

State: Indiana **Filing Company:** Indiana Compensation Rating Bureau
TOI/Sub-TOI: 16.0 Workers Compensation/16.0002 Employers Liability WC
Product Name: RM-01-IN-2019
Project Name/Number: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm/RM-01-IN-2019

Filing at a Glance

Company: Indiana Compensation Rating Bureau
Product Name: RM-01-IN-2019
State: Indiana
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0002 Employers Liability WC
Filing Type: Rule
Date Submitted: 12/12/2019
SERFF Tr Num: INCR-132187375
SERFF Status: Closed-Filed
State Tr Num: EFT OK /
State Status:
Co Tr Num: RM-01-IN-2019
Co Status:
Effective Date: 01/01/2020
Requested (New):
Effective Date: 01/01/2020
Requested (Renewal):
Author(s): Robin Eleson
Reviewer(s): Jene' Bastian (primary), Kim Green
Disposition Date: 12/13/2019
Disposition Status: Filed
Effective Date (New):
Effective Date (Renewal):

State: Indiana **Filing Company:** Indiana Compensation Rating Bureau
TOI/Sub-TOI: 16.0 Workers Compensation/16.0002 Employers Liability WC
Product Name: RM-01-IN-2019
Project Name/Number: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm/RM-01-IN-2019

General Information

Project Name: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm Status of Filing in Domicile: Pending
 Project Number: RM-01-IN-2019 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular: NCCI Circular Plan-IN-2019-01
 Filing Status Changed: 12/13/2019 Company Status Changed:
 State Status Changed: Deemer Date:
 Created By: Robin Eleson Submitted By: Robin Eleson
 Corresponding Filing Tracking Number:

Filing Description:

This item revises the Indiana Assigned Risk Workers Compensation Premium Algorithm in NCCI's Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual).

Company and Contact

Filing Contact Information

Duane Schroeder, Vice President dschroeder@icrb.net
 5920 Castleway W Dr 317-842-2800 [Phone] 308 [Ext]
 Indianapolis, IN 46250

Filing Company Information

Indiana Compensation Rating Bureau	CoCode:	State of Domicile: Indiana
5920 Castleway W Dr	Group Code:	Company Type: Rating Organization
Indianapolis, IN 46250	Group Name: ICRB	State ID Number:
(317) 842-2800 ext. 301[Phone]	FEIN Number: 35-0837318	

Filing Fees

Fee Required? Yes
 Fee Amount: \$35.00
 Retaliatory? No
 Fee Explanation:
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
Indiana Compensation Rating Bureau	\$35.00	12/12/2019	171158359

State: Indiana Filing Company: Indiana Compensation Rating Bureau
TOI/Sub-TOI: 16.0 Workers Compensation/16.0002 Employers Liability WC
Product Name: RM-01-IN-2019
Project Name/Number: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm/RM-01-IN-2019

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Jene' Bastian	12/13/2019	12/13/2019

State: Indiana Filing Company: Indiana Compensation Rating Bureau
TOI/Sub-TOI: 16.0 Workers Compensation/16.0002 Employers Liability WC
Product Name: RM-01-IN-2019
Project Name/Number: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm/RM-01-IN-2019

Disposition

Disposition Date: 12/13/2019

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	80 Filing Description/Cover Letter/NAIC Transmittal		Yes
Supporting Document	Third Party Filers		Yes
Supporting Document	RM-01-IN-2019 Filing Memorandum		Yes

SERFF Tracking #:

INCR-132187375

State Tracking #:

EFT OK /

Company Tracking #:

RM-01-IN-2019

State: Indiana
TOI/Sub-TOI: 16.0 Workers Compensation/16.0002 Employers Liability WC
Product Name: RM-01-IN-2019
Project Name/Number: Revisions to the Indiana Assigned Risk Worker Compensation Premium Algorithm/RM-01-IN-2019

Filing Company: Indiana Compensation Rating Bureau

Supporting Document Schedules

Satisfied - Item:	80 Filing Description/Cover Letter/NAIC Transmittal
Comments:	ITEM RM-01-IN-2019—REVISIONS TO THE INDIANA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Third Party Filers
Comments:	Per IC 27-7-2-3 through IC 27-7-2-4, the Bureau has statutory authority to file rates, rules, plans & forms on behalf of all workers compensation insurance companies in Indiana.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	RM-01-IN-2019 Filing Memorandum
Comments:	
Attachment(s):	RM-01-IN-2019.pdf
Item Status:	
Status Date:	

FILING MEMORANDUM

**ITEM RM-01-IN-2019—REVISIONS TO THE INDIANA ASSIGNED RISK WORKERS
COMPENSATION PREMIUM ALGORITHM**

PURPOSE

This item revises the Indiana Assigned Risk Workers Compensation Premium Algorithm in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*.

BACKGROUND

The Indiana Compensation Rating Bureau (ICRB) requested that NCCI include a revision to the assigned risk surcharge in the assigned risk rate filing to be effective **January 1, 2020**. As a result of this request, the explanatory note in the Indiana Assigned Risk Workers Compensation Premium Algorithm must be revised. The explanatory note will be revised to state that the assigned risk surcharge:

- Is 30% instead of 25%
- Applies to premium in excess of \$2,750 instead of \$2,500

Additionally, NCCI has determined that the following changes are required for two footnotes to the assigned risk premium algorithm:

- Revise the footnote related to nonratable element premiums to reference NCCI's Loss Sensitive Rating Plan instead of retrospective rating
- Remove the footnote related to premium discounts because premium discounts are not applicable in the Indiana Worker's Compensation Insurance Plan of Operation for the Indiana Assigned Risk Reinsurance Pool

PROPOSAL

This item proposes that the following changes be made to the Indiana Assigned Risk Workers Compensation Premium Algorithm in NCCI's *Basic Manual*:

- Revise the assigned risk surcharge explanatory note to provide the changes approved by the ICRB
- Revise the footnote related to nonratable element premiums
- Remove the footnote related to premium discounts

IMPACT

No statewide premium impact will result from the changes proposed in this item as this filing is being submitted to comply with the approval of the Indiana assigned risk rate filing.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
1	Details the revisions to the Indiana Assigned Risk Workers Compensation Premium Algorithm in NCCI's <i>Basic Manual</i> .	To become effective for new and renewal assigned risk policies only, effective on and after 12:01 a.m. on January 1, 2020 .

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

ITEM RM-01-IN-2019—REVISIONS TO THE INDIANA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM

**EXHIBIT 1
BASIC MANUAL—2001 EDITION**

INDIANA MISCELLANEOUS RULES—APPLICABLE TO ASSIGNED RISK POLICIES ONLY

INDIANA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

	PREMIUM ELEMENTS	EXPLANATORY NOTES
	MANUAL PREMIUM	[(PAYROLL / 100) * RATE]
+	Supplementary Disease (foundry, abrasive, sandblasting)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]
+	USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]
	TOTAL MANUAL PREMIUM	
+	Waiver of Subrogation factor	[% applied to the portion of Total Manual Premium where waiver is applicable]
+	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)	[Factor applied to the portion of Manual Premium where Admiralty coverage is applicable]
-	Small Deductible Coinsurance credit	[% applied to Total Manual Premium]
	TOTAL SUBJECT PREMIUM	
x	Experience Modification (Exp Mod)	
	TOTAL MODIFIED PREMIUM	
+	Supplemental Disease Exposure (Asbestos ^{NOC}) [†]	
+	Atomic Energy Radiation Exposure [†] NOC	
+	Charge for nonratable catastrophe loading [†]	
+	Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]
+	Balance to Minimum Premium (Admiralty)	[Balance to minimum premium at Standard Admiralty Limits]
x	Assigned Risk Surcharge	[A 25 30% surcharge is applicable to the premium in excess of \$2,500 <u>2,750</u> of the standard premium, subject to audit]
	TOTAL STANDARD PREMIUM	
+	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	
+	Second Injury Fund Surcharge	
	TOTAL AMOUNT DUE	

NOC = Not Otherwise Classified.

ITEM RM-01-IN-2019—REVISIONS TO THE **INDIANA** ASSIGNED RISK WORKERS
COMPENSATION PREMIUM ALGORITHM

EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION

INDIANA MISCELLANEOUS RULES—APPLICABLE TO ASSIGNED RISK POLICIES ONLY

† 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 retrospective rating.

§ ~~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.