



October 18, 2017

**VIA SERFF**

The Honorable Trinidad Navarro  
Insurance Commissioner  
State of Delaware  
Department of Insurance  
841 Silver Lake Boulevard  
Dover, DE 19904-2465

**Attention: Mitch Crane, Deputy Insurance Commissioner**

**RE: DCRB Filing No. 1705  
Delaware Insurance Plan – Residual Market  
Revisions to NCCI Assigned Carrier Performance Standards  
Proposed Effective January 1, 2018**

Dear Commissioner Navarro:

On behalf of the members of the Delaware Compensation Rating Bureau, Inc. (DCRB), we hereby submit the proposed filing for revisions to NCCI's Assigned Carrier Performance Standards (ACPS). These revisions are proposed to be effective for new and renewal assigned risk policies only, effective on and after January 1, 2018. The proposed effective date is intended to align implementation of these changes with national changes contained in NCCI Item Filing RM-W-8044---Revisions to Basic Manual Rule 4-A-Workers Compensation Insurance Plan (WCIP) Rules and Applicable State WCIP Rules. This coordination will consolidate necessary changes that our members and other constituents need make to policies, forms and systems. None of the proposed language changes will impact any classification's assigned risk rating value.

The Assigned Carrier Performance Standards (ACPS) are designed to provide policy issuance and service level requirements for residual market carriers (Delaware Insurance Plan). The ACPS is being revised to reflect changes to NCCI's Basic Manual. The proposed changes do not have any impact on the DCRB Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Basic Manual) or the Delaware Insurance Plan Handbook. The proposed revisions are categorized as follows:

- Formatting changes for ease of reading
- Grammatical updates
- Clarification of rules

Details on the proposed filing are reflected in the attached NCCI Item Filing RM-W-8044. Thank you in advance for your prompt review and attention to this filing. The DCRB will be pleased to answer any questions that you or the Department of Insurance staff may have regarding these proposals.

Sincerely,

William V. Taylor  
President

Enclosure: RM-W-8044

## FILING MEMORANDUM

### ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

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#### PURPOSE

This item revises:

- Rule 4-A—Workers Compensation Insurance Plan (WCIP) rules and applicable state workers compensation insurance plan rules in NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)**
- Several performance standards in NCCI's **Assigned Carrier Performance Standards (ACPS)**

#### BACKGROUND

Item RM-W-8026—Rule 4-A—Workers Compensation Insurance Plan (WCIP), effective January 1, 2006, established Rule 4-A in NCCI's **Basic Manual**. Before Item RM-W-8026, separate state-specific WCIPs existed. These state-specific WCIPs were replaced with a national WCIP. There have been minor revisions to **Basic Manual** Rule 4-A since 2006, but this rule has not been reviewed in its entirety since its establishment.

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's manuals. This process ensures that NCCI products continue to add value to the various industry stakeholders. As a result of this research, NCCI is proposing certain changes to **Basic Manual** Rule 4-A, with the revisions summarized as follows:

- Clarification of various rules identified as a result of NCCI's research
- Format changes for ease of reading
- Grammatical updates

As a result of the revisions to **Basic Manual** Rule 4-A, various other **Basic Manual** rules and NCCI's **ACPS** must also be revised.

Not related to the **Basic Manual** Rule 4-A revisions, the following updates are incorporated into NCCI's **ACPS**:

- Clarification of a bankruptcy item related to the determination of compliance in PS 1-C-6
- Removing the retired brand name of **DCA Access® Online** tool related to noncompliance reporting in PS 1-C-4

This item also includes state-specific updates to correlate with the national changes.

#### PROPOSAL

This item proposes to:

1. Revise or eliminate several national and state-specific rules or performance standards in NCCI's **Basic Manual** and **ACPS**.
2. Make minor format changes and grammatical updates for ease of reading

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#### Arkansas-Specific:

This item proposes that Arkansas's Tabular Surcharge Adjustment Program in NCCI's *Basic Manual* be revised to:

- Clarify how the surcharge is applied
- Be consistent with the current Arkansas Assigned Risk Workers Compensation Premium Algorithm and statistical reporting information for the program

In addition, this item proposes to revise the Arkansas Workers Compensation Insurance Plan Assigned Risk Tabular Adjustment Program Premium Endorsement (WC 03 04 02) in NCCI's *Forms Manual* to incorporate the updates made to the Tabular Surcharge Adjustment Program rule.

#### Indiana-Specific:

This item proposes to revise the Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool in NCCI's *Basic Manual* by:

- Establishing a definition for "reasonable offer of voluntary coverage" in Article I
- Revising Article II-2.01 to incorporate the new definition into the rules

#### New Mexico-Specific:

This item proposes that rules in NCCI's *New Mexico Workers' Compensation Assigned Risk Pool Manual (NMARM)* be revised similarly to the national *Basic Manual* Rule 4-A revisions.

#### IMPACT

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

#### EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

This item is to become effective for new and renewal assigned risk policies only, effective on and after 12:01 a.m. on January 1, 2018.

**Note:** Exhibits that revise NCCI's *Basic Manual* do not apply in DE, NC, NJ, and any other states noted otherwise.

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FILING MEMORANDUM

ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

National Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-1</li> <li>• The revisions to Rule 4-A-1 do not apply in AK, AR, AZ, GA, IN, KS, MS, NM, and OR</li> <li>• Refer to state exhibits for AR, AZ, GA, IN, KS, MS, and NM</li> </ul>	1-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-2</li> <li>• The revisions to Rule 4-A-2 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rules 4-A-2-b, 4-A-2-d, 4-A-2-e, 4-A-2-f, 4-A-2-l, and 4-A-2-r do not apply in VA</li> <li>• The revisions to Rules 4-A-2-e and 4-A-2-q do not apply in AZ</li> <li>• The revisions to Rules 4-A-2-g and 4-A-2-q do not apply in AK</li> <li>• The revisions to Rule 4-A-2-p do not apply in KS</li> <li>• The revisions to Rules 4-A-2-p and 4-A-2-y do not apply in AR</li> <li>• The revisions to Rule 4-A-2-r do not apply in IA</li> <li>• Refer to state exhibits for AK, AR, AZ, IA, IN, KS, MS, NM, and VA</li> </ul>	2-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-3</li> <li>• The revisions to Rule 4-A-3 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rules 4-A-3-a, 4-A-3-d—Application Submission Table 1, 4-A-3-e, 4-A-3-i(1), 4-A-3-j, and 4-A-3-k do not apply in AK</li> <li>• The revisions to Rules 4-A-3-b(3), 4-A-3-c, and 4-A-3-d do not apply in GA</li> <li>• The revisions to Rules 4-A-3-c, 4-A-3-d, 4-A-3-e, 4-A-3-h, 4-A-3-i, 4-A-3-j, and 4-A-3-k do not apply in VA</li> <li>• The revisions to Rule 4-A-3-c do not apply in ID</li> <li>• The revisions to Rules 4-A-3-c and 4-A-3-d—Application Submission Table 1 do not apply in KS</li> <li>• The revisions to Rules 4-A-3-i(5) and 4-A-3-j do not apply in CT</li> <li>• The revisions to Rule 4-A-3-j do not apply in AZ</li> <li>• Refer to state exhibits for AK, AR, AZ, CT, GA, ID, IN, KS, MS, NM, and VA</li> </ul>	3-Rule

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ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A–WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

National Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-4</li> <li>• The revisions to Rule 4-A-4 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rules 4-A-4-a(1), 4-A-4-a(3), and 4-A-4-a(5) do not apply in AZ</li> <li>• The revisions to Rule 4-A-4-a(2) do not apply in KS</li> <li>• The revisions to Rule 4-A-4-a(3) do not apply in NV</li> <li>• The revisions to Rules 4-A-4-a(3), 4-A-4-a(5), and 4-A-4-a(8) do not apply in VA</li> <li>• The revisions to Rules 4-A-4-a(4) and 4-A-4-a(5) do not apply in AK</li> <li>• The revisions to Rule 4-A-4-a(5) do not apply in AR, GA, and TN</li> <li>• Refer to state exhibits for AK, AR, AZ, GA, ID, IN, KS, MS, NM, NV, TN, and VA</li> </ul>	4-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-5</li> <li>• The revisions to Rule 4-A-5 do not apply in AR, IN, MS, NM, and OR</li> <li>• The revisions to Rules 4-A-5-a, 4-A-5-a(3), and 4-A-5-a(5)—Direct Assignment Carrier Table do not apply in AK</li> <li>• The revisions to Rules 4-A-5-a, 4-A-5-b, 4-A-5-c, and 4-A-5-d(3) do not apply in AZ</li> <li>• The revisions to Rule 4-A-5-a(5)—Direct Assignment Carrier Table do not apply in TN</li> <li>• The revisions to Rules 4-A-5-a and 4-A-5-a(5)—Direct Assignment Carrier Table do not apply in VA</li> <li>• Refer to state exhibits for AK, IN, MS, NV, TN, and VA</li> </ul>	5-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-6</li> <li>• The revisions to Rule 4-A-6 do not apply in AK, AR, IN, MS, NM, and OR</li> <li>• The revisions to Rule 4-A-6-a do not apply in TN</li> <li>• The revisions to Rules 4-A-6-a and 4-A-6-b do not apply in VA</li> <li>• The revisions to Rule 4-A-6-b do not apply in NH</li> <li>• The revision to Rule 4-A-6-b(6) does not apply in KS</li> <li>• The revisions to Rule 4-A-6-b(9) do not apply in AZ</li> <li>• Refer to state exhibits for AK, AR, AZ, GA, IN, KS, MS, NH, NM, TN, and VA</li> </ul>	6-Rule

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National Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-7</li> <li>• The revisions to Rule 4-A-7 do not apply in IN, MS, NH, NM, and OR</li> <li>• The revisions to Rule 4-A-7-a do not apply in AZ</li> <li>• The revisions to Rules 4-A-7-a and 4-A-7-c do not apply in AK</li> <li>• The revisions to Rules 4-A-7-a and 4-A-7-e do not apply in AR</li> <li>• The revisions to Rules 4-A-7-a, 4-A-7-b, 4-A-7-c, and 4-A-7-e do not apply in VA</li> <li>• The revisions to Rule 4-A-7-e do not apply in CT</li> <li>• Refer to state exhibits for AK, AR, AZ, CT, IN, MS, NH, NM, and VA</li> </ul>	7-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-8</li> <li>• The revisions to Rule 4-A-8 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rule 4-A-8-a(4) do not apply in AK</li> <li>• The revisions to Rules 4-A-8-a(2), 4-A-8-a(4), and 4-A-8-b do not apply in AZ</li> <li>• Refer to state exhibits for AK, AZ, IN, MS, and NM</li> </ul>	8-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-9</li> <li>• The revisions to Rule 4-A-9 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rule 4-A-9-b(2) do not apply in AR</li> <li>• The revisions to Rules 4-A-9-b(1)(a), 4-A-9-b(1)(b), and 4-A-9-d(3) do not apply in AZ</li> <li>• The revisions to Rule 4-A-9-c do not apply in CT</li> <li>• The revisions to Rules 4-A-9-c and 4-A-9-d(3) do not apply in VA</li> <li>• Refer to state exhibits for AR, AZ, CT, IN, MS, NM, and VA</li> </ul>	9-Rule
	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 4-A-10</li> <li>• The revisions to Rule 4-A-10 do not apply in IN, MS, NM, and OR</li> <li>• The revisions to Rule 4-A-10-c(1) do not apply in AK and AR</li> <li>• The revisions to Rules 4-A-10-c(1) and 4-A-10-c(2) do not apply in SC</li> <li>• The revisions to Rules 4-A-10-b(1)(a), 4-A-10-c, 4-A-10-c(1), and 4-A-10-c(2) do not apply in VA</li> <li>• Refer to state exhibits for AK, AR, CT, IN, MS, NM, SC, and VA</li> </ul>	10-Rule

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National Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	<ul style="list-style-type: none"> <li>Details the revision to Rule 4-A-11</li> <li>The revision to Rule 4-A-11 does not apply in AK, AZ, IN, MS, NM, OR, and VA</li> <li>Refer to state exhibits for AK, AZ, IN, MS, NM, and VA</li> </ul>	11-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-B-4-a</li> <li>The revisions to Rule 4-B-4-a do not apply in AK, AZ, CT, NM, NV, OR, and VA</li> </ul>	12-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-C-5-a</li> <li>The revisions to Rule 4-C-5-a do not apply in AK, AR, IA, NM, OR, and VA</li> </ul>	13-Rule
	<ul style="list-style-type: none"> <li>Details the revision to Rule 4-C-5-b(1)</li> <li>The revision to Rule 4-C-5-b(1) does not apply in AK, AR, IA, NM, OR, and VA</li> </ul>	14-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-D-1</li> <li>The revisions to Rule 4-D-1 does not apply in IA, IN, NM, OR, and VA</li> </ul>	15-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rules 4-E-2-c and 4-E-2-g</li> <li>The revisions to Rules 4-E-2-c and 4-E-2-g do not apply in AK, AR, GA, IN, MS, NM, and OR</li> </ul>	16-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rules 4-F-2-b and 4-F-2-e</li> <li>The revisions to Rules 4-F-2-b and 4-F-2-e do not apply in ID, NM, NV, and OR</li> </ul>	17-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-G-1</li> <li>The revisions to Rule 4-G-1 do not apply in NM and OR</li> </ul>	18-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-H-1</li> <li>The revisions to Rule 4-H-1 do not apply in NM and OR</li> </ul>	19-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-I-1</li> <li>The revisions to Rule 4-I-1 does not apply in NM and OR</li> </ul>	20-Rule
<ul style="list-style-type: none"> <li>Details the revisions to Rule 4-I-6-c</li> <li>The revisions to Rule 4-I-6-c does not apply in NM and OR</li> </ul>	21-Rule	

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National Exhibits			Exhibit
Revises NCCI's <b>ACPS</b>	<ul style="list-style-type: none"> <li>Details the revisions to PS 1-A-4-a, 1-A-4-f, 1-A-4-k, and 1-A-4-m</li> <li>The revision to PS 1-A-4-a does not apply in DE</li> <li>The revisions to PS 1-A-4-a, 1-A-4-k, and 1-A-4-m do not apply in MS</li> <li>The revisions to PS 1-A-4-k do not apply in NC</li> <li>The revision to PS 1-A-4-k does not apply in AR and NM</li> <li>The revision to PS 1-A-4-m does not apply in IN</li> </ul>	<ul style="list-style-type: none"> <li>Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR, SC, SD, TN, VA, VT, WV</li> <li>Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD</li> </ul>	22-Rule
	<ul style="list-style-type: none"> <li>Details the revisions to PS 1-C-4 and 1-C-6</li> <li>The revisions to PS 1-C-6 do not apply in AK and IN</li> </ul>		23-Rule
	Details the revision to PS 2-C.		24-Rule
	Details the revision to PS 7-A-5.		25-Rule

State Exhibits			Exhibit
Revises NCCI's <b>Basic Manual</b>	Details the revisions to Alaska's exceptions to Rules 4-A-2-g, 4-A-2-q, and 4-A-2-bb.		26-Rule
	Details the revisions to Alaska's exceptions to Rules 4-A-3-a, 4-A-3-d—Application Submission Table 1, 4-A-3-e, 4-A-3-i(1), 4-A-3-j, and 4-A-3-k.		27-Rule
	Details the revisions to Alaska's exceptions to Rules 4-A-4-a(4) and 4-A-4-a(5).		28-Rule
	Details the revisions to Alaska's exceptions to Rules 4-A-5-a(3) and 4-A-5-a(5)—Direct Assignment Carrier Table.		29-Rule
	Details the revisions to Alaska's exception to Rule 4-A-6.		30-Rule
	Details the revisions to Alaska's exceptions to Rules 4-A-7-a, 4-A-7-c, and 4-A-7-e.		31-Rule
	Details the revisions to Alaska's exception to Rule 4-A-8-a(4).		32-Rule

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State Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Alaska's exception to Rule 4-A-10-c(1) and the elimination of Alaska's exception to Rule 4-A-10-b(1). (Where an AK exception is being eliminated, the proposed national rule as shown in Exhibit 10-Rule would become applicable.)	33-Rule
	Details the revision to Alaska's exception to Rule 4-A-11.	34-Rule
Revises NCCI's <i>ACPS</i>	Details the revisions to Alaska's exception to PS 1-C-6.	35-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Arkansas's exception to Rule 4-A-1.	26-Rule
	Details the revisions to Arkansas's exceptions to Rules 4-A-2-p, 4-A-2-y, 4-A-2-bb, and 4-A-2-cc	27-Rule
	Details the revisions to Arkansas's exception to Rule 4-A-3-i.	28-Rule
	Details the revisions to Arkansas's exception to Rule 4-A-4-a(5).	29-Rule
	Details the revisions to Arkansas's exception to Rule 4-A-6-b.	30-Rule
	Details the revisions to Arkansas's exceptions to Rules 4-A-7-a and 4-A-7-e.	31-Rule
	Details the revisions to Arkansas's exception to Rule 4-A-9-b(2).	32-Rule
	Details the revisions to Arkansas's exception to Rule 4-A-10-c(1).	33-Rule
Revises NCCI's <i>ACPS</i>	Details the revision to Tabular Adjustment Program Arkansas Miscellaneous Rule.	34-Rule
Revises NCCI's <i>ACPS</i>	Details the revision to Arkansas's exception to PS 1-A-4-k.	35-Rule
Revises NCCI's <i>Forms Manual</i>	Details the revisions to the Arkansas Workers Compensation Insurance Plan Assigned Risk Tabular Adjustment Program Premium Endorsement (WC 03 04 02).	36-Form

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State Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Arizona's exception to Rule 4-A-1.	26-Rule
	Details the revisions to Arizona's exceptions to Rules 4-A-2-e, 4-A-2-q, and 4-A-2-bb.	27-Rule
	Details the elimination of Arizona's exception to Rule 4-A-3-g and the revisions to Arizona's exception to Rule 4-A-3-j. (Where an AZ exception is being eliminated, the proposed national rule as shown in Exhibit 3-Rule would become applicable.)	28-Rule
	Details the revisions to Arizona's exceptions to Rules 4-A-4-a(1), 4-A-4-a(3), and 4-A-4-a(5).	29-Rule
	Details the revisions to Arizona's exceptions to Rules 4-A-6-b(9), 4-A-6-b(13), and 4-A-6-b(14).	30-Rule
	Details the revisions to Arizona's exception to Rule 4-A-7-a.	31-Rule
	Details the revisions to Arizona's exceptions to Rules 4-A-8-a(2), 4-A-8-a(4), and 4-A-8-b.	32-Rule
	Details the revisions to Arizona's exception to Rule 4-A-9-b.	33-Rule
	Details the revision to Arizona's exception to Rule 4-A-11.	34-Rule
Revises NCCI's <i>Basic Manual</i>	Details the elimination of Connecticut's exceptions to Rules 4-A-3-i(2) and 4-A-10-c(1) and the revisions to Connecticut's exceptions to Rules 4-A-3-i(5), 4-A-3-j, 4-A-7-e, and 4-A-9-c. (Where the CT exceptions are being eliminated, the proposed national rules as shown in Exhibits 3-Rule and 10-Rule would become applicable.)	26-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Georgia's exception to Rule 4-A-1.	26-Rule
	Details the revisions to Georgia's exceptions to Rules 4-A-3-b(3), 4-A-3-c, and 4-A-3-d.	27-Rule
	Details the revisions to Georgia's exception to Rule 4-A-4-a(5).	28-Rule
	Details the revision to Georgia's exception to Rule 4-A-6-b.	29-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Iowa's exception to Rule 4-A-2-r.	26-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Idaho's exceptions to Rules 4-A-3-c and 4-A-4-a(5).	26-Rule

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ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A–WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

State Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Recitals.	26-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article I.	27-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article II.	28-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article III.	29-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article IV.	30-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article V.	31-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article VI.	32-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article VII.	33-Rule
	Details the revisions to Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article VIII.	34-Rule
	Details the revision to the Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article IX.	35-Rule
	Details the revisions to the Indiana Workers Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool—Article X.	36-Rule
Revises NCCI's <i>ACPS</i>	Details the revisions to Indiana's exception to PS 1-C-6.	37-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Kansas's exception to Rule 4-A-1.	26-Rule
	Details the revisions to Kansas's exceptions to Rules 4-A-2-p and 4-A-2-bb.	27-Rule
	Details the revisions to Kansas's exceptions to Rules 4-A-3-c and 4-A-3-d.	28-Rule
	Details the revisions to Kansas's exception to Rule 4-A-4-a(2).	29-Rule
	Details the revision to Kansas's exception to Rule 4-A-6-b(6).	30-Rule
Revises NCCI's <i>ACPS</i>	Details the revision to Kansas's exception to PS 1-A-4-l.	31-Rule

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ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

State Exhibits		Exhibit
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Mississippi's exception to Rule 4-A.	26-Rule through 35-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Nevada's exception to Rule 3-D-6-c.	26-Rule
	Details the revisions to Nevada's exception to Rule 4-A-4-a(3).	27-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to New Hampshire's exception to Rule 4-A-6-b.	26-Rule
	Details the revisions to New Hampshire's exception to Rule 4-A-7.	27-Rule
Revises NCCI's <i>NMARM</i>	Details the revisions to Rule 2.	26-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to South Carolina's exceptions to Rules 4-A-10-c(1) and 4-A-10-c(2).	26-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Tennessee's exceptions to Rules 4-A-4-a(5), 4-A-5-a(5)—Direct Assignment Carrier Table, and 4-A-6-a.	26-Rule
Revises NCCI's <i>Basic Manual</i>	Details the revisions to Virginia's exceptions to Rules 4-A-2-b, 4-A-2-d, 4-A-2-e, 4-A-2-f, 4-A-2-l, and 4-A-2-r and elimination of Virginia's exception to Rule 4-A-2-i. (Where a VA exception is being eliminated, the proposed national rule as shown in Exhibit 2-Rule would become applicable.)	26-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-3-c, 4-A-3-d, 4-A-3-e, 4-A-3-h, 4-A-3-i, 4-A-3-j, 4-A-3-k, and 4-A-3-l.	27-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-4-a(3), 4-A-4-a(4), 4-A-4-a(5), and 4-A-4-a(8).	28-Rule
	Details the revisions to Virginia's exception to Rule 4-A-5-a(5)—Direct Assignment Carrier Table.	29-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-6-a and 4-A-6-b.	30-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-7-a, 4-A-7-b, 4-A-7-c, and 4-A-7-e.	31-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-9-c and 4-A-9-d(3).	32-Rule
	Details the revisions to Virginia's exception to Rule 4-A-10-b(1)(a).	33-Rule
	Details the revisions to Virginia's exceptions to Rules 4-A-10-c and 4-A-10-c(1).	34-Rule
	Details the revision to Virginia's exception to Rule 4-A-11.	35-Rule

**Note:** Some states require that form and rule filings be filed separately. For filing purposes in those states, this memorandum is being provided for both the rule and form exhibits. The rule exhibits are filed

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**ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION  
INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES**

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with the regulatory authority as Item RM-W-8044-R. The form exhibit is filed with the regulatory authority as Item RM-W-8044-F.

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ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

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EXHIBIT 22-RULE  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 1—INTRODUCTION

A. GENERAL EXPLANATION

4. Definition and Terms

(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR, SC, SD, TN, VA, VT, WV)

(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)

a. **Assigned Carrier**

Assigned carrier refers to direct assignment carriers and servicing carriers as defined in *Basic Manual* Rule 4-A-2-ed.

f. **Employer**

Employer refers to an insured or a policyholder, in accordance with *Basic Manual* Rule 4-A-2-ij. Further, for purposes of these *Performance Standards*, it also includes the employer's representative or producer of record, unless otherwise specified.

k. **Plan**

Plan refers to NCCI's Workers Compensation Insurance Plan (WCIP), as defined in *Basic Manual* Rule 4-A-2-ybb or the applicable state workers compensation insurance plan.

m. **Pool, NWCRA, or Association**

Pool refers to the National Workers Compensation Reinsurance Association NFP (NWCRA or Association), a reinsurance pooling mechanism as defined by *Basic Manual* Rule 4-A-2-mn, or the applicable state reinsurance pooling mechanism.

**ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES**

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**EXHIBIT 23-RULE  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 1—INTRODUCTION  
C. NONCOMPLIANCE AND COMPLIANCE WITH POLICY TERMS AND CONDITIONS  
(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR,  
SC, SD, TN, VA, VT, WV)  
(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**4. Noncompliance Reporting**

- a. All noncompliance transactions must be reported to the Plan Administrator within five business days of the assigned carrier's determination that the employer is noncompliant.
- b. Assigned carriers must report and update noncompliance of policy terms and conditions electronically using one or both of the following data reporting options:
  - (1) **DCA Access<sup>®</sup> Online** NCCI's tool for reporting policy data
  - (2) WCPOLS Record LayoutFor the form and manner in which the data must be reported, *refer to the Workers Compensation Policy Data Reporting Manual and WCIO Workers Compensation Data Specifications Manual appropriate data reporting manuals.*
- c. The Plan Administrator will reject any application submitted for a known noncompliant employer.
- d. If the Plan Administrator receives notification from a carrier of an employer's noncompliance, the Plan Administrator will notify the current assigned risk carrier, if any (and if different than the carrier reporting the noncompliance), that the employer is ineligible for continuing coverage. The current assigned carrier must then comply with cancellation requirements in accordance with **Basic Manual** Rules 3-A-3 and 4-A-4-a(3) and PS 3-D-2.

**6. Determination of Compliance**

- a. An employer is deemed compliant for any of the following reasons:
  - (1) Payment in full of all outstanding premium or deductible obligations
  - (2) Receipt of first payment in accordance with written agreement to use a payment plan
  - (3) Bona fide dispute is received as defined in **Basic Manual** Rule 4-A-2-gh
  - (4) Bankruptcy and carrier is listed as a secured creditor for all outstanding premium obligations, and the court-stamped petition and discharge order, if entered, including the complete list of creditors, are provided to the Plan Administrator with the application, and only if:
    - (a) The filed bankruptcy petition imposed an automatic stay against collection activities by the carrier(s) listed as a creditor for all outstanding workers compensation insurance premium obligations, and the bankruptcy trustee has ordered the employer/applicant to secure workers compensation insurance; or
    - (b) The bankruptcy court has entered a discharge order fully discharging all outstanding workers compensation insurance premium obligations owed by the employer/applicant to a carrier(s) included on the list of creditors.
  - (5) Submission of required underwriting information (e.g., ERM-14 Forms)
- (6) **Audit and Loss Prevention**
  - (a) Agreement and scheduling of audit or loss prevention survey
  - (b) Compliance with audit requirements or loss prevention survey recommendations
  - (c) Audit adjustment reduces the premium obligation to a zero or credit balance
  - (d) **Audit Noncompliance Charge Exception:**

ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES

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EXHIBIT 23-RULE (CONT'D)

ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION

PERFORMANCE STANDARD 1—INTRODUCTION

C. NONCOMPLIANCE AND COMPLIANCE WITH POLICY TERMS AND CONDITIONS

(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR, SC, SD, TN, VA, VT, WV)

(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)

An assigned carrier may apply an Audit Noncompliance Charge (ANC) in accordance with *Basic Manual* rules. In such situations, an employer is not deemed compliant if the employer pays the ANC but does not allow the audit and/or does not comply with the audit requirements. Therefore, PS 1-C-6-a(6)(a) is not applicable and the employer is deemed noncompliant for audit purposes until the audit portion of PS 1-C-6-a(6)(b) is fulfilled.

b. When multiple noncompliance issues occur, individual issues may be deemed compliant, but if there are any remaining noncompliant issues, the employer remains noncompliant.

c. **Compliance Effective Date**

(1) If the employer becomes compliant for reasons not related to submitting outstanding premium or deductible payments, the compliance effective date is the date the employer is deemed compliant.

(2) If the employer submits the outstanding premium or deductible payment, the compliance effective date must be in accordance with PS 7-A-3 and 8-A-3, respectively.



**ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION  
INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES**

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**EXHIBIT 24-RULE**

**ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION**

**PERFORMANCE STANDARD 2—CUSTOMER SERVICE**

(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR,  
SC, SD, TN, VA, VT, WV)

(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)

**C. BONA FIDE DISPUTES**

If a bona fide dispute exists in accordance with *Basic Manual* Rule 4-A-2-gh, the assigned carrier must comply with the dispute resolution procedures located in *Basic Manual* Rule 4-A-10.

**ITEM RM-W-8044—REVISIONS TO BASIC MANUAL RULE 4-A—WORKERS COMPENSATION INSURANCE PLAN (WCIP) RULES AND APPLICABLE STATE WCIP RULES**

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**EXHIBIT 25-RULE  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 7—BILLING AND COLLECTION OF PREMIUM**

**A. BILLING PROCEDURES**

**(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OR, SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**5. Cancellation**

- a. If the amount due is not received in accordance with the Receipt of Premium Tables by the end of the billing cycle, a cancellation notice must be issued no later than five business days from the end of the billing cycle, and must be in accordance with all applicable state laws, WCIP rules and PS 3-D.
- b. Cancellation notices issued for nonpayment cannot have a cancellation date earlier than the 46th day from the date of initial billing, and must be in accordance with state law timeliness requirements.
- c. Cancellations cannot occur if:
  - (1) The first payment has been received in accordance with written agreement to use payment plan, or
  - (2) A bona fide dispute exists according to *Basic Manual* Rules 4-A-2-gh and 4-A-10.
- d. The employer, producer, premium finance company, Plan Administrator, regulators, known certificate holders, and/or other appropriate parties must be provided notices of cancellation detailing the specific reason for cancellation. Such notification must be in accordance with all applicable state laws, WCIP rules and PS 3-D.
- e. The assigned carrier must report noncompliance in accordance with PS 1-C.