

**State:** Tennessee **Filing Company:** National Council on Compensation Insurance, Inc.  
**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC  
**Product Name:** Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021  
**Project Name/Number:** /

## Table of Contents

### User Usage Agreement Attachments

Usage Agreement [Usage Agreement.pdf](#)

### Rate-Rule Attachments

(ex. Document Name Attachment Name)

Filing [TN 3.1.21 Assigned Risk Rate Filing.pdf](#)

### Supporting Document Attachments

(ex. Supporting Document Name Attachment Name)

Cover Letter [TN 3.1.2021 Assigned Risk Cover Letter.pdf](#)

Rate Filing Narrative [TN Rate Filing Narrative.pdf](#)

**State:** Tennessee **Filing Company:** National Council on Compensation Insurance, Inc.  
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## Filing at a Glance

Company: National Council on Compensation Insurance, Inc.  
Product Name: Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021  
State: Tennessee  
TOI: 16.0 Workers Compensation  
Sub-TOI: 16.0004 Standard WC  
Filing Type: Rate  
Date Submitted: 08/27/2020  
SERFF Tr Num: NCCI-132508487  
SERFF Status: Assigned  
State Tr Num: 202669  
State Status: Pending-Under Review  
Co Tr Num: TENNESSEE AR 03012021  
  
Effective Date: 03/01/2021  
Requested (New):  
Effective Date: 03/01/2021  
Requested (Renewal):  
Author(s): Lesley O'Brien, Frank Gnolfo, Whitney Quailey, Nancy Mattei  
Reviewer(s): Mike Shinnick (primary)  
Disposition Date:  
Disposition Status:  
Effective Date (New):  
Effective Date (Renewal):

**State:** Tennessee  
**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC  
**Product Name:** Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile:  
Project Number: Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 08/27/2020  
State Status Changed: 08/27/2020 Deemer Date:  
Created By: Frank Gnolfo Submitted By: Frank Gnolfo  
Corresponding Filing Tracking Number:

### Filing Description:

In accordance with the applicable statutes and regulations of the state of Tennessee, we are filing for your consideration and approval prospective loss costs and rating values for the voluntary market to become effective March 1, 2021.

## Company and Contact

### Filing Contact Information

Carla Townsend, State Relations Executive carla\_townsend@ncci.com  
901 Peninsula Corporate Circle 561-893-3819 [Phone]  
Boca Raton, FL 33487-1362 561-893-5779 [FAX]

### Filing Company Information

National Council on Compensation Insurance, Inc. CoCode: State of Domicile: Florida  
901 Peninsula Corporate Circle Group Code: Company Type:  
Boca Raton, FL 33487 Group Name: State ID Number:  
(561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

SERFF Tracking #:

NCCI-132508487

State Tracking #:

202669

Company Tracking #:

TENNESSEE AR 03012021

State: Tennessee  
 TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC  
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 Project Name/Number: /

Filing Company: National Council on Compensation Insurance, Inc.

### Rate Information

Rate data applies to filing.

Filing Method: SERFF  
 Rate Change Type: Decrease  
 Overall Percentage of Last Rate Revision: -4.600%  
 Effective Date of Last Rate Revision: 03/01/2020  
 Filing Method of Last Filing: SERFF  
 SERFF Tracking Number of Last Filing: NCCI-132084047

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
National Council on Compensation Insurance, Inc.	-7.200%	-7.200%	\$0	0	\$0	0.000%	0.000%

**SERFF Tracking #:**

NCCI-132508487

**State Tracking #:**

202669

**Company Tracking #:**

TENNESSEE AR 03012021

**State:**

Tennessee

**Filing Company:**

National Council on Compensation Insurance, Inc.

**TOI/Sub-TOI:**

16.0 Workers Compensation/16.0004 Standard WC

**Product Name:**

Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021

**Project Name/Number:**

/

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Filing	NA	Replacement	192895	TN 3.1.21 Assigned Risk Rate Filing.pdf

State: Tennessee Filing Company: National Council on Compensation Insurance, Inc.  
 TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC  
 Product Name: Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021  
 Project Name/Number: /

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Actuarial Certification Form
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Reference Filing Adoption Form
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Summary of Supporting Information Form
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Filing Fees Form
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Third Party Authorization
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	TN 3.1.2021 Assigned Risk Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**SERFF Tracking #:** NCCI-132508487

**State Tracking #:** 202669

**Company Tracking #:** TENNESSEE AR 03012021

**State:** Tennessee

**Filing Company:** National Council on Compensation Insurance, Inc.

**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC

**Product Name:** Tennessee Assigned Risk Rates and Rating Values Filing Proposed Effective March 1, 2021

**Project Name/Number:** /

<b>Satisfied - Item:</b>	Rate Filing Narrative
<b>Comments:</b>	
<b>Attachment(s):</b>	TN Rate Filing Narrative.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



# Tennessee

Assigned Risk Rates And Rating  
Values Filing

Proposed Effective March 1, 2021





**Carla Townsend**  
Regulatory Division  
(P) 561-893-3819  
Email: [Carla\\_Townsend@ncci.com](mailto:Carla_Townsend@ncci.com)

August 27, 2020

Hodgen Mainda  
Commissioner of Commerce and Insurance  
State of Tennessee  
500 James Robertson Parkway  
Nashville, Tennessee 37243-0565

**Re: Tennessee Workers Compensation Assigned Risk Rates and Rating Values Filing – Proposed Effective March 1, 2021**

Dear Commissioner Mainda,

In accordance with the applicable statutes and regulations of the State of Tennessee, we are filing for your consideration and approval prospective rates and rating values for the assigned risk market to become effective March 1, 2021.

The assigned risk rates, which are proposed to be effective March 1, 2021, reflect a change of -7.2% from the rates effective March 1, 2020.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate or pure premium filing requirements and other private use of this information.

In the enclosed appendix is a list of companies, which, at the time this filing is being submitted, are eligible to reference this information. The inclusion of a company on this list merely indicates that the company, or the group to which it belongs, is affiliated with NCCI in this state, or has licensed this information as a non-affiliate, and is not intended to indicate whether the company is currently writing business or is even licensed to write business in this state.

Please contact me if you have any questions or need any further information

Sincerely,

A handwritten signature in black ink that reads "Carla Townsend". The signature is written in a cursive, flowing style.

Carla Townsend  
State Relations Executive



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## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Actuarial Certification

I, Dan Cunningham, am a Director and Actuary for the National Council on Compensation Insurance, Inc. I am an Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

The information contained in this report has been prepared under my direction in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

A handwritten signature in black ink, appearing to read "Dan Cunningham".

Dan Cunningham, FCAS, MAAA  
Director and Actuary  
Actuarial and Economic Services



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Disclosures

##### **Purpose of the Report**

The purpose of this report is to provide the proposed assigned risk rates for workers compensation policies in Tennessee, proposed to be effective March 1, 2021. The intended users of this report are:

- State of Tennessee Department of Commerce and Insurance
- Affiliated carriers, for their reference in determining workers compensation rates

##### **Scope**

Employers unable to secure coverage in the voluntary market can apply for such coverage in the assigned risk market. The proposed assigned risk rates are intended to cover the indemnity and medical benefits provided under the system, the expenses associated with providing these benefits (loss adjustment expenses), and any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Although considered, since the combined impact and direction of all direct and indirect COVID-19 related forces is unknown, no explicit adjustment has been made in this year's analysis at an overall or individual classification code level.

##### **Data Sources and Dates**

NCCI recently submitted a voluntary advisory loss costs and rating values filing to the Tennessee Commissioner of Commerce and Insurance. The assigned risk rates proposed in this filing are based on the recently filed voluntary advisory loss costs, with an assigned risk loss cost multiplier applied.

The overall average rate level change in this filing is based on premium and loss experience evaluated as of December 31, 2019. Therefore, this data does not reflect any potential direct or indirect effects of the COVID-19 pandemic.

In some areas, NCCI's analysis also relies on other data sources, which are reviewed for reasonableness and are referenced in the filing where applicable.

##### **Risks and Uncertainty**

This filing includes assumptions and projections concerning the future. As with any prospective analysis, there exists estimation uncertainty in these assumptions and projections. Areas of this analysis subject to estimation uncertainty that could have a material impact on the final results include the following:



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Disclosures

- Projection of future loss development
- Selection of loss ratio trends
- Potential impact of changes to laws and/or regulations

In addition, any future changes to workers compensation law or regulations that apply retroactively to policies or benefit claims on policies in the proposed effective period may have a significant impact on the adequacy of the assigned risk rates proposed in this filing.

The premium and loss experience on which this filing is based does not reflect potential direct or indirect effects of the COVID-19 pandemic. At this time, the course of the pandemic remains unclear and represents a significant source of uncertainty with respect to estimating workers compensation system costs for the proposed loss cost effective period.

The direct effect of compensable claims resulting from COVID-19 infections may put upward pressure on workers compensation costs, as could certain indirect effects. For example, there is potential for the weakened labor market to lengthen return-to-work times or adverse loss development to occur if the pandemic serves to increase the time to medical treatment for injured workers. However, it is possible that other various effects may put downward pressure on workers compensation costs—such as increased telecommuting, decreased exposure to motor vehicle accidents, and an increased use of telehealth for injured workers. Additional COVID-19-related considerations, such as future economic conditions and their corresponding impact on the labor market, contribute additional uncertainty when estimating future costs.

The ongoing COVID-19 pandemic creates additional uncertainty regarding the makeup and loss experience of the residual market. Employers who obtain policies in the residual market due to potential COVID-19 exposure may differ from the types of employers in the historical residual market data analyzed in this filing.

After considering direct and indirect pandemic-related factors, it is reasonable to believe they will give rise to component changes that may, to some extent, have offsetting impacts on workers compensation system costs. Although considered, since the combined impact and direction of all direct and indirect COVID-19-related forces is unknown, no explicit adjustment for the pandemic has been made in this year's analysis at an overall or individual classification code level.



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Table of Contents

##### **Part 1 Filing Overview**

- Executive Summary
- Overview of Methodology

##### **Part 2 Proposed Values**

- Proposed Assigned Risk Rates and Rating Values
- Proposed Values for Inclusion in the Experience Rating Plan Manual

##### **Part 3 Supporting Exhibits**

- Determination of the Indicated Assigned Risk Rate Change
- Exhibit I: Derivation of Assigned Risk Loss Cost Multiplier
- Exhibit II: Derivation of Assigned Risk Differential
- Exhibit III: Calculation of Assigned Risk Expenses
- Exhibit IV: Determination of Uncollectible Premium Provision

##### **Part 4 Additional Information**

- Definitions
- NCCI Affiliate List
- Key Contacts



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Part 1 Filing Overview

- Executive Summary
- Overview of Methodology



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Executive Summary

Based on its review of the most recently available data and the proposed overall average workers compensation voluntary market loss cost level change of -9.2% NCCI has proposed an average assigned risk rate level change of -7.2%% to become effective March 1, 2021.

#### Key Components

Proposed Change in Overall Voluntary Loss Cost Level

-9.2%

Impact of change in Assigned Risk Loss Cost Multiplier

+2.2%

**Proposed Change in Overall Assigned Risk Rate Level**

**-7.2%**

#### Percentage Change

<b>Selections Underlying Proposed Changes</b>	<b>Approved March 1, 2020</b>	<b>Proposed March 1, 2021</b>
Assigned Risk Loss Cost Multiplier	1.753	1.791
Assigned Risk Loss Cost Differential	1.400	1.450
Assigned Risk Permissible Loss Ratio	0.692	0.703
Uncollectible Premium Provision	1.032	1.035
Expense Constant	\$160	\$160
Maximum Minimum Premium	\$1,250	\$1,250
Minimum Premium Multiplier	200	200

Please refer to the “Additional Proposed Change” section in Part 1 of the recently filed voluntary advisory loss costs and rating values filing for information on other notable change underlying this filing.





## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Overview of Methodology

##### Assigned Risk Rates

The proposed assigned risk rates are determined for each job classification as the product of the classification's voluntary loss cost and an assigned risk loss cost multiplier (LCM). The LCM incorporates the indicated assigned risk market expense need and changes to the assigned risk differential.

Note: The methodology and assumptions used in this filing may not be applicable to or relevant for another purpose, including but not limited to NCCI filings in other jurisdictions.



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Part 2 Proposed Values

- Proposed Assigned Risk Rates and Rating Values
- Proposed Values for Inclusion in the Experience Rating Plan Manual



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

### Proposed Assigned Risk Rates and Rating Values

The following pages include proposed assigned risk rates and rating values:

- Assigned risk rates, minimum premium, expected loss rates, and d-ratios by class code, along with associated footnotes
  - The “X” footnote denoting a state special classification phraseology will no longer be shown on the following pages. Refer to the special classifications section of the Basic Manual for any state specific classification phraseology.
- Miscellaneous values, such as:
  - Maximum and minimum weekly payroll applicable for select class codes
  - Premium determination for Partners and Sole Proprietors
  - Terrorism rate
  - United States Longshore and Harbor Workers’ Compensation Coverage Percentage

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**TENNESSEE**

Effective March 1, 2021

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
0005	2.47	654	0.97	0.46	2003	2.76	712	1.10	0.47	2702*	64.17	1250	19.26	0.30
0008	2.04	568	0.77	0.42	2014	4.05	970	1.43	0.39	2705*	18.77	1250	6.54	0.39
0016	4.42	1044	1.54	0.39	2016	2.74	708	1.11	0.49	2709	8.20	1250	2.89	0.39
0034	2.74	708	1.08	0.46	2021	3.31	822	1.23	0.42	2710	7.54	1250	2.47	0.33
0035	2.24	608	0.91	0.49	2039	2.15	590	0.88	0.49	2714	3.89	938	1.57	0.48
0036	3.08	776	1.22	0.46	2041	1.90	540	0.78	0.49	2731	3.35	830	1.18	0.39
0037	2.85	730	1.07	0.42	2065	1.49	458	0.59	0.46	2735	3.49	858	1.41	0.48
0042	3.99	958	1.49	0.42	2070	4.10	980	1.63	0.47	2759	5.59	1250	2.25	0.48
0050	3.76	912	1.48	0.46	2081	2.54	668	0.99	0.46	2790	2.08	576	0.82	0.48
0059D	0.34	-	0.05	0.39	2089	2.60	680	1.03	0.46	2797	3.04	768	1.19	0.46
0065D	0.07	-	0.01	0.39	2095	2.81	722	1.11	0.46	2799	3.87	934	1.45	0.43
0066D	0.07	-	0.01	0.39	2105	3.31	822	1.34	0.48	2802	3.80	920	1.42	0.42
0067D	0.07	-	0.01	0.40	2110	1.79	518	0.73	0.49	2835	1.79	518	0.76	0.54
0079	2.54	668	0.88	0.39	2111	1.97	554	0.80	0.49	2836	2.15	590	0.91	0.54
0083	3.76	912	1.47	0.46	2112	2.67	694	1.08	0.49	2841	3.56	872	1.43	0.48
0106	7.83	1250	2.59	0.33	2114	2.54	668	1.02	0.48	2881	2.33	626	0.98	0.54
0113	2.99	758	1.17	0.46	2121	1.29	418	0.50	0.46	2883	3.15	790	1.24	0.46
0170	1.61	482	0.63	0.46	2130	1.45	450	0.57	0.46	2913	-	-	1.24	0.46
0251	2.79	718	1.10	0.46	2131	1.20	400	0.47	0.47	2915	2.45	650	0.93	0.43
0400	-	-	0.73	0.42	2143	2.22	604	0.90	0.49	2916	3.21	802	1.05	0.33
0401	9.62	A	3.19	0.33	2157	3.58	876	1.43	0.47	2923	1.63	486	0.66	0.49
0771N	0.39	-	-	-	2172	1.52	464	0.57	0.43	2942	-	-	0.43	0.53
0908P	124.00	284	49.82	0.47	2174	2.45	650	0.99	0.48	2960	3.53	866	1.40	0.47
0913P	355.00	515	140.38	0.47	2211	7.41	1250	2.61	0.39	3004	1.68	496	0.59	0.39
0917	2.76	712	1.12	0.49	2220	1.70	500	0.68	0.47	3018	2.56	672	0.90	0.39
1005*	6.15	1250	1.58	0.33	2286	-	-	0.68	0.47	3022	2.67	694	1.09	0.49
1016*	14.35	1250	3.40	0.32	2288	3.22	804	1.29	0.48	3027	1.92	544	0.68	0.39
1164D	2.68	696	0.81	0.32	2300	-	-	0.93	0.46	3028	3.13	786	1.24	0.46
1165D	3.44	848	1.13	0.33	2302	1.34	428	0.53	0.46	3030	5.46	1250	1.91	0.39
1320	1.38	436	0.46	0.33	2305	2.11	582	0.79	0.42	3040	4.44	1048	1.57	0.40
1322	13.58	1250	4.46	0.33	2361	1.79	518	0.69	0.45	3041	3.21	802	1.26	0.46
1429	-	-	1.49	0.33	2362	1.79	518	0.70	0.46	3042	3.92	944	1.48	0.43
1430	3.64	888	1.27	0.39	2380	1.84	528	0.72	0.46	3064	2.81	722	1.11	0.46
1438	4.46	1052	1.49	0.33	2386	-	-	0.93	0.46	3076	3.21	802	1.26	0.46
1452	1.84	528	0.65	0.40	2388	1.38	436	0.56	0.48	3081D	3.76	912	1.31	0.40
1463	7.58	1250	2.53	0.33	2402	2.31	622	0.81	0.39	3082D	3.06	772	1.05	0.39
1472	3.55	870	1.16	0.33	2413	3.15	790	1.22	0.45	3085D	3.13	786	1.08	0.39
1604	3.06	772	1.10	0.40	2416	1.41	442	0.56	0.46	3110	3.89	938	1.53	0.46
1624D	2.51	662	0.83	0.33	2417	1.20	400	0.47	0.46	3111	1.84	528	0.73	0.46
1642	1.84	528	0.65	0.40	2501	2.36	632	0.93	0.46	3113	1.70	500	0.68	0.47
1654	3.83	926	1.36	0.40	2503	1.07	374	0.43	0.49	3114	2.35	630	0.92	0.46
1655	-	-	0.65	0.40	2534	-	-	0.93	0.46	3118	1.49	458	0.61	0.49
1699	2.11	582	0.74	0.39	2570	3.31	822	1.33	0.48	3119	0.63	286	0.26	0.54
1701	2.44	648	0.86	0.39	2585	2.65	690	1.08	0.49	3122	1.65	490	0.67	0.49
1710D	2.91	742	1.02	0.40	2586	2.42	644	0.95	0.46	3126	2.08	576	0.81	0.46
1741	-	-	0.86	0.39	2587	1.59	478	0.65	0.49	3131	1.86	532	0.73	0.46
1747	1.77	514	0.63	0.40	2589	1.92	544	0.75	0.46	3132	3.10	780	1.20	0.46
1748	3.87	934	1.34	0.39	2600	3.33	826	1.37	0.49	3145	1.81	522	0.71	0.46
1803D	4.76	1112	1.50	0.33	2623	5.43	1246	2.03	0.42	3146	2.10	580	0.82	0.46
1852	-	-	0.50	0.30	2651	1.49	458	0.60	0.48	3169	2.10	580	0.83	0.46
1853	-	-	0.86	0.39	2660	2.20	600	0.88	0.48	3175	-	-	0.83	0.46
1860	-	-	0.75	0.46	2670	-	-	0.86	0.49	3179	1.63	486	0.66	0.49
1924	2.10	580	0.85	0.49	2683	2.27	614	0.92	0.48	3180	1.99	558	0.80	0.48
1925	2.69	698	1.01	0.42	2688	2.11	582	0.86	0.49	3188	1.77	514	0.72	0.48
2002	4.10	980	1.63	0.48	2701	11.41	1250	4.05	0.40	3220	1.70	500	0.68	0.47

Refer to the special classification section of the **Basic Manual** for any state specific classification phraseology.

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**TENNESSEE**

Effective March 1, 2021

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
3223	-	-	0.80	0.48	3881	2.78	716	1.10	0.46	4583	3.22	804	1.06	0.33
3224	2.85	730	1.17	0.49	4000	3.33	826	1.12	0.34	4611	1.07	374	0.43	0.48
3227	2.13	586	0.86	0.49	4021	4.12	984	1.44	0.39	4635	2.81	722	0.87	0.31
3240	2.22	604	0.87	0.46	4024D	3.96	952	1.37	0.39	4653	1.18	396	0.48	0.49
3241	2.13	586	0.84	0.46	4034	5.19	1198	1.82	0.39	4665	5.78	1250	2.03	0.39
3255	1.86	532	0.78	0.54	4036	1.99	558	0.70	0.39	4670	-	-	1.37	0.46
3257	2.22	604	0.87	0.46	4038	1.86	532	0.79	0.55	4683	3.46	852	1.37	0.46
3270	2.40	640	0.94	0.46	4053	-	-	0.96	0.46	4686	1.93	546	0.69	0.40
3300	3.78	916	1.47	0.46	4061	-	-	0.96	0.46	4692	0.56	272	0.23	0.49
3303	2.67	694	1.07	0.48	4062	2.44	648	0.96	0.46	4693	0.75	310	0.29	0.46
3307	2.90	740	1.14	0.46	4101	2.24	608	0.84	0.43	4703	1.34	428	0.54	0.47
3315	2.69	698	1.10	0.49	4109	0.43	246	0.17	0.49	4717	2.19	598	0.94	0.55
3334	1.38	436	0.56	0.47	4110	0.73	306	0.29	0.47	4720	2.33	626	0.90	0.46
3336	2.02	564	0.72	0.39	4111	1.52	464	0.61	0.48	4740	1.11	382	0.39	0.40
3365	3.12	784	1.11	0.40	4113	-	-	0.61	0.48	4741	2.42	644	0.95	0.46
3372	2.87	734	1.07	0.42	4114	2.01	562	0.80	0.47	4751	2.13	586	0.75	0.39
3373	3.24	808	1.28	0.46	4130	2.69	698	1.06	0.46	4761	-	-	0.69	0.31
3383	1.41	442	0.58	0.49	4131	4.30	1020	1.74	0.49	4771N	2.22	682	0.69	0.31
3385	0.66	292	0.27	0.49	4133	2.11	582	0.84	0.48	4777	3.04	768	0.94	0.31
3400	2.76	712	1.03	0.42	4149	0.82	324	0.36	0.55	4825	0.63	286	0.22	0.39
3507	1.79	518	0.71	0.47	4206	3.37	834	1.34	0.47	4828	1.86	532	0.69	0.42
3515	1.70	500	0.67	0.46	4207	1.74	508	0.61	0.40	4829	0.90	340	0.30	0.33
3548	0.90	340	0.35	0.46	4239	1.79	518	0.64	0.40	4902	2.13	586	0.86	0.48
3559	2.65	690	1.04	0.46	4240	2.65	690	1.07	0.48	4923	1.58	476	0.61	0.45
3565	-	-	0.40	0.48	4243	1.97	554	0.77	0.46	5020	5.44	1248	1.92	0.39
3574	0.99	358	0.40	0.48	4244	2.04	568	0.81	0.47	5022	5.28	1216	1.76	0.33
3581	0.82	324	0.34	0.49	4250	1.76	512	0.69	0.46	5037	17.86	1250	5.44	0.31
3612	1.43	446	0.54	0.42	4251	2.08	576	0.82	0.47	5040	5.18	1196	1.60	0.32
3620	2.90	740	1.02	0.39	4263	2.40	640	0.93	0.46	5057	3.24	808	1.00	0.31
3629	1.22	404	0.49	0.49	4273	2.20	600	0.87	0.46	5059	14.18	1250	4.34	0.31
3632	3.01	762	1.13	0.42	4279	1.90	540	0.75	0.46	5069	-	-	4.34	0.31
3634	1.52	464	0.62	0.49	4282	-	-	0.75	0.46	5102	3.81	922	1.27	0.33
3635	1.77	514	0.70	0.46	4283	1.41	442	0.56	0.46	5146	3.37	834	1.19	0.40
3638	1.56	472	0.63	0.48	4299	1.43	446	0.58	0.49	5160	1.68	496	0.57	0.34
3639	-	-	1.13	0.42	4304	4.08	976	1.52	0.42	5183	1.93	546	0.69	0.40
3642	0.86	332	0.34	0.46	4307	1.56	472	0.66	0.54	5188	2.44	648	0.86	0.40
3643	1.67	494	0.65	0.46	4351	0.81	322	0.32	0.46	5190	2.74	708	0.96	0.39
3647	2.45	650	0.92	0.42	4352	1.49	458	0.60	0.49	5191	0.66	292	0.27	0.47
3648	1.41	442	0.57	0.48	4360	-	-	0.15	0.43	5192	2.24	608	0.88	0.46
3681	0.64	288	0.26	0.48	4361	0.68	296	0.27	0.48	5213	5.61	1250	1.85	0.33
3685	0.77	314	0.31	0.48	4410	2.19	598	0.86	0.46	5215	3.89	938	1.46	0.43
3719	0.75	310	0.23	0.32	4420	2.79	718	0.93	0.33	5221	4.19	998	1.47	0.39
3724	2.94	748	0.98	0.33	4431	1.29	418	0.54	0.54	5222	8.79	1250	2.92	0.33
3726	2.45	650	0.77	0.32	4432	1.02	364	0.43	0.53	5223	3.98	956	1.40	0.39
3803	1.81	522	0.72	0.47	4439	-	-	0.73	0.46	5348	2.60	680	0.92	0.40
3807	2.10	580	0.85	0.49	4452	2.74	708	1.07	0.46	5402	4.55	1070	1.86	0.49
3808	1.84	528	0.70	0.43	4459	2.11	582	0.83	0.46	5403	5.07	1174	1.67	0.33
3821	4.28	1016	1.60	0.42	4470	1.81	522	0.72	0.47	5437	4.26	1012	1.51	0.40
3822	3.13	786	1.16	0.42	4484	2.20	600	0.87	0.46	5443	2.58	676	1.02	0.47
3824	3.26	812	1.22	0.42	4493	2.29	618	0.90	0.46	5445	5.34	1228	1.75	0.33
3826	0.66	292	0.26	0.47	4511	0.47	254	0.17	0.42	5462	4.64	1088	1.64	0.39
3827	2.13	586	0.79	0.42	4557	1.67	494	0.68	0.49	5472	3.44	848	1.06	0.32
3830	0.97	354	0.36	0.43	4558	1.84	528	0.73	0.46	5473	5.71	1250	1.76	0.31
3851	2.36	632	0.96	0.49	4568	1.68	496	0.59	0.39	5474	4.80	1120	1.59	0.33
3865	1.49	458	0.63	0.54	4581	0.81	322	0.26	0.32	5478	2.76	712	0.98	0.40

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**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**TENNESSEE**

Effective March 1, 2021

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
5479	4.16	992	1.56	0.42	6872F	10.42	1250	3.12	0.26	7538	3.71	902	1.14	0.31
5480	5.78	1250	1.96	0.34	6874F	20.17	1250	6.02	0.26	7539	1.65	490	0.54	0.33
5491	2.15	590	0.70	0.32	6882	2.36	632	0.73	0.31	7540	3.46	852	1.06	0.31
5506	5.09	1178	1.56	0.31	6884	5.68	1250	1.82	0.33	7580	2.27	614	0.80	0.39
5507	3.22	804	1.07	0.33	7016M	2.22	604	0.70	0.32	7590	2.24	608	0.84	0.42
5508	-	-	1.07	0.33	7024M	2.47	654	0.78	0.32	7600	4.57	1074	1.63	0.40
5535	4.91	1142	1.73	0.39	7038M	4.26	1012	1.27	0.30	7605	1.59	478	0.56	0.39
5537	2.81	722	1.00	0.40	7046M	6.56	1250	2.08	0.33	7610	0.39	238	0.15	0.43
5539	-	-	4.34	0.31	7047M	4.64	1088	1.40	0.32	7705	4.50	1060	1.69	0.43
5551	14.69	1250	4.46	0.31	7050M	8.87	1250	2.52	0.30	7710	3.12	784	1.03	0.33
5604	1.76	512	0.58	0.33	7090M	4.73	1106	1.41	0.30	7711	3.12	784	1.03	0.33
5606	0.84	328	0.28	0.33	7098M	7.29	1250	2.31	0.33	7720	2.47	654	0.86	0.39
5610	3.49	858	1.39	0.47	7099M	13.68	1250	4.13	0.33	7855	2.61	682	0.92	0.39
5613	5.23	1206	2.06	0.46	7133	2.20	600	0.73	0.33	8001	1.68	496	0.68	0.48
5645	13.93	1250	4.54	0.32	7151M	2.67	694	0.88	0.33	8002	1.63	486	0.63	0.46
5703	12.04	1250	4.23	0.39	7152M	5.59	1250	1.76	0.33	8006	1.77	514	0.70	0.46
5705	16.30	1250	5.65	0.39	7153M	2.97	754	0.99	0.33	8008	1.15	390	0.46	0.48
5951	0.38	236	0.15	0.48	7219	5.27	1214	1.77	0.34	8010	1.50	460	0.61	0.48
6003	4.26	1012	1.52	0.40	7222	6.95	1250	2.49	0.40	8013	0.30	220	0.12	0.46
6005	3.98	956	1.38	0.38	7225	4.46	1052	1.60	0.40	8015	0.61	282	0.24	0.46
6017	-	-	1.85	0.33	7228	-	-	1.77	0.34	8017	1.20	400	0.49	0.48
6018	1.52	464	0.56	0.41	7229	-	-	1.77	0.34	8018	1.93	546	0.79	0.49
6045	3.13	786	1.12	0.40	7230	7.24	1250	2.72	0.43	8021	1.93	546	0.76	0.46
6204	5.01	1162	1.67	0.33	7231	5.46	1250	2.10	0.44	8031	1.99	558	0.78	0.46
6206	2.08	576	0.64	0.32	7232	7.07	1250	2.41	0.34	8032	1.38	436	0.56	0.49
6213	1.11	382	0.37	0.34	7309F	10.05	1250	3.00	0.26	8033	1.38	436	0.54	0.46
6214	1.18	396	0.37	0.32	7313F	4.26	1012	1.27	0.26	8037	1.04	368	0.42	0.48
6216	4.07	974	1.26	0.32	7317F	10.76	1250	3.21	0.26	8039	1.13	386	0.45	0.48
6217	3.92	944	1.31	0.33	7327F	26.09	1250	7.84	0.25	8044	2.06	572	0.78	0.43
6229	4.14	988	1.36	0.33	7333M	1.76	512	0.55	0.32	8045	0.52	264	0.21	0.49
6233	1.97	554	0.66	0.34	7335M	1.95	550	0.61	0.32	8046	1.56	472	0.61	0.46
6235	4.58	1076	1.42	0.32	7337M	3.65	890	1.09	0.32	8047	0.59	278	0.24	0.49
6236	5.19	1198	1.85	0.40	7350F	11.34	1250	3.56	0.29	8058	1.90	540	0.74	0.46
6237	1.07	374	0.38	0.40	7360	3.31	822	1.17	0.40	8072	0.50	260	0.20	0.48
6251D	3.51	862	1.18	0.34	7370	3.94	948	1.54	0.46	8102	1.49	458	0.60	0.48
6252D	3.30	820	1.03	0.32	7380	4.08	976	1.55	0.43	8103	1.97	554	0.73	0.42
6260	-	-	1.18	0.34	7382	3.53	866	1.39	0.46	8105	-	-	0.79	0.49
6306	4.16	992	1.38	0.33	7390	3.99	958	1.57	0.46	8106	3.80	920	1.32	0.39
6319	4.44	1048	1.45	0.32	7394M	2.38	636	0.74	0.32	8107	2.72	704	0.96	0.39
6325	3.10	780	1.02	0.33	7395M	2.65	690	0.82	0.32	8111	1.40	440	0.55	0.46
6400	5.23	1206	1.95	0.42	7398M	4.98	1156	1.47	0.32	8116	2.04	568	0.80	0.46
6503	1.63	486	0.67	0.49	7402	0.11	182	0.04	0.47	8203	6.09	1250	2.39	0.46
6504	1.92	544	0.78	0.49	7403	4.14	988	1.46	0.39	8204	3.38	836	1.19	0.39
6702M*	3.17	794	1.12	0.39	7405N	0.43	292	0.16	0.41	8209	3.56	872	1.39	0.46
6703M*	6.63	1250	2.22	0.39	7420	4.44	1048	1.42	0.33	8215	2.87	734	1.00	0.39
6704M*	3.53	866	1.24	0.39	7421	0.82	324	0.28	0.34	8227	3.06	772	0.93	0.31
6801F	4.32	1024	1.40	0.35	7422	1.18	396	0.37	0.32	8232	3.81	922	1.34	0.39
6811	3.81	922	1.35	0.39	7425	1.31	422	0.42	0.33	8233	2.38	636	0.85	0.40
6824F	11.03	1250	3.48	0.28	7431N	0.66	364	0.21	0.32	8235	4.12	984	1.61	0.46
6826F	5.34	1228	1.73	0.35	7445N	0.23	-	-	-	8263	5.21	1202	1.93	0.42
6834	1.72	504	0.65	0.42	7453N	0.36	-	-	-	8264	3.85	930	1.34	0.39
6836	3.08	776	1.08	0.39	7500	-	-	0.53	0.39	8265	3.65	890	1.20	0.33
6843F	7.31	1250	2.18	0.26	7502	1.50	460	0.53	0.39	8279	4.73	1106	1.54	0.32
6845F	7.27	1250	2.17	0.26	7515	0.86	332	0.27	0.31	8288	6.48	1250	2.23	0.38
6854	3.67	894	1.14	0.32	7520	2.11	582	0.83	0.46	8291	2.40	640	0.90	0.42

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
8292	2.33	626	0.92	0.46	9015	2.10	580	0.83	0.47					
8293	6.29	1250	2.21	0.39	9016	1.76	512	0.69	0.46					
8295	-	-	0.73	0.42	9019	1.97	554	0.69	0.39					
8304	4.10	980	1.44	0.39	9033	1.65	490	0.65	0.46					
8350	4.93	1146	1.65	0.34	9040	2.85	730	1.15	0.48					
8380	2.20	600	0.83	0.42	9052	1.38	436	0.56	0.48					
8381	1.97	554	0.73	0.42	9058	1.27	414	0.53	0.53					
8385	1.88	536	0.66	0.40	9060	1.36	432	0.54	0.48					
8392	1.56	472	0.61	0.46	9061	0.99	358	0.41	0.54					
8393	1.15	390	0.46	0.47	9063	0.66	292	0.27	0.48					
8500	5.00	1160	1.75	0.39	9077F	4.41	1042	1.52	0.45					
8601	0.23	206	0.09	0.43	9082	0.91	342	0.39	0.53					
8602	1.00	360	0.38	0.43	9083	0.99	358	0.41	0.53					
8603	0.07	174	0.02	0.47	9084	1.07	374	0.42	0.46					
8606	1.34	428	0.45	0.33	9088a	a	a	a	a					
8709F	5.82	1250	1.74	0.26	9089	1.29	418	0.51	0.48					
8719	1.88	536	0.58	0.32	9093	1.07	374	0.43	0.48					
8720	0.82	324	0.29	0.39	9101	2.72	704	1.09	0.48					
8721	0.21	202	0.07	0.39	9102	2.44	648	0.95	0.46					
8723	0.13	186	0.05	0.46	9154	1.33	426	0.52	0.46					
8725	2.61	682	0.93	0.40	9156	1.52	464	0.57	0.43					
8726F	2.94	748	0.95	0.35	9170	6.64	1250	2.03	0.31					
8734M	0.36	232	0.12	0.40	9178	4.80	1120	1.96	0.51					
8737M	0.32	224	0.11	0.40	9179	7.41	1250	3.01	0.49					
8738M	0.68	296	0.22	0.40	9180	4.16	992	1.43	0.38					
8742	0.27	214	0.09	0.40	9182	1.47	454	0.57	0.46					
8745	2.38	636	0.89	0.42	9186	15.40	1250	4.95	0.32					
8748	0.39	238	0.15	0.43	9220	3.49	858	1.30	0.42					
8755	0.23	206	0.08	0.39	9402	3.51	862	1.24	0.40					
8799	0.39	238	0.15	0.46	9403	5.75	1250	1.92	0.34					
8800	1.15	390	0.49	0.54	9410	2.11	582	0.83	0.46					
8803	0.05	170	0.02	0.40	9501	3.46	852	1.28	0.42					
8805M	0.16	192	0.06	0.46	9505	2.78	716	1.04	0.42					
8810	0.13	186	0.05	0.46	9516	2.45	650	0.86	0.39					
8814M	0.16	192	0.06	0.46	9519	3.49	858	1.24	0.40					
8815M	0.32	224	0.12	0.46	9521	2.70	700	0.95	0.39					
8820	0.13	186	0.05	0.41	9522	2.26	612	0.89	0.46					
8824	1.70	500	0.69	0.48	9534	3.24	808	1.08	0.33					
8825	-	-	0.67	0.46	9554	7.38	1250	2.45	0.33					
8826	1.70	500	0.67	0.46	9586	0.34	228	0.15	0.54					
8829	-	-	0.69	0.48	9600	2.19	598	0.89	0.49					
8831	1.07	374	0.41	0.45	9620	0.99	358	0.36	0.42					
8832	0.21	202	0.08	0.46										
8833	0.86	332	0.34	0.46										
8835	2.02	564	0.80	0.46										
8842	2.04	568	0.80	0.46										
8855	0.13	186	0.05	0.47										
8856	0.45	250	0.18	0.47										
8864	1.41	442	0.55	0.45										
8868	0.29	218	0.12	0.48										
8869	0.77	314	0.31	0.48										
8871	0.05	170	0.03	0.49										
8901	0.13	186	0.05	0.42										
9012	0.73	306	0.28	0.43										
9014	1.97	554	0.77	0.46										

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**FOOTNOTES**

- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- D Rate for classification already includes the specific disease loading shown in the table below. See **Basic Manual** Rule 3-A-7.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.34	S	1165D	0.04	S	3082D	0.07	S
0065D	0.07	S	1624D	0.02	S	3085D	0.05	S
0066D	0.07	S	1710D	0.04	S	4024D	0.04	S
0067D	0.07	S	1803D	0.21	S	6251D	0.02	S
1164D	0.05	S	3081D	0.05	S	6252D	0.02	S

S=Silica

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act. The listed codes of 6702, 6703, 6704, 7151, 7152, 7153, 8734, 8737, 8738, 8805, 8814, and 8815 under the Federal Employers' Liability Act (FELA) for employees of interstate railroads are not applicable in the residual market.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.

**\* Class Codes with Specific Footnotes**

- 1005 Rate includes a non-ratable disease element of \$1.17. (For coverage written separately for federal benefits only, \$1.15. For coverage written separately for state benefits only, \$0.02.)
- 1016 Rate includes a non-ratable disease element of \$3.53. (For coverage written separately for federal benefits only, \$3.46. For coverage written separately for state benefits only, \$0.07.)
- 2702,2705 An upset payroll of \$10.00 per cord shall be used for premium computation when payroll records are not available.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.533 and elr x 2.415.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.



Effective March 1, 2021

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES

**Basis of premium** applicable in accordance with *Basic Manual* footnote instructions for Code 7370 --

"Taxicab Co.":

Employee operated vehicle.....	\$77,500
Leased or rented vehicle.....	\$51,700

**Catastrophe (other than Certified Acts of Terrorism) - (Assigned Risk).....** 0.01

**Expense Constant** applicable in accordance with *Basic Manual* Rule 3-A-11..... \$160

**Loss Sensitive Rating Plan (LSRP) -** The factors which are used in the calculation of the LSRP are as follows:

Basic Premium Factor	0.40
Minimum Premium Factor	0.75
Maximum Premium Factor	1.75
Loss Conversion Factor	1.192
Tax Multiplier	1.046

Loss Development Factors	
1st Adjustment	0.15
2nd Adjustment	0.13
3rd Adjustment	0.09
4th Adjustment	0.08

**Maximum Minimum Premium.....** \$1,250

**Maximum Weekly Payroll** applicable in accordance with *Basic Manual* footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports" ..... \$4,000

**Maximum Weekly Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1:  
 Executive officers in the construction industry..... \$1,460  
 All other executive officers..... \$4,000

**Minimum Premium Multiplier.....** 200

**Minimum Weekly Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1:  
 Executive officers in the construction industry..... \$500  
 All other executive officers..... \$1,000

**Premium Determination for Partners and Sole Proprietors** in accordance with *Basic Manual* Rule 2-E-3 (Annual Payroll) ..... \$51,700

**Premium Determination for Partners and Sole Proprietors (Construction Industry Only):**  
**Minimum Payroll** applicable in accordance with *Basic Manual* Rule 2-E-3..... \$26,000  
**Maximum Payroll** applicable in accordance with *Basic Manual* Rule 2-E-3..... \$76,000

**Terrorism - (Assigned Risk).....** 0.01

**United States Longshore and Harbor Workers' Compensation Coverage Percentage** applicable only in connection with *Basic Manual* Rule 3-A-4..... 111%

(Multiply a Non-F classification rate by a factor of 2.11 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in state and federal benefits (2.00) and the adjustment for differences in state and federal loss-based expenses (1.057).)

**Experience Rating Eligibility**

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state and by effective date.



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Proposed Values for Inclusion in the Retrospective Rating Plan Manual

The following pages include proposed values for the Experience Rating Plan Manual:

- Table of Weighting Values
- Table of Ballast Values

Effective March 1, 2021  
**TABLE OF WEIGHTING VALUES**  
**APPLICABLE TO ALL POLICIES**  
*Experience Rating Program - ERA*

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	1,696	0.04	956,521	--	1,009,282	0.44
1,697	--	6,857	0.05	1,009,283	--	1,065,098	0.45
6,858	--	12,128	0.06	1,065,099	--	1,124,242	0.46
12,129	--	17,513	0.07	1,124,243	--	1,187,023	0.47
17,514	--	23,016	0.08	1,187,024	--	1,253,786	0.48
23,017	--	38,496	0.09	1,253,787	--	1,324,924	0.49
38,497	--	57,303	0.10	1,324,925	--	1,400,881	0.50
57,304	--	74,032	0.11	1,400,882	--	1,482,165	0.51
74,033	--	90,321	0.12	1,482,166	--	1,569,358	0.52
90,322	--	106,611	0.13	1,569,359	--	1,663,128	0.53
106,612	--	123,102	0.14	1,663,129	--	1,764,250	0.54
123,103	--	139,906	0.15	1,764,251	--	1,873,623	0.55
139,907	--	157,097	0.16	1,873,624	--	1,992,303	0.56
157,098	--	174,734	0.17	1,992,304	--	2,121,528	0.57
174,735	--	192,864	0.18	2,121,529	--	2,262,772	0.58
192,865	--	211,530	0.19	2,262,773	--	2,417,793	0.59
211,531	--	230,771	0.20	2,417,794	--	2,588,711	0.60
230,772	--	250,629	0.21	2,588,712	--	2,778,104	0.61
250,630	--	271,141	0.22	2,778,105	--	2,989,139	0.62
271,142	--	292,350	0.23	2,989,140	--	3,225,752	0.63
292,351	--	314,298	0.24	3,225,753	--	3,492,892	0.64
314,299	--	337,030	0.25	3,492,893	--	3,796,876	0.65
337,031	--	360,592	0.26	3,796,877	--	4,145,892	0.66
360,593	--	385,034	0.27	4,145,893	--	4,550,748	0.67
385,035	--	410,411	0.28	4,550,749	--	5,026,010	0.68
410,412	--	436,780	0.29	5,026,011	--	5,591,795	0.69
436,781	--	464,202	0.30	5,591,796	--	6,276,690	0.70
464,203	--	492,743	0.31	6,276,691	--	7,122,732	0.71
492,744	--	522,477	0.32	7,122,733	--	8,194,382	0.72
522,478	--	553,481	0.33	8,194,383	--	9,595,767	0.73
553,482	--	585,839	0.34	9,595,768	--	11,506,740	0.74
585,840	--	619,644	0.35	11,506,741	--	14,267,030	0.75
619,645	--	654,996	0.36	14,267,031	--	18,604,620	0.76
654,997	--	692,005	0.37	18,604,621	--	26,412,274	0.77
692,006	--	730,792	0.38	26,412,275	--	44,630,117	0.78
730,793	--	771,488	0.39	44,630,118	--	135,719,292	0.79
771,489	--	814,240	0.40	135,719,293	AND OVER		0.80
814,241	--	859,207	0.41				
859,208	--	906,568	0.42				
906,569	--	956,520	0.43				

(a) G	8.10
(b) State Per Claim Accident Limitation	\$202,500
(c) State Multiple Claim Accident Limitation	\$405,000
(d) USL&HW Per Claim Accident Limitation	\$665,000
(e) USL&HW Multiple Claim Accident Limitation	\$1,330,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$18,000
(h) USL&HW Act -- Expected Loss Factor -- Non-F Classes	2.00
<i>(Multiply a Non-F classification ELR by the USL&amp;HW Act - Expected Loss Factor of 2.00.)</i>	

*Effective March 1, 2021*  
**TABLE OF BALLAST VALUES**  
**APPLICABLE TO ALL POLICIES**  
*Experience Rating Plan - ERA*

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 43,568	20,250	1,398,068 -- 1,438,545	162,000	2,815,158 -- 2,855,651	303,750
43,569 -- 74,985	24,300	1,438,546 -- 1,479,023	166,050	2,855,652 -- 2,896,145	307,800
74,986 -- 111,084	28,350	1,479,024 -- 1,519,502	170,100	2,896,146 -- 2,936,640	311,850
111,085 -- 149,165	32,400	1,519,503 -- 1,559,983	174,150	2,936,641 -- 2,977,134	315,900
149,166 -- 188,173	36,450	1,559,984 -- 1,600,464	178,200	2,977,135 -- 3,017,629	319,950
188,174 -- 227,670	40,500	1,600,465 -- 1,640,947	182,250	3,017,630 -- 3,058,124	324,000
227,671 -- 267,453	44,550	1,640,948 -- 1,681,430	186,300	3,058,125 -- 3,098,619	328,050
267,454 -- 307,417	48,600	1,681,431 -- 1,721,914	190,350	3,098,620 -- 3,139,115	332,100
307,418 -- 347,501	52,650	1,721,915 -- 1,762,399	194,400	3,139,116 -- 3,179,610	336,150
347,502 -- 387,669	56,700	1,762,400 -- 1,802,884	198,450	3,179,611 -- 3,220,105	340,200
387,670 -- 427,898	60,750	1,802,885 -- 1,843,370	202,500	3,220,106 -- 3,260,601	344,250
427,899 -- 468,173	64,800	1,843,371 -- 1,883,857	206,550	3,260,602 -- 3,301,097	348,300
468,174 -- 508,483	68,850	1,883,858 -- 1,924,344	210,600	3,301,098 -- 3,341,593	352,350
508,484 -- 548,820	72,900	1,924,345 -- 1,964,832	214,650	3,341,594 -- 3,382,088	356,400
548,821 -- 589,180	76,950	1,964,833 -- 2,005,320	218,700	3,382,089 -- 3,422,584	360,450
589,181 -- 629,557	81,000	2,005,321 -- 2,045,809	222,750	3,422,585 -- 3,463,081	364,500
629,558 -- 669,949	85,050	2,045,810 -- 2,086,298	226,800	3,463,082 -- 3,503,577	368,550
669,950 -- 710,353	89,100	2,086,299 -- 2,126,788	230,850	3,503,578 -- 3,544,073	372,600
710,354 -- 750,767	93,150	2,126,789 -- 2,167,278	234,900	3,544,074 -- 3,584,569	376,650
750,768 -- 791,190	97,200	2,167,279 -- 2,207,768	238,950	3,584,570 -- 3,625,066	380,700
791,191 -- 831,621	101,250	2,207,769 -- 2,248,259	243,000	3,625,067 -- 3,665,562	384,750
831,622 -- 872,058	105,300	2,248,260 -- 2,288,750	247,050	3,665,563 -- 3,706,059	388,800
872,059 -- 912,500	109,350	2,288,751 -- 2,329,241	251,100	3,706,060 -- 3,746,555	392,850
912,501 -- 952,947	113,400	2,329,242 -- 2,369,733	255,150	3,746,556 -- 3,787,052	396,900
952,948 -- 993,399	117,450	2,369,734 -- 2,410,225	259,200	3,787,053 -- 3,827,549	400,950
993,400 -- 1,033,854	121,500	2,410,226 -- 2,450,717	263,250	3,827,550 -- 3,867,750	405,000
1,033,855 -- 1,074,313	125,550	2,450,718 -- 2,491,209	267,300		
1,074,314 -- 1,114,774	129,600	2,491,210 -- 2,531,702	271,350		
1,114,775 -- 1,155,239	133,650	2,531,703 -- 2,572,195	275,400		
1,155,240 -- 1,195,705	137,700	2,572,196 -- 2,612,688	279,450		
1,195,706 -- 1,236,174	141,750	2,612,689 -- 2,653,181	283,500		
1,236,175 -- 1,276,645	145,800	2,653,182 -- 2,693,675	287,550		
1,276,646 -- 1,317,117	149,850	2,693,676 -- 2,734,169	291,600		
1,317,118 -- 1,357,592	153,900	2,734,170 -- 2,774,662	295,650		
1,357,593 -- 1,398,067	157,950	2,774,663 -- 2,815,157	299,700		

For Expected Losses greater than \$3,867,750, the Ballast Value can be calculated using the following formula (rounded to the nearest 1

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(8.10) / (\text{Expected Losses} + (700)(8.10))$$

G = 8.10



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### **Part 3 Supporting Exhibits**

- Determination of the Indicated Assigned Risk Rate Change
- Exhibit I: Derivation of Assigned Risk Loss Cost Multiplier
- Exhibit II: Derivation of Assigned Risk Differential
- Exhibit III: Calculation of Assigned Risk Expenses
- Exhibit IV: Determination of Uncollectible Premium Provision



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Determination of the Indicated Assigned Risk Rate Change

##### Overall Proposed Change to Assigned Risk Rate Level

NCCI applies an assigned risk loss cost multiplier to the voluntary market loss costs to convert to assigned risk rates. This factor accounts for differences in the components included in the assigned risk rates versus the voluntary market loss costs. The key components of the assigned risk loss cost multiplier are the assigned risk differential, assigned risk expenses, and uncollectible premium provision (UPP). Voluntary market loss-based expenses must also be removed in the calculation, since the servicing carrier allowance already contemplates these expenses for the assigned risk market. Thus, the assigned risk loss cost multiplier formula is as follows:

$$\text{Assigned Risk Loss Cost Multiplier} = (\text{AR Differential}) \div (\text{Voluntary LAE}) \div (\text{PLR}) \times \text{UPP}$$

This filing proposes a 2.2% increase in the assigned risk loss cost multiplier from 1.753 to 1.791. After applying the proposed change in the assigned risk loss cost multiplier to the proposed change in voluntary loss costs, NCCI is proposing an overall average decrease of 7.2% to the current assigned risk rate level. The detailed calculation can be found in Exhibit I.

##### Assigned Risk Differential

The assigned risk loss cost differential reflects the fact that the collective experience for employers in the assigned risk market is typically worse than that of employers in the statewide market. Loss ratios are calculated for both the (i) assigned risk market and (ii) statewide market by individual year as follows:

$$\frac{(\text{total on – leveled losses})}{(\text{total on – leveled, developed standard premium at the voluntary level})}$$

Loss ratio relativities are reviewed for ten individual years so that changes in the actual differentials can be observed over a long period of time. When selecting the assigned risk differential, the impact of additional premium that is already expected to be generated due to other assigned risk programs (e.g. Assigned Risk Adjustment Program) is also considered.

Based on this year’s analysis, NCCI is proposing to increase the approved assigned risk differential from 1.400 to 1.450. The data underlying this selection is shown in Exhibit II.



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Determination of the Indicated Assigned Risk Rate Change

##### Assigned Risk Expenses

The provision for assigned risk expenses is based on the following components:

- Servicing Carrier Allowance (SCA) – the market-based cost paid to the servicing carriers as a percentage of final collected net premium that is intended to compensate for expenses incurred in handling the assigned risk business. The average SCA is determined through a competitive bid process and reflects items such as general expense, production expense (excluding commission), loss adjustment expense and certain assessments.
- Premium Taxes not included in the Servicing Carrier Allowance
- Assigned Risk Administration Expense – reflects NCCI Plan Administration Expenses, NWCRA Pool Administration Expenses, and Servicing Carrier Other Expenses. It is selected based on a review of expenses as a percentage of premium over the past ten years.
- Average Commission – based on a weighted average of the most recently available two policy years
- Profit and Contingency Provision

Note that the expense components that are based on net premium are converted to a standard premium basis excluding the impact of expense constants. Then the total assigned risk expenses are used to determine the Permissible Loss Ratio (PLR):

$$PLR = 100\% - (\text{provision for Assigned Risk Expenses})$$

In this filing, NCCI is proposing a 1.6% decrease to the current assigned risk expense provision. The calculation of assigned risk expenses can be found in Exhibit III.

##### Uncollectible Premium Provision

The purpose of the uncollectible premium provision is to make available sufficient funds in the rate structure to offset the policy premium ultimately determined to be uncollectible. NCCI recommends increasing the uncollectible premium provision to 1.035. The data underlying this selection is shown in Exhibit IV.



## TENNESSEE

### Exhibit I

#### Derivation of the Assigned Risk Loss Cost Multiplier

This filing proposes a -7.2% overall average change to the current assigned risk rate level. For all classifications, an assigned risk multiplier is applied to the voluntary loss costs proposed effective March 1, 2021 in order to convert to assigned risk rates.

(1) Current Assigned Risk Loss Cost Multiplier	1.753
(2) Proposed Assigned Risk Loss Cost Differential (See Exhibit II)	1.450
(3) Proposed Voluntary Loss-based Expense Provision	19.2%
(4) Indicated Assigned Risk Permissible Loss Ratio (See Exhibit III)	70.3%
(5) Proposed Uncollectible Premium Provision (See Exhibit IV)	1.035
(6) Indicated Assigned Risk Loss Cost Multiplier = $\{((2) / [1 + (3)]) / (4)\} \times (5)$	1.791
(7) Indicated Change in the Assigned Risk Loss Cost Multiplier = $[(6) / (1)] - 1.0$	2.2%
(8) Proposed Voluntary Loss Cost Level Change	-9.2%
(9) Indicated Assigned Risk Rate Level Change = $\{[1.0 + (7)] \times [1.0 + (8)]\} - 1.0$	<b>-7.2%</b>





TENNESSEE

Exhibit II

Derivation of Assigned Risk Differential

Policy Year	(1)	(2)	(3)	(4)
	Standard Pure Premium Assigned Risk	Pure Premium Statewide	Unlimited Undeveloped Assigned Risk	Paid+Case Losses Statewide
2009	6,973,752	192,705,215	22,429,704	366,942,729
2010	7,421,748	204,641,162	28,337,352	367,106,270
2011	9,189,294	214,718,719	22,746,152	318,833,762
2012	10,944,625	215,006,671	22,037,047	318,504,032
2013	14,203,260	221,928,555	25,395,106	305,317,572
2014	17,835,011	235,629,486	35,477,530	297,192,970
2015	19,406,388	252,746,247	30,747,848	284,067,717
2016	20,130,998	270,249,250	39,446,421	275,855,090
2017	19,943,570	289,491,159	22,883,839	298,147,543
2018	21,350,817	307,281,327	26,973,138	276,799,083

Policy Year	(5) = (3) / (1)		(6) = (4) / (2)	(7) = (5) / (6)	(8) = (7) / Impact of AR Programs <sup>^</sup>
	Pure Premium Ratio Assigned Risk	Pure Premium Ratio Statewide	Assigned Risk to Statewide Relativity	Indicated Assigned Risk Differential	
2009	3.216	1.904	1.689	1.602	
2010	3.818	1.794	2.128	2.019	
2011	2.475	1.485	1.667	1.582	
2012	2.014	1.481	1.360	1.290	
2013	1.788	1.376	1.299	1.232	
2014	1.989	1.261	1.577	1.496	
2015	1.584	1.124	1.409	1.337	
2016	1.959	1.021	1.919	1.821	
2017	1.147	1.030	1.114	1.057	
2018	1.263	0.901	1.402	1.330	
			10 Year Average	1.477	
			10 Year Ex-Hilo Average	1.461	
			Current Assigned Risk Differential	1.400	
			<b>Proposed Assigned Risk Differential</b>	<b>1.450</b>	
			Proposed Change in Assigned Risk Differential	1.036	

<sup>^</sup>Assigned Risk Programs in Addition to the Differential  
(a) ARAP 1.054

Total impact of programs = (a) 1.054



## TENNESSEE

### Exhibit III

#### Calculation of Assigned Risk Expenses

##### Section A - Expense Components of Assigned Risk Rate

The assigned risk expense provision including loss-based expenses is derived directly from the servicing carrier allowance, since this is the market-based cost to the assigned risk plan to have the plan serviced. The average commission rate, the profit and contingency provision, a provision for administrative expenses, and all taxes and assessments not included in the servicing carrier allowance must be added to the allowance to derive an average expense provision as a percentage of standard premium excluding the expense constants.

##### Expense Provisions Underlying Proposed Rates

(1) Expense Constant	\$160
(2) Weighted-Average of Servicing Carrier Allowance Bids	19.1%
(3) Premium Tax	4.0%
(4) Assigned Risk Administration Expense (See Section B)	3.1%
(5) Expense Constant Premium as a Percentage of Standard Premium Excluding the Expense Constant (See Section C)	3.4%
(6) Servicing Carrier Allowance, Taxes and Administrative Expense Converted to a Standard Premium Excluding Expense Constant Basis = [(2) + (3) + (4)] x [1 + (5)] - (5)	23.7%
(7) Average Commission (See Section C)	6.0%
(8) Profit and Contingency Provision	0.0%
(9) Total Expense Provision in Rate = (6) + (7) + (8)	29.7%
(10) Permissible Loss Ratio in Rate = 1 - (9)	70.3%
(11) Current Permissible Loss Ratio in Rate	69.2%
(12) Impact on Rate due to Change in Expenses = (0.692 / 0.703) - 1	-1.6%



TENNESSEE

Exhibit III

Calculation of Assigned Risk Expenses

Section B - Derivation of NCCI Plan Administration Expenses, NWCRA Pool Administration Expenses, and Servicing Carrier Other Expenses

Calendar Year	(1) Net Written Premium <sup>1</sup>	(2) Expenses	(3) Expenses as % of NWP = (2)/(1)
2016	52,069,424	649,193	1.2%
2017	60,719,770	791,862	1.3%
2018	51,156,176	965,828	1.9%
2019	44,387,636	1,078,137	2.4%
		Average	1.7%
		Current	4.0%
		<b>Selected</b>	<b>3.1%</b>

<sup>1</sup> Gross of uncollectible premium.



TENNESSEE

Exhibit III

Calculation of Assigned Risk Expenses

Section C - Derivation of Expense Constant and Commission as a Percentage of Premium

Premium Distribution by Layer for Assigned Risk Policies for Policy Years 2018 & 2019

	(1)	(2)	(3) <sup>1</sup>
	Standard	Standard	
Portion of Total	Premium	Premium	Commission
Standard Premium	Incl Exp Cnst	Incl Exp Cnst	Scale <sup>2</sup>
		Distribution	
First 1,000	18,897,887	19.4%	8.0%
Next 4,000	31,301,902	32.1%	6.0%
Next 95,000	43,343,126	44.4%	5.0%
Over 100,000	4,050,525	4.1%	3.0%
<b>Total</b>	<b>97,593,440</b>	<b>100.0%</b>	<b>5.8%</b>

(4) Expense Constant Premium as % of Standard Premium Excluding Expense Constant <sup>3</sup> = 3.4%

(5) Average Commission as a % of Standard Premium Excluding the Expense Constant <sup>4</sup> = 6.0%

<sup>1</sup> Totals represent weighted averages based on column (2).

<sup>2</sup> Commissions paid in Tennessee are based on standard premium including expense constant premium. Source of the commission scale is NCCI's Basic Manual, Rule 4-H-6.

<sup>3</sup> Based on assigned risk policy and premium totals for policy years 2018 & 2019 using the dominant state method for the classification of multistate policies.

<sup>4</sup> (5) = (3) total \* [1 + (4)]



## TENNESSEE

### Exhibit IV

#### Determination of Uncollectible Premium Provision

<u>Policy Year</u>	<u>(1) Estimated Ultimate Gross Premium (\$000)</u>	<u>(2) Estimated Ultimate Collected Premium (\$000)</u>	<u>(3) = (1) / (2) Gross Premium / Collected Premium</u>
2015	50,609	49,651	1.019
2016	56,055	53,695	1.044
2017	53,699	51,123	1.050
2018	53,582	51,274	1.045
		Average	1.040
		Current UPP	1.032
		<b>Selected UPP</b>	<b>1.035</b>



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Definitions

**Accident Year (AY):** A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

**Calendar Year (CY):**

1. The 12-month period beginning January 1 and ending December 31.
2. Method of accounting for all financial transactions occurring during a specific year.

**Case Reserves:** Reserves that an insurance company establishes for specific (known) claims.

**DSR Level Premium:** The standard earned premium that would result if business were written at NCCI state-approved loss costs or rates instead of at the company rates. It is the common benchmark level at which carriers report premium on the Financial Calls.

**Frequency:** The number of lost-time claims per million dollars of on-leveled, wage-adjusted premium.

**Incurred Claim Count:** The total of all claims reported, whether open or closed, as of a given valuation date. An indemnity claim is associated with a payment or case reserve for an indemnity loss (i.e., lost work time-related benefits) and excludes claims closed without an indemnity payment.

**Lost-time Claims:** Claims where an injured employee has received wage replacement benefits due to a compensable workplace injury.

**Limited Losses:** Losses that result after the application of NCCI's large loss procedure—in which individual large claims are limited to jurisdiction and year-specific large loss thresholds.

**On-Level Factor:** Applied to historical premiums and losses to adjust the historical experience to reflect approved loss cost/rate level changes as well as statutory benefit level changes implemented since that time.

**Paid+Case Losses:** The sum of paid losses and case reserves. Also known as “case incurred losses.”

**Paid Losses:** Losses that an insurance company has paid as a result of claim activity.

**Policy Year:**

- The one-year period beginning with the effective date or anniversary of a policy.
- A premium and loss accounting definition in which experience is summarized for all policies with effective dates in a given calendar year period.

**Severity:** The average cost per case (claim) calculated as ultimate losses divided by ultimate lost-time claim counts.



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Definitions

**Ultimate Development Factor:** For an aggregation of data, an estimate of the development that will occur between the data's current valuation date and the time when all claims are closed.

**Unlimited Losses:** Losses that have not been limited to jurisdiction and year-specific large loss thresholds as part of NCCI's large loss procedure.

**Valuation Date:** The date that premiums and losses are evaluated for reporting purposes. Premiums and losses may change over time from initial estimates to final values. Therefore, interim snapshots have associated valuation dates.

**Wage Level Adjustment Factor:** The ratio of the average workers' wages during the most recent time period to the average workers' wages during a historical time period.





## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### NCCI Affiliate List

A M C O INSURANCE COMPANY  
ACADIA INSURANCE COMPANY  
ACCIDENT FUND GENERAL INS CO  
ACCIDENT FUND INS CO OF AMERICA  
ACCIDENT FUND NATIONAL INS CO  
ACCIDENT INSURANCE COMPANY INC  
ACCREDITED SURETY AND CASUALTY CO INC  
ACE AMERICAN INSURANCE COMPANY  
ACE FIRE UNDERWRITERS INSURANCE COMPANY  
ACE PROPERTY & CASUALTY INSURANCE COMPANY  
ACIG INS CO  
ACUITY A MUTUAL INS COMPANY  
AGRI GENERAL INS CO  
AIG ASSURANCE COMPANY  
AIG PROPERTY CASUALTY COMPANY  
AIU INSURANCE CO (NATIONAL UNION FIRE OF PITTS PA)  
ALL AMERICA INS CO  
ALLIED EASTERN IND CO  
ALLIED INSURANCE COMPANY OF AMERICA  
ALLIED PROPERTY AND CASUALTY INS CO  
ALLMERICA FINANCIAL ALLIANCE INS CO  
ALLMERICA FINANCIAL BENEFIT INS CO  
AMERICAN ALTERNATIVE INSURANCE CORPORATION  
AMERICAN AUTOMOBILE INSURANCE CO  
AMERICAN BUILDERS INSURANCE COMPANY  
AMERICAN CASUALTY COMPANY OF READING P A  
AMERICAN COMPENSATION INS CO  
AMERICAN ECONOMY INS CO  
AMERICAN FAMILY HOME INS CO  
AMERICAN FIRE AND CASUALTY CO  
AMERICAN GUARANTEE AND LIABILITY INS CO  
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT  
AMERICAN INS CO  
AMERICAN INTERSTATE INS CO  
AMERICAN LIBERTY INSURANCE CO  
AMERICAN MODERN HOME INS CO  
AMERICAN NATIONAL PROPERTY AND CASUALTY CO  
AMERICAN SELECT INS CO  
AMERICAN STATES INS CO A SAFECO COMPANY  
AMERICAN ZURICH INS CO  
AMERISURE INS CO  
AMERISURE MUTUAL INS CO  
AMERISURE PARTNERS INS CO  
AMFED ADVANTAGE INSURANCE COMPANY  
AMFED CASUALTY INS CO  
AMFED NATIONAL INSURANCE COMPANY  
AMGUARD INS CO  
AMTRUST INSURANCE CO  
ANSUR AMERICA  
ARCH INDEMNITY INSURANCE COMPANY  
ARCH INSURANCE COMPANY  
ARCH PROPERTY CASUALTY INS CO  
ARGONAUT GREAT CENTRAL INS CO  
ARGONAUT INS CO  
ARGONAUT MIDWEST INS CO  
ASHMERE INSURANCE COMPANY  
ASSOCIATED INDEMNITY CORP  
ASSOCIATION CASUALTY INS CO  
ATLANTIC SPECIALTY INS CO (ONEBEACON)  
ATLANTIC STATES INS CO  
AUTO OWNERS INS CO  
BANKERS STANDARD INS CO  
BEARING MIDWEST CASUALTY COMPANY  
BENCHMARK INSURANCE COMPANY  
BERKLEY CASUALTY COMPANY  
BERKLEY INSURANCE COMPANY  
BERKLEY NATIONAL INSURANCE COMPANY  
BERKLEY REGIONAL INS CO  
BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY  
BERKSHIRE HATHAWAY HOMESTATE INS CO  
BITCO GENERAL INSURANCE CORPORATION  
BITCO NATIONAL INSURANCE COMPANY  
BLACKBOARD INSURANCE COMPANY  
BLOOMINGTON COMPENSATION INS CO  
BRICKSTREET MUTUAL INS CO  
BRIDGEFIELD CASUALTY INS CO  
BRIDGEFIELD EMPLOYERS INS CO  
BRIERFIELD INS CO  
BROOKWOOD INSURANCE COMPANY  
BROTHERHOOD MUTUAL INS CO  
BUILDERS MUTUAL INS CO  
BUILDERS PREMIER INS CO  
BUSINESSFIRST INS COMPANY  
CALIFORNIA INSURANCE COMPANY  
CAROLINA CASUALTY INS CO  
CAROLINA MUTUAL INSURANCE INC  
CELINA MUTUAL INS CO  
CENTRAL MUTUAL INS CO  
CHARTER OAK FIRE INS CO  
CHEROKEE INS CO  
CHIRON INSURANCE COMPANY  
CHUBB INDEMNITY INS CO  
CHUBB NATIONAL INS CO  
CHURCH MUTUAL INS CO, S.I.  
CIMARRON INSURANCE COMPANY INC  
CINCINNATI CASUALTY COMPANY  
CINCINNATI INDEMNITY COMPANY  
CINCINNATI INS CO  
CITIZENS INS CO OF AMERICA  
CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
CLEARPATH MUTUAL INSURANCE COMPANY (KESA)  
COLONIAL AMERICAN CASUALTY & SURETY CO  
COLUMBIA MUTUAL INSURANCE CO  
COLUMBIA NATIONAL INS CO  
COMMERCE AND INDUSTRY INS CO  
CONSOLIDATED INS CO  
CONTINENTAL CASUALTY CO  
CONTINENTAL INDEMNITY CO  
CONTINENTAL INS CO  
CONTINENTAL WESTERN INSURANCE COMPANY  
CRESTBROOK INS CO  
CRUM AND FORSTER INDEMNITY CO  
CYPRESS INSURANCE COMPANY  
DAKOTA TRUCK UNDERWRITERS  
DEPOSITORS INS CO  
DISCOVER PROPERTY & CASUALTY INS CO  
DONEGAL MUTUAL INS CO  
EASTERN ADVANTAGE ASSURANCE COMPANY  
EASTERN ALLIANCE INSURANCE COMPANY  
EASTGUARD INS CO



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### NCCI Affiliate List

ELECTRIC INS CO	GREAT AMERICAN ALLIANCE INS CO
EMC PROPERTY & CASUALTY COMPANY	GREAT AMERICAN ASSURANCE COMPANY
EMCASCO INS CO	GREAT AMERICAN INS CO OF NY
EMPLOYERS ASSURANCE COMPANY	GREAT AMERICAN INSURANCE COMPANY
EMPLOYERS COMPENSATION INS CO	GREAT AMERICAN SPIRIT INS CO
EMPLOYERS INS CO OF WAUSAU	GREAT DIVIDE INSURANCE COMPANY
EMPLOYERS INSURANCE COMPANY OF NEVADA	GREAT MIDWEST INS CO
EMPLOYERS MUTUAL CASUALTY CO	GREAT NORTHERN INS CO
EMPLOYERS PREFERRED INS CO	GREAT WEST CASUALTY COMPANY
ENDURANCE AMERICAN INS CO	GREENWICH INS CO
ENDURANCE ASSURANCE CORPORATION	GUIDEONE ELITE INS CO
ERIE INS CO	GUIDEONE MUTUAL INS CO
ERIE INS CO OF NY	GUIDEONE SPECIALTY MUTUAL INS CO
ERIE INS EXCHANGE	HANOVER AMERICAN INS CO
ERIE INS PROPERTY AND CASUALTY CO	HANOVER INS CO
EVEREST DENALI INSURANCE COMPANY	HARFORD MUTUAL INS CO
EVEREST NATIONAL INS CO	HARLEYSVILLE INSURANCE COMPANY
EVEREST PREMIER INSURANCE COMPANY	HARLEYSVILLE PREFERRED INSURANCE CO
EVEREST REINSURANCE CO DIRECT	HARLEYSVILLE WORCESTER INSURANCE CO
EXCELSIOR INSURANCE COMPANY	HARTFORD ACCIDENT AND INDEMNITY CO
EXECUTIVE RISK INDEMNITY INC	HARTFORD CASUALTY INS CO
EXPLORER INS CO	HARTFORD FIRE INSURANCE CO
FALLS LAKE NATIONAL INSURANCE CO	HARTFORD INS CO OF IL
FARMERS INSURANCE EXCHANGE	HARTFORD INS CO OF MIDWEST
FARMINGTON CASUALTY COMPANY	HARTFORD INS CO OF THE SOUTHEAST
FCCI INSURANCE COMPANY	HARTFORD UNDERWRITERS INS CO
FEDERAL INSURANCE COMPANY	HDI GLOBAL INSURANCE COMPANY
FEDERATED MUTUAL INS CO	HORIZON MIDWEST CASUALTY COMPANY
FEDERATED RESERVE INSURANCE CO	ILLINOIS NATIONAL INSURANCE COMPANY
FEDERATED RURAL ELECTRIC INS EXCHANGE	IMPERIUM INSURANCE COMPANY
FEDERATED SERVICE INS CO	INCLINE CASUALTY COMPANY
FFVA MUTUAL INSURANCE COMPANY	INDEMNITY INS CO OF N AMERICA (INA INS) (CT GEN)
FFVA SELECT INSURANCE CO	INDIANA INSURANCE COMPANY
FIDELITY & DEPOSIT COMPANY OF MARYLAND	INS CO OF NORTH AMERICA
FIDELITY & GUARANTY INS UNDERWRITERS	INS CO OF THE STATE PA
FIDELITY & GUARANTY INSURANCE CO	INS CO OF THE WEST
FIRE INS EXCHANGE	INSPIRIEN INSURANCE COMPANY
FIREMANS FUND INSURANCE CO	INTREPID INSURANCE COMPANY
FIREMENS INS CO OF WASHINGTON DC	KEY RISK INS CO
FIRST DAKOTA INDEMNITY CO	LACKAWANNA AMERICAN INS CO
FIRST LIBERTY INS CORP	LACKAWANNA CASUALTY CO
FIRST NATIONAL INS CO OF AMERICA	LACKAWANNA NATIONAL INS CO
FIRST NONPROFIT INS CO	LAFAYETTE INS CO
FIRSTCOMP INSURANCE CO	LIBERTY INS CORP
FIRSTLINE NATIONAL INSURANCE COMPANY	LIBERTY INSURANCE UNDERWRITERS INC
FLAGSHIP CITY INS CO	LIBERTY MUTUAL FIRE INS CO
FLORISTS MUTUAL INSURANCE CO	LIBERTY MUTUAL INS CO
FORESTRY MUTUAL INS CO	LION INSURANCE COMPANY
FRANK WINSTON CRUM INSURANCE CO	LM INS CORP
FRANKENMUTH MUTUAL INS CO	LUBA CASUALTY INS CO
GA CASUALTY AND SURETY CO	MA BAY INS CO
GENERAL CASUALTY COMPANY OF WISCONSIN	MAG MUTUAL INS CO
GENERAL INS CO OF AMERICA	MAIN STREET AMERICA ASSURANCE CO
GENESIS INS CO	MANUFACTURERS ALLIANCE INS CO
GRAIN DEALERS MUTUAL INS CO	MARKEL AMERICAN INSURANCE CO
GRANGE INDEMNITY INSURANCE COMPANY	MARKEL INSURANCE CO
GRANGE INSURANCE COMPANY	MEMIC INDEMNITY CO
GRANITE STATE INSURANCE COMPANY	MERIDIAN SECURITY INSURANCE COMPANY
GRAPHIC ARTS MUTUAL INS CO	MID CENTURY INS CO
GRAY INSURANCE COMPANY	MIDDLESEX INS CO



Tennessee

Assigned Risk Rate Filing – March 1, 2021

NCCI Affiliate List

MIDSOUTH MUTUAL INSURANCE COMPANY  
MIDVALE INDEMNITY COMPANY  
MIDWEST BUILDERS CASUALTY MUTUAL COMPANY  
MIDWEST EMPLOYERS CASUALTY CO  
MIDWEST INS CO  
MILBANK INSURANCE COMPANY  
MILFORD CASUALTY INSURANCE CO  
MITSUI SUMITOMO INS CO OF AMERICA  
MITSUI SUMITOMO INS USA INC  
MONROE GUARANTY INS CO  
MONTGOMERY MUTUAL INSURANCE COMPANY  
MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY  
NATIONAL AMERICAN INS CO  
NATIONAL BUILDERS INSURANCE COMPANY  
NATIONAL CASUALTY CO  
NATIONAL FIRE INS CO OF HARTFORD  
NATIONAL INTERSTATE INS CO  
NATIONAL LIABILITY & FIRE INSURANCE CO  
NATIONAL SPECIALTY INS CO  
NATIONAL SURETY CORP  
NATIONAL TRUST INS CO  
NATIONAL UNION FIRE INS CO OF PITTSBURGH PA  
NATIONWIDE AGRIBUSINESS INS CO  
NATIONWIDE ASSURANCE CO  
NATIONWIDE GENERAL INSURANCE CO  
NATIONWIDE INS CO OF AMERICA  
NATIONWIDE MUTUAL FIRE INS CO  
NATIONWIDE MUTUAL INS CO  
NATIONWIDE PROPERTY AND CASUALTY INS CO  
NETHERLANDS INSURANCE COMPANY  
NEW HAMPSHIRE INSURANCE COMPANY  
NEW YORK MARINE AND GENERAL INSURANCE CO  
NGM INSURANCE COMPANY  
NHRMA MUTUAL INSURANCE COMPANY  
NORGUARD INS CO  
NORMANDY INSURANCE COMPANY  
NORTH AMERICAN ELITE INSURANCE CO  
NORTH AMERICAN SPECIALTY INS CO  
NORTH POINTE INS CO  
NORTH RIVER INS CO  
NORTHSTONE INSURANCE COMPANY  
NOVA CASUALTY COMPANY  
NUTMEG INS CO  
OAK RIVER INSURANCE COMPANY  
OBI AMERICA INSURANCE COMPANY  
OBI NATIONAL INSURANCE COMPANY  
OH CASUALTY INS CO  
OH FARMERS INS CO  
OHIO SECURITY INS CO  
OLD DOMINION INS CO  
OLD GUARD INSURANCE COMPANY  
OLD REPUBLIC GENERAL INSURANCE CORPORATION  
OLD REPUBLIC INS CO  
OWNERS INSURANCE COMPANY  
PA MANUFACTURERS ASSN INS CO  
PA MANUFACTURERS INDEMNITY CO  
PA NATIONAL MUTUAL CAS INS CO  
PACIFIC EMPLOYERS INS CO  
PACIFIC INDEMNITY CO  
PATRONS MUTUAL INS CO OF CT  
PEERLESS INDEMNITY INS CO  
PEERLESS INSURANCE COMPANY  
PENINSULA INS CO  
PENN MILLERS INS CO  
PENN NATIONAL SECURITY INS CO  
PENNSYLVANIA INSURANCE COMPANY  
PETROLEUM CASUALTY CO  
PHARMACISTS MUTUAL INS CO  
PHOENIX INS CO  
PINNACLEPOINT INSURANCE COMPANY  
PLAZA INSURANCE CO  
PRAETORIAN INSURANCE COMPANY  
PREFERRED EMPLOYERS INS CO  
PREFERRED PROFESSIONAL INSURANCE COMPANY  
PREMIER GROUP INS CO  
PREVISOR INSURANCE COMPANY  
PROPERTY AND CASUALTY INS CO OF HARTFORD  
PROTECTIVE INS CO  
QBE INSURANCE CORPORATION  
REDWOOD FIRE & CASUALTY INS CO  
REGENT INSURANCE COMPANY  
REPUBLIC FRANKLIN INS CO  
REPUBLIC INDEMNITY CO OF CA  
REPUBLIC INDEMNITY COMPANY OF AMERICA  
RIVERPORT INSURANCE COMPANY  
RLI INSURANCE COMPANY  
RURAL TRUST INSURANCE COMPANY  
SAFECO INS CO OF AMERICA  
SAFETY FIRST INS CO  
SAFETY NATIONAL CASUALTY CORP  
SAGAMORE INSURANCE CO  
SAMSUNG FIRE AND MARINE INS CO LTD USB  
SECURITY NATIONAL INS CO (AMTRUST GROUP)  
SELECT INS CO  
SELECTIVE INS CO OF SC  
SELECTIVE INS CO OF THE SOUTHEAST  
SELECTIVE INSURANCE COMPANY OF AMERICA  
SELECTIVE WAY INS CO  
SENECA INSURANCE CO  
SENTINEL INS CO  
SENTRY CASUALTY CO  
SENTRY INSURANCE A MUTUAL CO  
SENTRY SELECT INSURANCE COMPANY  
SEQUOIA INSURANCE CO  
SERVICE AMERICAN INDEMNITY COMPANY  
SERVICE LLOYDS INSURANCE CO  
SFM MUTUAL INS CO  
SILVER OAK CASUALTY INC  
SIRIUS AMERICA INSURANCE COMPANY  
SOCIETY INSURANCE A MUTUAL COMPANY  
SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY  
SOMPO AMERICA INSURANCE COMPANY  
SOUTHERN FIRE & CASUALTY CO  
SOUTHERN INS CO  
SOUTHERN INS CO OF VA  
SOUTHERN MUTUAL CHURCH INSURANCE CO  
SOUTHERN PILOT INSURANCE COMPANY  
SOUTHERN STATES INS EXCHANGE  
SOUTHERN TRUST INS CO  
ST PAUL FIRE AND MARINE INS CO



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### NCCI Affiliate List

ST PAUL GUARDIAN INS CO  
ST PAUL MERCURY INS CO  
ST PAUL PROTECTIVE INS CO  
STANDARD FIRE INSURANCE COMPANY  
STAR INS CO  
STARNET INSURANCE COMPANY  
STARR INDEMNITY AND LIABILITY CO  
STARR SPECIALTY INSURANCE COMPANY  
STARSTONE NATIONAL INSURANCE COMPANY  
STATE AUTO PROPERTY AND CASUALTY INS CO  
STATE AUTOMOBILE MUTUAL INS CO  
STATE FARM FIRE AND CASUALTY CO  
STATE NATIONAL INSURANCE COMPANY  
STEADPOINT INSURANCE COMPANY  
STONETRUST COMMERCIAL INS CO  
STONETRUST PREMIER CASUALTY INSURANCE CO  
STONEWOOD INSURANCE CO  
STONINGTON INS CO  
SUMMITPOINT INSURANCE COMPANY  
SUNZ INSURANCE COMPANY  
SYNERGY INS CO  
T H E INSURANCE COMPANY  
TECHNOLOGY INSURANCE CO  
THE TRAVELERS CASUALTY COMPANY  
TNUS INSURANCE CO  
TOKIO MARINE AMERICA INSURANCE CO  
TRANS PACIFIC INS CO  
TRANSGUARD INS CO OF AMERICA INC  
TRANSPORTATION INS CO  
TRAVELERS CASUALTY & SURETY CO OF AMERICA  
TRAVELERS CASUALTY AND SURETY CO  
TRAVELERS CASUALTY INS CO OF AMERICA  
TRAVELERS COMMERCIAL CASUALTY CO  
TRAVELERS INDEMNITY CO  
TRAVELERS INDEMNITY CO OF AMERICA  
TRAVELERS INDEMNITY CO OF CT  
TRAVELERS INSURANCE CO  
TRAVELERS PROPERTY CASUALTY CO OF AMERICA  
TRI STATE INSURANCE COMPANY OF MINNESOTA  
TRIANGLE INSURANCE COMPANY INC  
TRIUMPHE CASUALTY COMPANY  
TRUCK INSURANCE EXCHANGE  
TRUMBULL INS CO  
TRUSTGARD INSURANCE COMPANY  
TWIN CITY FIRE INS CO  
UNIGARD INS CO  
UNION INS CO OF PROVIDENCE  
UNION INSURANCE COMPANY  
UNITED FIRE AND CASUALTY CO  
UNITED STATES FIDELITY AND GUARANTY CO  
UNITED WI INS CO  
US FIRE INS CO  
UTICA MUTUAL INS CO  
UTICA NATIONAL ASSURANCE CO  
UTICA NATIONAL INSURANCE COMPANY OF OH  
VALLEY FORGE INS CO  
VANLINER INS CO  
VANTAPRO SPECIALTY INS CO  
VICTORIA FIRE & CASUALTY COMPANY  
VIGILANT INS CO  
WASHINGTON INTERNATIONAL INSURANCE COMPANY  
WCF NATIONAL INSURANCE COMPANY  
WELLFLEET INSURANCE COMPANY  
WELLFLEET NEW YORK INSURANCE COMPANY  
WESCO INSURANCE COMPANY (AMTRUST GROUP)  
WEST AMERICAN INS CO  
WEST BEND MUTUAL INS CO  
WESTFIELD CHAMPION INSURANCE COMPANY  
WESTFIELD INS CO  
WESTFIELD NATIONAL INS CO  
WESTFIELD PREMIER INSURANCE COMPANY  
WESTFIELD SUPERIOR INSURANCE COMPANY  
WESTFIELD TOUCHSTONE INSURANCE COMPANY  
WESTPORT INSURANCE CORPORATION  
WILLIAMSBURG NATIONAL INS CO  
WORK FIRST CASUALTY CO  
XL INS CO OF NY INC  
XL INSURANCE AMERICA INC  
XL SPECIALTY INS CO  
ZENITH INS CO  
ZNAT INS CO  
ZURICH AMERICAN INS CO  
ZURICH AMERICAN INS CO OF IL



## Tennessee

### Assigned Risk Rate Filing – March 1, 2021

#### Key Contacts

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Regulatory Division  
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All NCCI employees can be contacted via e-mail using the following format:

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Regulatory Division  
(P) 561-893-3819  
Email: Carla\_Townsend@ncci.com

August 27, 2020

Hodgen Mainda  
Commissioner of Commerce and Insurance  
State of Tennessee  
500 James Robertson Parkway  
Nashville, Tennessee 37243-0565

**Re: Tennessee Workers Compensation Assigned Risk Rates and Rating Values Filing – Proposed Effective March 1, 2021**

Dear Commissioner Mainda,

In accordance with the applicable statutes and regulations of the State of Tennessee, we are filing for your consideration and approval prospective rates and rating values for the assigned risk market to become effective March 1, 2021.

The assigned risk rates, which are proposed to be effective March 1, 2021, reflect a change of -7.2% from the rates effective March 1, 2020.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate or pure premium filing requirements and other private use of this information.

In the enclosed appendix is a list of companies, which, at the time this filing is being submitted, are eligible to reference this information. The inclusion of a company on this list merely indicates that the company, or the group to which it belongs, is affiliated with NCCI in this state, or has licensed this information as a non-affiliate, and is not intended to indicate whether the company is currently writing business or is even licensed to write business in this state.

Please contact me if you have any questions or need any further information

Sincerely,

A handwritten signature in black ink, appearing to read "Carla Townsend", is positioned above the typed name.

Carla Townsend  
State Relations Executive



## **Overview of the Proposed Tennessee Workers Compensation Loss Cost and Assigned Risk Rate Filings Effective March 1, 2021**

### **I. Summary of Filing**

The purpose of this overview is to provide context and further explanation for the accompanying proposed workers compensation insurance loss cost and assigned risk rate filings that were filed under separate cover by the National Council on Compensation Insurance (NCCI) on August 27, 2020, with the Tennessee Department of Commerce and Insurance for its review and approval. NCCI is a licensed rate service organization authorized to make recommended voluntary loss cost<sup>1</sup> and assigned risk rate<sup>2</sup> filings on behalf of workers compensation insurance companies in Tennessee. NCCI's filing is objectively prepared, in compliance with actuarial standards. The filings propose a -9.2% loss cost decrease in the voluntary market and a -7.2% decrease in the assigned risk market, effective March 1, 2021.

This filing comes at a time when, nationally, the workers compensation system is experiencing unprecedented results. The combination of underwriting discipline, moderating severity, declining frequency, and adequate reserves has resulted in six straight years of combined ratios under 100% (below 100% is indicative of an underwriting profit). For decades, with few annual exceptions, frequency has continued on a clear downward path driven by technology, safer workplaces, improved risk management, and a long-term shift from manufacturing to service sectors. NCCI has no expectation that this trend will change course. For the last several years, severity trends have remained fairly moderate, tracking very closely with wage inflation. For these reasons, NCCI's analysis has indicated decreases across most of its jurisdictions in recent years.

The filing is based on premium and loss experience for Policy Years 2017 and 2018. The financial data loss experience evaluated as of December 31, 2019 indicates more favorable development when compared with the loss data evaluated as of December 31, 2018. The experience is primarily driven by changes in lost-time claim frequency, which has continually declined since

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<sup>1</sup> Loss cost refers to the portion of workers compensation rates filed by the rate service organization that are allocated to pay losses and not for carrier expenses. Some states include certain carrier expenses and assessments in the definition of advisory loss costs. Carriers can use the approved loss costs as the basis for their rates, typically adjusting them for expenses with a loss cost multiplier.

<sup>2</sup> The assigned risk rate is determined in accordance with the Assigned Risk Plan, a program established by state insurance regulatory authorities that sets the rules and procedures to provide insurance coverage to parties unable to obtain coverage in the voluntary market. For the assigned risk market, NCCI files a full rate that includes the servicing carriers' expenses.

Policy Year 2010. The smaller proposed assigned risk rate level decrease is due to the difference in experience compared to the voluntary market.

## **II. Overview of Ratemaking Methodology**

NCCI's approach to determining the proposed overall average loss cost and assigned risk rate level change utilizes widely accepted actuarial ratemaking methodologies. The approach employed in this filing includes the following steps:

- Premium and loss information is adjusted to the latest approved loss cost and assigned risk rate and benefit levels
- These adjusted losses and premiums are used to calculate a loss ratio for each historical year (loss ratio = losses / premium)
- Loss ratios, along with other information, are analyzed in order to determine trend factors. Trend factors are applied to historical loss ratios to estimate loss ratios for the effective period in this filing.
- As a final step, any proposed benefit and/or expense changes are applied to the projected loss ratios

The average loss cost and assigned risk rate level change indicated by the data is calculated for the years in the filing's experience period. If the final projected loss ratios are greater (less) than 1.000, then an increase (decrease) in the average loss cost level is indicated.

Once the proposed voluntary loss cost and assigned risk rate level change is determined, NCCI separately determines loss costs/rates for each workers compensation job classification (class); the loss costs and assigned risk rates and year-over-year changes vary by class and are based on the available data for each job class. Finally, the proposed rates for the assigned risk market are determined for each job class by adjusting the voluntary loss costs/rates for expenses and other Assigned Risk programs.

## **III. COVID-19**

The COVID-19 virus (coronavirus) is the latest in a series of infectious diseases that have emerged over the last 20 years. Since 2003, the world has seen the emergence of SARS, H1N1, Ebola, and Zika viruses. While the overall impact of each of those diseases has been well documented, potential impact of COVID-19 to the workers compensation system is in the very beginning stages of being understood; therefore, the data underlying this filing does not include claims from COVID-19. Due to the lack of this COVID-19-related ratemaking data and the current level of uncertainty, NCCI has not yet assessed the potential impact on future loss cost and assigned risk rate levels. As such, no explicit adjustments have been made in this filing for COVID-19. While it is possible that COVID-19 may result in significant adverse loss development and deteriorating loss ratios, the impact on overall system costs could be small.



It is reasonable to believe COVID-19 will give rise to component changes that may, to some extent, have offsetting impacts on system costs. For example:

- There could be an increase in the number of compensable workers compensation claims arising in frontline, COVID-19-related occupations
- There could be a decrease in workers compensation claims due to the increased number of employees who are teleworking

Short- and long-term COVID-19-related impacts may also differ. For example:

- In the short term, during the COVID-19 pandemic, there may be a reduction in the number of physical therapy sessions attended by injured employees and/or a deferral in the number of workers compensation-related surgeries that are not deemed to be immediately critical
- Over the longer term, an increase in these types of services may be expected as the current burden on medical-related personnel and facilities is lessened
- In economic downturns, workers may forego filing claims for relatively minor injuries to maintain active employment as the economy navigates these uncertain times—leading to temporary downward pressure on claim frequency

NCCI has begun researching and gathering information to preliminarily gauge the pandemic's direct and indirect impacts on claim frequency, severity, and durations. More in-depth analyses related to COVID-19's impact on frequency and severity will be conducted over time as additional aggregate data becomes available. It is anticipated that assessing the impact of the pandemic on claim durations will likely take longer, as claim-specific data would be required.

NCCI has also started accumulating pre-COVID-19-level benchmarks that will help facilitate pre- to post-COVID-19 comparisons in the future. For example, detailed medical reports along with associated metrics are being developed to analyze both the direct impacts (e.g., claim costs) and indirect impacts (e.g., whether the slowdown of medical treatments has returned to normal) of the COVID-19 pandemic.

In April 2020, NCCI published a white paper, "COVID-19 and Workers Compensation: Modeling Potential Impacts," which provides estimates of workers compensation system cost impacts under various hypothetical scenarios. NCCI also released an interactive tool that allows users to choose their own assumptions and model the potential impact to expected losses for the associated jurisdiction and workforce under the scenario framework described in the research brief. These and other related materials are available on NCCI's website at [www.ncci.com](http://www.ncci.com).