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Meeting Schedule

Oregon Workers Compensation Review & Advisory Committee

Agenda Tracking No.: OR-01-2023 Prepared by: Michael Craddock, NCCI, Inc.

Date of Meeting: January 10, 2023 Schedule Release Date: December 2022

Meeting Location: Embassy Suites Hotel, 9000 SW Washington Square Rd., Tigard, OR 97223.

- To participate by telephone, dial 415.655.0003 and enter Conference ID 737 288 699.

Committee Member	Representing	Voting? Y/N	Present? Y/N	Substitute
David Waki	Dept. of Consumer & Business Services, Labor & Industries	Y		
David Dahl	Dept. of Consumer & Business Services, Labor & Industries	N		
Jeff Rasmussen	County Administrative	Y		
Gene Rappe	CNA Insurance	Y		
Janet Miller	Republic Indemnity	Y		
Ed McKenney	Gem Equipment	Y		
Eddie Herrera	Liberty Mutual Insurance	Y		
Jamie Powell	SAIF Corporation	Y		
Steve O'Connell	Travelers Insurance	Y		

Agenda Items

Time	Issue	Resolution
9:30 a.m.	**Item B-1446. Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual** NCCI staff will present this proposed item filing for the Committee's review and action. The item proposes to • reformat the Table of classifications by hazard group in NCCI's ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*** • update various rules and classifications in NCCI's ***Basic Manual*** and NCCI's ***Residual Market Manual for Workers Compensation and Employers Liability Insurance (Residual Market Manual)*** based on feedback received. •	

Time	Issue	Resolution
10:00 a.m.	**Item E-1409. Enhancement to NCCI's Experience Rating Methodology.** NCCI staff will present this proposed item filing for the Committee's review and action. This item revises certain underlying components provided in the methodology used in NCCI's Experience Rating Plan (Plan) to reflect current business and industry needs.	

Time	Issue
11:00 a.m.	**New Business**

Item-B-1446 - Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Filing Memorandum

Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Purpose

The item proposes to

- reformat the Table of classifications by hazard group in NCCI's ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***
- update various rules and classifications in NCCI's ***Basic Manual*** and NCCI's ***Residual Market Manual for Workers Compensation and Employers Liability Insurance (Residual Market Manual)*** based on feedback received, and
- update Texas Form DNE-1A—Deductible Notice of Election in NCCI's ***Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)***.

Background

Item B-1444—NCCI's Basic Manual for Workers Compensation and Employers Liability Insurance and Item RM-W-8047—NCCI's Residual Market Manual for Workers Compensation and Employers Liability Insurance introduced new editions of NCCI's ***Basic Manual*** and ***Residual Market Manual***, respectively.

Since the implementation of these filings, we have received valuable stakeholder feedback. Based on this feedback, we are recommending additional improvements.

This filing does not make any substantive changes to any rule or classification that would result in premium impact.

The updates reflected in the attached ***Basic Manual, Residual Market Manual***, and ***Forms Manual*** state exhibits fall into two categories:

1. Reformatting of NCCI's ***Basic Manual*** Table of classifications by hazard group by eliminating the countrywide table in its entirety and replacing it with individual state-specific tables.
   Based on feedback received from stakeholders, the Table of classifications by hazard group has been restructured to
   - improve usability, and
   - enable users to view hazard group assignment by state.

   Because the tables are now state specific, the applies in and discontinued columns in the table have been eliminated.

   Each state's ***Basic Manual*** will contain a reformatted table that includes
   - a state-specific list of classification codes
   - the hazard group that each code is assigned to, and
   - the hazard group effective date for each code.

2. General updates to the manuals' content
   Based on additional stakeholder feedback and routine reviews of the content, it is necessary to
   - clarify certain classification phraseologies

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- update format and structure of certain rules and classifications
- update content for grammatical issues
- update various rule references, and
- update references to the United States Longshore and Harbor Workers' Compensation (USL&HW) Act.

Proposal

This item proposes to update NCCI's ***Basic Manual***, ***Residual Market Manual***, and the ***Forms Manual*** with the changes described in the Exhibit Comments and Implementation Summary.

Impact

There will be no premium impact as a result of the proposed changes***.***

Exhibit Comments and Implementation Summary

In all states, except Hawaii and Texas, this item is to become effective for new and renewal policies with effective dates on and after 12:01 a.m. on March 1, 2023.

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

In Texas, this item is to become effective for new and renewal policies with effective dates on and after 12:01 a.m. on July 1, 2023.

Exhibit	Exhibit Comments
1	Details the elimination of the current Table of classifications by hazard group (Rule ID: BM-HAZT-T640A) in NCCI's ***Basic Manual***. • Replaced the countrywide table in its entirety with a state-specific table in each state's ***Basic Manual*** • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV
2	Details the establishment of a state-specific Table of classifications by hazard group (Rule ID: BM-HAZT-T640A) in each state's ***Basic Manual***. Each state's new table includes • a state-specific list of classification codes • the hazard group that each code is assigned to, and • the hazard group effective dates for each code

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Filing Memorandum

Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit	Exhibit Comments
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV
3	Details the revisions to the USL&HW Act references in the state algorithms (Rule ID: BM-BMPP-W0064, Rule ID: BM-NMPP-NFED1 applies for assigned risk) in NCCI's ***Basic Manual***. • For consistency with the rule references to the USL&HW Act, added the missing "W" to the state algorithms • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NM (Voluntary & Assigned Risk), NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
4	Details the revisions to rule, Governing classifications (Rule ID: BM-GOVE-GA32D), in NCCI's ***Basic Manual***. • Revised the rule to clarify the determination of the governing classification • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
5	Details the revisions to rule, Criteria to qualify for a separate basic classification for separate additional operations in a state (Rule ID: BM-PROA-CBAFB), in NCCI's ***Basic Manual***. • Added “not” to the subblock title to clarify that the rule applies to additional operations that do not meet the criteria for a separate basic classification • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV

6	Details the revisions to rule, Catastrophe provisions (Rule ID: BM-PARC-C499F), in NCCI's ***Basic Manual***.
	
	• Changed "Rules for calculating premium" to "Rules for calculating the premium" under:
	  • Premium for Catastrophe (other than Certified Acts of Terrorism)
	  • Premium for Terrorism
	  • References
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MS, MT, NE, NH, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV

7	Details the revisions to rule, Rules for providing voluntary compensation insurance (Rule ID: BM-VOLU-R0D3E), in NCCI's ***Basic Manual***.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit	Exhibit Comments

	• Under References:
	  • Eliminated reference to the Additional Coverages Summary Table; this table was deconstructed as part of the transformation of NCCI's ***Basic Manual User's Guide***
	  • Added ***User's Guide*** after ***Basic Manual***
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV

8	Details the revisions to rule, Federal coverages (Rule ID: BM-FEDE-C8CCE), in NCCI's ***Basic Manual***.
	• Under References:
	  • Eliminated reference to the Additional Coverages Summary Table and added federal coverages. This table was deconstructed as part of the transformation of NCCI's ***Basic Manual User's Guide***.
	  • Added "Compensation" after USL&HW for consistency with the reference to the Act.
	  • Reformatted the reference to Program I and Program II classification comparison tables for consistency with NCCI's new title format standard.
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV.

9	Details the revisions to rule, Rules for providing insurance to operations on waters not subject to Admiralty jurisdiction (Rule ID: BM-FEDE-RB3CE), in NCCI's ***Basic Manual***.
	• Under References:
	  • Eliminated reference to the Additional Coverages Summary Table and added Admiralty law. This table was deconstructed as part of the transformation of NCCI's ***Basic Manual User's Guide***.
	  • Reformatted the reference to Program I and Program II classification comparison tables for consistency with NCCI's new title format standard.
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV.

10	Details the revisions to rule, Rule for increasing limits of liability for Admiralty law or FELA classifications (Rule ID: BM-EMPI-R2974), in NCCI's ***Basic Manual***. • Under Rule for applying the minimum premium for increased limits of liability for Admiralty law or FELA, revised "established" to "added" • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
11	Details the revisions to rule, Rule for calculating migrant and seasonal agricultural workers insurance

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit	Exhibit Comments

	premium (Rule ID: BM-TYPM-R419B), in NCCI's ***Basic Manual***.
	
	• Under References,
	  • eliminated reference to the Additional Coverages Summary Table; this table was deconstructed as part of the transformation of NCCI's ***Basic Manual User's Guide***
	  • revised "Migrant and Seasonal Workers Protection Act" to "Migrant and Seasonal Worker Protection Act"
	• Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SD, TN, UT, VT, WV

12	Details the revisions to rule, Rules for wages paid to key employees (Rule ID: BM-PAYW-RE322), in NCCI's ***Basic Manual***. • Deleted "or oil and gas field operations employers" because this wording applies only in Texas • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV
13	Details the revisions to rule, Where to send dispute resolution requests (Rule ID: BM-DISW-W92C3), in NCCI's ***Basic Manual***. • Revised the email address for submitting dispute resolution requests • Applies in: AK, AL, AR, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, NE, NH, NM, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV
14	Details the revisions to rule, Rules for adding states to residual market policies after the policy effective date (Rule ID: BM-WORS-R7C89), in NCCI's ***Basic Manual***. • Eliminated the rule for non-NCCI residual market states because it does not apply in those states • Applies in: CO, HI, KY, LA, MD, ME, MO, MT, NE, OK, RI, UT
15	Details the revisions to Code 6325—Conduit Construction—For Cables or Wires & Drivers (Phrase ID: BM-6325-CON6A), in NCCI's ***Basic Manual***. • Added construction operations type indicator • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
16	Details the revisions to Code 8232—Fuel and Material Dealer NOC & Local Managers, Drivers. (Phrase ID: BM-8232-FRU1F), in NCCI's ***Basic Manual***. • Under Eligibility conditions, added ", or" to the end of the third list item and a period to the last list item

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17	Details the revisions to Code 8006—Household Furnishings or Wearing Apparel Dealer—Retail (Phrase ID: BM-8006-HONB0), in NCCI's ***Basic Manual***. • Under Furniture and appliance sales, items to be separately rated to Code 8044—Store—Furniture & Drivers, eliminated references to radios and television sets because retail stores that sell those items are classified to Code 8017—Store—Retail NOC • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV Details the revisions to Code 8006—Wearing Apparel or Household Furnishings Dealer—Retail. (Phrase ID: BM-8006-WALB5), in NCCI's ***Basic Manual***. • Under Furniture and appliance sales, items to be separately rated to Code 8044—Store—Furniture & Drivers, eliminated references to radios and television sets because retail stores that sell those items are classified to Code 8017—Store—Retail NOC • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
18	Details the revisions to Code 9014—Mobile Power or Pressure Cleaning Service—No Power or Pressure Cleaning Above Ground Level & Drivers. (Phrase ID: BM-9014-MOB2E), in NCCI's ***Basic Manual***. • Under "Verifiable payroll records", changed "chimney cleaning" reference to "power or pressure cleaning" • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV
19	Details the revisions to Code 7610—Motion Picture—Production—In Studios or Outside—All Operations & Clerical, Drivers (Phrase ID: BM-7610-MOS5C), in NCCI's ***Basic Manual***. • In the phraseology note, changed "digital marketing" to "digital media processing" • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, IA, ID, IL, IN, KS, KY, LA, MD, MO, MS, NE, NH, NM, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
20	Details the revisions to Code 2881—Picture Frame Assembling—No Manufacturing or Parts (Phrase ID: BM-2881-PHO82), in NCCI's ***Basic Manual***. • Revised phraseology caption from "Picture Frame Assembling—No Manufacturing or Parts" to "Picture Frame Assembling—No Manufacturing of Parts"

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21	Details the revisions to Code 7855—Railroad Construction—Laying or Relaying of Tracks or Maintenance of Way by Contractor—No Work on Elevated Railroads & Drivers (Phrase ID: BM-7855-RAC22), in NCCI's ***Basic Manual***. • Revised "Federal Coverages" to "Federal coverages" for consistency with NCCI's formatting style • Added rule reference, NCCI's ***Basic Manual*** rule, before Federal coverages • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
22	Details the revisions to Code 5403—Wrecking—Building or Structures—Not Marine—All Operations—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy (Phrase ID: BM-5403-WOO32), in NCCI's ***Basic Manual***. • Under Wrecking or demolition of buildings or structures with more than one type of construction, corrected a typo by revising "demotion" to "demolition" • Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV
23A-J	Details the revisions to various container topics (Rule ID: Various), in NCCI's ***Basic Manual***. • For improved output functionality, topics require specific elements such as a Rule ID, Effective Date, and a brief description. Added these elements where needed. • Refer to the listing of states provided in the header of each exhibit provided for Exhibit 23A through Exhibit 23J.
24A-AM	Details the revisions to various rule references (Rule ID: Various), in NCCI's ***Basic Manual***. • For improved search functionality, where applicable, revised references and content structure • Refer to the listing of states provided in the header of each exhibit provided for Exhibit 24A through Exhibit 24AM

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Exhibit	Exhibit Comments
25A	Details the revisions to the Arizona Drivers rule (Rule ID: BM-WORW-DCECC), in NCCI's ***Basic Manual***. • Drivers are a general inclusion in Arizona. Revised rule to refer to the General inclusions rule instead of the Rules for assigning Code 7380 • Applies in: AZ
25B	Details the revisions to rule, Coverage (Rule ID: BM-ELGA-CFA24), in NCCI's ***Basic Manual***. • Corrected a typo to remove an extra “the” in the rule • Applies in: GA
25C	Details the revisions to rule, Coverage (Rule ID: BM-ELIL-CFA24), in NCCI's ***Basic Manual***. • Corrected a typo to remove an extra word “the” in the rule • Applies in: IL
25D	Details the revisions to rule, Panel duties table (Rule ID: BM-DISB-B0826), in NCCI's ***Basic Manual***. • The topic title was revised from "Panel duties table" to "Panel duties" because the table was eliminated • Applies in: KS
25E	Details the revisions to rule, Coverage (Rule ID: BM-ELKS-CFA24), in NCCI's ***Basic Manual***. • Corrected a typo to remove an extra word “the” in the rule • Applies in: KS
25F	Details the revisions to Code 8017—Fireworks Sales—Retail (Phrase ID: BM-8017-FIR43) and Code 8018—Fireworks Sales—Wholesale (Phrase ID: BM-8018-FIRE0), in NCCI's ***Basic Manual***. • In the phraseology note, replaced "Class C" with "Division 1.4" • Applies in: MO

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Exhibit	Exhibit Comments
25G	Details the revisions to rule, Rules for including bonuses in payroll (Rule ID: BM-PAYI-RDF51), in NCCI's ***Basic Manual***. • Eliminated the References topic title because ***Basic Manual*** rule, Rules for applying payroll limitations to bonuses, does not apply in Montana • Applies in: MT
25H	Details the revisions to rule, Applicability by policy type (Rule ID: BM-DISS-A9B61), in NCCI's ***Basic Manual***. • Deleted duplicate wording displaying in the rule • Added “policies” and a comma after “voluntary” for clarity • Applies in: NE
25I	Details the revisions to rule, Where to send dispute resolution requests (Rule ID: BM-DISW-W92C3), in NCCI's ***Basic Manual***. • Revised the email address for submitting dispute resolution requests • Applies in: NV
25J	Details the revisions to rule, Rules for applying prevailing wages in payroll (Rule ID: BM-PAYE-RB351), in NCCI's ***Basic Manual***. • Under Group insurance plan requirements, changed "form" to "from" • Applies in: OR
25K	Details the revisions to Code 8232—Fuel and Material Dealer NOC & Local Managers, Drivers (Phrase ID: BM-8232-FRU1F), in NCCI's ***Basic Manual***. • Under Eligibility conditions added ", or" to the end of the third list item and a period to the last list item • Applies in: OR Details the addition of Code 3076—Sheet Metal Products Mfg. (Phrase ID: BM-3076-SER7E), in NCCI's ***Basic Manual***. • Code was inadvertently omitted in Oregon • Applies in: OR
25L	Details the revisions to rule, Rules for providing voluntary compensation insurance (Rule ID: BM-VOLU-

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Exhibit	Exhibit Comments
	R0D3E), in NCCI's ***Basic Manual***. • Under References, eliminated reference to the Additional Coverages Summary Table; this table was deconstructed as part of the transformation of NCCI's ***Basic Manual User's Guide*** • Applies in: TX
25M	Details the revisions to rule, Eligibility for per accident, per claim, and medical-only deductible (Rule ID: BM-TXPP-RCDDB), in NCCI's ***Basic Manual***. • In Texas, employers can choose a per accident, per claim, or medical-only deductible; revised the word "and" to "or" in the title and body of the rule Details the revisions to rule, The Deductible Notice of Election form (DNE-1A) (Rule ID: BMTXPP-R6ABD), in NCCI's ***Basic Manual***. • Revised the reference to the form in the rule from “DNE-1A” to DNE-1B” for consistency with the change made in Exhibit 30-Form • Applies in: TX

25N	Details the revisions to rule, Rule for calculating migrant and seasonal agricultural workers insurance premium (Rule ID: BM-TYPM-R419B), in NCCI's ***Basic Manual***.
	
	• Under References,
	  • eliminated reference to the Additional Coverages Summary Table; this table was deconstructed as part of the transformation of NCCI's ***Basic Manual User’s Guide***
	  • revised “Migrant and Seasonal Workers Protection Act” to “Migrant and Seasonal Worker Protection Act”
	• Applies in: TX

25O	Details the elimination of Code 8719—Weighers, Samplers, or Inspectors of Merchandise on Vessels or Docks or at Railway Stations or Warehouses—Coverage Under State Act Only (Phrase ID: BM-8719-WEE7E), in NCCI's ***Basic Manual***. • Phraseology was inadvertently included for Texas • Applies in: TX
26	Details the revision to the USL&HW Act references in the state algorithms (Rule ID: RM-RMPP-A519F), in NCCI's ***Residual Market Manual***. • For consistency with the rule references to the Act, added the missing "W" to the state algorithms • Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, IL, IN, KS, MS, NV, OR, SC, SD, TN, VA, VT, WV
27A-J	Details the revisions to various container topics (Rule ID: Various), in NCCI’s ***Residual Market Manual***.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit	Exhibit Comments
	• For improved output functionality, all topics require specific elements such as a Rule ID, Effective Date, and brief description. Added these elements where needed. • Refer to the listing of states provided in the header of each exhibit provided for Exhibit 27A through 27J.
28A-AA	Details the revisions to various rule references (Rule ID: Various), in NCCI's ***Residual Market Manual***. • For improved search functionality, where applicable, revised rule references and content structure • Refer to the listing of states provided in the header of each exhibit provided for Exhibit 28A through Exhibit 28AA
29A	Details the revisions to rule, Coverage for Maritime (Admiralty), Program I or Program II (Rule ID: RM-AVFE-CAA8C), in NCCI's ***Residual Market Manual***. • Under References, revised "***Residual Market Supplement***" to "***Assigned Risk Supplement***" • Under Additional Maritime (Admiralty) Options, added "***Basic Manual*** rule," and revised the title case of Maritime Coverage Endorsement • Applies in: AK
29B	Details the revisions to rule, Time period for securing requested effective date (Rule ID: RM-ELSE-T3A38), in NCCI's ***Residual Market Manual***. • Under References, revised table names • Applies in: AZ
29C	Details the elimination of the rules, Take-Out Credit Program (Rule ID: RM-TAKE-T6A9B), and General information (Rule ID: RM-TAGI-G7F73), in NCCI's ***Residual Market Manual***. • Take-Out Credit Program rules do not apply in Idaho • Applies in: ID
29D	Details the revisions to rule, Rule for policy cancellation (Rule ID: RM-CRCA-R9E84), in NCCI's ***Residual Market Manual***. • Under References, eliminated the 3rd list item because the Virginia Workers Compensation Insurance Policy Cancellation Request Form is located only on ncci.com and not in the ***Assigned Risk Supplement*** • Applies in: VA
30-Form	Details the revisions to DNE-1A—Deductible Notice of Election in NCCI's ***Forms Manual***.

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Filing Memorandum

Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit	Exhibit Comments
	• For consistency with the change to the rule displayed in Exhibit 25M, Eligibility for per accident, per claim, and medical-only deductible (Rule ID: BM-TXPP-RCDDB), in NCCI's ***Basic Manual*** revised the word "and" to "or" in the reference to the deductible options on the form • Applies in: TX

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. The rule exhibits are filed with the regulatory authority as Item B-1446. The form exhibit is filed with the regulatory authority as Item B-1446-Form.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 1
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

~~Table of classifications by hazard group~~

~~**Rule ID: BM-HAZT-T640A**~~

~~*Effective Date: February 1, 2022*~~

~~The Table of classifications by hazard group contains: a list of classification codes, the hazard group each code is assigned to, and the states each code and hazard group either applies or is discontinued.~~

~~Class Code~~	~~Class Code applies in:~~ [1]	~~Class Code discontinued in:~~	~~Hazard Group A–G effective date:~~

Note: Due to space considerations, the Table of classifications by hazard group - Rule ID: BM-HAZT-T640A - effective February 1, 2022, is not displayed in its entirety in Exhibit 1. Nonetheless, by striking through the title, Rule ID, effective date, and table headers, this Exhibit 1 proposes to eliminate in its entirety the Table of classifications by hazard group, effective March 1, 2023 in all states except Texas, which is proposed to become effective July 1, 2023, and in Hawaii the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change. See Exhibit 2, for each state's specific Table of classifications by hazard group table.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 2
Basic Manual—Effective 2021—Oregon

Table of classifications by hazard group

Rule ID: BM-HAZT-T640A

Effective Date: March 1, 2023

The Table of classifications by hazard group lists the classification codes applicable in Oregon, the hazard group that each code is assigned to, and the hazard group effective date.

Code	Hazard Group A–G	Hazard Group effective date
0005	C	01/01/2007
0008	C	01/01/2022
0016	E	01/01/2007
0034	D	01/01/2022
0035	D	01/01/2022
0036	C	01/01/2007
0037	E	01/01/2022
0042	D	01/01/2007
0050	E	01/01/2022
0065	E	01/01/2007
0066	D	01/01/2022
0067	D	01/01/2022
0079	D	01/01/2022
0083	D	01/01/2022
0106	F	01/01/2007
0113	C	01/01/2007
0117	C	01/01/2022
0124	C	01/01/2022
0170	C	01/01/2007
0251	D	01/01/2022
0917	B	01/01/2007
1005	G	01/01/2007
1016	G	01/01/2007
1164	G	01/01/2007
1165	G	01/01/2022
1320	F	01/01/2007
1322	G	01/01/2022
1430	E	01/01/2007
1438	E	01/01/2022
1452	E	01/01/2007
1463	G	01/01/2022
1472	E	01/01/2022
1624	F	01/01/2007
1642	E	01/01/2007
1654	E	01/01/2007
1699	E	01/01/2007
1701	F	01/01/2022
1710	E	01/01/2007
1747	E	01/01/2007
1748	E	01/01/2007
1803	E	01/01/2022
1924	C	01/01/2022
1925	D	01/01/2007
2002	C	01/01/2022
2003	D	01/01/2022
2014	E	01/01/2007
2016	C	01/01/2022
2021	D	01/01/2007
2039	C	01/01/2022
2041	C	01/01/2022
2065	D	01/01/2022
2070	D	01/01/2022
2089	C	01/01/2007
2095	D	01/01/2022
2104	C	01/01/2007
2105	B	01/01/2007

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
2110	C	01/01/2022
2111	C	01/01/2022
2112	C	01/01/2022
2114	B	01/01/2007
2121	B	01/01/2022
2130	D	01/01/2022
2131	C	01/01/2007
2143	B	01/01/2007
2157	C	01/01/2007
2211	E	01/01/2007
2220	D	01/01/2022
2288	C	01/01/2022
2302	D	01/01/2022
2305	E	01/01/2022
2361	D	01/01/2022
2362	C	01/01/2007
2380	C	01/01/2007
2388	B	01/01/2007
2402	E	01/01/2007
2413	D	01/01/2022
2416	C	01/01/2007
2417	C	01/01/2007
2501	C	01/01/2007
2503	C	01/01/2022
2570	C	01/01/2022
2592	C	01/01/2007
2600	C	01/01/2022
2623	E	01/01/2022
2651	C	01/01/2022
2660	B	01/01/2007
2688	C	01/01/2022
2697	F	01/01/2022
2702	G	01/01/2007
2703	E	01/01/2007
2704	G	01/01/2007
2710	E	01/01/2022
2714	C	01/01/2022
2725	F	01/01/2022
2731	C	01/01/2022
2735	C	01/01/2022
2759	C	01/01/2022
2790	B	01/01/2007
2797	B	01/01/2022
2799	D	01/01/2011
2802	D	01/01/2007
2836	B	01/01/2022
2841	C	01/01/2022
2881	B	01/01/2022
2883	C	01/01/2007
2915	E	01/01/2022
2923	B	01/01/2007
2960	D	01/01/2022
3004	F	01/01/2022
3018	F	01/01/2022
3022	C	01/01/2022
3027	E	01/01/2007
3028	E	01/01/2022
3030	E	01/01/2007
3040	D	01/01/2022
3041	D	01/01/2022
3042	D	01/01/2007
3064	D	01/01/2022
3076	C	01/01/2015
3081	D	01/01/2022
3082	E	01/01/2007
3085	D	01/01/2022
3110	D	01/01/2022
3111	C	01/01/2007
3113	D	01/01/2022
3114	D	01/01/2022
3118	B	01/01/2007
3122	B	01/01/2007
3126	D	01/01/2022
3131	D	01/01/2022

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
3132	C	01/01/2007
3145	D	01/01/2022
3146	D	01/01/2022
3169	C	01/01/2007
3179	C	01/01/2022
3180	C	01/01/2022
3188	D	01/01/2022
3220	D	01/01/2022
3224	B	01/01/2007
3227	C	01/01/2022
3241	C	01/01/2007
3255	B	01/01/2022
3257	C	01/01/2007
3300	B	01/01/2022
3303	C	01/01/2022
3307	D	01/01/2022
3315	C	01/01/2022
3334	D	01/01/2022
3336	D	01/01/2022
3365	F	01/01/2022
3372	D	01/01/2007
3373	C	01/01/2007
3383	C	01/01/2022
3385	C	01/01/2022
3400	C	01/01/2022
3507	D	01/01/2022
3548	C	01/01/2007
3559	D	01/01/2022
3574	C	01/01/2022
3612	D	01/01/2007
3620	E	01/01/2007
3629	D	01/01/2022
3632	D	01/01/2007
3634	D	01/01/2022
3635	D	01/01/2022
3638	C	01/01/2022
3642	C	01/01/2007
3643	E	01/01/2022
3647	D	01/01/2007
3648	B	01/01/2007
3681	C	01/01/2022
3685	C	01/01/2022
3719	G	01/01/2007
3724	G	01/01/2022
3726	G	07/01/2007
3803	C	01/01/2007
3807	C	01/01/2022
3808	D	01/01/2007
3821	E	01/01/2022
3822	C	01/01/2022
3824	C	01/01/2022
3826	D	01/01/2022
3827	C	01/01/2022
3830	D	01/01/2007
3851	C	01/01/2022
3865	B	01/01/2022
3881	D	01/01/2022
4000	F	01/01/2007
4021	D	01/01/2022
4024	E	01/01/2007
4034	E	01/01/2007
4036	E	01/01/2007
4038	B	01/01/2022
4062	D	01/01/2022
4101	D	01/01/2007
4109	C	01/01/2022
4110	C	01/01/2011
4111	C	01/01/2022
4114	D	01/01/2022
4130	C	01/01/2007
4131	C	01/01/2022
4133	B	01/01/2007
4149	B	01/01/2022
4206	C	01/01/2007

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
4207	F	01/01/2022
4239	F	01/01/2022
4240	B	01/01/2007
4243	D	01/01/2022
4244	E	01/01/2022
4250	D	01/01/2022
4251	C	01/01/2007
4263	D	01/01/2022
4273	D	01/01/2022
4279	E	01/01/2022
4283	C	01/01/2007
4299	D	01/01/2022
4304	D	01/01/2007
4307	B	01/01/2022
4351	C	01/01/2007
4352	C	01/01/2022
4361	C	01/01/2022
4410	C	01/01/2007
4420	F	01/01/2007
4431	B	01/01/2022
4432	B	01/01/2022
4452	D	01/01/2022
4459	E	01/01/2022
4470	D	01/01/2022
4484	C	01/01/2007
4493	D	01/01/2022
4511	D	01/01/2007
4557	E	01/01/2022
4558	D	01/01/2022
4568	E	01/01/2007
4583	F	01/01/2007
4611	C	01/01/2022
4635	F	01/01/2022
4653	C	01/01/2022
4665	E	01/01/2007
4683	D	01/01/2022
4686	E	01/01/2007

Code	Hazard Group A–G	Hazard Group effective date
4692	C	01/01/2022
4693	C	01/01/2007
4703	D	01/01/2022
4717	B	01/01/2022
4720	D	01/01/2022
4740	G	01/01/2022
4741	D	01/01/2022
4751	E	07/01/2007
4771	F	01/01/2022
4777	F	01/01/2022
4825	E	01/01/2007
4828	F	01/01/2022
4829	F	01/01/2007
4902	C	01/01/2022
4923	D	01/01/2022
5020	F	01/01/2022
5022	G	01/01/2022
5040	G	01/01/2007
5057	G	01/01/2007
5059	G	01/01/2007
5102	F	01/01/2007
5146	E	01/01/2007
5160	G	01/01/2022
5183	F	01/01/2022
5188	F	01/01/2022
5190	F	01/01/2022
5191	E	01/01/2022
5192	D	01/01/2022
5213	G	01/01/2022
5215	E	01/01/2022
5221	F	01/01/2022
5222	G	01/01/2022
5223	E	01/01/2007
5348	E	01/01/2007
5402	C	01/01/2022
5403	F	01/01/2007
5437	F	01/01/2022

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
5443	D	01/01/2022
5445	G	01/01/2022
5462	E	01/01/2007
5472	G	01/01/2007
5473	G	01/01/2007
5474	G	01/01/2022
5478	F	01/01/2022
5479	E	01/01/2022
5480	F	01/01/2007
5491	F	01/01/2007
5506	F	01/01/2022
5507	F	01/01/2007
5511	F	01/01/2007
5535	G	01/01/2022
5537	E	01/01/2007
5551	G	01/01/2007
5606	G	01/01/2022
5610	E	01/01/2022
5645	G	01/01/2022
5703	E	01/01/2007
5705	E	01/01/2007
5951	C	01/01/2022
6003	F	01/01/2022
6005	E	01/01/2007
6018	E	01/01/2007
6045	E	01/01/2007
6204	F	01/01/2007
6206	G	01/01/2007
6213	G	01/01/2022
6214	F	01/01/2022
6216	G	01/01/2007
6217	G	01/01/2022
6229	E	01/01/2022
6233	G	01/01/2022
6235	G	01/01/2007
6236	E	01/01/2007
6237	F	01/01/2022

Code	Hazard Group A–G	Hazard Group effective date
6251	F	01/01/2007
6252	G	01/01/2007
6306	F	01/01/2007
6319	G	01/01/2022
6325	G	01/01/2022
6400	E	01/01/2022
6504	C	01/01/2022
6702	E	01/01/2012
6703	E	01/01/2012
6704	E	01/01/2012
6801F	E	01/01/2007
6811	E	01/01/2007
6824F	E	01/01/2022
6826F	E	01/01/2007
6834	C	01/01/2022
6836	D	01/01/2022
6843F	G	01/01/2007
6845F	G	01/01/2007
6854	F	01/01/2022
6872F	G	01/01/2007
6873F	G	01/01/2007
6874F	G	01/01/2007
6876	G	01/01/2007
6882	F	01/01/2022
6884	F	01/01/2022
7016	G	01/01/2007
7024	G	01/01/2007
7038	G	01/01/2007
7046	G	01/01/2007
7047	G	01/01/2007
7050	G	01/01/2007
7090	G	01/01/2007
7098	G	01/01/2007
7099	G	01/01/2007
7133	F	01/01/2007
7151	F	01/01/2012
7152	F	01/01/2012

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
7153	F	01/01/2012
7219	F	01/01/2007
7225	E	01/01/2018
7230	D	01/01/2007
7231	D	01/01/2007
7232	F	01/01/2007
7309F	G	01/01/2007
7313F	G	01/01/2007
7317F	G	01/01/2007
7327F	G	01/01/2007
7333	G	01/01/2007
7335	G	01/01/2007
7337	G	01/01/2007
7350F	F	01/01/2007
7360	E	01/01/2007
7370	C	01/01/2007
7380	E	01/01/2022
7382	D	01/01/2022
7390	C	01/01/2007
7394	G	01/01/2007
7395	G	01/01/2007
7398	G	01/01/2007
7402	C	01/01/2010
7403	C	01/01/2022
7405	C	01/01/2022
7420	G	01/01/2007
7421	E	01/01/2022
7422	F	01/01/2022
7425	F	01/01/2022
7431	F	01/01/2022
7502	E	01/01/2007
7515	G	07/01/2007
7520	D	01/01/2022
7538	G	01/01/2007
7539	F	01/01/2007
7580	E	01/01/2007
7590	E	01/01/2022
7600	E	01/01/2007
7605	F	01/01/2022
7610	E	01/01/2022
7705	D	01/01/2008
7710	F	01/01/2008
7720	E	01/01/2007
7729	F	01/01/2022
7855	E	01/01/2007
8001	C	01/01/2022
8002	C	01/01/2007
8006	B	01/01/2022
8008	B	01/01/2007
8010	C	01/01/2022
8013	D	01/01/2022
8015	D	01/01/2022
8017	B	01/01/2007
8018	C	01/01/2022
8021	C	01/01/2007
8031	C	01/01/2007
8032	C	01/01/2022
8033	B	01/01/2022
8037	A	01/01/2022
8039	B	01/01/2007
8044	C	01/01/2022
8046	C	01/01/2007
8047	C	01/01/2022
8058	C	01/01/2007
8102	C	01/01/2022
8103	D	01/01/2007
8106	E	01/01/2007
8107	F	01/01/2022
8111	D	01/01/2022
8112	E	01/01/2007
8116	D	01/01/2022
8203	D	01/01/2022
8209	C	01/01/2007
8215	E	01/01/2007

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
8227	F	01/01/2022
8232	E	01/01/2007
8233	E	01/01/2007
8263	D	01/01/2007
8264	E	01/01/2007
8265	F	01/01/2007
8279	F	01/01/2007
8288	D	01/01/2022
8291	D	01/01/2007
8292	C	01/01/2007
8293	C	01/01/2022
8304	F	01/01/2022
8350	F	01/01/2007
8380	D	01/01/2007
8385	D	01/01/2022
8392	B	01/01/2022
8393	E	01/01/2022
8411	F	01/01/2022
8500	E	01/01/2007
8601	F	01/01/2022
8602	E	01/01/2022
8606	F	01/01/2007
8709F	G	01/01/2007
8719	F	01/01/2022
8720	F	01/01/2022
8723	D	01/01/2022
8725	E	01/01/2010
8726F	E	01/01/2007
8734	E	01/01/2012
8737	E	01/01/2012
8738	E	01/01/2012
8742	E	01/01/2007
8745	D	01/01/2007
8748	F	01/01/2022
8755	E	01/01/2007
8800	C	01/01/2022
8803	E	01/01/2007
8805	C	01/01/2012
8810	C	01/01/2007
8814	C	01/01/2012
8815	C	01/01/2012
8820	E	01/01/2022
8824	A	01/01/2022
8826	B	01/01/2022
8831	A	01/01/2022
8832	C	01/01/2007
8833	C	01/01/2007
8835	C	01/01/2007
8842	A	01/01/2022
8853	B	01/01/2007
8855	C	01/01/2012
8856	C	01/01/2012
8864	B	01/01/2022
8868	B	01/01/2007
8869	B	01/01/2010
8877	C	01/01/2014
8901	E	01/01/2022
8989	E	01/01/2007
9012	E	01/01/2022
9014	C	01/01/2007
9015	D	01/01/2022
9016	C	01/01/2007
9019	E	01/01/2007
9040	B	01/01/2007
9052	B	01/01/2007
9060	B	01/01/2007
9061	B	01/01/2022
9062	B	01/01/2022
9063	B	01/01/2007
9077F	C	01/01/2007
9079	A	01/01/2007
9089	B	01/01/2007
9093	B	01/01/2007
9101	B	01/01/2007

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Code	Hazard Group A–G	Hazard Group effective date
9102	D	01/01/2022
9154	C	01/01/2007
9156	B	01/01/2022
9178	A	01/01/2007
9179	A	01/01/2022
9180	D	01/01/2022
9182	C	01/01/2007
9186	F	01/01/2007
9220	D	01/01/2007
9310	F	01/01/2022
9315	D	01/01/2022
9328	D	01/01/2022
9349	B	01/01/2007
9351	E	01/01/2007
9366	B	01/01/2007

Code	Hazard Group A–G	Hazard Group effective date
9402	F	01/01/2022
9403	F	01/01/2007
9410	C	01/01/2007
9501	E	01/01/2022
9505	D	01/01/2007
9516	D	01/01/2022
9519	E	01/01/2007
9521	E	01/01/2007
9522	B	01/01/2022
9534	G	01/01/2022
9554	F	01/01/2007
9586	B	01/01/2022
9600	C	01/01/2022
9620	E	01/01/2022

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 3
Basic Manual—Effective 2021—Oregon
Oregon Workers Compensation Premium Algorithm

Rule ID: BM-BMPP-W0064

Effective Date: ~~November 1, 2021~~ March 1, 2023

This algorithm provides the framework for premium charges and credits. Where not specified, the premium base is the result from the prior line. Use this rating method in the absence of independent carrier filings.

Oregon Workers Compensation Premium Algorithm

	PREMIUM ELEMENTS	EXPLANATORY NOTES
	MANUAL PREMIUM	[(PAYROLL / 100) * RATE]
+	Supplementary Disease (foundry)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+	USL&HW Exposure for non-F-classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&HW FACTOR)]
	TOTAL MANUAL PREMIUM	
+	Waiver of Subrogation factor[1]	[% applied to the portion of Total Manual Premium where waiver is applicable, subject to minimum charge]
+	Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]
+	Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+	Employers Liability increased limits factor (Admiralty law, FELA)	[Factor applied to the portion of Manual Premium where Admiralty law/FELA coverage is applicable]
+	Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]
	TOTAL SUBJECT PREMIUM	
x	Experience Modification (Exp Mod)	
	TOTAL MODIFIED PREMIUM	
x	Merit Rating factor (1 – MR credit %) or (1 + debit %)	[Nonrated risks][Max. Credit=$500]
x	OGSERP Supplemental factor	
x	Contracting Class Prem Adj Program factor (1 – CCPAP credit %)	
+	Supplemental Disease Exposure (Asbestos NOC)[2, 3]	
+	Atomic Energy Radiation Exposure NOC[2, 3]	
+	Charge for nonratable catastrophe loading[3]	
+	Balance to Minimum Premium (State Act) [4]	[Balance to minimum premium at Standard Limits]
+	Balance to Minimum Premium (Admiralty law, FELA)	
	TOTAL STANDARD PREMIUM	
–	Premium Discount[5]	[% applied to Standard Premium]
+	Coal Mine Disease Charge	[Underground, surface, surface auger]
+	Employee Leasing Client Processing fee	[If risk is a client of an employee leasing firm]

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 3 (Cont'd)
Basic Manual—Effective 2021—Oregon

	PREMIUM ELEMENTS	EXPLANATORY NOTES
+	Expense Constant	
+	Terrorism	[(PAYROLL / 100) * TERRORISM VALUE]
+	Catastrophe (other than Certified Acts of Terrorism)	[(PAYROLL / 100) * CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE]
	ESTIMATED ANNUAL PREMIUM	
+	Audit Noncompliance Charge	
	TOTAL AMOUNT DUE	

1 Premium charges established for Waiver of Subrogation are not filed by NCCI for the voluntary market.
2 Not Otherwise Classified.
3 Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.
4 For purposes of determining the Total Standard Premium, the Balance to Minimum Premium calculation includes the Expense Constant. For reporting instructions for these premium elements, refer to NCCI's ***Statistical Plan***.
5 For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

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

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 4
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Governing classifications

Rule ID: BM-GOVE-GA32D

Effective Date: ~~November 1, 2021~~March 1, 2023

The governing classification at a specific job or location is the basic classification, ~~unless there is an applicable~~ other than a standard exception classification.

The governing classification is determined according to the following criteria:

If ...	Then the governing classification is ...
a basic classification produces the greatest amount of payroll	the basic classification.
a basic classification is applicable but no payroll is assigned	the basic classification.
multiple basic classifications apply	the basic classification that is assigned the greatest amount of payroll.
multiple basic classifications apply but no payroll is assigned to any of the basic classifications	the basic classification that is the highest rated.
a basic classification is not applicable	the standard exception classification that is assigned the greatest amount of payroll.

Governing classification purpose

The governing classification is used to determine the classification treatment of

- miscellaneous employees
- local managers, and
- executive officers who regularly perform duties that are ordinarily performed by superintendents, forepersons, or workers.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 5
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Criteria to qualify for a separate basic classification for separate additional operations in a state

Rule ID: BM-PROA-CBAFB

Effective Date: ~~November 1, 2021~~March 1, 2023

To qualify for a separate basic classification, the employer's additional operation in a state must meet all of the following conditions:

- The additional operation would be able to exist as a separate business if the employer's principal business in the state ceased to exist.
- The additional operation is located
  - in a separate building
  - on a separate floor in the same building, or
  - on the same floor physically separated from the principal business by structural partitions.
- Employees who perform duties for the principal business are protected from the operating hazards of the separate additional operation.
- The additional operation maintains proper payroll records.
- The separate additional operation is not encompassed in the classification applicable to the employer's principal business.

Rules for assigning classifications to additional operations that do not meet the criteria to qualify for a separate basic classification for separate additional operations in a state

Assign the additional operation in a state to the same classification as the principal business if the additional operation

- does not meet the criteria to qualify for a separate basic classification for separate additional operations in a state, and
- has a rate lower than the employer's principal business.

Assign the additional operation in a state to the classification that describes the additional operation if the additional operation

- does not meet the criteria to qualify for a separate basic classification for separate additional operations in a state, and
- has a rate higher than or equal to the employer's principal business.

References

Refer to

- Interchange of labor for information about applying an interchange of labor to an employee for the description of proper payroll records, and
- NCCI's ***Basic Manual User's Guide*** for an example.

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Exhibit 6
Basic Manual—Effective 2021
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Catastrophe provisions

Rule ID: BM-PARC-C499F

Effective Date: ~~November 1, 2021~~March 1, 2023

Catastrophe provisions of the policy are (a) Catastrophe (other than Certified Acts of Terrorism), (b) Terrorism, and (c) Terrorism Risk Insurance Act (TRIA) of 2002 and any amendments thereto enacted by Congress.

Premium for Catastrophe (other than Certified Acts of Terrorism)

Premium for Catastrophe (other than Certified Acts of Terrorism) is calculated on the basis of total payroll according to Rules for calculating the premium and Payroll rules. Premium is calculated by dividing an employer's total payroll in each state by units of $100 and multiplying that by the appropriate value, found in the miscellaneous values. The calculation is expressed as

Payroll/100 x Catastrophe (other than Certified Acts of Terrorism) Value = Premium.

This premium is applied after the standard premium and is not subject to any other modifications including, but not limited to

- premium discount
- experience rating
- schedule rating, or
- retrospective rating.

A policy issued on an "if any" basis is not charged this premium unless such policy develops premium during the policy term or at audit.

Per capita classifications are not subject to this premium charge.

Premium for Terrorism

Premium for Terrorism is calculated on the basis of total payroll according to Rules for calculating the premium and Payroll rules. Premium is calculated by dividing an employer's total payroll in each state by units of $100 and multiplying that by the appropriate value found in the miscellaneous values. The calculation is expressed as

Payroll/100 x Terrorism Value = Premium.

This premium is applied after standard premium and is not subject to any other modifications including, but not limited to

- premium discount
- experience rating
- schedule rating, or
- retrospective rating.

A policy issued on an "if any" basis is not charged this premium unless such policy develops premium during the policy term or at audit.

Per capita classifications are not subject to this premium charge.

References

Refer to

- Rules for calculating the premium for information about total payroll, and
- Payroll for information about inclusions and exclusions.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 7
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Rules for providing voluntary compensation insurance

Rule ID: BM-VOLU-R0D3E

Effective Date: ~~November 1, 2021~~March 1, 2023

To add voluntary compensation insurance to the policy, use the Voluntary Compensation and Employers Liability Coverage Endorsement.

- Determine the premium based on the approved workers compensation rules, classifications, and rates in NCCI's ***Basic Manual*** for the state law designated in the schedule on the Voluntary Compensation and Employers Liability Coverage Endorsement.
- Use documentation provided by the employer to confirm that the employer has maintained separate payroll records for employees covered by the Voluntary Compensation and Employers Liability Coverage Endorsement, when voluntary compensation is provided for a group of employees.

References

Refer to NCCI's ***Basic Manual User's Guide*** for information about voluntary compensation insurance ~~in the Additional Coverages Summary Table~~.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 8
Basic Manual—Effective 2021
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Federal coverages

Rule ID: BM-FEDE-C8CCE

Effective Date: ~~November 1, 2021~~March 1, 2023

This rule provides information regarding the classifications, loss costs, and rates subject to Admiralty law, FELA, and the United States Longshore and Harbor Workers' (USL&HW) Compensation Act.

References

Refer to

- NCCI's ***Basic Manual User's Guide*** for information about ~~Additional Coverages Summary Table~~federal coverages, and
- NCCI's ***Basic Manual User's Guide*** for information about Program I and Program II ~~C~~classification ~~C~~comparison ~~T~~tables.

***Note**: For Texas, this item is proposed to become effective July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 9
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX*, UT, VA, VT, WV)

Rules for providing insurance to operations on waters not subject to Admiralty jurisdiction

Rule ID: BM-FEDE-RB3CE

Effective Date: ~~November 1, 2021~~March 1, 2023

If you provide insurance for operations on waters not subject to Admiralty jurisdiction, you must use policy and endorsement forms. This insurance is subject to the rules that apply to statutory workers compensation insurance. Apply Admiralty law classifications and rates and loss costs for Program II to operations on waters that are not subject to such operations.

- The advisory loss cost for each classification is shown after its code number applicable in the state.
- The manual rate for each classification is the authorized rate approved by the appropriate insurance regulatory authority for your use.

References

Refer to

- NCCI's ***Basic Manual User's Guide*** for information about ~~Additional Coverages Summary Table~~Admiralty law, and
- NCCI's ***Basic Manual User's Guide*** for information about Program I and Program II ~~C~~classification ~~C~~comparison ~~T~~tables.

***Note:** For Texas, the proposed effective date is July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 10
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Rule for increasing limits of liability for Admiralty law or FELA classifications

Rule ID: BM-EMPI-R2974

Effective Date: ~~November 1, 2021~~March 1, 2023

Determine the total premium, including the additional premium for increased limits, by applying the factor in the Admiralty law or FELA limits table or Table 2—Employers liability insurance for Admiralty law or FELA—Table for minimum premium and increased limits factors to the total premium for Admiralty law or FELA classifications.

Rule for applying the minimum premium for increased limits of liability for Admiralty law or FELA

When the limits of liability are increased, apply the minimum premium for increased limits in addition to the policy minimum premium at standard limits of liability, even though the coverage for increased limits may have been ~~established~~added during the policy period.

References

Refer to

- Table 2—Employers liability insurance for Admiralty law or FELA—Table for minimum premium and increased limits factors, and
- Minimum Premium Determination.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

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Basic Manual—Effective 2021
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Rule for calculating migrant and seasonal agricultural workers insurance premium

Rule ID: BM-TYPM-R419B

Effective Date: ~~November 1, 2021~~March 1, 2023

Use documentation provided by the employer to evaluate exposures presented by the employer. Base the premium on the rate determined from your evaluation.

References

Refer to NCCI's ***Basic Manual User's Guide*** for more information about the Migrant and Seasonal Agricultural Worker~~s~~ Protection Act ~~in the Additional Coverages Summary Table~~.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 12
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

Rules for wages paid to key employees

Rule ID: BM-PAYW-RE322

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

You must assign wages paid to key employees of construction, erection, or stevedoring~~, or oil and gas field operations employers~~ to the classification applicable to the work that each one actually performs during any period where no jobs are in progress.

- If the work performed by a key employee consists exclusively of drafting or other office work, or if a key employee is completely idle, assign the wages to Code 8810.
- Code 8810 is not available for office time of an employee who qualifies for Code 5606. It is normally expected that such an employee will spend a considerable portion of time performing office work.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 13
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, NE, NH, NM, OK, OR, RI, SC, SD, TN, TX*, UT, VA, VT, WV)

Where to send dispute resolution requests

Rule ID: BM-DISW-W92C3

Effective Date: ~~November 1, 2021~~March 1, 2023

Initial requests for dispute resolution services must be sent to NCCI by mail, email, or fax.

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

Mail

NCCI Dispute Resolution Services
901 Peninsula Corporate Circle
Boca Raton, FL
33487-1362

Email

~~regulatoryoperations~~disputeresolution@ncci.com

Fax

561-893-5043

***Note:** For Texas, the proposed effective date is July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 15
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Conduit Construction—For Cables or Wires & Drivers

Code 6325 ● Construction

Phrase ID: BM-6325-CON6A

Effective Date: ~~November 1, 2021~~March 1, 2023

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 17
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Household Furnishings or Wearing Apparel Dealer—Retail

Code 8006 ◆ Mercantile

Phrase ID: BM-8006-HONB0

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to the house-to-house sale of (a) appliances, (b) furniture, (c) household furnishings, (d) jewelry, or (e) miscellaneous wearing apparel.

Included operations

This phraseology includes

- incidental stores or warehouses, and
- the collection of installment payments.

Furniture and appliance sales

Employers whose principal business is the sale of the following items are to be separately rated to Code 8044:

- furniture
- ~~radios~~
- ranges
- refrigerators, or
- stoves, ~~or~~
- ~~television sets.~~

Wearing Apparel or Household Furnishings Dealer—Retail.

Code 8006 ◆ Mercantile

Phrase ID: BM-8006-WALB5

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to the house-to-house sale of (a) appliances, (b) furniture, (c) household furnishings, (d) jewelry, or (e) miscellaneous wearing apparel.

Included operations

This phraseology includes

- incidental stores or warehouses, and
- the collection of installment payments.

Furniture and appliance sales

Employers whose principal business is the sale of the following items are to be separately rated to Code 8044:

- furniture
- ~~radios~~
- ranges
- refrigerators, or
- stoves, ~~or~~
- ~~television sets.~~

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 19
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, IA, ID, IL, IN, KS, KY, LA, MD, MO, MS, NE, NH, NM, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Motion Picture—Production—In Studios or Outside—All Operations & Clerical, Drivers

Code 7610

Phrase ID: BM-7610-MOS5C
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes the following operations, whether performed by a contractor or the production company: (a) digital ~~marketing~~ media processing and editing, and (b) marketing through film exchanges.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 20
Basic Manual—Effective 2021
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Picture Frame Assembling—No Manufacturing ~~or~~of Parts

Code 2881

Phrase ID: BM-2881-PHO82

Effective Date: ~~November 1, 2021~~March 1, 2023

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 21
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Railroad Construction—Laying or Relaying of Tracks or Maintenance of Way by Contractor—No Work on Elevated Railroads & Drivers

Code 7855 ● **Construction**

Phrase ID: BM-7855-RAC22
Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

The classifications for railroad construction and railroad operation do not include coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to ~~the~~ NCCI's ***Basic Manual*** rule, Federal ~~C~~coverages ~~rule~~.

Railroad construction and operations
Refer to Railroad Construction (FELA) and Railroad Operations (FELA). Separately classify all other railroad construction or erection operations.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 22
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(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Wrecking—Building or Structures—Not Marine—All Operations—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy

Code 5403 ● **Construction**

Phrase ID: BM-5403-WOO32

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology includes clerical employees and salespersons at the wrecking site.

Wrecking or demolition of buildings or structures with more than one type of construction

Where wrecking or demolition involves buildings or structures of more than one type of construction, the highest-rated classification applies.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23A
Basic Manual—Effective 2021
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Cancellation provisions
Rule ID: BM-CANP-CF459
Effective Date: March 1, 2023

This rule provides information regarding cancellation provisions.

Employers liability insurance
Rule ID: BM-EMPL-E1A80
Effective Date: March 1, 2023

This rule provides information regarding employers liability insurance.

Policy
Rule ID: BM-EMPI-SA3D0
Effective Date: March 1, 2023

This rule provides information regarding increased limits of liability for employers liability insurance.

Voluntary ~~C~~compensation ~~I~~insurance
Rule ID: BM-VOLU-V9803
Effective Date: ~~November 1, 2021~~ March 1, 2023

This rule provides information on voluntary compensation insurance.

Voluntary compensation insurance
Rule ID: BM-EMPI-V9886
Effective Date: March 1, 2023

This rule provides information regarding increased standard limits for employees subject to voluntary compensation insurance.

Admiralty law or FELA
Rule ID: BM-EMPI-A25B3
Effective Date: March 1, 2023

This rule provides information regarding increased limits of liability for Admiralty law or FELA classifications.

Loss costs and rates
Rule ID: BM-LOSS-L0000
Effective Date: March 1, 2023

This rule provides information regarding advisory loss costs, authorized rates, and manual rates.

Minimum premium determination
Rule ID: BM-MIND-D8D34
Effective Date: March 1, 2023

This rule provides information regarding minimum premium determination.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23A (Cont'd)
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Ownership
Rule ID: BM-OWNE-O0000
Effective Date: March 1, 2023

This rule provides information regarding ownership.

Premium
Rule ID: BM-PARM-P0000
Effective Date: March 1, 2023

This rule provides information regarding calculating premium, standard premium, estimated annual premium, final earned premium, and catastrophe provisions.

Partners or sole proprietors
Rule ID: BM-PART-PD2A6
Effective Date: March 1, 2023

This rule provides information regarding partners and sole proprietors.

Wages for time not worked
Rule ID: BM-PAYW-W5D74
Effective Date: March 1, 2023

This rule provides information regarding treatment of wages for time not worked.

Subcontractors
Rule ID: BM-SUBC-S6C08
Effective Date: March 1, 2023

This rule provides information regarding subcontractors.

Supplemental and supplementary loading
Rule ID: BM-SUPP-S0000
Effective Date: March 1. 2023

This rule provides information regarding supplemental disease exposure and supplementary disease loading.

Domestic workers-residences
Rule ID: BM-TYPD-D8203
Effective Date: March 1, 2023

This rule provides information regarding domestic workers.

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Exhibit 23A (Cont'd)
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Coverages and workers compensation policy
Rule ID: BM-WORK-C0000
Effective Date: March 1, 2023

This rule provides information regarding coverages and the workers compensation policy.

Additional payments
Rule ID: BM-PAYI-AA814
Effective Date: ~~November 1, 2021~~ March 1, 2023

This rule provides information regarding ~~A~~additional payments ~~include payments~~ that supplement an employee's regular pay.

Additional payments to employees
Rule ID: BM-PAYE-A267C
Effective Date: ~~November 1, 2021~~ March 1, 2023

~~Additional payments include tips, gratuities, payments for invention or discovery, payments for military duty, and meal money.~~

This rule provides information regarding additional payments to employees that are excluded from payroll.

***Note**: For Texas, the proposed effective date is July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23B
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Premium discount tables

Rule ID: BM-PREP-A4096
Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This rule provides the State reference chart premium discount tables, and Premium discount tables 1-10.

Tables of minimum premium and increased limits ~~percentages~~

Rule ID: BM-EMPT-A437C
Effective Date: March 1, 2023

This rule provides the minimum premium and increased limits for: Table 1–Workers compensation and employers liability—Table for minimum premium and increased limits percentages; and Table 2—Employers liability insurance for Admiralty law or FELA—Table for minimum premium and increased limits factors.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23C
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Board duties

Rule ID: BM-DISB-B05E0
Effective Date: ~~March 1, 2022~~ March 1, 2023

This rule provides information regarding board member duties and the board duties table.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23D
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Exclusion of overtime payroll

Rule ID: BM-OVEE-E248F

Effective Date: March 1, 2023

This rule provides information regarding excluding extra pay for overtime from payroll.

*__Note:__ For Texas, the proposed effective date is July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23E
Basic Manual—Effective 2021
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NCCI as administrator to the ~~b~~Board

Rule ID: BM-DISB-N0906

Effective Date: ~~March 1, 2022~~ March 1, 2023

This rule provides information regarding NCCI's duties as administrator to the Board.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23F
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Payroll limitations

Rule ID: BM-PAYP-PB08E
Effective Date: March 1, 2023

This rule provides information regarding applying payroll limitations.

***Note**: For Texas, the proposed effective date is July 1, 2023.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 23G
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Premium discount tables 1-10

Rule ID: BM-PREP-PE3F0
Effective Date: March 1, 2023

This rule provides the premium discount tables.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24B
Basic Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SD, TN, UT, VT, WV)

Rule for calculating migrant and seasonal agricultural workers insurance premium

Rule ID: BM-TYPM-R419B

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

Use documentation provided by the employer to evaluate exposures presented by the employer. Base the premium on the rate determined from your evaluation.

References

Refer to NCCI's ***Basic Manual User's Guide*** for more information about the Migrant and Seasonal Agricultural Worker~~s~~ Protection Act ~~in the Additional Coverages Summary Table~~.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24C
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Members of limited liability companies

Rule ID: BM-MEMB-M7BC4

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

For purposes of premium determination, members or managers are collectively referred to as members of limited liability companies (LLCs).

References

Refer to NCCI's ***Basic Manual User's Guide*** for the~~information about~~ Election of ~~C~~coverages ~~R~~reference ~~T~~table.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24N
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Automobile—Salespersons

Code 8748

Phrase ID: BM-8748-AUT63

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology is subject to ~~the~~NCCI's ***Basic Manual*** rule, Standard exception classifications ~~rule~~, except in respect to delivery of automobiles.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24Q
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Dredging—All Types—Coverage Under Admiralty Law—Program I
Code 7333

Phrase ID: BM-7333-DRAFA
Effective Date: ~~November 1, 2021~~March 1, 2023
Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Dredging—All Types—Coverage Under Admiralty Law—Program II—State Act Benefits
Code 7335

Phrase ID: BM-7335-DRA26
Effective Date: ~~November 1, 2021~~March 1, 2023
Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Dredging—All Types—Coverage Under Admiralty Law—Program II—USL&HW Act Benefits
Code 7337

Phrase ID: BM-7337-DRA4B
Effective Date: ~~November 1, 2021~~March 1, 2023
Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Railroad Operation—Street—Yard Employees
Code 8385

Phrase ID: BM-8385-RAC2F
Effective Date: ~~November 1, 2021~~March 1, 2023
This phraseology does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

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Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial

Code 7380

Phrase ID: BM-7380-DRA66
Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This phraseology is subject to ~~the~~NCCI's ***Basic Manual*** rule, Standard exception classifications~~ rule~~.

Delivery of owned documents or goods by foot or public transportation
Messenger and courier deliveries of owned documents or goods made by foot or public transportation are assigned to the governing classification.

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Railroad Operation NOC—All Employees & Drivers

Code 7133

Phrase ID: BM-7133-RAC78
Effective Date: ~~November 1, 2021~~ March 1, 2023

Code 7133 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Maintenance or operation of automobile bus lines
All employees connected with the maintenance or operation of automobile bus lines must be rated to Code 7382 or Code 8385.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24V

Basic Manual—Effective 2021

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Railroad Operation—Street—All Other Employees & Drivers

Code 7382

Phrase ID: BM-7382-RACB7

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This phraseology does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~ for such coverage.

Yard employees

Yard employees are to be separately rated to Code 8385.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24W
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Ship Repair or Conversion—All Operations & Drivers—Coverage Under State Act Only

Code 6882

Phrase ID: BM-6882-SHI00
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to employers that perform various kinds of general ship repair or conversion work and that undertake such diversified operations as a usual part of their business. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Included operations

This phraseology includes

- shop or yard operations, and
- the operation of dry docks and marine railways.

Work performed on ships by others

Work performed on ships by others is to be assigned to the classifications describing the work.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24X
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Ship Repair or Conversion—All Operations & Drivers—Coverage Under USL&HW Act

Code 6872F

Phrase ID: BM-6872-SHI34

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to employers that perform various kinds of general ship repair or conversion work and that undertake such diversified operations as a usual part of their business. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Federal coverages ~~rule~~.

Included operations

This phraseology includes

- shop or yard operations, and
- the operation of dry docks and marine railways.

Work performed on ships by others

Work performed on ships by others is to be assigned to the classifications describing the work.

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Truck Leasing—Long-Term—Sales Employees
Code 8748

Phrase ID: BM-8748-TRE66

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This phraseology is subject to ~~the~~NCCI's ***Basic Manual*** rule, Standard exception classifications ~~rule~~, except in respect to delivery of automobiles.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AA
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Trucking—Mail, Parcel, or Package Delivery—Under Contract With the US Postal Service—All Employees & Drivers

Code 7232

Phrase ID: BM-7232-TREC9
Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This phraseology applies to employers under contract with the US Postal Service for delivery of mail involving (a) letters, (b) packages, (c) pallets, (d) parcels, (e) rolling containers, and (f) sacks.

Miscellaneous employees

This phraseology includes miscellaneous employees such as garage employees, repairers, and terminal employees. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Miscellaneous Employees ~~rule~~.

US Postal Service contract mail delivery

This phraseology includes US Postal Service contract mail delivery performed on both

- a bulk basis, and
- an individual letter, package, or parcel basis.

Classification assignment to the appropriate trucking classification

Truckers who haul under contract, whether for one or more individuals or concerns, must not be classified and rated except in accordance with the appropriate "trucking" classification.

Important When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AD
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Trucking—Parcel or Package Delivery—All Employees & Drivers

Code 7230

Phrase ID: BM-7230-TRE31
Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

This phraseology applies to employers that exclusively deliver from retail stores under term contracts. This phraseology includes miscellaneous employees such as garage employees, repairers, and terminal employees. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Miscellaneous Employees~~ rule~~.

Classification assignment to the appropriate trucking classification

Truckers who haul under contract, whether for one or more individuals or concerns, must not be classified and rated except in accordance with the appropriate "trucking" classification.

Important When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AK
Basic Manual—Effective 2021—Oregon

Automobile Recycling & Drivers

Code 3821

Phrase ID: BM-3821-AUT93

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes the dismantling, junking, or salvaging of parts, and the driving exposures related to the recycling yard operations.

Operations to be separately rated

Operations to be separately rated to Code 8046 include

- store employees
- inside warehouse employees, and
- delivery of parts related to the store operations.

Division of payroll for employees

A division of payroll is allowed for employees who interchange duties provided appropriate payroll records are maintained.

Important Refer to ~~the~~NCCI's ***Basic Manual*** rule, Interchange of labor ~~rule~~.

Towing for others and roadside assistance

Towing for others and roadside assistance are to be separately rated. Code 7225 must be assigned to tow truck drivers and their helpers when towing for others or providing roadside assistance.

If towing or roadside assistance operations constitute more than 50% of total gross receipts, Code 7225 must be assigned to the tow truck or roadside assistance drivers and their helpers.

If the employer cannot establish that towing or roadside assistance receipts constitute 50% or less of total gross receipts from operations during the policy period, Code 7225 must be assigned to all tow truck or roadside assistance drivers and their helpers.

Automobile Recycling—Store Employees

Code 8046 ◆ **Mercantile**

Phrase ID: BM-8046-AUT97

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes (a) delivery of parts related to the store operations, and (b) inside warehouse employees.

Operations separately rated to Code 3821

The following operations related to the recycling yard are to be separately rated to Code 3821:

- dismantling, junking, or salvaging of parts, and
- driving exposures.

Division of payroll

Division of payroll is allowed for employees who interchange duties, provided that appropriate payroll records are maintained. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Interchange of labor ~~rule~~.

Clerical Office Employees

Code 8810

Phrase ID: BM-8810-CLE0D

Effective Date: ~~November 1, 2021~~March 1, 2023

Refer to ~~the~~NCCI's ***Basic Manual*** rule, Exceptions for standard exception classifications ~~rule~~.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Clerical Telecommuter Employees
Code 8810

Phrase ID: BM-8810-CLE3E
Effective Date: ~~November 1, 2021~~March 1, 2023

Refer to ~~the~~NCCI's ***Basic Manual*** rule, Exceptions for standard exception classifications ~~rule~~.

Construction Permanent Yard
Code 8227 ● **Construction**

Phrase ID: BM-8227-CON55
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies only to a permanent yard maintained by a construction employer for the storage of material or the storage and maintenance of vehicles and equipment even if the employer's governing code includes "shop operations" or "yard employees" or "yard operations." Code 8227 includes incidental pickup of parts for the yard operation. See ~~the~~NCCI's ***Basic Manual*** rule, "All Employees", "All Other Employees", "All Operations", or "All Operations to Completion" ~~rule~~.

Operations incidental to the overall construction operation
The following operations performed by construction site workers are incidental to the overall construction operation and must be assigned to the workers' job site classification:

- loading and unloading equipment, materials, or tools, and
- prefabrication work.

Operations not assigned to Code 8227
Do not assign Code 8227

- when fabrication, manufacturing, or mill operations represent the most payroll at that location, or
- to the following operations:
  - delivery to construction sites
  - temporary yards set up for one particular project, or
  - yards at construction sites.

Assignment of Code 8227 with Code 5537
Code 8227 must not be assigned if Code 5537 is the governing class for the business.

Contractor—Executive Supervisor or Construction Superintendent
Code 5606 ● **Construction**

Phrase ID: BM-5606-CON2F
Effective Date: ~~November 1, 2021~~March 1, 2023

See NCCI's ***Basic Manual*** rule, ~~the~~ Interchange of labor ~~rule~~.

Eligibility conditions for assignment to Code 5606
The following conditions must be met for assignment to Code 5606:

1. This classification is available only to executive supervisors or construction superintendents who have administrative or managerial responsibility for construction or erection projects. Code 5606 also includes any office clerical work, outside sales contact work, and public relations activities performed by the executive supervisor or construction superintendent.
2. Executive supervisors or construction superintendents are defined as those persons exercising supervisory control through job foreperson.
   Forepersons must be assigned to the classification that specifically describes the type of construction or erection operation they are exercising direct supervisory control over, provided that separate payroll records are maintained for each operation. Any such operation without separate payroll records must be assigned to the highest rated classification that applies to the job or location where the operation is performed. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Construction, erection, or oil and gas field operations ~~rule~~.
3. Code 5606 is not available for division of a single employee's payroll with any other classification except

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Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

- Code 7421
- Code 8227, or
- when the employee has a distinct change in duties and is assigned to another job site.

Domestics.

Code 8989

Phrase ID: BM-8989-DIR92

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology applies to full-time or part-time domestic workers employed inside or outside a private residence and includes gardening, lawn care, and private chauffeurs.

Assignment of Code 0917, Code 8989, Code 8835, and Code 9014

Code 0917 employers are specialists doing light residential housecleaning only.

Code 8989 workers are employees of the homeowner.

Code 8835 workers provide "physical assistance in the activities of daily living" while performing light housekeeping, meal preparation, and other similar tasks.

Code 9014 employees are janitorial contractors performing heavy-duty cleaning, mainly for commercial accounts.

Domestics subject to Code 8989

Domestics subject to Code 8989 are considered to be nonsubject workers.

Outside domestics working on a farm or ranch

Outside domestics working on a farm or ranch are subject to the appropriate farming or ranching classification.

Assignment of farm codes

Refer to ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes, when assigning farm codes.

Domestic workers employed by a business other than a business described by Code 0917

Domestic workers who are employed by a business, other than a business described by Code 0917, are to be classified to Code 8989. Code 8989 applies whether these domestic workers are determined to be a subject worker or nonsubject worker. "Domestics subject to Code 8989," as described in this note, does not apply to these workers.

Farm—Berry Farm & Drivers

Code 0079 ■ Farm

Phrase ID: BM-0079-FAB57

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology applies to berry farms.

Crops included in Code 0079

The following is a representative list of crops included in Code 0079:

- blackberries
- blackcaps
- blueberries
- boysenberries
- cranberries
- currants
- loganberries
- marionberries
- raspberries, and
- strawberries

Growing and irrigating

This phraseology includes growing and irrigating.

Assignment of farm codes

Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

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Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Farm—Berry Picking by Hand
Code 0117 ■ **Farm**

Phrase ID: BM-0117-FAB22
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to berry picking by hand.

Crops included in Code 0117
The following is a representative list of crops included in Code 0117:

- blackberries
- blackcaps
- blueberries
- boysenberries
- cranberries
- currants
- loganberries
- marionberries
- raspberries, and
- strawberries

Farm note
Refer to number 3 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Cattle or Livestock Raising NOC & Drivers
Code 0083 ■ **Farm**

Phrase ID: BM-0083-FABF1
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes animals such as (a) buffalo, (b) cattle, (c) draft horses not for exhibition purposes, (d) emus, and (e) hogs.

Employers that operate cattle ranching or crop raising in conjunction with feedlot operations
A division of payroll is allowed between Code 0083, Code 0037, and Code 8288 for employers that perform cattle ranching or crop raising in conjunction with feedlot operations, provided that verifiable records are maintained. In the event that the payroll records do not reveal an accurate segregation of payroll, the entire payroll must be assigned to the highest-rated classification.

Growing and harvesting crops used as feed for the employer's own cattle
Assign the growing and harvesting of crops used as feed for an employer's own cattle to Code 0037, provided that verifiable payroll records are maintained. In the event that payroll records do not reveal an accurate segregation of payroll between Code 0037 and Code 0083, the entire payroll must be assigned to Code 0083.

Proportionate acreage method of dividing payroll between classifications
The proportionate acreage method of dividing payroll between classifications does not apply to Code 0036 when used in connection with Code 0037. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Rules for dividing payroll among farm operations.

Farm—Christmas Tree Farms & Drivers
Code 0005 ■ **Farm**

Phrase ID: BM-0005-FABF2
Effective Date: ~~November 1, 2021~~March 1, 2023

Number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes, does not apply to this phraseology.

Farm—Dairy & Drivers
Code 0036 ■ **Farm**

Phrase ID: BM-0036-FAB7D
Effective Date: ~~November 1, 2021~~March 1, 2023

The following operations are to be separately rated: (a) the processing of raw milk received from others, and (b) the manufacturing of butter, cheese, and ice cream.

Growing and harvesting crops used as feed for the employer's own cattle

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Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Assign the growing and harvesting of crops used as feed for an employer's own cattle to Code 0037, provided that verifiable payroll records are maintained. If the payroll records do not reveal an accurate segregation of payroll between Code 0036 and Code 0037, the entire payroll must be assigned to Code 0036.

Proportionate acreage method of dividing payroll between classifications
The proportionate acreage method of dividing payroll between classifications does not apply to Code 0036 when used in connection with Code 0037. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Rules for dividing payroll among farm operations.

Farm—Dry Onion—Vegetable Farm & Drivers
Code 0008 ■ Farm

Phrase ID: BM-0008-FAB02
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to (a) growing, (b) harvesting, (c) picking, and (d) topping.

Assignment of farm codes
Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Field Crops—Harvesting by Hand
Code 0008 ■ Farm

Phrase ID: BM-0008-FAB28
Effective Date: ~~November 1, 2021~~March 1, 2023

Refer to number 3 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Fruit Growing Orchard & Drivers
Code 0016 ■ Farm

Phrase ID: BM-0016-FABD8
Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology applies to the growing, harvesting, and irrigation of fruit and nuts.

Crops included in Code 0016
The following is a representative list of crops included in Code 0016:

- apples
- apricots
- cherries
- filberts
- nectarines
- peaches
- pears
- plums, and
- walnuts.

Assignment of farm codes
Refer to numbers 1 and 4 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Garlic & Drivers
Code 0008 ■ Farm

Phrase ID: BM-0008-FAB71
Effective Date: ~~November 1, 2021~~March 1, 2023

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Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Refer to numbers 1 and 2 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Hoeing by Hand & Drivers
Code 0008 ■ **Farm**

Phrase ID: BM-0008-FAB6C
Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Holly Growing, Harvesting, Packing, and Storing & Drivers
Code 0005 ■ **Farm**

Phrase ID: BM-0005-FAB0D
Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

Number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes, does not apply to this phraseology.

Farm—Hops & Drivers
Code 0037 ■ **Farm**

Phrase ID: BM-0037-FAB05
Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Farm—Nursery Stock & Drivers
Code 0005 ■ **Farm**

Phrase ID: BM-0005-FAB25
Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology applies to nursery stock grown outside of greenhouses, including bulbs and trees not for future timber use.

Growing short rotation trees
This phraseology includes growing short rotation trees for pulp or tree stock.

Harvesting
Harvesting is to be separately classified to Code 2702 or Code 2725 based on the operations performed.

Wholesale or retail sales conducted from the nursery location
Assign wholesale or retail sales conducted from the nursery location to Code 0005.

Assignment of farm codes
Number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes, does not apply to this phraseology.

Farm—Packing—Orchard & Drivers
Code 0016 ■ **Farm**

Phrase ID: BM-0016-FABC0
Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology applies to the drivers for a packing plant operated by a farm.

Assignment of farm codes
Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Canneries
Canneries are to be separately rated to Code 2111.

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Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Fruit evaporating or preserving
Fruit evaporating or preserving is to be separately rated to Code 2112.

Farm—Tree or Shrub—Tree Farms—Drivers
Code 0005 ■ Farm

Phrase ID: BM-0005-FAB14

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology does not apply to trees or shrubs grown for future timber use.

Growing short rotation trees
This phraseology includes growing short rotation trees for pulp or tree stock.

Harvesting
Harvesting is to be separately classified to Code 2702 or Code 2725 based on the operations performed.

Assignment of farm codes
Number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes does not apply to this phraseology.

Farm—Tree or Shrub—Tree Planting—Reforestation & Drivers
Code 0124 ■ Farm

Phrase ID: BM-0124-FAB69

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes tree farms when the trees grown are for future timber use.

Farm note
Number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes, does not apply to this phraseology.

Growing short-rotation trees for pulp or tree stock
Growing short-rotation trees for pulp or tree stock is classified to Code 0005.

Harvesting operations
Harvesting is to be separately classified to Code 2702 or Code 2725 based on the operations performed.

Contractors who perform forest or wildland fire-suppression services
Contractors who perform forest or wildland fire-suppression services are to be separately rated to Code 2704.

Farm—Vegetable Farm & Drivers
Code 0008 ■ Farm

Phrase ID: BM-0008-FABF7

Effective Date: ~~November 1, 2021~~March 1, 2023

This phraseology includes growing and irrigation.

Assignment of farm codes
Refer to numbers 1 and 2 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Farm—Vineyard—All Operations & Drivers

Code 0008 ■ **Farm**

Phrase ID: BM-0008-FAB3B

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology includes growing, irrigation, and harvesting.

Assignment of farm codes

Refer to number 1 in ~~the~~NCCI's ***Basic Manual*** rule, Rules for assigning farm classification codes.

Logging—Wildland or Forest Firefighting by Contractor—All Operations at Location & Drivers

Code 2704

Phrase ID: BM-2704-LOG7E

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

This phraseology applies to contractors who perform wildland or forest fire suppression services, including all operations such as: (a) back burns,
(b) construction of fire breaks and fire trails, (c) hose layout, (d) maintenance or repair of all equipment in the field, (e) mobilization of equipment and supplies, (f) mop-up, (g) slash piling and burning, and (h) training.

Tree falling

This classification does not include tree falling associated with fire suppression. All tree falling is to be separately rated to Code 2702.

Idle time, standby, and travel-time pay

This phraseology includes idle time, standby, and travel-time pay.

Logging and other forestry operations

Logging and other forestry operations are to be separately rated.

Division of payroll between Code 2704 and Code 2702 or Code 2725

Division of payroll between Code 2704 and Code 2702 or Code 2725 is allowed in accordance with ~~the~~NCCI's ***Basic Manual*** rule, Assignment of more than one basic classification ~~rule~~.

Maintenance of wildland or forest firefighting equipment

Maintenance of wildland or forest firefighting equipment at a permanent shop location, including pickup of parts for the shop, is to be separately rated to Code 2703.

Important Code 2703 does not apply to repair work performed away from the shop.

Code 0124 application

Code 0124 does not apply to slash piling and burning when associated with firefighting cleanup.

Mobile Home Sales—Salespersons

Code 8748

Phrase ID: BM-8748-MOBD8

Effective Date: ~~*November 1, 2021*~~*March 1, 2023*

Refer to ~~the~~NCCI's ***Basic Manual*** rule, Exceptions for standard exception classifications ~~rule~~.

Trucking—Hauling Explosives or Ammunition—& Drivers

Code 7219

Phrase ID: BM-7219-TREEF

Effective Date: ~~*November 1, 2022*~~ *March 1, 2023*

Dock, garage, and warehouse employees of trucking firms are to be separately rated to Code 9328. Refer to ~~the~~NCCI's ***Basic Manual*** rule, Miscellaneous Employees ~~rule~~.

Classification assignment to the appropriate trucking classification

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 24AK (Cont'd)
Basic Manual—Effective 2021—Oregon

Truckers that haul under contract, whether for one or more individuals or concerns, must not be classified and rated except in accordance with the appropriate "Trucking" classification.

Important When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated in accordance with classifications other than a "Trucking" classification.

Trucking NOC—Drivers and Their Helpers

Code 7219

Phrase ID: BM-7219-TREB8

Effective Date: ~~November 1, 2021~~March 1, 2023

Dock, garage, and warehouse employees of trucking firms are to be separately rated to Code 9328. Refer to ~~the~~ NCCI's ***Basic Manual*** rule, Miscellaneous Employees~~ rule~~.

Classification assignment to the appropriate trucking classification

Truckers that haul under contract, whether for one or more individuals or concerns, must not be classified and rated except in accordance with the appropriate "Trucking" classification.

Important When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated in accordance with classifications other than a "Trucking" classification.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 25J
Basic Manual—Effective 2021—Oregon

Rules for applying prevailing wages in payroll

Rule ID: BM-PAYE-RB351

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

The Davis-Bacon Act requires the United States Department of Labor to establish a "base wage" and a "fringe benefit wage" as components of a prevailing wage when a construction contract is let that involves federal funds. Nothing in this rule is intended to affect the application of the Rules for excluding from payroll employer payments to group insurance and group pension plans.

Oregon Revised Statutes (ORS)

As required by the ORS, workers on all public works must not be paid less than the prevailing wage.

Entire wage

If the entire prevailing wage is paid as salary or cash wages, include the total prevailing wage, including the base wage and fringe benefit, in payroll.

Partial wage

If the base wage is paid to the employee, and any portion of the fringe benefit wage is paid by the employer into an ERISA qualified third-party pension plan or group insurance plan, then exclude the amount the employer pays into the pension plan from payroll, unless the plan is found to be a device to evade workers compensation premium.

ERISA qualified third-party pension plan requirements

Ensure that the ERISA qualified third-party pension plan meets all of the following requirements:

- The pension plan is for the exclusive and irrevocable benefit of the employee.
- The pension plan and related trust are qualified under Sections 401(a) and 501(a) of the Internal Revenue Code.
- The Internal Revenue Service has issued a favorable determination letter to indicate a qualification.

Group insurance plan requirements

If the base wage is paid to the employee, and the employer pays any portion of the fringe benefit wage into a group insurance plan for the exclusive benefit of the employee, exclude the amount paid into the group insurance plan ~~form~~ from payroll unless the insurance plan is found to be a device to evade workers compensation premium. The employer of any non-prevailing wage jobs must otherwise fund the group insurance plan.

References

Refer to Rules for excluding from payroll employer payments to group insurance and group pension plans.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 25K
Basic Manual—Effective 2021—Oregon

Fuel and Material Dealer NOC & Local Managers, Drivers

Code 8232 ◆ Mercantile

Phrase ID: BM-8232-FRU1F

Effective Date: ~~November 1, 2021~~March 1, 2023

The operation of grain elevators is to be separately rated to Code 8304.

Eligibility conditions

This phraseology applies to employers that deal in at least three of the following classifications of materials:

1. coal, fuel oil, ice, or wood
2. new building materials including lumber
3. feed, grain, hay, or seed, or
4. agricultural implements.

Sheet Metal Products Mfg.

Code 3076

Phrase ID: BM-3076-SER7E

Effective Date: March 1, 2023

This phraseology applies to the manufacturing of various products made from (a) aluminum sheet stock, (b) brass or copper sheet stock, (c) Monel metal, (d) sheet metal, and (e) stainless steel.

Products manufactured

This phraseology includes the manufacturing of

- cabinets
- door frames
- doors
- enclosures
- metal bedsteads
- metal caskets or coffins
- metal furniture, or
- metal sashes.

Operations to be separately rated

The following operations are to be separately rated:

- erection, installation, or repair operations
- fabrication of nonstructural or structural iron or steel work, and
- manufacturing of fireproof doors or shutters that are wood covered with metal.

Extruded aluminum products

Classify products manufactured from extruded aluminum to Code 3227.

Sheet metal operations with extensive blanking, punching, or stamping

Refer to Code 3400 for employers whose operations involve extensive blanking, punching, or stamping of sheet metal.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 26
Residual Market Manual—Effective 2021—Oregon

Oregon Assigned Risk Workers Compensation Premium Algorithm

Rule ID: RM-RMPP-A519F

Effective Date: ~~November 1, 2021~~ March 1, 2023

This algorithm provides the framework for premium charges and credits. Where not specified, the premium base is the result from the prior line.

Oregon Assigned Risk Workers Compensation Premium Algorithm

	PREMIUM ELEMENTS	**EXPLANATORY NOTES**
	MANUAL PREMIUM	[(PAYROLL / 100) * RATE]
+	Supplementary Disease (foundry)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+	USL&HW Exposure for non-F-classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&HW FACTOR)]
	TOTAL MANUAL PREMIUM	
+	Waiver of Subrogation factor	[% applied to the portion of Total Manual Premium where waiver is applicable, subject to minimum charge]
+	Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]
+	Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+	Employers Liability factor (Admiralty law)	[Factor applied to the portion of Manual Premium where Admiralty law coverage is applicable]
	TOTAL SUBJECT PREMIUM	
x	Experience Modification (Exp Mod)	
	TOTAL MODIFIED PREMIUM	
x	OGSERP Supplemental factor	
x	Assigned Risk Adjustment Program (ARAP) Surcharge	
x	Merit Rating Factor (1 – MR credit %) or (1 + debit %)	[Nonrated risks] [Max. Credit = $500]
x	Contracting Class Prem Adj Program factor (1 – CCPAP credit %)	
x	Non-experience rated factor (1 – NER credit %)	[% is applied to Total Modified Premium]
x	New Small Employer factor (1 – NSE credit %)	[% is applied to Total Modified Premium + NER Credit]
+	Supplemental Disease Exposure (Asbestos NOC) [1, 2]	
+	Atomic Energy Radiation Exposure NOC [1, 2]	
+	Charge for nonratable catastrophe loading [2]	
+	Balance to Minimum Premium (State Act)[3]	[Balance to minimum premium at Standard Limits]
+	Balance to Minimum Premium (Admiralty law)	[Balance to minimum premium at Admiralty law Standard Limits]
	TOTAL STANDARD PREMIUM	

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 26 (Cont'd)
Residual Market Manual—Effective 2021—Oregon

	PREMIUM ELEMENTS	EXPLANATORY NOTES
+	Coal Mine Disease Charge	[Underground, surface, surface auger]
+	Expense Constant	
+	Terrorism	[(PAYROLL / 100) * TERRORISM VALUE]
+	Catastrophe (other than Certified Acts of Terrorism)	[(PAYROLL / 100) * CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE]
	ESTIMATED ANNUAL PREMIUM	
+	Audit Noncompliance Charge	
	TOTAL AMOUNT DUE	

1 Not Otherwise Classified.
2 Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or NCCI's Loss Sensitive Rating Plan.
3 For purposes of determining the Total Standard Premium, the Balance to Minimum Premium calculation includes the Expense Constant. For reporting instructions for these premium elements, refer to NCCI's StatisticalPlan.

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

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 27E
Residual Market Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VA, VT, WV)

Initial or deposit premium and premium installments

Rule ID: RM-INGE-I139F
Effective Date: March 1, 2023

This rule provides information regarding initial or deposit premium and premium installments.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 27F
Residual Market Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VA, VT, WV)

Licensing requirements

Rule ID: RM-PFEE-L9968
Effective Date: March 1, 2023

This rule provides information regarding producer licensing requirements.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 27G
Residual Market Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VA, VT, WV)

Payment information

Rule ID: RM-PFEE-P15D6
Effective Date: March 1, 2023

This rule provides information regarding assigned carrier payment of producer fees.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 27I
Residual Market Manual—Effective 2021
(Applies in: AL, AZ, CT, DC, GA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VT, WV)

Professional employer organizations (PEO) and temporary arrangements

Rule ID: RM-LSPR-P29C3

Effective Date: March 1, 2023

This rule provides information regarding professional employer organizations (PEO) and temporary arrangements for LSRP policies.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28A
Residual Market Manual—Effective 2021
(Applies in: AK, AL, AR, CT, DC, IA, ID, IL, KS, MS, NH, NV, OR, SC, SD, TN, WV)

Introduction - Application of manual rules

Rule ID: RM-RPRE-IC09A

Effective Date: ~~November 1, 2021~~ March 1, 2023

This manual contains residual market rules and assigned risk rates that have been filed with and approved by the state insurance regulators.

1. This manual applies to residual market policies that come into effect on or after the effective date of this manual.
2. Changes to this manual, which include changes to rules or assigned risk rates, are effective as of 12:01 a.m. on the date the change was approved by the state insurance regulator.
3. Changes to this manual made during a policy period are effective as of the policy effective date on or after the date of the change, unless otherwise specified.
4. Rules in this manual are based on policy periods of not longer than one year. A policy issued for a period not longer than one year and 16 days is treated as a one-year policy.
5. The National Council on Compensation Insurance, Inc. (NCCI) has the right to
   - inspect operations
   - assign classifications
   - determine if classifications have been appropriately assigned, and
   - determine if rules in this manual have been appropriately applied.
6. NCCI has the authority to conduct test audits and require carriers to make corrections in accordance with the results of test audits.
7. Appeals related to the application of the rules in this manual may be resolved through the applicable administrative appeals process. Refer to ~~the Dispute Resolution Process in~~ NCCI's ***Basic Manual*** rule, Dispute Resolution Process.
8. NCCI does not interpret state or federal laws pertaining to coverage issues.
9. Some rules in this manual are titled "Rules for…", and some rules are not titled "Rules for…". Regardless of the title, all are rules that have been filed with, and approved by, state insurance regulators.
10. In this manual, when there are multiple definitions for the same term, use the definition that applies to the specific rule.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28D
Residual Market Manual—Effective 2021
(Applies in: AL, AZ, CT, DC, GA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VT, WV)

Application of LSRP during the first 120 days of the policy term table

Rule ID: RM-LSCH-A94FD

Effective Date: ~~November 1, 2021~~ March 1, 2023

If during the first 120 days of the policy term …	Then …
the LSRP standard premium **decreases** and falls below the LSRP eligibility threshold	• the policy is converted to a guaranteed cost policy, retroactively to policy inception, and • LSRP contingency deposit is returned.
the LSRP standard premium **increases** and meets the LSRP eligibility threshold	• LSRP is applied retroactively to policy inception • an LSRP contingency deposit must be paid within 30 days of the assigned carrier issuing notice of the application of LSRP • valuations are calculated in accordance with LSRP valuation, and • the assigned carrier must hold the LSRP contingency deposit in accordance with Application of LSRP (additional/return) premium.
the employer's LSRP policy is **cancelled** by the carrier or employer, when the employer is retiring from business, or a residual market policy is cancelled because the employer is insured through the voluntary market, due to reasons detailed in NCCI's ***Basic Manual*** rule, Calculate the premium for cancelled policies	• the policy is converted to a guaranteed cost policy, retroactively to policy inception • the policy is cancelled **pro rata**, and • the LSRP contingency deposit and any unearned premium is returned, subject to final audit.
the employer's LSRP policy is **cancelled** by the employer, except when retiring from the business, due to reasons detailed in NCCI's ***Basic Manual*** rule, Calculate the premium for cancelled policies	• the policy is converted to a guaranteed cost policy, retroactively to policy inception • the policy is cancelled **short rate**, and • the LSRP contingency deposit and any unearned premium is returned, subject to final audit.

References

Refer to NCCI's ***Basic Manual*** ~~for~~ rule, Cancellation provisions.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28E
Residual Market Manual—Effective 2021
(Applies in: AL, AZ, CT, DC, GA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VT, WV)

Application of LSRP after the first 120 days of the policy term table

Rule ID: RM-LSCH-A60C5

Effective Date: ~~November 1, 2021~~ March 1, 2023

If after the first 120 days of the policy term …	Then …
the LSRP standard premium **decreases** and falls below the LSRP eligibility threshold	• LSRP continues to apply to the policy, and • valuations are calculated in accordance with LSRP valuation.
the LSRP standard premium **increases** and meets the LSRP eligibility threshold	• the policy remains a guaranteed cost policy, and • LSRP is applied at renewal, subject to meeting the eligibility requirements on the renewal policy.
the employer's LSRP policy is **cancelled** by the carrier or employer, when the employer is retiring from business, due to reasons detailed in NCCI's ***Basic Manual*** rule, Calculate the premium for cancelled policies	• LSRP continues to apply to the policy • the policy is cancelled **pro rata** in accordance with Cancellation of LSRP policies • valuations are calculated in accordance with LSRP valuation, and • the assigned carrier must hold the LSRP contingency deposit in accordance with Application of LSRP (additional/return) premium.
the employer's LSRP policy is **cancelled** by the employer, except when retiring from the business, due to reasons detailed in NCCI's ***Basic Manual*** rule, Calculate the premium for cancelled policies	• LSRP continues to apply to the policy, and • the policy is cancelled **short rate** in accordance with Cancellation of LSRP policies • valuations are calculated in accordance with LSRP valuation, and • the assigned carrier must hold the LSRP contingency deposit in accordance with Application of LSRP (additional/return) premium.

References

Refer to

- Cancellation of LSRP policies
- LSRP formula
- NCCI's ***Basic Manual*** rule, Calculate the premium for cancelled policies
- Rule for determining application of LSRP (additional/return) premium, and
- LSRP endorsements for information about the proper application of endorsements.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28K
Residual Market Manual—Effective 2021
(Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VA, VT, WV)

Standard limits of liability

Rule ID: RM-AVLE-S99F7

Effective Date: ~~November 1, 2021~~ March 1, 2023

Employers liability insurance can only be secured in the residual market in conjunction with workers compensation insurance. Employers liability insurance without workers compensation insurance is not available.

Standard limits of liability apply to employers liability insurance, as detailed in NCCI's ***Basic Manual*** rule, ~~for~~ Employers liability insurance.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28M
Residual Market Manual—Effective 2021
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Increased limits of liability

Rule ID: RM-AVLE-I82EA

Effective Date: ~~November 1, 2021~~ March 1, 2023

Increased limits of liability are available under Part Two—Employers Liability of the policy. In the residual market, the standard limits may be increased up to the maximum limits provided in the following table:

Increased Limits of Liability Availability Table

Coverage	Maximum Increased Limits Available
Employers Liability Insurance	• **$1,000,000**—Bodily Injury by Accident, Each Accident • **$1,000,000**—Bodily Injury by Disease, Policy Limit • **$1,000,000**—Bodily Injury by Disease, Each Employee

Increased limits, their corresponding factors, and minimum premiums

Increased limits, their corresponding factors, and minimum premiums are applied in accordance with NCCI's ***Basic Manual*** rule, ~~for~~ Increased limits of liability for employers liability insurance, the Tables of ~~M~~minimum ~~P~~premium and ~~I~~increased ~~L~~limits ~~P~~percentages in NCCI's ***Basic Manual***, and the applicable rules and algorithms.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28N
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Federal Mine Safety & Health Act

Rule ID: RM-AVFE-FB5A2

Effective Date: ~~November 1, 2021~~March 1, 2023

Coverage for Federal Mine Safety & Health Act is available by endorsement, written only as an adjunct to state workers compensation act coverage.

References

Refer to NCCI's ***Basic Manual*** rule, ~~for~~ Coal mine disease charge (Federal Mine Safety and Health Act), for more information about how to provide this coverage.

USL&HW Act and extensions

Rule ID: RM-AVFE-UF240

Effective Date: ~~November 1, 2021~~March 1, 2023

Information about the United States Longshore and Harbor Workers' Compensation (USL&HW) Act and extensions includes the United States Longshore and Harbor Workers' Compensation (USL&HW) Act, its extensions, and endorsements.

USL&HW Act

Coverage for the USL&HW Act is available by endorsement in the residual market written only as an adjunct to state workers compensation act coverage.

USL&HW Act extensions

Coverage for USL&HW Act's extensions are available in the residual market only when the Longshore and Harbor Workers' Compensation Act Endorsement is attached, as well as the other appropriate endorsements, and is available when written only as an adjunct to state workers compensation act coverage.

Endorsements

The available endorsements are

- Longshore and Harbor Workers' Compensation Act Coverage Endorsement
- Defense Base Act Coverage Endorsement
- Nonappropriated Fund Instrumentalities Act Coverage Endorsement, and
- Outer Continental Shelf Lands Act Coverage Endorsement.

References

Refer to

- NCCI's ***Basic Manual*** rule~~s~~, ~~for~~ Federal coverages ~~and~~
- NCCI's ***Basic Manual*** rule, Employers liability insurance~~,~~
- NCCI's ***Basic Manual User's Guide***, and
- NCCI's ***Assigned Risk Supplement*** for additional information about federal coverages.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28O
Residual Market Manual—Effective 2021
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Coverage for Maritime (Admiralty), Program I or Program II

Rule ID: RM-AVFE-CAA8C

Effective Date: ~~*November 1, 2021*~~ *March 1, 2023*

Information on the coverage for Maritime (Admiralty), Program I and Program II includes general information, additional Maritime (Admiralty) options, and endorsements.

General information

Coverage for Maritime (Admiralty), Program I or Program II, is available by endorsement only at the standard limit of liability in accordance with NCCI's ***Basic Manual*** rule. Employers ~~l~~liability ~~i~~insurance, written only as an adjunct to state workers compensation act coverage. Increased limits are not available for this coverage in the residual market.

Additional Maritime (Admiralty) options

Coverage for the following may be included at an additional charge, subject to certain requirements:

- Transportation, Wages, Maintenance, and Cure (TWMC):
  - In conjunction with Maritime coverage, the assigned carrier may provide coverage for TWMC on the Maritime Coverage Endorsement.
  - The TWMC premium charge for the exposure is determined by the assigned carrier based on its evaluation of the exposure presented by the risk.
- Voluntary Compensation Maritime Coverage: In conjunction with Maritime coverage, the assigned carrier may provide coverage for voluntary compensation Maritime exposure only under Program II for masters and members of the crews of vessels and only when the Maritime Coverage Endorsement is attached.

Endorsements

The available endorsements are

- Maritime Coverage Endorsement, and
- Voluntary Compensation Maritime Coverage Endorsement.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28P
Residual Market Manual—Effective 2021
(Applies in: AL, AZ, CT, DC, GA, ID, IL, IN, KS, MS, NH, NV, OR, SC, SD, TN, VT, WV)

LSRP standard premium (SP)

Rule ID: RM-LSEL-L7BAE

Effective Date: ~~November 1, 2021~~March 1, 2023

LSRP standard premium (SP) is determined on the basis of authorized rates (including premium developed from payroll assigned to aircraft classifications).

LSRP SP includes

- any increased limits of liability
- any experience rating modification
- any deductible credit, if applied
- any ARAP and/or residual market surcharge programs and/or other residual market pricing programs other than LSRP, and
- minimum premium.

Determination of LSRP standard premium must exclude

- premium resulting from nonratable elements
- premium discount
- premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
- expense constant, and
- premium developed by catastrophe provisions in accordance with Catastrophe provisions and applicable charges.

LSRP standard premium is calculated differently than standard premium as defined in NCCI's ***Basic Manual*** rule, ~~definition for~~ Standard premium.

LSRP standard premium may change before, during, and/or after a policy period due to reasons including, but not limited to

- premium endorsements
- preliminary and/or final audits
- a change in ownership or combinability status in accordance with NCCI's ***Experience Rating Plan Manual***.

References

Refer to

- Catastrophe provisions, and
- Standard premium.

Rules for cancelling LSRP policies

Rule ID: RM-LSCA-R70FA

Effective Date: ~~November 1, 2021~~March 1, 2023

The assigned carrier must cancel LSRP policies in accordance with the workers compensation and employers liability insurance policy.

- Apply the pro rata or short-rate calculation of LSRP standard premium to cancelled LSRP policies in accordance with Use the pro rata method to calculate a cancelled policy premium and Use the short-rate percentage method to calculate a cancelled policy premium.
- The assigned carrier must report noncompliance and any subsequent compliance to the Plan Administrator.
- Apply all LSRP rules, as applicable, to cancelled LSRP policies.

References

Refer to NCCI's ***Basic Manual*** rule, Cancellation provisions.

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Item B-1446—Revisions to NCCI's Basic Manual, Residual Market Manual, and Forms Manual

Exhibit 28Y
Residual Market Manual—Effective 2021—Oregon

Waiver of Our Right to Recover From Others (Subrogation)

Rule ID: RM-AVWA-WEB52

Effective Date: ~~November 1, 2021~~March 1, 2023

The Waiver of Our Right to Recover From Others Endorsement is available if required of the employer by contract except when the contract is a "construction agreement" as defined in Oregon law. For construction agreements, the issuance of a waiver of subrogation endorsement is allowed without requiring a copy of the portion of the construction agreement that requires the endorsement. Assigned carriers may request a copy of the construction agreement to determine the parties to be included on the waiver and the effective date. For all other agreements, the employer must provide the portion of the contract that requires the waiver of subrogation to the assigned carrier.

- Blanket waivers are not available in the residual market.
- Additional premium charged for a Waiver of Our Right to Recover From Others Endorsement is applied in accordance with NCCI's ***Basic Manual*** rule, Waiver of subrogation.

Overview of deposit premium and installments

Rule ID: RM-INGE-O639E

Effective Date: ~~November 1, 2021~~March 1, 2023

The Plan Administrator establishes the deposit premium amount in accordance with the Duties and responsibilities of the Plan Administrator or the applicable state workers compensation insurance plan.

For purposes of this rule, initial or deposit premium is referred to as deposit premium. References to "installments" in deposit premium and installment rules must be interpreted to include reference to the audit adjustment program. For more information regarding the audit adjustment program, refer to the Rules for applying the audit adjustment program.

Deposit premium is the initial payment submitted by either the employer and/or its representative, as required by the Plan Administrator and/or insurance carrier, before coverage is assigned or a policy renews.

Deposit premium is required to be submitted at the time of application and at policy renewal. At the time of application, failure to submit the required deposit premium within the time frame established by the Plan Administrator may prevent coverage from being bound. For more information regarding binding of coverage, refer to Binding of coverage or the applicable state workers compensation insurance plan. For impact on renewal policies, refer to Rules for the effective date, renewal date, or reinstatement date of policies or the applicable state workers compensation insurance plan.

For more information regarding the payment methods available for the total required deposit premium on application submissions, refer to Payment methods for initial premium or deposit premium or the applicable state workers compensation insurance plan.

Estimated annual premium is developed in accordance with NCCI's ***Basic Manual*** rules and state-specific assigned risk workers compensation premium algorithms. For more information regarding estimated annual premium, refer to NCCI's ***Basic Manual*** rule, Estimated annual premium.

References

Refer to

- Rules for applying the audit adjustment program, and
- NCCI's ***Basic Manual*** rule, Estimated annual premium.

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Item-E-1409 – Enhancement to NCCI's Experience Rating Methodology

FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

PURPOSE

This item revises certain underlying components provided in the methodology used in NCCI's Experience Rating Plan (Plan) to reflect current business and industry needs. The underlying Plan components impacted are:

- Primary/excess loss split point (split point)
- State per claim accident limitation (SAL) and United States Longshore and Harbor Workers' Compensation (USL&HW) per claim accident limitation
- G value
- Credibility parameters underlying calculation of the weight (W) and ballast (B) values
- Discount ratios (D-ratios)

The formulas and general structure of the Plan remain unchanged.

BACKGROUND

The experience rating modification is intended to predict an employer's *future* loss experience using its *historical* loss experience. For example, an experience rating modification of 1.20 is a prediction that the employer's future loss experience will be 20% worse than the average employer in the same classification. The experience rating modification is intended to reflect the employer's past loss experience only to the extent that it is considered predictive of future loss experience. The weight given to actual losses in the experience rating modification calculation is called credibility; as the size of the employer increases, credibility also increases.

NCCI periodically evaluates Plan methodology and performance. During the latest review, NCCI identified some opportunities to improve Plan performance, with revisions that will result in:

- A more accurate and predictive experience rating modification
- Experience rating modifications that reflect a more equitable determination of primary and excess losses across states with varying cost levels
- More comparable Plan performance in states with claim costs that vary significantly from the countrywide average
- Experience rating modifications less sensitive to large outlier claims without sacrificing predictive accuracy
- More consistent calculation of each employer's expected claim count, which is expected to result in more appropriate credibility being assigned to each employer's loss experience
- Recalibrated credibility parameters underlying the weight and ballast values to increase equity across employers
- The elimination of complex calculations where no value is added

The following underlying components are impacted by the enhanced Plan.

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

Split Point

The primary/excess loss split point divides the losses from each historical claim into two layers: primary losses (those beneath the split point) and excess losses (those above the split point). For example, if the split point is $15,000, a claim totaling $50,000 would contribute $15,000 to the primary layer and $35,000 to the excess layer. Primary losses receive a greater weight than excess losses in the experience rating modification formula. Because of this, primary losses have a greater impact on the experience rating modification. The split point is currently a countrywide value ($18,500) that is updated with each state's annual loss cost/rate filing to reflect changes in countrywide claim costs.

State per Claim Accident Limitation (SAL)

The state per claim accident limitation (SAL) is the maximum dollar amount from any one claim that may impact the experience rating modification. For example, if the SAL is $200,000, then any claims with incurred losses above that amount will be limited to $200,000 for the purpose of calculating the experience rating modification. Currently, the SAL is calculated as the state average cost per case times 25. The SAL can also be derived at 10% times the state reference point (SRP), where SRP is calculated as state average cost per case times 250.

The SAL is intended to curtail the impact that extremely large outlier claims have on the experience rating modification, because these dollars are not expected to be predictive of future loss experience beyond a certain point.

The state multiple claim accident limitation is the maximum dollar amount that an accident involving two or more persons may impact the experience rating modification. It is calculated as twice the SAL.

The USL&HW per claim and multiple claim accident limitations are calculated in a similar manner as the state accident limitations and apply to claims subject to the USL&HW Act. These accident limitations are updated with each state's annual loss cost/rate filing.

G Value

The G value represents state average claim severity (in thousands of dollars). Its primary use is in the determination of an employer's expected claim count, which serves as the basis for the credibility assigned to its primary and excess loss experience. The G value is updated with each state's annual loss cost/rate filing.

Credibility Parameters

NCCI's current experience rating modification (M) formula is:

$$M = \frac{A_p + WA_e + (1 - W)E_e + B}{E + B}$$

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

Where:

- A_p, A_e = **A**ctual Losses (**P**rimary, **E**xcess)
- E_p, E_e = Expected Losses (**P**rimary, **E**xcess)
- E = Total **E**xpected Losses
- W = **W**eight
- B = **B**allast

The weighting value (W) and ballast value (B) influence the degree to which an employer's actual losses impact the experience rating modification. The W and B values are determined by a set of 10 credibility parameters and these parameters have not been updated in over two decades. The current and proposed formulas governing the calculation of W and B are included in Informational Exhibit 1.

Tables of W and B values corresponding to employer size ranges are updated with each state's annual loss cost/rate filing.

Discount Ratio (D-Ratio)

The Discount ratio (D-ratio) is the expected percentage of losses that fall below the split point value and is used to determine the expected excess losses to be used in the experience rating modification calculation. NCCI publishes D-ratios by classification code. D-ratios are updated with each state's annual loss cost/rate filing.

PROPOSAL

This item proposes the following changes to the Plan:

1. **Implement state-specific split points reflecting an average D-ratio of approximately 40% by state.**

   Currently, the split point is set at a common level across states where NCCI provides ratemaking services. Because the average D-ratio in a state depends not only on the split point, but also on that state's average claim costs, having a common split point results in an average D-ratio that varies widely across states.

   The proposed methodology level-sets the average D-ratio across states to approximately 40% by introducing a state-specific split point, which allows the split point to better reflect each state's average claim costs. As a result, experience rating modifications will reflect a more equitable determination of primary and excess losses across states with varying cost levels.

   For example, instead of the current split point value of $18,500 applying to all states, under the proposed Plan a state with higher-than-average claim severity may have a split point value of $25,000, while a state with lower-than-average claim severity may have a split point value of $15,000. The use of state-specific split point values that reflect individual state cost differences is intended to better align across states the weight given to actual employer loss experience in the experience rating modification calculation. In turn, this is expected to produce improved and more comparable Plan performance in states with claim costs that vary significantly from the countrywide average.

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Informational Exhibit 2 shows each state's proposed split point value, which was calculated using Workers Compensation Statistical Plan (WCSP) data underlying the 2018 loss cost/rate filing, and trended, based on the anticipated future loss cost/rate filing effective date for each state as provided in the Implementation section of this item.

Average claim costs vary significantly across NCCI states. The experience rating modification applies to premium that is based on manual loss costs/rates. Because loss costs/rates vary by state in accordance with cost differences, it is paramount that the experience rating modification similarly reflects state cost differences to achieve comparable performance across states. Tailoring the split point to reflect these cost differences is a big step towards aligning performance across states and results in a more accurate and predictive experience rating modification compared to applying a countrywide split point uniformly across states.

To keep up with changes in claim costs and preserve alignment with other experience rating parameters, it is anticipated that the split point value will be indexed concurrent with each state's annual loss cost/rate filing based on an estimate of annual severity changes between the average loss date for experience rating modifications in the initial implementation year and the effective year.

2. **Revise the calculation of accident limitations to reflect the 95th percentile of lost-time claims.**

   The state per claim accident limitation (SAL) is used to curtail the impact of large claims on the experience rating modification because large outlier claims are generally not expected to be predictive of future loss experience. The use of a state-level 95th percentile results in an SAL that is expected to impact the largest 5% of lost-time claims. A similar change is proposed for the USL&HW per claim accident limitation to reflect the 95th percentile of lost-time claims reported under USL&HW Act benefits for F-classifications. Note that this change renders the state reference point (SRP) obsolete (the SAL was previously calculated as 10% of SRP).

   The new definition of the SAL and USL&HW per claim accident limitation results in lower limits in every state, making experience rating modifications less sensitive to large outlier claims without sacrificing predictive accuracy.

   Informational Exhibit 5 demonstrates how the SAL decreases under the new proposed methodology across states, using historical data underlying experience rating modifications effective in 2018. This new methodology is expected to result in an SAL that is not only lower than the current SAL, but also more stable over time.

   Note that, unlike the split point, this item does not propose a new SAL value to go along with the updated methodology. Rather, the state per claim accident limitation and USL&HW per claim accident limitation will be calculated under the new methodology in the state's loss cost/rate filing corresponding to the anticipated effective date provided in the Implementation section of this item.

3. **Revise the calculation of G to reflect accident limitations and the reduction of medical-only losses, where applicable.**

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

G represents state average claim severity (in thousands of dollars). While G currently reflects the unlimited average severity in a state, this item proposes to update the methodology under which G is calculated to reflect accident limitations and the 70% reduction of medical-only losses (per the experience rating adjustment [ERA]), where applicable.

In the calculation of an employer's expected claim count, the employer's expected losses are divided by the G value (average claim severity). Because expected losses already reflect ERA and accident limitations, this change in how G is calculated makes for a more consistent calculation of each employer's expected claim count. In turn, this is expected to result in more appropriate credibility being assigned to each employer's loss experience.

Note that, unlike the split point, this item does not propose a new G value to go along with the updated methodology. Rather, the G value will be calculated under the new methodology in the state's loss cost/rate filing corresponding to the anticipated effective date provided in the Implementation section of this item.

4. **Update the credibility parameters underlying the weight and ballast values.**

   The proposed credibility parameters underlying the weight and ballast values have been recalibrated to increase equity across employers. All other things being equal, the new credibility parameters would increase credibility for larger risks and decrease credibility for smaller risks. However, because of the interaction of the split point change with the credibility change, the combined impact will vary across states and across employers of difference sizes.

   Informational Exhibit 1 contains the proposed updates to the values used in calculating the weight and ballast values.

5. **Simplify the D-ratio calculation by removing the classification-level weighting adjustment.**

   NCCI currently produces D-ratios that vary by classification code. D-ratios are first calculated by hazard group (HG) and then adjusted to reflect a classification's share of indemnity and medical pure premium. While the classification-level adjustment adds complexity to the calculation, NCCI's research found that this adjustment does not add value. As such, this item proposes to eliminate the classification-level adjustment, meaning that the D-ratio will vary only by HG and not by classification code.

IMPACT

No statewide premium impact is anticipated from the changes proposed in this item. The overall average experience rating modification in each state is not expected to be impacted by these changes.

Impacts to experience rating modifications at the individual employer level will vary, and may be offset by changes in loss experience and routine updates to rating values. See Informational Exhibit 3 for details on how experience rating modifications can be expected to change. Experience rating modifications are expected to change by less than +/- 5% for most employers. Informational Exhibit 3 provides details for each state.

Overall, the proposed changes to the experience rating modification calculation are expected to produce Plan performance that is both improved and more comparable across states. Informational Exhibit 4 shows

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

how Plan performance improves on a countrywide basis under the enhanced methodology proposed in this item. Ultimately, this update to the Plan is expected to result in overall improved performance of the Plan and increased equity across individual employers.

IMPLEMENTATION

This item will become effective for experience rating modifications with rating effective dates on and after each state's anticipated loss cost/rate filing effective on and after November 1, 2023. For example, this item will become effective for experience rating modifications with rating effective dates on and after January 1, 2024, for states with loss cost/rate filings that have an anticipated January 1, 2024 effective date. Similarly, this item will become effective for experience rating modifications with rating effective dates on and after July 1, 2024, for states with loss cost/rate filings that have an anticipated July 1, 2024 effective date.

Effective Dates by State

The following chart shows the anticipated effective dates for each state:

State	Anticipated Effective Date*
Alabama	March 1, 2024
Alaska	January 1, 2024
Arizona	January 1, 2024
Arkansas	July 1, 2024
Colorado	January 1, 2024
Connecticut	January 1, 2024
District of Columbia	November 1, 2023
Florida	January 1, 2024
Georgia	March 1, 2024
Hawaii	The effective date will be determined upon regulatory approval of the individual carrier's election to adopt this change.
Idaho	January 1, 2024
Illinois	January 1, 2024
Indiana	January 1, 2024
Iowa	January 1, 2024
Kansas	January 1, 2024

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

State	Anticipated Effective Date*
Kentucky	January 1, 2024
Louisiana	May 1, 2024
Maine	April 1, 2024
Maryland	January 1, 2024
Mississippi	March 1, 2024
Missouri	January 1, 2024
Montana	July 1, 2024
Nebraska	February 1, 2024
Nevada	March 1, 2024
New Hampshire	January 1, 2024
New Mexico	January 1, 2024
Oklahoma	January 1, 2024
Oregon	January 1, 2024
Rhode Island	August 1, 2024
South Carolina	April 1, 2024
South Dakota	July 1, 2024
Tennessee	March 1, 2024
Texas	July 1, 2024
Utah	January 1, 2024
Vermont	April 1, 2024
Virginia	April 1, 2024
West Virginia	November 1, 2023

* Subject to change, depending on the approved effective date of the loss cost/rate filing if a loss cost/rate filing has been submitted for a state.

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FILING MEMORANDUM

ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments
Informational Exhibit 1-A	Details the revised weight and ballast formulas applicable in AK, AL, AR, AZ, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, TX, UT, VA, VT, and WV.
Informational Exhibit 1-B	Details the revised weight and ballast formulas applicable in CO and OR.
Informational Exhibit 2	Details each state's revised primary/excess loss split point.
Informational Exhibit 3	Details the state impact analyses of changes in experience rating modifications.
Informational Exhibit 4	Details countrywide Experience Rating Plan performance.
Informational Exhibit 5	Details how the historical state per claim accident limitation (SAL) values change under the proposed methodology.

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ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 1-B
PROPOSED WEIGHT AND BALLAST FORMULAS
(Applies in: CO, OR)

The W and B values for each jurisdiction are currently determined by the following formulas:

$$B = E\left(\frac{0.1\frac{E}{G} + 2{,}750}{\frac{E}{G} + 700}\right),$$

where *B* is bounded below by $2{,}500G$.

E is the employer's total expected losses and *G* is the state average severity.

$$W = \frac{E + B}{E + C},$$

where

$$C = E\left(\frac{0.75\frac{E}{G} + 203{,}825}{\frac{E}{G} + 5{,}100}\right)$$

and *C* is bounded below by $60{,}000G$.

This filing proposes to update the formulas to be:

$$B = E\left(\frac{0.056\frac{E}{G} + 2{,}910}{\frac{E}{G} + 600}\right),$$

where *B* is bounded below by $4{,}600G$.

$$W = \frac{E + B}{E + C},$$

where

$$C = E\left(\frac{0.205\frac{E}{G} + 130{,}000}{\frac{E}{G} + 4{,}500}\right)$$

and *C* is bounded below by $33{,}000G$.

These values are proposed to be the same for all jurisdictions, regardless of whether medical-only losses are reduced by 70%. Note that under the proposed formulas, *G* is the state **limited** average severity.

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ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 2
PROPOSED SPLIT POINT
OREGON

A primary/excess loss split point of $9,500 is proposed to be effective January 1, 2024.

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ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 3
IMPACT OF PROPOSED CHANGES ON MODS
OREGON

This exhibit shows how experience rating modifications (mods) for intrastate employers would differ between the current and proposed Plans. The rating effective date, and thus the underlying experience on which the mods are based, is identical for each mod between the two Plans shown in this exhibit. Therefore, differences in the mods are due purely to the proposed changes in the calculation of the rating values, including the split point, SAL, G value, and the weight and ballast. Additionally, the historical ELRs and D-ratios have been restated under the proposed Plan to account for these changes.

The table below shows the distribution of the difference in the mod in terms of percent of risks, payroll, and pure premium. The mod difference is calculated for each rating as (mod under proposed Plan) – (mod under current Plan). A positive mod difference indicates that the proposed methodology caused the mod to increase, while a negative mod difference indicates that the proposed methodology caused the mod to decrease.

Distribution of Mod Difference From Current to Proposed Plan
Oregon—Intrastate Risks

Mod Difference	Percent of: Risks	Payroll	Pure Premium
Diff < −0.25	1.1%	0.9%	1.0%
−0.25 ≤ Diff < −0.20	1.5%	1.1%	1.2%
−0.20 ≤ Diff < −0.15	2.3%	2.2%	2.0%
−0.15 ≤ Diff < −0.10	3.0%	2.8%	3.4%
−0.10 ≤ Diff < −0.05	4.0%	8.9%	9.9%
−0.05 ≤ Diff < 0.00	7.2%	19.2%	20.7%
Diff = 0.00	2.6%	6.2%	5.6%
0.00 < Diff ≤ 0.05	54.9%	35.8%	33.1%
0.05 < Diff ≤ 0.10	22.7%	21.9%	22.1%
0.10 < Diff ≤ 0.15	0.8%	1.1%	1.0%
0.15 < Diff ≤ 0.20	0.0%	0.0%	0.0%
0.20 < Diff ≤ 0.25	0.0%	0.0%	0.0%
Diff > 0.25	0.0%	0.0%	0.0%

Mod Difference = mod under proposed Plan minus mod under current Plan
Reflects ratings effective 1/1/2018 through 12/31/2018.
Excludes risks that are self-insured or have a large deductible policy.

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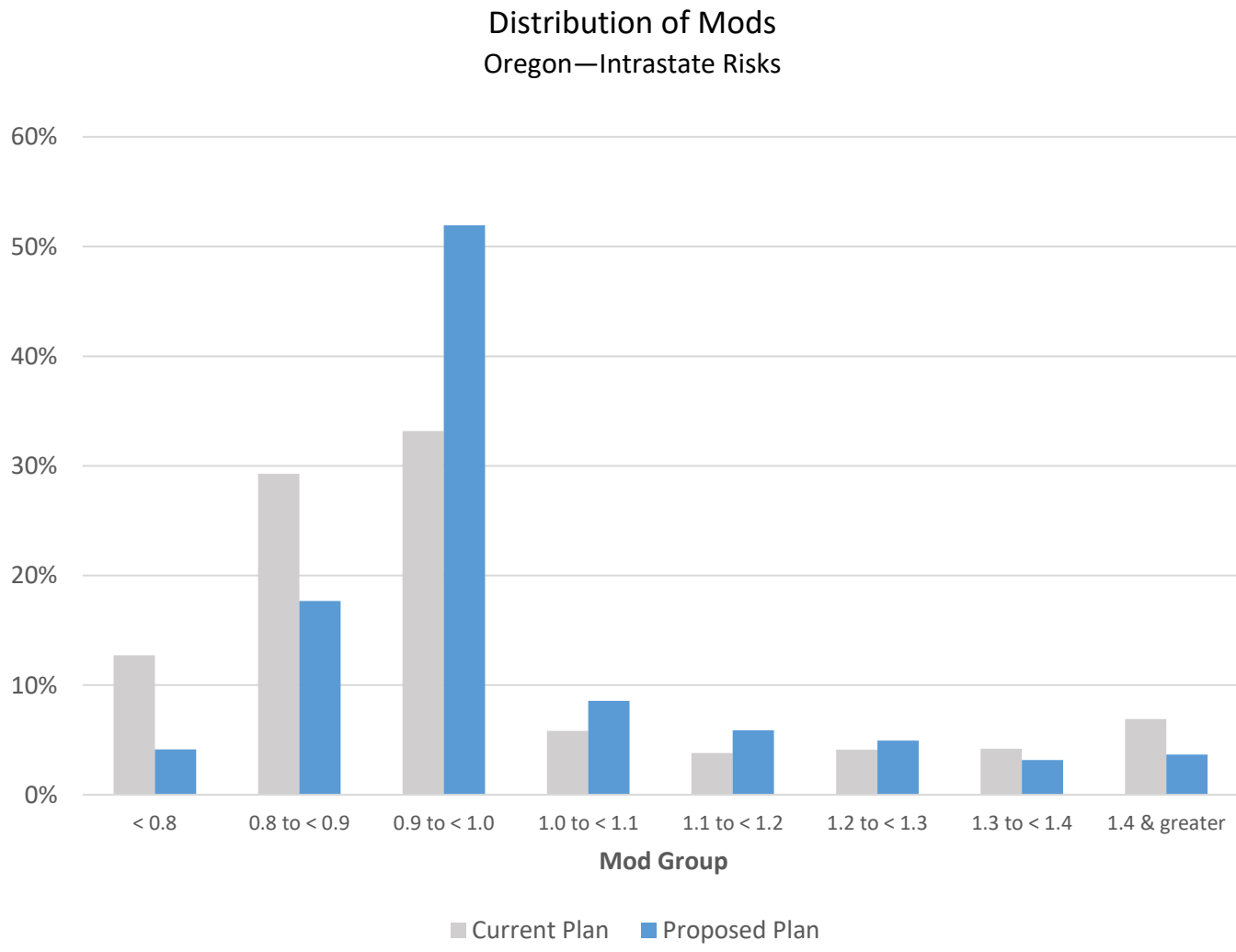
INFORMATIONAL EXHIBIT 3 (CONT'D)
IMPACT OF PROPOSED CHANGES ON MODS
OREGON

The chart below shows the distribution of the mod under both the current Plan and the proposed Plan for intrastate risks. The gray bar on the left shows the percent of mods within each group under the current Plan, while the blue bar on the right shows the percent of mods within each group under the proposed Plan.



Reflects ratings effective 1/1/2018 through 12/31/2018.

The Expected Loss Rates (ELRs) underlying these mods have been retrospectively adjusted for both Plans to achieve an average intrastate mod of 0.96.

Excludes risks that are self-insured or have a large deductible policy.

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ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 4
EXPERIENCE RATING PLAN PERFORMANCE COMPARISON

The chart below demonstrates performance of the Experience Rating Plan (Plan) under both the current and proposed methodology using NCCI's standard quintile test, which can be interpreted as follows:

- Employers are placed into one of five groups (quintiles) based on their experience rating modification (mod), with the employers on the left receiving the lowest mods and the employers on the right receiving the highest mods.

- While the mod is generally based on the experience from the three most recent policies reported in accordance with NCCI's ***Statistical Plan for Workers Compensation and Employers Liability Insurance,*** this chart is showing the experience that actually emerged from the policy that the mod applies to. For example, a mod effective January 1, 2018 will generally be based on experience from 2014–2016 and applies to policies effective in 2018.

- The five groups on the top half of this chart are shown **before** the application of the mod. The five groups on the bottom half of this chart are shown **after** the application of the mod.

- The top half of this chart reveals that the Plan was generally able to identify the better-than-average and worse-than-average employers. This is because the employers receiving the lowest mods subsequently had the best experience. Likewise, the employers receiving the highest mods subsequently had the worst experience.

- If the Plan were performing at an optimal level, the loss ratios shown on the bottom half of this chart would be 100% for all five groups. Under the current Plan, the loss ratio for the left-most group is notably less than 100%. Under the proposed Plan, this group's loss ratio is corrected to 100%. Additionally, all but the third group's loss ratio are closer to 100%.

- One metric for measuring Plan performance, the quintile test statistic, is calculated as follows:

Quintile metric $= \dfrac{\sum_{n=1}^{5}\left[LR_i^{After} - 1\right]^2}{\sum_{n=1}^{5}\left[LR_i^{Before} - 1\right]^2}$,

where: LR_i^{After} is the loss ratio after the application of the mod for quintile i, and

LR_i^{Before} is the loss ratio before the application of the mod for quintile *i.*

The proposed Plan scores **0.003**, an improvement over the current Plan's score of **0.013**.

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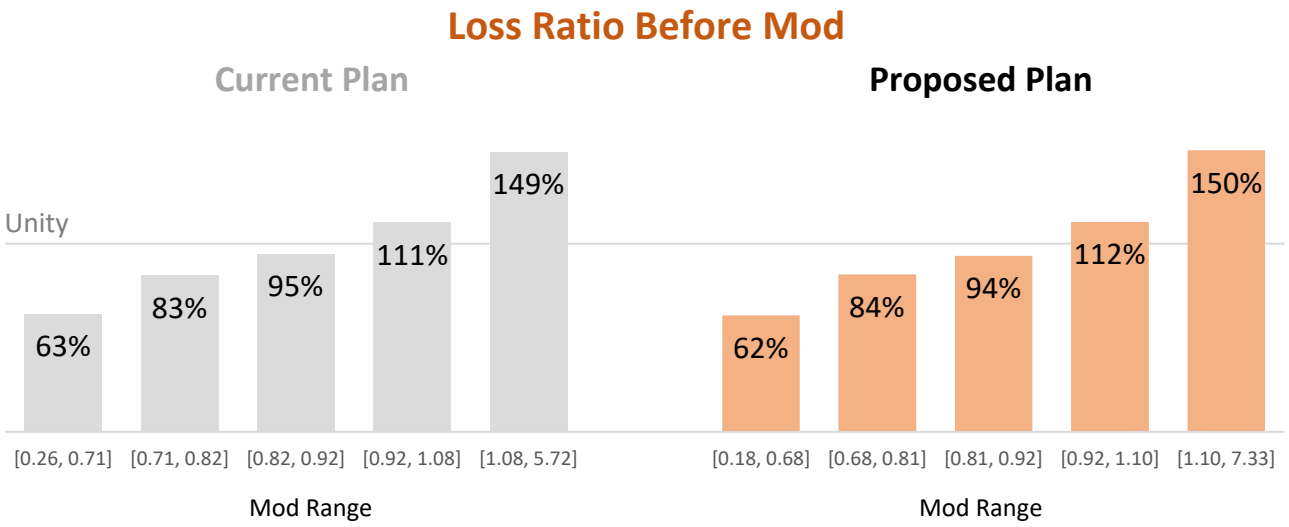
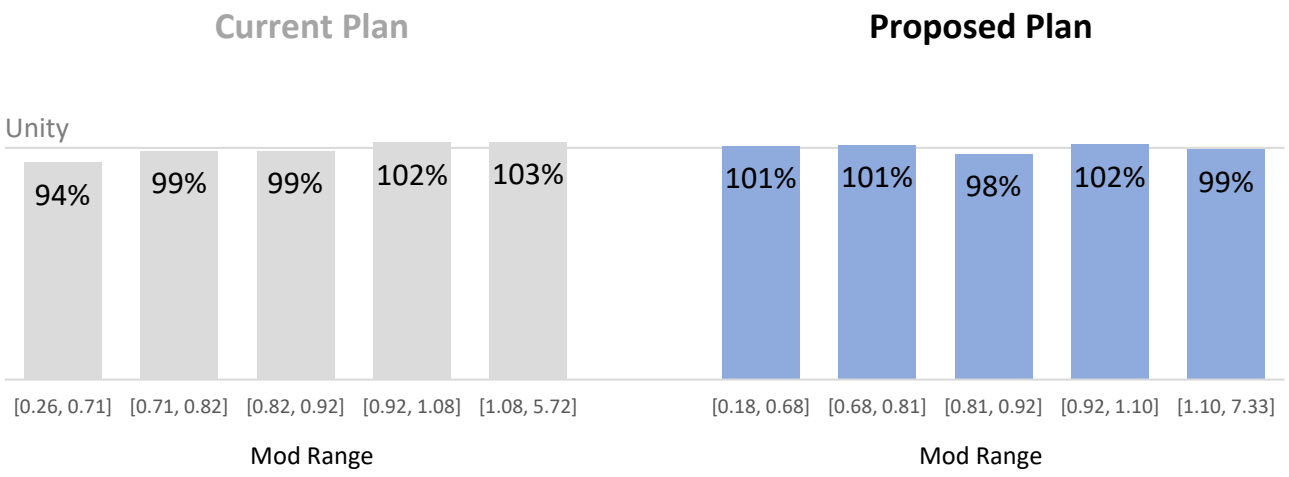
ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 4 (CONT'D)
EXPERIENCE RATING PLAN PERFORMANCE COMPARISON

These charts show the quintiles test on all rated employers for both the current Plan and the proposed Plan.





Reflects ratings effective 1/1/2016 through 12/31/2018.

Quintiles are weighted by rating period expected losses (pure premium).

Loss ratios reflect limited losses and are normalized by state and rating year.

Jurisdictions included: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA*, MD, ME, MN*, MO, MS, MT, NC*, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI*, WV.

* Included only for interstate ratings. Quintile loss ratios do not include MA, MN, and WI.

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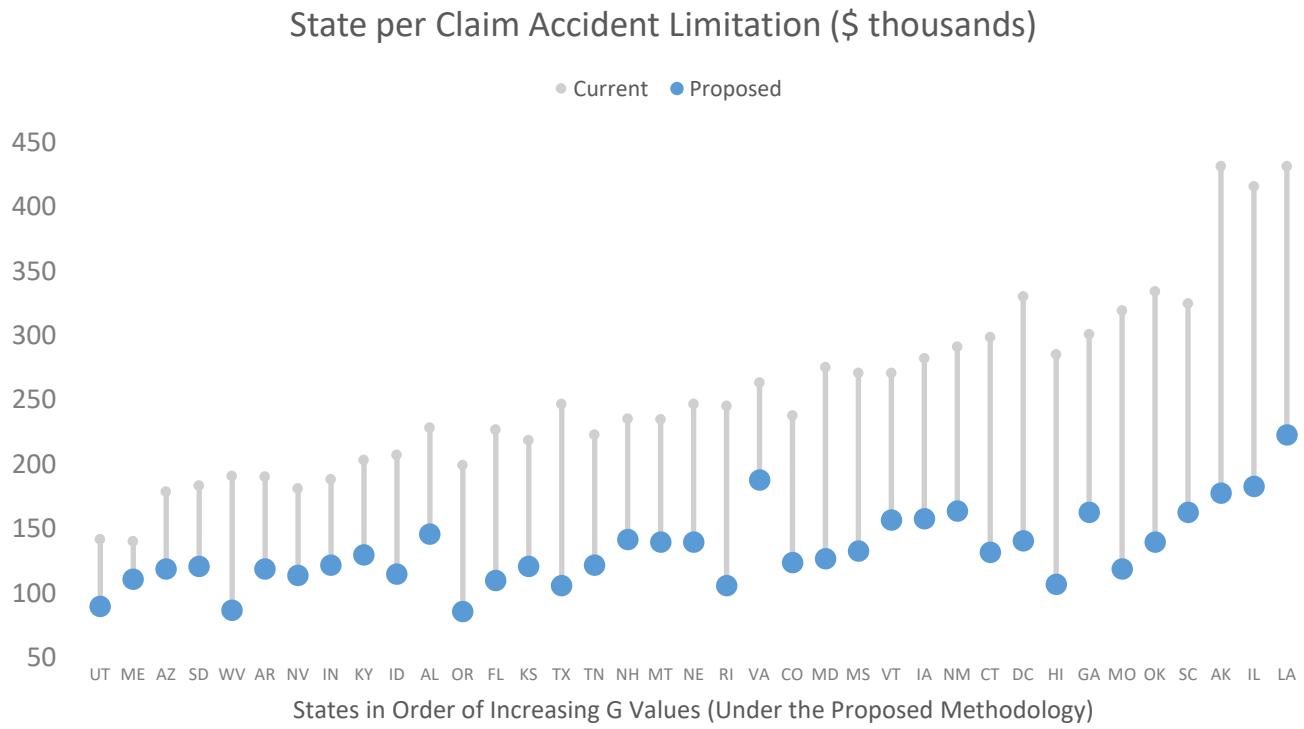
ITEM E-1409—ENHANCEMENT TO NCCI'S EXPERIENCE RATING PLAN METHODOLOGY

INFORMATIONAL EXHIBIT 5
STATE PER CLAIM ACCIDENT LIMITATION (SAL) COMPARISON

This chart shows how the historical SALs for 2018 differ under the current and proposed methodologies.



Reflects the SAL applicable to ratings effective 1/1/2018.

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