



# Commissioner's Bulletin # B-0006-20

---

March 23, 2020

**To: All insurers writing workers' compensation and employers' liability insurance in Texas**

**Re: Revised NCCI advisory loss costs for workers' compensation—  
instructions on making rate filings**

The Texas Department of Insurance (TDI) accepts the National Council on Compensation Insurance (NCCI) advisory [loss cost filing](#) (SERFF tracking no. NCCI-132132973) with an effective date of July 1, 2020.

Prior to the enactment of Senate [Bill 1336](#), 86th Legislature, Regular Session (2019), workers' compensation insurers could choose one of three rate bases: TDI-developed relativities; the insurer's own independent, company-specific relativities; or NCCI loss costs. For insurers to use TDI-developed relativities in 2019, TDI issued [Commissioner's Order No. 2019-5949](#), updating the relativities for policies effective on or after July 1, 2019. However, SB 1336 (86R) eliminated TDI's statutory obligation to develop workers' compensation relativities. To comply with SB 1336, TDI will not adopt any further relativities.

For all workers' compensation policies written with an effective date on or after July 1, 2020, insurers should use one of the following rate bases: their own independent insurer-specific classification relativities, or NCCI loss costs effective July 1, 2020.

For policies with an effective date on or after July 1, 2020, insurers should not base their rates on the NCCI loss costs or classification relativities from July 1, 2019, or any prior year's relativities or loss costs.

## **Actions required of insurers**

[Insurance Code Section 2053.003](#) requires each insurer to file with TDI all rates, supplementary rating information, and reasonable and pertinent supporting information for risks written in Texas. Insurers' rate filings should use the most recently available data and information.

To comply with [Insurance Code Section 2053.003](#), insurers that currently write workers' compensation insurance and plan to continue writing that coverage on or after July 1, 2020, should submit a rate filing no later than June 1, 2020. The

rate filing should contain the information specified in the attached Summary of Actions Required by Insurers 2020, including the Notice of Carrier Intent and Certification. Insurers should submit the rate filing in SERFF.

An insurer that is not currently writing workers' compensation insurance but plans to write its first policy with an effective date on or after July 1, 2020, should send its rate filing to TDI at least 30 days before the effective date of its first policy.

### **Filing forms and exhibits**

The Property and Casualty Filings Made Easy Guide is an aid for making rate filings in Texas. Insurers may provide the required information using the current versions of the exhibits in the Filings Made Easy Guide or they may use their own exhibits and formats.

Property and casualty insurers must comply with the filing requirements in Title 28, Texas Administrative Code, Part 1, Chapter 5, Subchapter M, Division 6. Section 5.9334 addresses the requirements for each rate filing submission. Each of these requirements (along with other categories of information that may be requested) is detailed in Section 5.9332 (Categories of Supporting Information). TDI anticipates amending Section 5.9332 to comply with SB 1336.

### **TDI contact**

For more information, contact Nicole Elliott in the Property and Casualty Actuarial Office at 512-676-6700 or [pcactuarial@tdi.texas.gov](mailto:pcactuarial@tdi.texas.gov).

### **Attachments**

Summary of Actions Required by Insurers 2020  
Notice of Carrier Intent and Certification

For more information, contact: [PCActuarial@tdi.texas.gov](mailto:PCActuarial@tdi.texas.gov)

Last updated: 3/25/2020