

## NCCI—Today, Tomorrow, & More

May 3, 2022

NSIPA  
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## Agenda

- COVID-19
- PRAC (Policy Advisory Research Committee)
- NCCI's Underwriting Committee
- Completed Research Topics—2021
- Current and Future Research Topics
- Completed National Item Filings
- Future Item Filings
- NCCI's Dispute Resolution Process
- Classification Inspection Update
- NCCI's Atlas Initiative Update

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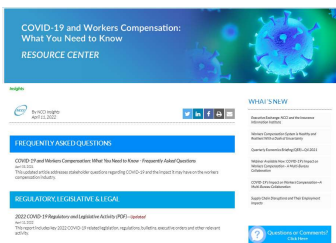
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## COVID-19

- COVID-19 Resource Center on **ncci.com**
- Future plans for Covid-19-related rules



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## PRAC: Policy Research Advisory Committee

The Committee's goal is to develop rules that are:

- Simple to audit, administer, and explain
- Uniform across jurisdictions—national approach
- Based on existing auditable sources
- Relatively stable from year to year
- Difficult to circumvent

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## PRAC Participants

- |                 |                  |
|-----------------|------------------|
| ■ California    | ■ New Jersey     |
| ■ Delaware      | ■ New York       |
| ■ Indiana       | ■ North Carolina |
| ■ Massachusetts | ■ Pennsylvania   |
| ■ Michigan      | ■ Wisconsin      |
| ■ Minnesota     | ■ NCCI           |

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## NCCI's Underwriting Committee

Current Underwriting Committee Members:

- CNA Insurance Company
- Hanover Insurance Group
- Selective Insurance
- Travelers Insurance
- Amerisure Insurance
- CopperPoint Insurance Co.
- Kentucky Employers' Mutual Insurance
- Texas Mutual Insurance Co.
- Zurich North America

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## Completed Research Topics—2021

- **Classification Research:**
  - Mobile Food Trucks, Restaurants, Bars
  - Contract Package Delivery Services Codes 7230, 7231, and 7219
- **Other Research:**
  - Per Diem

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## *Basic Manual (2021) Rule for reasonable expense allowance exclusions (Per Diem)*

“Exclude a reasonable expense allowance of up to \$75 per day from payroll if it can be verified that the employee was away from home overnight on business for the employer, but the employer did not maintain verifiable receipts for incurred expenses. Include the remaining nonverifiable expenses in payroll.”

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## Background: Per Diem

- National Item B-1433 increased the maximum daily expense allowance from \$30 to \$75
- Increase applies for policies effective on or after October 1, 2017
- IRS per diems produced by the General Services Administration (GSA):
  1. Vary by location
  2. Are separate for meals, incidentals, and lodging

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### Sample Scenario—Trucking Operation

- Driver paid \$.45 per mile and drives 100,000 miles per year = **\$45,000**
- Employer opts to pay driver \$75/day per diem
- Driver works 250 days x \$75 = \$18,750 in per diem
- $\$45,000 - \$18,750 = \$26,250$

**Employer's Perspective: Premium Basis is \$26,250**

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### Current and Future Research Topics

#### Classification Research:

- Museums
- Telehealth, Mobile Health Clinics, Contracted Medical Professionals
- Veterinary Operations—Clerical Employees
- Wood Chip, Pellet, and Mulch Mfg.
- Subcontractors
- Storage Pods
- Grocery and Convenience Store Classifications—Fresh Meats
- Annual Review of Low Credibility Codes
- Engineering with Construction Operations

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### Status of 2021 National Item Filings

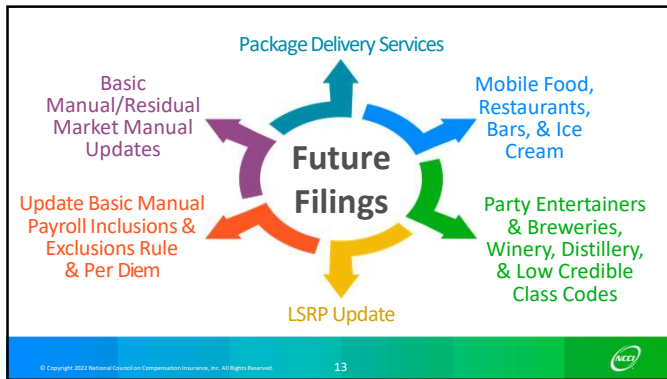
| Item Filing  | Filing Status | Pending in:  |
|--|---------------|--|
| Basic Manual B-1444 and Residual Market Manual RM-W-8047   | Filed         | <b>B-1444</b> —FL (Withdrawn; To Be Refiled)<br><b>RM-W-8047</b> —None |
| Updates to Basic Manual B-1445 and Residual Market Manual RM-W-8048  | Filed         | None   |
| P-1418—Revisions to Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (WC 00 04 21 E) | Filed         | None   |
| Revisions to the Premium Due Date Endorsement (WC 00 04 19)  | Filed         | FL, TX (Withdrawn; To Be Refiled)                                      |
| E-1408—New York Withdrawal from Experience Rating Plan   | Filed         | OR   |
| U-1402—Injury Description Codes for Adverse Reaction to Vaccination for COVID-19 and Other Diseases          | Filed         | None   |

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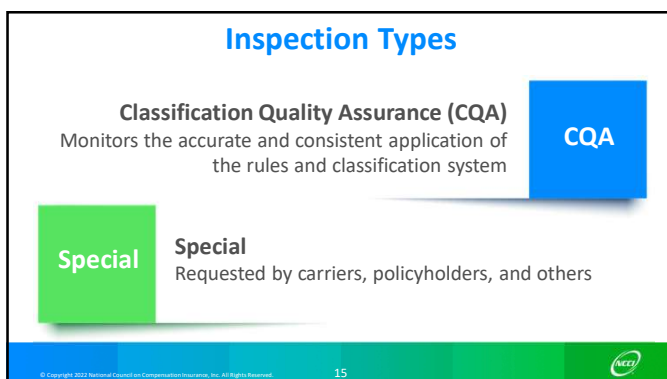
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## Inspection Methods



**Virtual Inspection**

**Physical Inspection**



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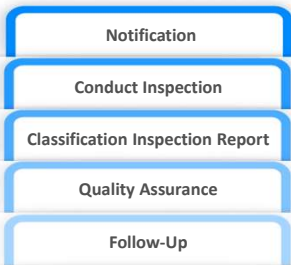
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## What Is the Inspection Process?



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## Completed Inspection Reports

Go to **ncci.com**, Class Inspection Service, Completed Inspection Report link, to obtain copies of inspection reports completed for your company in the last two years.

**Services and Tools Catalog**

**Online Classification Inspection Order Form**

**Completed Inspection Report**

The list below displays all completed inspections for your group/prop ID.

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## Completed Inspection Reports

Go to *Riskworkstation™* on [ncci.com](http://ncci.com) to see if an inspection was completed in the last two years or to obtain a copy.

- If you were the carrier of record, you can click on a link
- If you were not the carrier of record, you will receive a message to provide a letter of authority (LOA) to obtain a copy

The screenshot shows a search form with fields for POLICY NAME, POLICY ADDRESS, and Risk ID. Below these are checkboxes for 'Inspected within past 2 years' with options 'Yes - Gov. Code Change', 'Yes - No Change', and 'No Inspection'. A 'Notice' pop-up window is visible, stating: 'Please submit a letter from the employer/insured, on its letterhead, signed by an Officer or Principal of such employer/insured, authorizing NCCI to release the inspection results to you and/or your company for the companies you have selected. Please email the letter from the employer/insured to: [SpecialtyCodeChanges@ncci.com](mailto:SpecialtyCodeChanges@ncci.com)'.

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## CQA Annual Results

| Year Mailed  | Total # of Governing Code Changes | Total # of Inspections Completed | % of Change   |
|--------------|-----------------------------------|----------------------------------|---------------|
| 2019         | 1,791                             | 11,691                           | 15.32%        |
| 2020         | 1,567                             | 11,475                           | 13.66%        |
| 2021         | 2,233                             | 11,006                           | 20.29%        |
| <b>Total</b> | <b>5,591</b>                      | <b>34,172</b>                    | <b>16.36%</b> |

NEW!

| Year Mailed | Total # of Other Code Changes | Total # of Inspections Completed | % of Change |
|-------------|-------------------------------|----------------------------------|-------------|
| 2021        | 1,648                         | 6,983                            | 23.60%      |

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## Special Annual Results

| Year Mailed  | Total # of Governing Code Changes | Total # of Inspections Completed | % of Change   |
|--------------|-----------------------------------|----------------------------------|---------------|
| 2019         | 149                               | 330                              | 45.15%        |
| 2020         | 85                                | 210                              | 40.48%        |
| 2021         | 89                                | 204                              | 43.63%        |
| <b>Total</b> | <b>323</b>                        | <b>744</b>                       | <b>43.41%</b> |

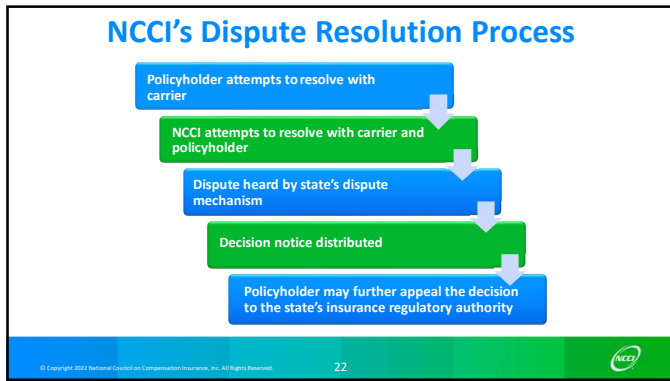
NEW!

| Year Mailed | Total # of Other Code Changes | Total # of Inspections Completed | % of Change |
|-------------|-------------------------------|----------------------------------|-------------|
| 2021        | 48                            | 123                              | 39.02%      |

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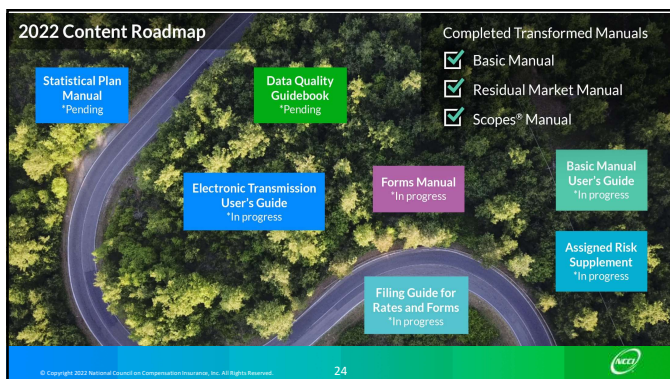
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**Basic Manual—Effective 2021—Alabama**

The **Basic Manual** for Alabama has been approved for use, for new and renewal policies with an effective date on or after 12:01 a.m. on November 1, 2021, and any in-force policy in effect on and after November 1, 2021.

[Update Verbiage](#) → **Basic Manual and Basic Manual User's Guide**

| PDF  | Content Reference ID Map   |
|--|--|
| <b>Basic Manual—Alabama</b><br>Issued 02/21/2022 <a href="#">Current PDF / View Updates</a><br>Issued 09/17/2021 <a href="#">Previous Version</a> / <a href="#">Updates</a><br>Issued 04/06/2021 <a href="#">Previous Version</a><br>Due to the size of the attached PDF, we recommend viewing vs. printing the information. | <b>Basic Manual User's Guide—Alabama</b><br><b>Coming Soon</b><br>Continue to refer to the <b>Basic Manual—2001 Edition User's Guide</b> . |

**Rates/Loss Costs**

**Loss Costs—Not Rates—Alabama**

[Effective 03-01-2022](#)  
[Effective 03-01-2021](#)

Refer to **Basic Manual—2001 Edition** for previous years' Rates/Loss Costs for this state.

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**Rates/Loss Costs**

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[Effective 03-01-2022](#)  
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Refer to **Basic Manual—2001 Edition** for previous years' Rates/Loss Costs for this state.

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**Residual Market Manual—Effective 2021—Alabama**

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[Update Verbiage](#) → **Residual Market Manual and Assigned Risk Supplement**

| PDF  | Content Reference ID Map   |
|--|--|
| <b>Residual Market Manual—Alabama</b><br>Issued 09/17/2021 <a href="#">Current PDF / View Updates</a><br>Issued 04/06/2021 <a href="#">Previous Version</a><br>Due to the size of the attached PDF, we recommend viewing vs. printing the information. | <b>Assigned Risk Supplement—Alabama</b><br><b>Coming Soon</b><br>Continue to refer to the <b>Assigned Risk Supplement—2001 Edition</b> . |

**Assigned Risk Rates**

**Assigned Risk Rates—Alabama**

[Effective 03-01-2022](#)  
[Effective 03-01-2021](#)

Refer to **Basic Manual—2001 Edition** for previous years' Assigned Risk Rates for this state.

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## Scopes® Update

For states that approved the **Basic Manual**,

- Scopes® at the state, code, and phraseology level
- Individual state **Scopes® Manuals** created
- Scopes® content is included in the **Class Look-Up** tool

| Scopes Description |   |
|--------------------|---|
| Class ID           | SC-1234-ABC1  |
| Issued Date        | November 7, 2021  |
| Operations         | Engine manufacturing operations that are not otherwise classified. This code applies to employers that manufacture engines such as outboard engines, provided that the business is not otherwise classified.  |
| Materials          | <b>Materials:</b><br>Examples of materials and parts include <ul style="list-style-type: none"> <li>• electrical components</li> <li>• pipe</li> <li>• plastics</li> <li>• rough castings</li> <li>• tubing, and</li> <li>• various metals</li> </ul> |
| Equipment          | <b>Equipment:</b><br>Examples of equipment and machines used to manufacture pumps or engines include <ul style="list-style-type: none"> <li>• buffers</li> <li>• cutting tools</li> <li>• drill presses</li> <li>• grinders</li> </ul>                |

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## Your New Customer Experience Is Underway

### Initial Release

- Foundational elements
  - Multistate prototype sample manual (PDF, HTML)
  - Informational dashboard
    - Item filing and rates and loss costs filing approval status
    - Item filings planned for the year
  - Navigation by topic or alphabetical index
  - Notifications
  - Search
  - HTML of each state manual
  - Revision history

### Subsequent Releases

- Enhanced functionality and manual content by topic
  - Personalization
  - Content comparisons
  - Bookmarks
  - Related items
  - Web services
  - Advanced search

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## Questions?



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