given NCCI filing authorization receives an approval circular of a filing containing new or revised rules and other supplementary information, the company must decide whether to revise its rules and other supplementary information and when to make any revision effective.

Company Action Table

If	Then
Company accepts the filing, including the effective date	Company does not file with the OIC
Company decides to make a change to the filing or effective date	Company files the change, specifying the basis for the modification

Per West Virginia Code, every company must adhere to the uniform classification plan and uniform experience rating plan developed by NCCI, and approved by the Commissioner. In addition, every company shall record and report its experience to NCCI as set forth in the uniform statistical plan approved by the Commissioner.

Record and report its experience to NCCI as set forth in the uniform statistical plan approved by the Commissioner.

If a member or subscriber deviates in any way from NCCI filing, the insurer must make written application to the Commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance or class of risk within a kind of insurance or a combination thereof. This application must specify the basis for modification and a copy must also be sent simultaneously to the rating organization. The Commissioner will give consideration to the available statistics and the applicable principles for ratemaking as in §33-20-3. Initial or amended loss cost multipliers or modifiers must be filed independently.

The following will be considered deviations:

- Use of rates higher or lower than those approved for NCCI
- Nonadoption of an approved rating organization filing
- Delay in the implementation of an approved NCCI filing
- Modification of a deviation currently in use

IMPACT

This item filing will foster the uniform and equitable treatment of risks within each industry. NCCI recognizes that some of our recommendations may have premium impact. Such impact, if any, is explained in more detail within this item.

NCCI ACTION

NCCI's *Status of Item Filings* circular will provide you with the latest information on the approval of Item B-1427, in addition to all other NCCI item filings. The *Status of Item Filings* circular is updated weekly on **ncci.com**.

NCCI will release updated pages of NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance* prior to the effective date. If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123).

PERSON TO CONTACT

If you have any questions, please contact:

Customer Service Center
NCCI
901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
800-NCCI-123 (800-622-4123)

Technical Contact:

Sean Cordell
Regulatory Services Analyst
NCCI
901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
Phone: 561-893-3171
Fax: 561-893-5426
Email: sean_cordell@ncci.com
