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August 16, 2024

**Circular 2024-06**

**To: ICRB Members**

**Item E-1411—NCCI's Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance**

This item filing introduces a new edition of NCCI's *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)*. Because this edition is a complete modernization of NCCI's *Experience Rating Plan Manual*, it is necessary to do a "complete manual" item filing to make regulatory review and approval, and subsequent customer use, easier in the future. We are:

- improving structure and format
- clarifying state exceptions, if applicable, and
- removing ambiguity, if needed.

**This item filing does not make any substantive changes to any rules that would result in premium impact.**

**This has been filed and approved by the Indiana Department of Insurance.**

For further details please see the Circular below.

Sincerely,

Paul E. Keathley  
President & CEO

## Item E-1411—NCCI's Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance

### Filing Memorandum

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#### Purpose

This item filing introduces a new edition of NCCI's *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)*. Because this edition is a complete modernization of NCCI's *Experience Rating Plan Manual*, it is necessary to do a "complete manual" item filing to make regulatory review and approval, and subsequent customer use, easier in the future. We are:

- improving structure and format
- clarifying state exceptions, if applicable, and
- removing ambiguity, if needed.

This item filing does not make any substantive changes to any rules that would result in premium impact.

#### Background

##### Modernized Structure and Format for Quickly Finding Information

Several years ago, NCCI embarked on a multiyear initiative to modernize and transform the way we deliver our key information, starting with our manuals such as NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*. This initiative, referred to as *NCCI Atlas*, creates a new and easier way of navigating nearly 100 years of workers compensation content by transforming how we write, manage, and distribute information for our customers.

Similar to NCCI's *Basic Manual*, this new edition of NCCI's *Experience Rating Plan Manual* has been modernized with an emphasis on structuring and formatting the content for online consumption—so that customers can quickly find the information they need in an increasingly electronic environment. Previously, NCCI has focused on substantive changes to the content in our manuals while making only minor improvements in overall structure and format. Through this modernization effort, NCCI is focused on the overall structure and format, ensuring consistency across our manuals, while maintaining the context and intent of the rules.

Customers have reported that information presented in a topic-based format is easier to find, read, and understand. *NCCI Atlas* is modernizing the delivery of our content to provide topic-based information and answers to online questions quickly, by applying the same structured authoring techniques to all of our manuals.

Structured authoring transforms NCCI's content by breaking it down into topics. These topics are then rewritten to make them more usable, discoverable, and valuable for our customers. By organizing the content into small topic blocks, each with its own pertinent title, *NCCI Atlas* has created a way for customers to quickly zero in on the specific information they are looking for.

NCCI has completed the transformation of more than eight manuals in this new structured authoring format. Continuing to modernize each manual throughout our content library in this consistent manner will help eliminate duplicative or confusing information.

#### Goals of Restructure

NCCI recognized that these modernization efforts were necessary to maximize customer usage and understanding of our manuals. The result was an opportunity to do a complete review on every block of content in NCCI's *Experience Rating Plan Manual* to ensure consistency and compliance in and across the states, which will help improve the overall manual. While rewriting and restructuring the rules, we kept this goal in mind—do not change the context or intent of the rules.

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Consequently, multiple subject matter and legal reviews occurred to ensure that the context and intent of the rules remain intact.

**Focus Areas**

While transforming NCCI's *Experience Rating Plan Manual*, we identified three focus areas to modernize the content for online consumption—Structure, Content, and State Content Changes.

**Structure**—Our goal is to give our customers the answers they need without having to search through various NCCI manuals. This necessitated multiple changes to accommodate how customers could retrieve answers to their questions.

The structure of NCCI's *Experience Rating Plan Manual* had to be modernized including the following changes:

1. **State-Based Rules**—We have eliminated state exception pages and instead created a complete *Experience Rating Plan Manual* for each state. Each state's manual will display the rules applicable in that state. Because some state rules apply on an intrastate and interstate basis, we decided to keep one table—the Experience Rating Plan Manual applicability table—in its current format displaying multiple state information. This decision was made to make it easier for those customers who need the multistate information.
2. **Topic-Based Format**—Our customers indicated that they look for information by topic and need to know what the answer is to a question about "Topic A" or "Topic B." Because the customer knows the topic, not the rule number, they need to be able to search by topic. The new edition of NCCI's *Experience Rating Plan Manual* has, therefore, been reorganized by topic.
3. **Numbering Sequence**—By structuring our content by topic level and creating smaller blocks of content, customers will see a reduction in the levels of hierarchy in our manuals. This allows us to introduce the same type of new unique identification (ID) number, like the *Basic Manual* for each piece of content and permanently assign that content to that ID number. The benefit of this new ID number is that it allows NCCI more flexibility to
  - insert new content into a topic
  - move existing content to other parts of the manual, or
  - reuse that same content in another manual to improve consistency and quality.

The new numbering sequence is based on where the content was originally created; for example, ER-RuleID-Algo-0001 is translated to Experience Rating Plan Manual-Rule-Algorithm-Randomly Generated Number.

4. **Structured Authoring Methods**—NCCI's *Experience Rating Plan Manual* content is varied, and so were the authoring methods in which it was written. Consistently across the manual, our authors have been applying the appropriate method based on which information type is being conveyed for the topic: concept, reference, principle, process, or task. Each of the methods may have minor differences in format by design.

These include the use of

- active vs. passive voice
- specified title formatting, and
- paragraphs, lists, inline lists, or bullets.

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**Note:** NCCI may make minor formatting adjustments (e.g., spacing or bullets) in the future when aligning similar or the same content across NCCI manuals to ensure understanding for our customers or when content is migrated into **NCCI Atlas** for single, multiple, or all states access. However, no changes will be made to the overall content.

5. **Table of Contents (TOC)**—Each manual will retain a Table of Contents. Since we are creating high-level topics for easier and quicker reference and reducing the number of levels that content can be broken down into, the TOCs may be longer. In addition to the TOC for the entire manual, there are mini TOCs within topics that have more than one subtopic to help customers navigate directly to that content.
6. **Navigation**—The Table of Contents and mini TOCs throughout the manual are links that allow you to move around the PDF with ease. Clicking on the topic in both the TOC and the mini TOC will take you to the page where that topic is located. NCCI's **Experience Rating Plan Manual** will also include an Alphabetical Index, which can be continuously updated to help customers locate information. The Alphabetical Index is included in Informational Exhibit 3.
7. **PDF vs. Online**—This item filing is a PDF document and, therefore, does not fully recreate the appearance, functionality, and features that will be available to the customer of the online version of NCCI's **Experience Rating Plan Manual** in **NCCI Atlas**. However, it will contain the same regulatory approved rules and information as the online version.
8. **NCCI Atlas**—**NCCI Atlas** will offer different ways to view information online that will include the ability to search by manual, topic, rule ID, or bookmarks. Customers will be able to create their own bookmarks or preferences for frequently searched information.

In addition, once an item filing has been approved with a future effective date, we will identify that content with a Future Update icon in **NCCI Atlas**; this future updated content can be viewed via a comparison tool. This functionality is also available for previous versions of content in NCCI's **Experience Rating Plan Manual** under the Revision History icon.

**Content**—During the modernization effort, we identified some needed improvements based on regulator and carrier feedback. As a result, we made these specific changes to improve the overall use of the content and potentially reduce the size of future item filings.

The changes occur in these specific categories:

1. **Approved Item Filings**—Upon submission of this item filing, NCCI has included all filed content from any experience rating item filing or those item filings impacting the **Experience Rating Plan Manual** approved as of June 15, 2024. This content has been rewritten in the new structured writing format and included in the appropriate topic.  
**Note:** In most states, premium eligibility amounts are updated by regulatory approval of state loss cost and rate filings. The eligibility amounts provided in the rule, Subject premium eligibility amounts, are current as of June 15, 2024. As state loss cost and rate filings are approved during the 2025 rate season, the amounts provided in the rule, Subject premium eligibility amounts, will be updated to be consistent with the amount approved in the state loss cost and rate filings.
2. **Pending Item Filings**—Item filings that have been submitted for approval but are still pending have not been included in this item filing. Content that is approved subsequent to this item filing will need to be rewritten in the structured authoring format and placed in NCCI's **Experience Rating Plan Manual** (effective July 1, 2025) with the prior approval of the regulatory authority, or it will need to be refiled to address the new format changes.

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3. **New Item Filings**—Due to the July 1, 2025, effective date of this item filing, there may be regulator requests, legislation, and statutory changes that require NCCI to submit a subsequent item filing for rule changes in NCCI's **Experience Rating Plan Manual** (2003 edition) with an effective date prior to July 1, 2025. NCCI may need to also file an update to Item E-1411 to reflect the format revisions to such rules for the new edition of NCCI's **Experience Rating Plan Manual**.
4. **Clarifications**—One of the main clarifications we made was to identify who the rules are written for. Is it the employer, agent, regulatory authority, or carrier? Since carriers issue the policies and apply the rules, the new edition of NCCI's **Experience Rating Plan Manual** is written explicitly to carriers. In addition, we clarified where to look for further information.

**State Content Changes**—As indicated, a goal of modernizing NCCI's **Experience Rating Plan Manual** was to maintain the context and intent of the rules. Throughout the process, we had multiple subject matter and legal reviews to ensure consistency and compliance. In some states, we incorporated necessary updates that are addressed in this item filing in an attempt to minimize the need for future item filings. For states that required changes and clarifications, we updated the rule within the topic. These specific rules are provided in the State Content Changes exhibit (Informational Exhibit 2).

The updates fall into one of the following categories:

1. **Statutory or Compliance**—After legal review of the content, updates to statute or regulation references were needed because they had not been updated. In these instances, the rule was changed to comply with a statute or regulation.
2. **Consistency for Ease of Application**—The rules have been written over many years by different authors, which has led to inconsistencies in the same content for different states. There may have been minor structural issues that were not apparent when looking at state content independently. But when we viewed all of the states' content together, we saw the minor differences, and it made sense to adjust the content for consistency, without impacting context.
3. **Removal of State Exceptions**—In some instances, state exceptions had been created only because different terminology was used to describe the same thing in different states. We have eliminated unnecessary state exceptions by using consistent terminology across the states. For example, we eliminated several state exceptions that existed due to using different phrases for the term "self-insured group." The new edition of NCCI's **Experience Rating Plan Manual** includes a listing of alternative references for self-insured group.
4. **Updates Due to Process Improvements**
  - **Intrastate-Rated and Interstate-Rated Risks**—We added a rule that specifies that NCCI's **Experience Rating Plan Manual** applies to intrastate-rated and interstate-rated risks unless a rule specifically indicates otherwise. In some instances, both the intrastate rule and interstate rule are provided. The intrastate rule applies for application of an intrastate experience rating modification and the interstate rule applies for application of an interstate experience rating modification.
  - **Loss Limitations**—We added a rule in NCCI's **Experience Rating Plan Manual** related to the loss limitations for the United States Longshore and Harbor Workers' (USL&HW) Compensation Act. The amounts for the per claim and multiple per claim loss limitations are included in the footnotes of each state's Rating Values, Table of Weighting Values, but there was no corresponding rule explaining these loss limitations.
  - **Insolvent Carrier and Insolvent Self-Insured Group Data**—We added rules in NCCI's **Experience Rating Plan Manual** related to insolvent carrier and insolvent self-insured group data. Because this data is submitted to NCCI, it is important to provide information related to how this data impacts experience rating modifications.

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- Self-Insurers' Applicability—NCCI's **Statistical Plan** has been updated to remove the option for affiliate self-insured groups to report data under the **Pre-URE Workers Compensation Statistical Plan**. By removing this option, affiliate self-insured groups will be required to report data under the current **Statistical Plan**. Data providers other than self-insured groups have been required to report data under the current **Statistical Plan** since January 1, 2001.
- Non-Affiliate Self-Insured Group Data—NCCI's **Statistical Plan** has been updated to clarify the reporting of data from non-affiliate self-insured groups. Non-affiliate self-insured groups will continue to have the option to report data under the **Statistical Plan** or by using the ERM-6 Form for the calculation of experience rating modifications.
- Liability-Over Claims—NCCI's **Experience Rating Plan Manual** has been updated to remove specific data reporting rules for liability-over claims. Rules related to reporting liability-over claims have been added appropriately to NCCI's **Statistical Plan**.
- ERM-14 Form and ERM-6 Form—Various topics within NCCI's **Experience Rating Plan Manual** include reference links to the Request for Ownership Information—ERM-14 Form and the Workers Compensation Experience Rating for Non-Statistical Data—ERM-6 Form. By having reference links within the applicable topics of NCCI's **Experience Rating Plan Manual**, the ERM-14 Form and ERM-6 Form are easy to access. These forms will
  - also be available on **ncci.com** under the Popular Forms section within the Underwriting tab, and
  - no longer be filed for approval and appear in NCCI's **Experience Rating Plan Manual**.

**Proposal**

Similar to NCCI's **Basic Manual**, this is a complete modernization of NCCI's **Experience Rating Plan Manual**. It is necessary to do a "complete manual" item filing to make regulatory review and approval, and subsequent customer use, easier in the future.

This item filing proposes to

1. establish NCCI's **Experience Rating Plan Manual**
2. revise the copyright disclaimer in NCCI's **Basic Manual** and NCCI's **Residual Market Manual for Workers Compensation and Employers Liability Insurance (Residual Market Manual)**
3. revise the rule, Schedule rating table, in NCCI's **Basic Manual**
4. revise Preface A-2. Affiliate Self-Insurers' Applicability in NCCI's **Statistical Plan**
5. establish Part 4-A-1-e. Liability-Over Claims in NCCI's **Statistical Plan**, and
6. revise Part 6-D-9. Type of Claim Code in NCCI's **Statistical Plan**.

**Impact**

There will be no premium impact as a result of NCCI's new edition of the **Experience Rating Plan Manual** (effective July 1, 2025). This item filing does not make any substantive changes to any rule that would result in premium impact.

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## Item E-1411—NCCI's Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance

### Filing Memorandum

#### Exhibit Comments and Implementation Summary

Exhibit	Exhibit Comments	Implementation Summary
1	<p>Displays the establishment of NCCI's new state <b>Experience Rating Plan Manual</b> rules in the new format.</p> <p>Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV</p>	<ul style="list-style-type: none"> <li>In all states except Hawaii, this exhibit is to become effective for experience rating modifications with rating effective dates on and after July 1, 2025.</li> <li>In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.</li> </ul>
2	<p>Displays the revisions to the copyright disclaimer in NCCI's <b>Basic Manual</b>.</p> <p>Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV</p>	<ul style="list-style-type: none"> <li>In all states except Hawaii, this exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</li> <li>In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.</li> </ul>
3	<p>Displays the revisions to the rule, Schedule rating table (Rule ID: BM-SCHR-S34BE), in NCCI's <b>Basic Manual</b>.</p> <p>Applies in: AL, AZ, CO, DC, IA, KS, KY, MD, MS, MT, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV</p>	<p>This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p>
4	<p>Displays the revisions to the copyright disclaimer in NCCI's <b>Residual Market Manual</b>.</p> <p>Applies in: AK, AL, AR, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NH, NV, OK, OR, SC, SD, TN, VA, VT, WV</p>	<p>This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p>
5	<p>Displays the revisions to Preface A-2. Affiliate Self-Insurers' Applicability in NCCI's <b>Statistical Plan</b>.</p> <ul style="list-style-type: none"> <li>Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV</li> <li>Refer to state exhibits for FL, TX, and VA</li> </ul>	<ul style="list-style-type: none"> <li>In all states except Hawaii, this exhibit is to become effective for Unit Statistical Data with valuation dates on and after July 1, 2025.</li> <li>In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.</li> </ul>
6	<p>Displays the establishment of Part 4-A-1-e. Liability-Over</p>	<ul style="list-style-type: none"> <li>In all states except Hawaii, this exhibit</li> </ul>

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Exhibit	Exhibit Comments	Implementation Summary
	<p>Claims in NCCI's <b>Statistical Plan</b>.</p> <ul style="list-style-type: none"> <li>Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV</li> <li>Refer to state exhibit for VA</li> </ul>	<p>is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p> <ul style="list-style-type: none"> <li>In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.</li> </ul>
7	<p>Displays the revisions to Part 6-D-9. Type of Claim Code in NCCI's <b>Statistical Plan</b>.</p> <p>Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV</p>	<ul style="list-style-type: none"> <li>In all states except Hawaii, this exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</li> <li>In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.</li> </ul>
<b>State Exhibits</b>		
8	<p>Displays the elimination of Florida's exceptions to Preface A-1. Statistical Plan Applicability and A-2. Affiliate Self-Insurers' Applicability in NCCI's <b>Statistical Plan</b>. National Preface A-2 is proposed to be applicable in Florida.</p>	<p>This exhibit is to become effective for Unit Statistical Data with valuation dates on and after July 1, 2025.</p>
8	<p>Displays the revisions to the rule, Rules for charging premium for covered employees with PEO as policyholder (Rule ID: BM-ELKY-RA619), in NCCI's <b>Basic Manual</b> for Kentucky.</p>	<p>This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p>
8	<p>Displays the revisions to the following rules in NCCI's <b>Basic Manual</b> for Montana:</p> <ul style="list-style-type: none"> <li>Coverage options (Rule ID: BM-ELMT-CF9BA)</li> <li>Option B (Rule ID: BM-ELMT-O77C5)</li> </ul>	<p>This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p>
8	<p>Displays the revisions to the rule, Board meeting phases, parties to the dispute, and interested parties to the dispute (Rule ID: BM-DISB-BFAB4), in NCCI's <b>Basic Manual</b> for Rhode Island.</p>	<p>This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.</p>
8	<p>Displays the revisions to Texas's exception to Preface A-2. Affiliate Self-Insurers' Applicability in NCCI's <b>Statistical Plan</b>.</p>	<p>This exhibit is to become effective for Unit Statistical Data with valuation dates on and after July 1, 2025.</p>

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Exhibit	Exhibit Comments	Implementation Summary
8	Displays the revisions to the rule, Schedule Rating Plan eligibility (Rule ID: BM-SCHR-S6B7B), in NCCI's <b>Basic Manual</b> for Virginia.	This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.
9	Displays the elimination of Virginia's exception to Preface A-2. Affiliate Self-Insurers' Applicability in NCCI's <b>Statistical Plan</b> . National Preface A-2 is proposed to be applicable in Virginia.	This exhibit is to become effective for Unit Statistical Data with valuation dates on and after July 1, 2025.
10	Displays the establishment of Virginia's exception to Part 4-A-1-f. Liability-Over Claims in NCCI's <b>Statistical Plan</b> .	This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.
8	Displays the revisions to the following rules in NCCI's <b>Basic Manual</b> for West Virginia: <ul style="list-style-type: none"> <li>• Experience rating on a master policy basis (Rule ID: BM-ELWV-EEF0A)</li> <li>• Experience rating on an MCP basis (Rule ID: BM-ELWV-E85F0)</li> </ul>	This exhibit is to become effective for new and renewal policies with effective dates on and after July 1, 2025.
<b>Informational Exhibits</b>		
Informational Exhibit 1	<b>Manual Content Reference ID Map</b> —Displays the relationship between the current manual rule numbers and the new manual Rule ID numbers.	
Informational Exhibit 2	<b>State Content Changes</b> —Displays any state-specific content changes to NCCI's <b>Experience Rating Plan Manual</b> (effective July 1, 2025) identified during the review process. If no specific changes for the state were identified, we have included an informational page only.	
Informational Exhibit 3	<b>Index</b> —NCCI's <b>Experience Rating Plan Manual</b> (effective July 1, 2025) content will contain an Alphabetical Index so that customers can search by familiar terms. NCCI will add terms to the Alphabetical Index as customers use the manuals and provide feedback.	

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# Experience Rating Plan Manual

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FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

## Indiana

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# Organization of the Experience Rating Plan Manual

Rule ID: ER-PREF-OA74A

Effective Date: July 1, 2025

NCCI's *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual or the Plan)* contains the rules that govern the operation and administration of the Plan. Additionally, this manual provides the formula and the rating values underlying the experience rating modification calculation, including Expected Loss Rates (ELRs), discount ratios (D-Ratios), and weighting and ballast values.

## Applicability of intrastate-rated and interstate-rated risks

This manual applies to intrastate-rated and interstate-rated risks unless a rule specifically indicates otherwise.

Topic	See Page
<a href="#">Experience Rating Plan Manual applicability</a>	5
<a href="#">Jurisdictions where the Experience Rating Plan Manual applies</a>	5
<a href="#">Application of manual rules</a>	7
<a href="#">Administration of the Plan</a>	8

## Experience Rating Plan Manual applicability

Rule ID: ER-PREG-E0850

Effective Date: July 1, 2025

NCCI's *Experience Rating Plan Manual* applies to jurisdictions where NCCI is the rating organization. It also applies to some independent bureaus that issue their own intrastate experience rating modifications and participate in interstate experience rating.

### Jurisdictions where this Plan applies

NCCI's *Experience Rating Plan Manual* applies to jurisdictions where NCCI is the rating organization. NCCI issues intrastate and interstate experience rating modifications. The Experience Rating Plan Manual applicability table identifies these jurisdictions with "Yes".

Additionally, NCCI's *Experience Rating Plan Manual* applies to jurisdictions with independent bureaus that issue their own intrastate experience rating modifications and also participate in interstate experience rating. The Experience Rating Plan Manual applicability table identifies these jurisdictions with "Yes 1".

### Jurisdictions where this Plan does not apply

NCCI's *Experience Rating Plan Manual* does not apply to independent bureaus that have their own Experience Rating Plans. The Experience Rating Plan Manual applicability table identifies these jurisdictions with "No".

Some independent bureaus where the Plan does not apply permit the combination with states listed in Jurisdictions where this Plan applies for interstate experience rating. The Experience Rating Plan Manual applicability table identifies these jurisdictions with "No 1".

### Jurisdictions where this Plan applies to employers liability only and on an advisory basis

NCCI's *Experience Rating Plan Manual* applies to monopolistic fund states on an advisory basis for employers liability insurance only. The Experience Rating Plan Manual applicability table identifies these jurisdictions with "Monopolistic".

### References

Refer to [Jurisdictions where the Experience Rating Plan Manual applies](#) for a complete list of states.

## Jurisdictions where the Experience Rating Plan Manual applies

Rule ID: ER-PREP-JFA97

Effective Date: July 1, 2025

The Experience Rating Plan Manual applicability table shows the jurisdictions where NCCI's *Experience Rating Plan Manual* applies.

### Experience Rating Plan Manual applicability table

Jurisdiction	Abbreviation	Jurisdiction Code	Applicability
Alabama	AL	01	Yes
Alaska	AK	54	Yes
Arizona	AZ	02	Yes

Jurisdiction	Abbreviation	Jurisdiction Code	Applicability
Arkansas	AR	03	Yes
California	CA	04	No
Colorado	CO	05	Yes
Connecticut	CT	06	Yes
Delaware	DE	07	No
District of Columbia	DC	08	Yes
Florida	FL	09	Yes
Georgia	GA	10	Yes
Hawaii	HI	52	Yes
Idaho	ID	11	Yes
Illinois	IL	12	Yes
Indiana	IN	13	Yes 1
Iowa	IA	14	Yes
Kansas	KS	15	Yes
Kentucky	KY	16	Yes
Louisiana	LA	17	Yes
Maine	ME	18	Yes
Maryland	MD	19	Yes
Massachusetts	MA	20	Yes 1
Michigan	MI	21	No
Minnesota	MN	22	No 1
Mississippi	MS	23	Yes
Missouri	MO	24	Yes
Montana	MT	25	Yes
Nebraska	NE	26	Yes
Nevada	NV	27	Yes
New Hampshire	NH	28	Yes
New Jersey	NJ	29	No
New Mexico	NM	30	Yes
New York	NY	31	No
North Carolina	NC	32	Yes 1
North Dakota	ND	33	Monopolistic
Ohio	OH	34	Monopolistic
Oklahoma	OK	35	Yes
Oregon	OR	36	Yes
Pennsylvania	PA	37	No
Rhode Island	RI	38	Yes
South Carolina	SC	39	Yes
South Dakota	SD	40	Yes
Tennessee	TN	41	Yes
Texas	TX	42	Yes
Utah	UT	43	Yes
Vermont	VT	44	Yes
Virginia	VA	45	Yes

Jurisdiction	Abbreviation	Jurisdiction Code	Applicability
Washington	WA	46	Monopolistic
West Virginia	WV	47	Yes
Wisconsin	WI	48	No 1
Wyoming	WY	49	Monopolistic

### References

Refer to [Experience Rating Plan Manual applicability](#) for information on applicability designations.

## Application of manual rules

**Rule ID: ER-PREI-IA2CC**

*Effective Date: July 1, 2025*

NCCI's *Experience Rating Plan Manual* (the Plan) applies on a mandatory basis for risks that meet the premium eligibility requirements.

### Plan adherence

The Plan prohibits any action, in any form, to evade the application of an experience rating modification determined in accordance with this Plan. Insurance providers must not cancel, rewrite, or extend a policy to enable a risk to qualify for or avoid the application of this Plan.

### Insurance provider references in the Plan

NCCI's *Experience Rating Plan Manual* uses the term "insurance provider." For purposes of this Plan only, the insurance provider may be the carrier, the self-insured group, a third-party data reporter, or a non-affiliate.

### Self-insured group references in the Plan

NCCI's *Experience Rating Plan Manual* uses the term "self-insured group," which may also be referred to as

- self-insured employer group
- self-insurance pool
- self-insurance group
- self-insurance association
- group self-insurance
- group self-insurers
- group self-insurance association
- group self-insurance fund
- group self-insured pool
- group-funded self-insurance plan
- commercial self-insurance fund, or
- any other term used in state law that describes what could be considered a workers compensation self-insured group.

### References

Refer to [Premium eligibility](#) for more information about premium eligibility requirements.

## Impact of rules on the application of the Plan

**Rule ID: ER-PREI-P8B35**

*Effective Date: July 1, 2025*

The Plan has specific rules that impact the treatment of policy periods, changes in rules and rating values, and the authority to examine and audit records.

### Treatment of policy periods

The rules of this Plan are based on policy periods not longer than one year. A policy issued for a period not longer than one year and 16 days is treated as a one-year policy.

For a policy issued for a period longer than one year and 16 days

- the policy period is divided into consecutive 12-month units
- the Policy Period Endorsement specifies either the first or last unit of less than 12 months as a short-term policy, and
- all manual rules and procedures apply to each unit as if the insurance provider issued a separate policy for each unit.

### Changes in rules and rating values

The effective date of a change in any rule or rating value is 12:01 a.m. on the date approved for use. Unless otherwise specified, each change applies only from the rating effective date, which occurs on or after the effective date of the change.



### Examination and audit of records

NCCI's Workers Compensation and Employers Liability Insurance policy (policy) provides the rating organization with the authority to examine and audit all records that relate to the policy. The attachment of endorsements found in NCCI's **Forms Manual** may affect the application of this Plan's rules.

### References

Refer to

- [Rating effective date \(RED\) of an experience rating modification](#) for more information about rating effective dates, and
- NCCI's **Forms Manual** for more information.

## Administration of the Plan

**Rule ID: ER-PRET-AD2E8**

*Effective Date: July 1, 2025*

The rating organization determines the applicability of all Plan rules. The appropriate rating organization calculates, issues, and if necessary, revises the experience rating modification. Unless otherwise provided by this Plan, the rating organization limits experience rating modification issuance and revision to the current and two preceding experience rating modifications.

### Access to the Experience Rating Worksheet for intrastate-rated risks

The Indiana Compensation Rating Bureau (ICRB) provides to any qualifying intrastate-rated risk a copy of its **Experience Rating Worksheet** upon request to the ICRB. The rating organization also provides access to the **Experience Rating Worksheet** to

- the carrier of record
- the producer of record, and
- additional parties if the risk authorizes that access in writing.

### Exemption for intrastate-rated risks only

For intrastate-rated risks only, the ICRB does not require a Letter of Authority for insurance providers and producers requesting **Experience Rating Worksheets** for

- risks that are currently insured in the residual market, and
- public entities, otherwise known as municipalities.

### Access to the Experience Rating Worksheet for interstate-rated risks

The rating organization notifies and instructs any qualifying interstate-rated risk on how to obtain a copy of its **Experience Rating Worksheet**. The rating organization also provides access to the **Experience Rating Worksheet** to

- the carrier of record
- the producer of record, and
- additional parties if the risk authorizes that access in writing.

### Application of the experience rating modification

The insurance provider or insurance providers apply the calculated experience rating modification in accordance with this Plan, other applicable rules, statutes, and regulations.

### Appeals regarding the Plan

The applicable administrative appeals process may resolve appeals related to the application of the rules of this Plan.

### References

Refer to

- the appropriate regulatory authority for information about the dispute resolution process, and
- [Experience Rating Plan Manual applicability](#) for more information about the appropriate rating organization.

## Experience rating

**Rule ID: ER-ERPS-EA14B**

*Effective Date: July 1, 2025*

Experience rating recognizes the differences among individual risks with respect to safety and loss prevention by comparing the experience of individual risks with that of the average employer in the same classification. The experience rating modification reflects the difference between the individual risk and the average employer.

### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for more information.

## Purpose of an experience rating modification

**Rule ID: ER-ERPM-P9DDB**

*Effective Date: July 1, 2025*

The purpose of an experience rating modification is to modify the risk's premium based on the risk's past experience. The rating organization calculates the experience rating modification using the risk's payroll and loss records. The insurance provider applies the experience rating modification that results in an increase, decrease, or no change to the risk's premium.

# Elements of the Experience Rating Plan

Rule ID: ER-RPDS-EA209

Effective Date: July 1, 2025

Elements of the Experience Rating Plan provides terms and information applicable to experience rating modifications.

Topic	See Page
<a href="#">Types of entities</a>	10
<a href="#">Uses of the term "risk"</a>	10
<a href="#">Uses of subject premium</a>	10
<a href="#">Experience used in calculating experience rating modifications</a>	11
<a href="#">Payroll used in experience rating</a>	11
<a href="#">Losses used in experience rating</a>	11
<a href="#">Application of a unity (1.00) factor</a>	11
<a href="#">Statistical Plan references</a>	12

## Types of entities

Rule ID: ER-RPDE-EAA56

Effective Date: July 1, 2025

An entity can be (a) an individual, (b) a partnership, (c) a corporation, (d) an unincorporated association, (e) a fiduciary, or (f) another legal entity.

## Uses of the term "risk"

Rule ID: ER-RPDR-RCD6E

Effective Date: July 1, 2025

A risk is any entity eligible for combination under this Plan, regardless of whether the risk's insurance is provided by (a) one or more policies, or (b) one or more insurance providers.

### Types of risk

A risk may be

- a single entity, or
- two or more entities that qualify for a combination of experience rating under this Plan.

### References

Refer to [Combination of entities](#) for information about the two or more entities that qualify for combination.

## Uses of subject premium

Rule ID: ER-RPDJ-SC9B4

Effective Date: July 1, 2025

For experience rating purposes, the rating organization uses the subject premium that an individual risk develops during its experience period to determine whether the risk is eligible for experience rating. The insurance provider reports subject premium to the rating organization in accordance with NCCI's **Statistical Plan**.

### References

Refer to

- NCCI's **Statistical Plan** for information about reporting subject premium, and
- [Premium eligibility](#) for information about premium eligibility requirements.

## Rule for applying the experience rating modification to subject premium

Rule ID: ER-RPDJ-R221A

Effective Date: July 1, 2025

Multiply the subject premium by the experience rating modification. The subject premium is the premium developed for an individual risk during the policy period to which the experience rating modification applies.

## Experience used in calculating experience rating modifications

Rule ID: ER-RPDX-EAD81

Effective Date: July 1, 2025

Experience used in calculating a risk's experience rating modification is composed of the payroll and losses that the insurance provider reports in accordance with NCCI's **Statistical Plan**. For the purposes of this Plan, payroll and losses may be referred to as data. The rating organization uses a risk's experience in the experience period to calculate an experience rating modification.

### References

Refer to

- [Experience used in a rating](#) for information about experience used in an experience rating modification, and
- NCCI's **Statistical Plan** for information about reporting payroll and losses.

## Payroll used in experience rating

Rule ID: ER-RPDP-PA966

Effective Date: July 1, 2025

Payroll used in experience rating is composed of payroll or other exposures for each classification in the experience period. The insurance provider reports the payroll or other exposures in accordance with NCCI's **Statistical Plan**.

### References

Refer to NCCI's **Statistical Plan** for information about reporting payroll and other exposures.

## Losses used in experience rating

Rule ID: ER-RPDL-LFC53

Effective Date: July 1, 2025

Losses used in experience rating are composed of the incurred medical losses and incurred indemnity losses for each classification in the experience period. The insurance provider reports the incurred medical losses and incurred indemnity losses in accordance with NCCI's **Statistical Plan**.

### References

Refer to

- NCCI's **Statistical Plan** for information about reporting incurred medical and incurred indemnity losses
- [Losses excluded from experience rating](#) for losses excluded from experience rating modification calculations, and
- [Limitation of losses employed in experience rating](#) for information on loss amounts limited in the experience rating modification calculations.

## Application of a unity (1.00) factor

Rule ID: ER-RPDU-UA238

Effective Date: July 1, 2025

A unity (1.00) factor may apply to a risk under certain circumstances. The application of a unity (1.00) factor does not yield an increase or decrease in a risk's premium.

### Reasons for applying a unity (1.00) factor to a risk

Reasons for applying a unity (1.00) factor to a risk include but are not limited to

- the risk not qualifying for experience rating
- the risk not meeting the minimum data requirements
- the risk being a new business with no data available for the production of an experience rating modification
- the risk qualifying for experience rating with a calculation resulting in a 1.00 experience rating modification, or
- the insurance provider being unable to provide the data as a result of changes in ownership.

## References

Refer to

- [Premium eligibility](#) for information about premium eligibility requirements
- [Contingent modifications](#) for information about the minimum data requirements, and
- [Treatment of experience](#) for information about the results of changes in ownership.

## Statistical Plan references

**Rule ID: ER-RPDT-SA093**

*Effective Date: July 1, 2025*

NCCI's ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)*** is the approved statistical plan that details the unit statistical data reporting rules and requirements for an individual risk's experience. In states where independent bureaus permit combination for interstate rating, the approved statistical plan in those states applies to those independent bureaus.

## References

Refer to

- NCCI's ***Statistical Plan*** for data reporting rules and requirements
- [Experience Rating Plan Manual applicability](#) for more information, and
- [Jurisdictions where the Experience Rating Plan Manual applies](#) for more information.

# Elements of the Experience Rating Worksheet

**Rule ID: ER-RWDS-EA34F**

*Effective Date: July 1, 2025*

Elements of the Experience Rating Worksheet describes the different factors used in the calculation of the experience rating modification.

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## Application of an Expected Loss Rate (ELR)

**Rule ID: ER-RWDI-AF321**

*Effective Date: July 1, 2025*

The ELR is a factor that the rating organization applies to each \$100 of payroll for a classification. The ELR determines the amount of expected losses for a classification in a particular state.

### References

Refer to the Rating Values, Table of Expected Loss Rates and Discount Ratios for the list of ELRs.

## Calculation of expected losses

**Rule ID: ER-RWDM-EA34B**

*Effective Date: July 1, 2025*

Within the experience rating modification calculation, the expected losses represent the benchmark level of losses expected for all risks in a state within a particular classification. The experience rating calculation compares an individual risk's actual losses against the expected losses benchmark.

### Formula for expected losses

Using this formula, the rating organization calculates the expected losses for each classification and rounds the result to the nearest whole number:

$(\text{Payroll} / 100) \times \text{ELR} = \text{Expected Losses}$

## Application of a discount ratio (D-Ratio)

Rule ID: ER-RWDC-A90CD

Effective Date: July 1, 2025

The D-Ratio is a factor that the rating organization applies to the expected losses for each classification. The D-Ratio determines the portion of a risk's expected losses that the rating organization expects to be primary losses.

### References

Refer to the Rating Values, Table of Expected Loss Rates and Discount Ratios for the list of D-Ratios.

## Calculation of expected primary losses

Rule ID: ER-RWDB-EA509

Effective Date: July 1, 2025

Within the experience rating modification calculation, the expected primary losses represent the benchmark level of primary losses for all employers in a state within a particular classification. The experience rating calculation compares an individual risk's actual primary losses against the expected primary losses benchmark.

### Formula for expected primary losses

Using this formula, the rating organization calculates the expected primary losses for each classification and rounds the result to the nearest whole number:

Discount Ratio × Expected Losses = Expected Primary Losses

## Calculation of expected excess losses

Rule ID: ER-RWDL-EB7A3

Effective Date: July 1, 2025

Within the experience rating modification calculation, the expected excess losses represent the benchmark level of losses in total for the portion of all claims in excess of the applicable state primary/excess loss split point value. The experience rating calculation compares an individual risk's actual excess losses against the expected excess losses benchmark.

### Formula for expected excess losses

Using this formula, the rating organization calculates the expected excess losses:

Total Expected Losses – Total Expected Primary Losses = Expected Excess Losses

### References

Refer to

- the Rating Values, Table of Weighting Values footnotes for the applicable state primary/excess loss split point value
- [Calculation of expected losses](#) for more information, and
- [Calculation of expected primary losses](#) for more information.

## Applicability of actual incurred losses

Rule ID: ER-RWDU-AA879

Effective Date: July 1, 2025

For purposes of experience rating, the insurance provider reports actual incurred losses in accordance with NCCI's *Statistical Plan*.

### Actual incurred losses for medical-only claims

For each medical-only claim, the rating organization reduces the actual primary losses and actual excess losses by 70%.

### References

Refer to NCCI's *Statistical Plan* for information about reporting actual incurred losses.

## Application of a split point

Rule ID: ER-RWDN-OEAE6

Effective Date: July 1, 2025

The split point is the dollar level at which the rating organization divides each actual incurred loss into two portions.

### Portions of claims

The two portions of each actual incurred loss are the primary portion and the excess portion.

- **Primary**—The portion of each actual incurred loss that is up to the split point in the experience rating modification calculation
- **Excess**—The portion of each actual incurred loss that is above the split point in the experience rating modification calculation

## Calculation of actual primary losses

**Rule ID: ER-RWDA-AA8AD**

*Effective Date: July 1, 2025*

Within the experience rating modification calculation, the actual primary losses are the portion of the actual incurred losses at full value that the rating organization uses. The rating organization considers the amount up to the applicable state primary/excess loss split point value as the primary portion of each actual incurred loss.

### Actual primary losses for medical-only claims

For each medical-only claim, the rating organization reduces the actual primary losses amount by 70%.

### References

Refer to the Rating Values, Table of Weighting Values footnotes for the applicable state primary/excess loss split point value.

## Calculation of actual excess losses

**Rule ID: ER-RWDO-AD6AD**

*Effective Date: July 1, 2025*

Within the experience rating modification calculation, the actual excess losses are the excess portion of a loss that reflects claim severity. The rating organization gives partial weight to the actual excess losses based on the size of the risk. In general, as the risk's size increases, so does the amount of the actual excess losses used in the experience rating modification calculation.

### Formula for actual excess losses

Using this formula, the rating organization calculates the actual excess losses:

Total Actual Incurred Losses – Total Actual Primary Losses = Actual Excess Losses

### Actual excess losses for medical-only claims

For each medical-only claim, the rating organization reduces the actual excess losses amount by 70%. In cases where a medical-only claim exceeds the applicable state primary/excess loss split point value, the claim is separated into the primary loss and excess loss portions and then those portions are reduced by 70%.

## Application of a weighting value

**Rule ID: ER-RWDZ-UE207**

*Effective Date: July 1, 2025*

The weighting value is a factor that the rating organization applies to a risk's actual excess losses and the expected excess losses. The rating organization rounds the result to the nearest whole number. The rating organization uses each state's weighting value to determine how much of the actual excess losses and expected excess losses are used in the experience rating modification calculation.

### State weighting values

The rating organization bases a state's weighting value on the risk's total expected losses rounded to the nearest whole number.

### References

Refer to the Rating Values, Table of Weighting Values for more information.

## Calculating the interstate-rated risk's average weighting value

**Rule ID: ER-RWDZ-CAE0C**

*Effective Date: July 1, 2025*

The rating organization calculates an average weighting value for an interstate-rated risk.

1. The rating organization
  - a) multiplies each state's weighting value by the state's expected losses (Step A)
  - b) adds the products for all states calculated in Step A (Step B)
  - c) divides the sum from Step B by the risk's total expected losses (Step C), and
  - d) rounds the result of Step C to two decimal places (Step D).



## Application of a ballast value

Rule ID: ER-RWDQ-A4D34

Effective Date: July 1, 2025

The ballast value is a stabilizing element designed to limit the effect of actual losses on the experience rating modification.

### Addition of ballast value to losses

The rating organization adds each state's ballast value to the actual primary losses and expected primary losses. Each state's ballast value is based on the total expected losses of the risk. The ballast value increases as expected losses increase.

### References

Refer to the Rating Values, Table of Ballast Values for more information.

## Calculating the interstate-rated risk's average ballast value

Rule ID: ER-RWDQ-C54C8

Effective Date: July 1, 2025

The rating organization calculates an average ballast value for an interstate-rated risk.

1. The rating organization
  - a) multiplies each state's ballast value by the state's expected losses (Step A)
  - b) adds the products for all states calculated in Step A (Step B)
  - c) divides the sum from Step B by the risk's total expected losses (Step C), and
  - d) rounds the result of Step C to the nearest whole number (Step D).

## Calculation of a stabilizing value

Rule ID: ER-RWDD-SBF84

Effective Date: July 1, 2025

The stabilizing value limits the potential for significant variances in the experience rating modification from one year to the next. The rating organization includes the stabilizing value in the actual and expected portions of the experience rating modification formula.

### Impact of stabilizing value

The most significant impact of a stabilizing value is on smaller risks, which have a greater likelihood of severe swings in experience rating modifications.

### Formula for stabilizing values

Using this formula, the rating organization calculates the stabilizing value and rounds the result to the nearest whole number:

Expected Excess Losses  $\times$  (1 – Weighting Value) + Ballast Value = Stabilizing Value

## Calculation of expected ratable excess losses

Rule ID: ER-RWDW-EA396

Effective Date: July 1, 2025

Within the experience rating modification calculation, the expected ratable excess losses represent the benchmark level of ratable excess losses for all similarly classified risks. The rating organization compares an individual risk's actual ratable excess losses against the expected ratable excess losses benchmark.

### Formula for expected ratable excess losses

Using this formula, the rating organization calculates the expected ratable excess losses and rounds the result to the nearest whole number:

Weighting Value  $\times$  Expected Excess Losses = Expected Ratable Excess Losses

## Calculation of actual ratable excess losses

Rule ID: ER-RWDT-AA37B

Effective Date: July 1, 2025

Within the experience rating modification calculation, the actual ratable excess losses are the total amount of the actual excess losses that the rating organization uses.

**Actual incurred loss exceeding the applicable state primary/excess loss split point value**

For each actual incurred loss exceeding the applicable state primary/excess loss split point value, the rating organization uses only a portion of the loss amount above the applicable state primary/excess loss split point value.

**Formula for actual ratable excess losses**

Using this formula, the rating organization calculates the actual ratable excess losses and rounds the result to the nearest whole number:

Weighting Value × Actual Excess Losses = Actual Ratable Excess Losses

**References**

Refer to the Rating Values, Table of Weighting Values footnotes for the applicable state primary/excess loss split point value.

## Rating effective date (RED) of an experience rating modification

Rule ID: ER-REDS-RA102

Effective Date: July 1, 2025

The rating organization publishes the RED that appears on a risk's *Experience Rating Worksheet*. The RED is the earliest date that the insurance provider applies a specific experience rating modification to a policy.

### References

Refer to [Time period that an experience rating modification applies](#) for information about the application of experience rating modifications.

Topic	See Page
<a href="#">Determination of a risk's rating effective date (RED)</a>	18
<a href="#">Reasons why a risk's rating effective date (RED) and policy effective date may differ</a>	18
<a href="#">Policies not used to determine the rating effective date (RED)</a>	19

## Determination of a risk's rating effective date (RED)

Rule ID: ER-REDD-DC00A

Effective Date: July 1, 2025

The rating organization establishes a risk's RED. The rating organization reviews the risk's most recent full-term policies and unit statistical data in conjunction with the RED determination table to determine the RED.

### RED determination table

If the risk is a ...	Then the RED is the effective month and day of the most recent full-term policy in effect ...
<ul style="list-style-type: none"> <li>single policy intrastate-rated or interstate-rated risk, or</li> <li>multiple policy intrastate-rated or interstate-rated risk with all policies having the same effective date</li> </ul>	and each policy thereafter unless there is a change to the policy effective date in accordance with the rule, <a href="#">Reasons why a risk's rating effective date (RED) and policy effective date may differ</a> .
multiple policy intrastate-rated risk with policies having different effective dates	with the largest amount of estimated standard premium.
multiple policy interstate-rated risk with policies having different effective dates	for the state with the largest amount of estimated standard premium.

**Note** A full-term policy is written for 12 months and does not cancel before the policy expiration date.

### References

Refer to

- NCCI's *Experience Rating Plan Manual User's Guide* for examples of how to determine a risk's RED, and
- [Reasons why a risk's rating effective date \(RED\) and policy effective date may differ](#) for more information.

## Reasons why a risk's rating effective date (RED) and policy effective date may differ

Rule ID: ER-REDL-R20D1

Effective Date: July 1, 2025

The RED may differ from a risk's policy effective date for several reasons.

### Reasons why the RED and risk's policy effective date may differ

The RED and the risk's policy effective date may differ due to but not limited to

- a policy that is longer than one year and 16 days
- cancellations
- changes in ownership or combinability status
- gaps in coverage
- interstate operations
- late receipt of current policy information by the rating organization
- multiple policy effective dates, or
- short-term policies.

### Policies not used to determine the rating effective date (RED)

Rule ID: ER-REDU-P8F73

Effective Date: July 1, 2025

The rating organization does not use wrap-up policies to determine the RED.

#### References

Refer to [Construction and contracting risks](#) for information about wrap-up policies.

## Experience used in a rating

**Rule ID: ER-EXPS-RA398**

*Effective Date: July 1, 2025*

Experience rating uses payroll and losses developed within the experience period.

Topic	See Page
<a href="#">Experience period</a>	20
<a href="#">Discontinuation of operations</a>	21

### Experience period

**Rule ID: ER-EXPP-EAC75**

*Effective Date: July 1, 2025*

Experience rating uses past payroll and losses to predict future losses. The experience period represents the total amount of payroll and losses used in an experience rating modification calculation.

#### Data included in an experience rating modification calculation

The calculation of a risk's experience rating modification must include all eligible payroll and losses developed during the experience period.

#### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for policy effective date ranges that are contained in a rating effective date.

Topic	See Page
<a href="#">Determination of an experience period</a>	20
<a href="#">Experience period limited to 45 months of data</a>	20
<a href="#">Unit reports included in an experience rating modification calculation</a>	21

### Determination of an experience period

**Rule ID: ER-EXPP-D33D2**

*Effective Date: July 1, 2025*

A risk's rating effective date (RED) determines its experience period. The rating organization includes payroll and losses developed within the experience period for each of a risk's policies if the risk's policy effective date is (a) not less than 21 months before the RED, and (b) not more than 57 months before the RED.

### Experience period limited to 45 months of data

**Rule ID: ER-EXPP-E4AE4**

*Effective Date: July 1, 2025*

A risk's experience period cannot contain more than 45 months of data.

#### Determination of the 45-month experience period

The 45-month limitation is the maximum period between the

- expiration date of the most recent policy, and
- effective date of the oldest policy.

#### Experience period with less than 12 months of data

While the experience period cannot exceed 45 months of data, the rating organization can produce an experience rating modification with less than 12 months of data.

#### Exclusion of the oldest policy when inclusion would result in more than 45 months of experience

The rating organization does not use the risk's oldest policy if

- the most recent and oldest policies are within the risk's experience period, and
- the inclusion of both the most recent and oldest policies exceeds 45 months of data.

**Factors that can affect the amount of data included in a risk's experience period**

Factors can affect the amount of data included in a risk's experience period, including but not limited to

- cancellations
- changes in ownership or combinability status
- gaps in coverage
- interstate operations
- multiple policy effective dates
- policies longer than one year and 16 days
- rating effective date (RED) changes
- short-term policies, and
- wrap-up policies.

**Unit reports included in an experience rating modification calculation**

**Rule ID: ER-EXPP-RB250**

*Effective Date: July 1, 2025*

Based on the risk's rating effective date (RED), the rating organization uses the risk's most current data from its 1st, 2nd, and 3rd Unit Reports and corrections to those reports to calculate experience rating modifications.

**Usage of unit reports in more than three experience rating modifications**

Based on the risk's RED, the rating organization can use the data from the 1st, 2nd, and 3rd Unit Reports for an individual policy in more than three experience rating modifications. However, the individual policy must be eligible for inclusion according to the rules, (a) Determination of an experience period, and (b) Experience period limited to 45 months of data.

**References**

Refer to

- [Determination of an experience period](#)
- [Experience period limited to 45 months of data](#) for more information, and
- NCCI's *Statistical Plan* for information about valuation dates.

**Discontinuation of operations**

**Rule ID: ER-EXPT-D16B3**

*Effective Date: July 1, 2025*

An entity may discontinue part or all of its operations.

**Discontinuation of part of an entity's operations**

If an entity discontinues part of its operations, then the future experience rating modifications include the applicable experience that the entity developed

- before the discontinuation, and
- for the remaining operations.

**Discontinuation of all of an entity's operations**

If an entity discontinues all of its operations and reestablishes them later, then the future experience rating modifications include all the applicable experience that the entity developed before the discontinuation.

# Premium eligibility

Rule ID: ER-ELIG-PC6F9

Effective Date: July 1, 2025

This rule provides information regarding the premium eligibility requirements for a risk to qualify for experience rating based on the risk's amount of subject premium.

## References

Refer to

- [Uses of subject premium](#) for the definition of subject premium and for information about a risk's eligibility under the Plan based on the amount of subject premium
- [Risk qualifications for experience rating](#) for more information, and
- [Subject premium eligibility amounts](#) to determine premium eligibility for a specific risk.

Topic	See Page
<a href="#">Risk qualifications for experience rating</a>	22
<a href="#">Subject premium eligibility amounts</a>	23
<a href="#">Calculation of average annual subject premium</a>	23
<a href="#">Premium elements not subject to experience rating</a>	23
<a href="#">Intrastate experience rating</a>	24
<a href="#">Interstate experience rating</a>	24

## Risk qualifications for experience rating

Rule ID: ER-ELIR-ECAA6

Effective Date: July 1, 2025

A risk qualifies for an experience rating modification when the risk's subject premium, developed in the risk's experience period, meets or exceeds either (a) the qualification amount using subject premium from the most recent 24 months of the experience period, or (b) the qualification amount using the average annual subject premium if the risk has more than 24 months of experience.

### Qualification amount when a risk qualifies using subject premium from the most recent 24 months

A risk qualifies for an experience rating modification when the risk's subject premium from the most recent 24 months of the experience period is at least the corresponding amount provided in the table in the rule, Subject premium eligibility amounts.

### Qualification amount when a risk qualifies using the average annual subject premium

A risk qualifies for an experience rating modification using its average annual subject premium when the risk meets all of these conditions:

- It has not already qualified using its most recent 24 months of the experience period.
- It has more than 24 months of experience developed in the experience period.
- It has an average annual subject premium that is at least the corresponding amount provided in the table in the rule, Subject premium eligibility amounts.

## References

Refer to

- [Experience used in a rating](#) to determine a risk's experience period
- [Calculation of average annual subject premium](#) to determine the average annual subject premium, and
- [Subject premium eligibility amounts](#) for the minimum subject premium amounts.

## Subject premium eligibility amounts

Rule ID: ER-ELIT-SEE7E

Effective Date: July 1, 2025

A risk's rating effective date determines the applicable minimum subject premium eligibility amount to qualify for experience rating based on (a) subject premium from the most recent 24 months of the experience period, or (b) average annual subject premium if using more than 24 months of experience in the experience period.

### Subject premium eligibility amounts table for Indiana

Rating effective date	Minimum subject premium eligibility amount based on subject premium from the most recent 24 months of the experience period (\$)	Minimum subject premium eligibility amount based on average annual subject premium if using more than 24 months of experience in the experience period (\$)
07/01/2024 and after	6,500	3,250
07/01/2023 to 06/30/2024	6,500	3,250
07/01/2022 to 06/30/2023	6,000	3,000

### References

Refer to

- [Rating effective date \(RED\) of an experience rating modification](#) for rating effective date determination, and
- [Calculation of average annual subject premium](#) for information about calculating a risk's average annual subject premium.

## Calculation of average annual subject premium

Rule ID: ER-ELIC-CD2D0

Effective Date: July 1, 2025

The risk's average annual subject premium is compared to the state's "Minimum subject premium eligibility amount based on average annual subject premium if using more than 24 months of experience in the experience period (\$)" displayed in the Subject premium eligibility amounts table.

### Formula for the average annual subject premium

Using this formula, the rating organization calculates the risk's average annual subject premium. The total months of experience include partial months in the calculation.

$$\frac{\text{Total Subject Premium}}{\text{Total Months of Experience in Experience Period (excluding gaps in coverage)}} \times 12 = \text{Average Annual Subject Premium}$$

### References

Refer to [Subject premium eligibility amounts](#) for the state's average annual subject premium.

## Premium elements not subject to experience rating

Rule ID: ER-ELIA-PA9D9

Effective Date: July 1, 2025

NCCI's **Statistical Plan** requires some premium elements to be reported as not subject to experience rating. Insurance providers can charge premium for these elements under the policy.

### Impact of premium elements not subject to experience rating

Insurance providers cannot apply an experience rating modification to premium elements not subject to experience rating.

### Usage of premium elements not subject to experience rating

Premium elements not subject to experience rating are not used to determine premium eligibility for experience rating, and these premium elements are not used in the calculation of an experience rating modification, unless the Plan or NCCI's **Basic Manual** states otherwise.

### References

Refer to NCCI's **Statistical Plan** for reporting premium elements not subject to experience rating.



## Intrastate experience rating

Rule ID: ER-ELIQ-I34B9

Effective Date: July 1, 2025

A risk qualifies for experience rating on an intrastate (single-state) basis when it meets the premium eligibility requirements for the state in which it operates.

### Qualifications for subject premium used for intrastate-rated risks

Qualifying subject premium for an experience rating modification is based on payroll or other exposures in the experience period reported in accordance with NCCI's *Statistical Plan*.

### Application of an intrastate experience rating modification to the risk's operations

If an intrastate-rated risk expands operations into one or more additional states, its experience rating modification applies to the additional state's or states' operations beginning on the date of expansion. The intrastate experience rating modification applies until the rating organization calculates an interstate experience rating modification for the risk. The calculation of future modifications includes experience for these operations.

### References

Refer to

- [Subject premium eligibility amounts](#) for the minimum subject premium eligibility amount requirements
- NCCI's *Experience Rating Plan Manual User's Guide* for examples of various experience periods, and
- NCCI's *Statistical Plan* for reporting payroll or other exposures subject to experience rating modifications.

## Interstate experience rating

Rule ID: ER-ELIS-IA9FD

Effective Date: July 1, 2025

A risk qualifies for experience rating on an interstate (multistate) basis when it (a) meets the premium eligibility requirement for intrastate experience rating in one state, and (b) develops experience during the experience period in one or more additional states where this Plan permits combination for interstate experience rating.

### Experience in additional states

The experience developed in each additional state does not have to meet the premium eligibility requirement for intrastate experience rating.

### Application of an interstate experience rating modification to the risk's operations

The interstate experience rating modification applies to all the risk's operations, even if the insurance provider or insurance providers write the coverage under separate policies. If a risk expands operations into one or more additional states, its experience rating modification applies to the additional state's or states' operations beginning on the date of expansion. The calculation of future experience rating modifications includes experience for these operations.

### Intrastate-rated risks in a participating independent bureau

When a risk is intrastate-rated in an independent bureau that participates in interstate experience rating, all Plan rules for interstate experience rating apply.

### References

Refer to

- [Organization of the Experience Rating Plan Manual](#) for more information about the applicability of interstate-rated risks, and
- NCCI's *Experience Rating Plan Manual User's Guide* for examples of interstate experience rating eligibility.

# Experience rating modification formula

Rule ID: ER-FORM-EAB03

Effective Date: July 1, 2025

The rating organization uses the experience rating modification formula to determine the experience rating modification for all risks eligible for experience rating based on the premium eligibility requirements. It includes the data of all states eligible for combination in experience rating in a risk's experience period to calculate an experience rating modification.

## Calculation of the experience rating modification

The rating organization calculates the experience rating modification using this formula and rounds the result to two decimal places.

Total A ÷ Total B = Experience Rating Modification

<b>Primary Losses</b>		<b>Stabilizing Value</b>			<b>Ratable Excess</b>	<b>Totals</b>
Actual Primary Losses	+	(1 minus Weighting Value) x Expected Excess Losses	+	Ballast Value	+	Total A
Expected Primary Losses	+	(1 minus Weighting Value) x Expected Excess Losses	+	Ballast Value	+	Total B

## References

Refer to

- [Organization of the Experience Rating Plan Manual](#) for more information about the applicability of interstate-rated risks
- [Premium eligibility](#) for information about premium eligibility requirements, and
- NCCI's *Experience Rating Plan Manual User's Guide* for an example of the calculation of an experience rating modification.

Topic	See Page
<a href="#">Values used in the experience rating modification formula</a>	25
<a href="#">Maximum debit modification</a>	25
<a href="#">Ex-medical experience</a>	26

## Values used in the experience rating modification formula

Rule ID: ER-FORX-EFC2C

Effective Date: July 1, 2025

The experience rating modification formula for calculating a risk's experience rating modification uses the (a) actual primary losses, (b) expected primary losses, (c) weighting value, (d) expected excess losses, (e) ballast value, and (f) actual excess losses.

## References

Refer to [Elements of the Experience Rating Worksheet](#) for more information about the elements used in the experience rating modification formula.

## Maximum debit modification

Rule ID: ER-FORD-MF36B

Effective Date: July 1, 2025

The experience rating modifications determined by the formula in this Plan are subject to a cap if the debit modification exceeds a specific amount.

### Maximum debit modification variables

The maximum debit modification equation uses two variables.

- **E**—The risk's total expected losses
- **G**—The state's average cost per claim for losses used in the experience rating modification calculation, divided by 1,000

For interstate-rated risks, the rating organization uses the G for the state with the largest amount of expected losses in the maximum debit modification calculation.

#### Formula for the maximum debit modification

The rating organization calculates the risk-specific maximum debit modification using this formula:

$$1.10 + (0.0004 \times E \div G) = \text{Maximum Debit Modification}$$

#### References

Refer to

- [Experience rating modification formula](#) for more information about the calculation of the experience rating modification
- the Rating Values, Table of Weighting Values footnotes for the value of G, and
- NCCI's *Experience Rating Plan Manual User's Guide* for an example.

## Ex-medical experience

**Rule ID: ER-FORK-E5970**

*Effective Date: July 1, 2025*

For any policy provided on an ex-medical basis during the policy period, the rating organization calculates the experience rating modification according to rule, Experience rating modification formula.

#### Exception to the calculation of the ex-medical multiplier

The rating organization applies the ex-medical multiplier to the total expected losses for each classification to convert it to an ex-medical basis. Calculate the ex-medical multiplier using this formula:

$$1.00 - (1.30 \times \text{Classification Ex-medical Ratio})$$

#### References

Refer to

- [Experience rating modification formula](#) for more information, and
- the rating organization for state ex-medical ratios.

## Special loss conditions

**Rule ID: ER-SPEC-SAF0B**

*Effective Date: July 1, 2025*

There are specific loss conditions that may be limited or not subject to experience rating.

Topic	See Page
<a href="#">Limitation of losses employed in experience rating</a>	27
<a href="#">Losses excluded from experience rating</a>	30

### Limitation of losses employed in experience rating

**Rule ID: ER-SPEL-LAA5B**

*Effective Date: July 1, 2025*

The limitation of losses that affect the experience rating calculation is a way to prevent a single claim large loss or a multiple claim loss from having a disproportionate impact on a risk's experience rating modification. This is done by capping the amount of loss that is included in the calculation of the experience rating modification.

The rating organization limits loss amounts in the experience rating modification calculation on a single claim and multiple claim basis. The claim limitations are found in the Table of Weighting Values footnotes.

#### References

Refer to the Rating Values, Table of Weighting Values footnotes for the claim limitation amounts.

### Loss limitations

**Rule ID: ER-SPEL-CF68B**

*Effective Date: July 1, 2025*

The rating organization limits losses depending on the (a) amount of the loss, (b) number of claims involved in an accident, and (c) type of loss. The conditions of those accidents can include (a) the number of people involved in the accident, (b) the amount of losses experienced, and (c) the amount of liability per claim.

#### Types of loss limitation

Each type of loss limitation has a different loss limitation amount. These types include

- medical-only loss
- individual loss limitation
- accidents involving multiple loss limitations
- employers liability-only loss
- United States Longshore and Harbor Workers' (USL&HW) Compensation Act loss limitation
- disease loss limitation, and
- liability-over claim loss.

Topic	See Page
<a href="#">Medical-only loss limitation</a>	28
<a href="#">Individual loss limitation</a>	28
<a href="#">Accidents involving multiple loss limitations</a>	28
<a href="#">Employers liability-only loss limitation</a>	28
<a href="#">United States Longshore and Harbor Workers' (USL&amp;HW) Compensation Act loss limitation</a>	29
<a href="#">Disease loss limitation</a>	29
<a href="#">Liability-over claim loss limitation</a>	30

### Medical-only loss limitation

**Rule ID: ER-SPEL-M4BD1**

*Effective Date: July 1, 2025*

For a loss that is medical-only, the actual incurred loss, actual primary loss, and actual excess loss amounts are reduced by 70%. In cases where a medical-only claim exceeds the applicable state primary/excess loss split point value, the claim is separated into the primary loss and excess loss portions, and then those portions are reduced by 70%.

#### References

Refer to NCCI's *Statistical Plan* for information about reporting medical-only losses.

### Individual loss limitation

**Rule ID: ER-SPEL-SA1E9**

*Effective Date: July 1, 2025*

For an accident involving only one person, the loss is subject to the state's per claim accident limitation. The actual primary loss is subject to the applicable state primary/excess loss split point value, even if the loss does not exceed the per claim accident limitation.

#### References

Refer to the Rating Values, Table of Weighting Values footnotes for the applicable

- state per claim accident limitation, and
- state primary/excess loss split point value.

### Accidents involving multiple loss limitations

**Rule ID: ER-SPEL-MAEEA**

*Effective Date: July 1, 2025*

An accident involving two or more people is subject to the state's loss limitations. Additional limitations to total losses and primary losses may also apply. The rating organization (a) limits total losses resulting from a single accident involving two or more people to the multiple claim accident limitation, and (b) limits actual primary losses to two times the applicable state primary/excess loss split point value.

If none of the individual losses or the total of the individual losses exceeds established loss limitations, the rating organization (a) includes the individual losses at their full value, and (b) the actual primary losses are limited to two times the applicable state primary/excess loss split point value.

#### References

Refer to

- NCCI's *Statistical Plan* for more information about reporting multiple claim losses, and
- the Rating Values, Table of Weighting Values footnotes for the applicable
  - state per claim accident limitation
  - state multiple claim accident limitation, and
  - state primary/excess loss split point value.

### Employers liability-only loss limitation

**Rule ID: ER-SPEL-L00DF**

*Effective Date: July 1, 2025*

For an employers liability-only loss, the loss is subject to the employers liability accident limitation. The actual primary loss is subject to the maximum primary value of the applicable state primary/excess loss split point value, even if the loss does not exceed the employers liability accident limitation.

#### References

Refer to

- NCCI's *Statistical Plan* for information about reporting employers liability-only losses, and
- the Rating Values, Table of Weighting Values footnotes for the applicable
  - employers liability accident limitation, and
  - state primary/excess loss split point value.

**United States Longshore and Harbor Workers' (USL&HW) Compensation Act loss limitation**

**Rule ID: ER-SPEL-UDD19**

*Effective Date: July 1, 2025*

For a USL&HW Act loss, the loss is subject to the USL&HW per claim accident limitation. The actual primary loss is subject to the maximum primary value of the applicable state primary/excess loss split point value, even if the loss does not exceed the USL&HW per claim accident limitation.

For an accident involving two or more people, the rating organization (a) limits total losses resulting from a single accident involving two or more people to the USL&HW multiple claim limitation, and (b) limits actual primary losses to two times the applicable state primary/excess loss split point value.

**References**

Refer to

- NCCI's *Statistical Plan* for reporting requirements, and
- the Rating Values, Table of Weighting Values footnotes for the applicable
  - USL&HW per claim accident limitation
  - USL&HW multiple claim accident limitation, and
  - primary/excess loss split point value.

**Disease loss limitation**

**Rule ID: ER-SPEL-DBA84**

*Effective Date: July 1, 2025*

Disease losses are subject to per claim and multiple claim limitations. A limitation on total disease losses may also apply to an individual policy. This is in addition to the claim limitations already applied to individual disease losses under this Plan.

**References**

Refer to

- [Individual loss limitation](#) for information about single claim limitations, and
- [Accidents involving multiple loss limitations](#) for information about multiple claim limitations.

**Application of the disease loss policy limitation**

**Rule ID: ER-SPEL-A21A6**

*Effective Date: July 1, 2025*

The rating organization limits a risk's individual policy total limited and nonlimited actual incurred disease losses for each policy year to triple the applicable state per claim accident limitation shown in the Table of Weighting Values footnotes, plus 120% of the risk's total expected losses for the experience period. The rating organization limits the actual primary loss for disease losses to twice the applicable state primary/excess loss split point value plus 40% of the risk's total expected primary losses for the experience period, rounded to the nearest whole number.

If a risk does not have an experience period of 36 months, which is the typical experience period, the disease loss limits apply based upon the experience contained within the experience period.

To determine ...	Combine the disease losses of all policies within the experience period having an effective date ...
the most recent policy year	within 24 months prior to the rating effective date.
the middle policy year	more than 24 months but not exceeding 36 months prior to the rating effective date.
the oldest policy year	more than 36 months prior to the rating effective date.

**Application of disease primary loss limitation**

A policy's total disease losses may not meet the risk's individual disease loss limitation amount but exceed the disease loss primary loss limitation. In such circumstances, the disease primary loss limitation applies.

## References

Refer to

- the Rating Values, Table of Weighting Values footnotes for the applicable state primary/excess loss split point value
- [Individual loss limitation](#) for more information about limitations for single claims
- [Experience period](#) for more information, and
- NCCI's *Experience Rating Plan Manual User's Guide* for examples.

## Liability-over claim loss limitation

**Rule ID: ER-SPEL-EABEC**

*Effective Date: July 1, 2025*

When a risk's incurred losses include liability-over claims, the inclusion of such losses in the experience rating modification calculation differs, in accordance with NCCI's *Statistical Plan*, based on whether (a) payment is made to a third party, or (b) no payment is made to a third party. The claim is limited to the employers liability loss limitation.

## References

Refer to

- the Rating Values, Table of Weighting Values footnotes for the employers liability accident limitation, and
- NCCI's *Statistical Plan* for information about
  - reporting liability-over claim loss limitations
  - claim adjustment expenses, and
  - allocated claim adjustment expenses.

## Losses excluded from experience rating

**Rule ID: ER-SPEX-LCOEC**

*Effective Date: July 1, 2025*

With the limited exceptions outlined in these rules, the rating organization does not exclude a loss from the experience of a risk regardless of whether the risk was responsible for the accident that caused such losses.

Topic	See Page
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<a href="#">Exclusion for noncompensable claims</a>	30
<a href="#">Exclusion of fraudulent claims</a>	31
<a href="#">Exclusion of coal mine disease (black lung) claims</a>	31

## Exclusion of Catastrophe Number 12 COVID-19 claims

**Rule ID: ER-SPEX-E72CB**

*Effective Date: July 1, 2025*

For experience rating modification calculations, the rating organization excludes claims reported with Catastrophe Number 12 in accordance with NCCI's *Statistical Plan*. Catastrophe Number 12 claims include claims attributable to the COVID-19 (coronavirus) pandemic with accident dates of December 1, 2019, through June 30, 2023.

## References

Refer to NCCI's *Statistical Plan* for more information about reporting COVID-19 claims.

## Exclusion for noncompensable claims

**Rule ID: ER-SPEX-EB1A1**

*Effective Date: July 1, 2025*

For experience rating modification calculations, the rating organization excludes claims reported as noncompensable in accordance with NCCI's *Statistical Plan*.

### References

Refer to NCCI's *Statistical Plan* for more information about reporting noncompensable claims.

### Exclusion of fraudulent claims

**Rule ID: ER-SPEX-E7290**

*Effective Date: July 1, 2025*

For experience rating modification calculations, the rating organization excludes claims reported as fraudulent in accordance with NCCI's *Statistical Plan*.

### References

Refer to NCCI's *Statistical Plan* for more information about reporting fraudulent claims.

### Exclusion of coal mine disease (black lung) claims

**Rule ID: ER-SPEX-E0A1D**

*Effective Date: July 1, 2025*

For experience rating modification calculations, the rating organization excludes claims reported as coal mine disease (black lung) in accordance with NCCI's *Statistical Plan*.

### References

Refer to NCCI's *Statistical Plan* for more information about reporting coal mine disease (black lung) claims.



## Application and types of experience rating modifications

**Rule ID: ER-APPL-AAEE6**

*Effective Date: July 1, 2025*

The rating organization determines whether risks are eligible for experience rating and calculates experience rating modifications for eligible risks on an annual basis. The three types of experience rating modifications are preliminary, final, and contingent modifications.

### Application of experience rating modifications

Experience rating modifications are generally effective for 12 months. However, in accordance with this Plan, certain circumstances can result in a reduced or extended application of an experience rating modification.

### Specifications for the application of experience rating modifications

Only one experience rating modification applies to a risk at any time. The experience rating modification applies to all operations of the risk. The insurance provider applies experience rating modifications to the premium that develops using its rates in force on the effective date of the experience rating modification.

### References

Refer to

- [Experience rating modification application for single policy risks](#) for more information, and
- [Experience rating modification application for multiple policy risks](#) for more information about circumstances that can result in a reduced or extended application of an experience rating modification.

Topic	See Page
<a href="#">Types of experience rating modifications</a>	32
<a href="#">Time period that an experience rating modification applies</a>	34

## Types of experience rating modifications

**Rule ID: ER-APPT-TA7C3**

*Effective Date: July 1, 2025*

The three types of experience rating modifications are preliminary, final, and contingent modifications.

Topic	See Page
<a href="#">Preliminary modifications</a>	32
<a href="#">Final modifications</a>	32
<a href="#">Contingent modifications</a>	33

### Preliminary modifications

**Rule ID: ER-APPT-PA598**

*Effective Date: July 1, 2025*

A preliminary modification is a type of experience rating modification that uses existing rating values that are expected to change pending regulatory action on a rate filing. The insurance provider must apply the preliminary modification until the rating organization calculates the final modification.

### Final modifications

**Rule ID: ER-APPT-FA7C9**

*Effective Date: July 1, 2025*

When the regulatory authority approves a rate filing in a state, (a) the rating organization recalculates the experience rating modification using the new rating values, and (b) the experience rating modification becomes final. The rating organization can also release an experience rating modification for the first time as a final modification when there are no pending rate filings at the time of release. For an interstate experience rating modification to be revised from a preliminary modification to a final modification, all states must have (a) new ratings at the time of release, and (b) no pending rate filings at the time of release.

## Contingent modifications

Rule ID: ER-APPT-CD851

Effective Date: July 1, 2025

A contingent modification is a type of experience rating modification that is missing some data that is expected to be submitted by the insurance provider, but meets the minimum data requirement displayed in the Minimum data requirements table. Contingent modifications for interstate-rated risks must reach the minimum data requirements for each state meeting the intrastate premium eligibility levels.

### Application of a contingent modification

A contingent modification applies until the rating organization issues another experience rating modification with the same rating effective date to replace the contingent modification.

### Intrastate-rated and interstate-rated risks without the minimum amount of required data

If an intrastate-rated or interstate-rated risk does not reach the minimum amount of data required, the rating organization does not issue an experience rating modification. In these cases, the insurance provider applies a unity (1.00) factor.

### References

Refer to

- [Application of decreases in the experience rating modification due to any reason other than a correction in classification](#) when the contingent modification is replaced with a lower experience rating modification
- [Application of increases in the experience rating modification due to the 90-day rule](#) when the contingent modification is replaced with a higher experience rating modification, and
- [Minimum data requirements within the experience period](#) for the Minimum data requirements table.

Topic	See Page
<a href="#">Minimum data requirements within the experience period</a>	33
<a href="#">Experience rating modifications not issued as contingent modifications</a>	34
<a href="#">Experience rating modification revisions upon receipt of missing data</a>	34

## Minimum data requirements within the experience period

Rule ID: ER-APPT-MAC68

Effective Date: July 1, 2025

The Minimum data requirements table provides the minimum number of months of required data from 1st Unit Reports for all experience periods possible under this Plan.

### Minimum data requirements table

Experience period	Minimum number of months of data from 1st Unit Reports
Less than 12 months	All data is required
12–24 months	12 months
25 months	13 months
26 months	14 months
27 months	15 months
28 months	16 months
29 months	17 months
30 months	18 months
31 months	19 months
32 months	20 months
33 months	21 months
34 months	22 months
35 months	23 months
36 months	24 months

Experience period	Minimum number of months of data from 1st Unit Reports
37 months	25 months
38 months	26 months
39 months	27 months
40 months	28 months
41 months	29 months
42 months	30 months
43 months	31 months
44 months	32 months
45 months	33 months

### References

Refer to [Experience period](#) for more information on experience periods.

### Experience rating modifications not issued as contingent modifications

**Rule ID: ER-APPT-EA78F**

*Effective Date: July 1, 2025*

The rating organization issues experience rating modifications and does not label them as contingent modifications when it determines that (a) the risk has had a lapse in coverage, (b) a non-affiliate carrier provided coverage for the risk, or (c) the insurance provider is insolvent and not expected to report unit statistical data.

### Experience rating modification revisions upon receipt of missing data

**Rule ID: ER-APPT-SADD2**

*Effective Date: July 1, 2025*

When insurance providers submit missing data in accordance with NCCI's **Statistical Plan**, the rating organization revises the current experience rating modification and, if applicable, up to two preceding experience rating modifications.

### Time period that an experience rating modification applies

**Rule ID: ER-APPA-AB538**

*Effective Date: July 1, 2025*

The rating effective date determines the application of an experience rating modification.

#### Time period that an experience rating modification applies

An experience rating modification applies for

- no less than three months, and
- no more than 15 months.

#### Exception to the time period that an experience rating modification applies

An experience rating modification applies for no less than three months, except for those impacted by changes in ownership and combinability status according to the rule, Changes in ownership.

### References

Refer to

- [Changes in ownership](#) for more information, and
- [Rating effective date \(RED\) of an experience rating modification](#) for RED determination information.

Topic	See Page
<a href="#">Experience rating modification application for single policy risks</a>	35
<a href="#">Experience rating modification application for multiple policy risks</a>	35

## Experience rating modification application for single policy risks

**Rule ID: ER-APPA-FA43E**

*Effective Date: July 1, 2025*

An experience rating modification applies for the full term of the policy if the policy begins on the rating effective date (RED) or within three months after the RED.

### **Policies that begin more than three months after the RED**

When policies begin more than three months after the RED, changes can apply to the experience rating modification and the RED:

- The current experience rating modification applies to the new policy until the date the experience rating modification expires.
- A renewal experience rating modification applies to the new policy until the date the policy expires.
- A new RED can be established, usually for the date 12 months after the effective date of the new policy.

### **References**

Refer to [Rating effective date \(RED\) of an experience rating modification](#) for RED determination information.

## Experience rating modification application for multiple policy risks

**Rule ID: ER-APPA-FCF43**

*Effective Date: July 1, 2025*

If a risk is covered by two or more policies with different effective dates, changes can apply to the experience rating modification.

For multiple policy risks with different effective dates, this procedure applies:

- The rating organization issues an experience rating modification to be effective for 12 months. The experience rating modification applies to the portion of each policy within that 12-month period, regardless of the policy's effective and expiration dates.
- A renewal experience rating modification applies to each policy within the 12-month period regardless of the policy's effective and expiration dates.
- The rating organization reviews the effective dates of the multiple policies and can authorize the application of an experience rating modification for a period of other than 12 months.

### **References**

Refer to

- [Rating effective date \(RED\) of an experience rating modification](#) for RED determination information, and
- [Premium eligibility](#) for more information.

## Revision of experience rating modifications

**Rule ID: ER-REVI-RF26D**

*Effective Date: July 1, 2025*

This rule provides information regarding the revision of experience rating modifications due to corrections in payroll or losses.

Topic	See Page
<a href="#">Revision of payroll</a>	36
<a href="#">Revision of losses</a>	36
<a href="#">Corrections in classifications</a>	37
<a href="#">Changes in experience rating modifications</a>	37

### Revision of payroll

**Rule ID: ER-REVP-RDAD0**

*Effective Date: July 1, 2025*

The insurance provider may discover during the audit period, within three years of the policy expiration date, that it must revise the previously reported payroll and submit correction reports. The rating organization revises the current and up to two preceding experience rating modifications when it receives correction reports in accordance with NCCI's **Statistical Plan**.

### Revision of losses

**Rule ID: ER-REVL-RA9D8**

*Effective Date: July 1, 2025*

The insurance provider may submit correction reports to the 1st, 2nd, and 3rd Unit Reports in accordance with NCCI's **Statistical Plan**. With limited exceptions outlined in these rules, the rating organization may make revisions beyond the current and two preceding experience rating modifications. The rating organization uses the correction reports for the report levels that fit into the experience period of the experience rating modification.

#### Automatic recalculation of experience rating modifications

The rating organization automatically recalculates the current and up to two preceding experience rating modifications when it receives correction reports in accordance with NCCI's **Statistical Plan**.

#### References

Refer to

- [Experience period](#) for information on experience included in an experience rating modification
- [Special fund reimbursements](#) for additional information
- [Subrogation recoveries](#) for additional information
- [Losses excluded from experience rating](#) for more information on types of losses not used in experience rating modification calculations, and
- NCCI's **Statistical Plan** for information about the submission of correction reports.

Topic	See Page
<a href="#">Special fund reimbursements</a>	36
<a href="#">Subrogation recoveries</a>	37

### Special fund reimbursements

**Rule ID: ER-REVL-SADC3**

*Effective Date: July 1, 2025*

If the insurance provider knows of an anticipated reimbursement or receives a paid reimbursement from a special fund, the current experience rating modification is the experience rating modification in effect on the date when the insurance provider determines the revised loss value.

**Revisions beyond the current and two preceding experience rating modifications for special fund reimbursements**

Revisions of experience rating modifications beyond the current and two preceding experience rating modifications are limited to the risk's fifth most recent rating effective date. The insurance provider must submit a request to the rating organization and provide the date of the revised loss value. The insurance provider must also submit correction reports in accordance with NCCI's *Statistical Plan*.

**References**

Refer to NCCI's *Statistical Plan* for information about special fund reimbursement reporting.

**Subrogation recoveries**

**Rule ID: ER-REVL-SAEAA**

*Effective Date: July 1, 2025*

If the insurance provider obtains a subrogation recovery in an action against a third party, the current experience rating modification is the experience rating modification in effect on the date when the insurance provider determines the revised loss value. If the insurance provider obtains a subrogation recovery in an action against a third party, the insurance provider must submit correction reports in accordance with NCCI's *Statistical Plan*.

**Revisions beyond the current and two preceding experience rating modifications for subrogation recoveries**

Revisions of experience rating modifications beyond the current and two preceding experience rating modifications are limited to the risk's fifth most recent rating effective date. The insurance provider must submit a request to the rating organization and provide the date of the revised loss value. The insurance provider must also submit correction reports in accordance with NCCI's *Statistical Plan*.

**References**

Refer to NCCI's *Statistical Plan* for information about subrogation recovery reporting.

**Corrections in classifications**

**Rule ID: ER-REVC-CAED7**

*Effective Date: July 1, 2025*

When an insurance provider corrects a risk's classification in accordance with NCCI's *Basic Manual*, the rating organization may recalculate the experience rating modification. The rating organization uses the rating values that correspond to the rates charged on a policy.

**Recalculation of an experience rating modification**

When a correction in classification requires the recalculation of an experience rating modification, the rating organization acts to ensure the proper calculation and application of the experience rating modification. This includes but is not limited to

- reassigning past payroll to the appropriate classification code and rating values
- requesting additional information, if necessary, due to the complexity of certain corrections
- reviewing the information submitted regarding each change and determining the impact, if any, on the experience rating modifications of the entities involved, and
- using correction reports submitted in accordance with NCCI's *Statistical Plan*.

**Reasons not to recalculate an experience rating modification due to a change in classification**

The rating organization does not revise an experience rating modification if the change in classification is a result of

- a change in risk operations, or
- a filed and approved change to the classification system.

**References**

Refer to

- NCCI's *Basic Manual* for more information regarding classification changes, corrections, or reallocation of payroll, and
- NCCI's *Statistical Plan* for reporting correction reports.

**Changes in experience rating modifications**

**Rule ID: ER-REVM-CA3C0**

*Effective Date: July 1, 2025*

Experience rating modifications may change for reasons detailed in this Plan. The insurance provider applies changes in experience rating modifications to subject premium developed for the applicable policy term or terms.

Topic	See Page
<a href="#">Decreases in the experience rating modification</a>	38
<a href="#">Application of decreases in the experience rating modification due to any reason other than a correction in classification</a>	38
<a href="#">Rule for decreases in the experience rating modification due to a change in ownership or combinability status</a>	38
<a href="#">Increases in the experience rating modification</a>	38
<a href="#">Application of increases in the experience rating modification due to the 90-day rule</a>	39
<a href="#">Exceptions to application of increases in the experience rating modification due to the 90-day rule</a>	39
<a href="#">Rule for increases in the experience rating modification due to a change in ownership or combinability status</a>	39

## Decreases in the experience rating modification

**Rule ID: ER-REVS-D21AA**

*Effective Date: July 1, 2025*

The insurance provider applies decreases in experience rating modifications depending on the reason for the decrease.

### Application of decreases in the experience rating modification due to any reason other than a correction in classification

**Rule ID: ER-REVS-ADE15**

*Effective Date: July 1, 2025*

Decreases in the experience rating modification may occur for any reason other than a correction in classification.

When these decreases occur during the policy period, or after the policy expiration date but within the revision period, apply the decrease

- retroactively to the inception of the policy, or
- as of the rating effective date if the rating effective date is later than the policy effective date.

This rule does not apply to decreases due to a change in ownership or combinability status.

#### References

Refer to

- [Corrections in classifications](#) for all changes due to a correction in classification
- [Recalculation and application of experience rating modifications](#) for changes in ownership or combinability status, and
- [Rule for decreases in the experience rating modification due to a change in ownership or combinability status](#) for more information.

### Rule for decreases in the experience rating modification due to a change in ownership or combinability status

**Rule ID: ER-REVS-RB17B**

*Effective Date: July 1, 2025*

Apply decreases in the experience rating modification due to a change in ownership or combinability status retroactively to the date of the change.

These changes may occur (a) during the policy period, or (b) after policy expiration but within the revision period.

#### References

Refer to [Recalculation and application of experience rating modifications](#) for changes in ownership or combinability status.

## Increases in the experience rating modification

**Rule ID: ER-REVS-I2442**

*Effective Date: July 1, 2025*

The insurance provider applies increases in experience rating modifications depending on the reason for the increase.

## Application of increases in the experience rating modification due to the 90-day rule

Rule ID: ER-REVV-A77CC

Effective Date: July 1, 2025

The insurance provider applies increases in the experience rating modification when they are due to (a) a revision of payroll or losses, (b) a change in status from preliminary modification to final modification, (c) a change in status of a contingent modification, or (d) any reason not listed in the rules, Exceptions to application of increases in the experience rating modification due to the 90-day rule and Rule for increases in the experience rating modification due to a change in ownership or combinability status. The insurance provider applies an increase in the experience rating modification based on the Increases in the experience rating modification due to the 90-day rule table.

### Increases in the experience rating modification due to the 90-day rule table

For a change that occurs ...	Apply the change ...
within 90 days after the policy effective date	<ul style="list-style-type: none"> <li>retroactively to the inception of the policy, or</li> <li>as of the rating effective date if the rating effective date is after the policy effective date.</li> </ul>
more than 90 days after the policy effective date	pro rata from the date the insurance provider endorses the policy.

### References

Refer to

- [Exceptions to application of increases in the experience rating modification due to the 90-day rule](#) for more information, and
- [Rule for increases in the experience rating modification due to a change in ownership or combinability status](#) for more information.

## Exceptions to application of increases in the experience rating modification due to the 90-day rule

Rule ID: ER-REVV-EC0A6

Effective Date: July 1, 2025

Other reasons to apply increases in the experience rating modification are

- an Appeals Board or other appropriate administrative process or judicial decision
- late issuance of an experience rating modification due to a risk that has failed to cooperate with audits or other actions attributable to the risk or representatives of the risk, including but not limited to experience rating modification avoidance
- retroactive reclassification of a risk, and
- termination of a client's employee leasing arrangement under a master policy basis.

### Application of the increase

When the increase occurs during the policy period or after the policy expiration date, the insurance provider applies the increase

- retroactively to the inception of the policy, or
- as of the rating effective date if the rating effective date is later than the policy effective date.

### References

Refer to

- [Application of increases in the experience rating modification due to the 90-day rule](#) for more information, and
- [Rule for increases in the experience rating modification due to a change in ownership or combinability status](#) for more information.

## Rule for increases in the experience rating modification due to a change in ownership or combinability status

Rule ID: ER-REVV-R8D53

Effective Date: July 1, 2025

Apply increases in the experience rating modification due to a change in ownership or combinability status retroactively to the date of the change. These changes may occur (a) during the policy period, or (b) after policy expiration but within the revision period.

### References

Refer to [Recalculation and application of experience rating modifications](#) for changes in ownership or combinability status.



## Changes in ownership and combination of entities

**Rule ID: ER-OWNR-OAD3D**

*Effective Date: July 1, 2025*

Changes in ownership and combination of entities describes (a) how the owners of the company alter the ownership structure, and (b) how the rating organization combines multiple entities for experience rating purposes.

Topic	See Page
<a href="#">Notifications related to ownership changes</a>	40
<a href="#">Ownership determination for risks that qualify for an experience rating modification</a>	40
<a href="#">Researching and decisions for changes in ownership and combination of entities</a>	41
<a href="#">Changes in ownership</a>	41
<a href="#">Combination of entities</a>	42
<a href="#">Treatment of experience</a>	44
<a href="#">Exclusion of experience due to changes in ownership</a>	46
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<a href="#">Recalculation of experience rating modifications</a>	46
<a href="#">Evasion of experience rating modification</a>	47

### Notifications related to ownership changes

**Rule ID: ER-OWNK-R6205**

*Effective Date: July 1, 2025*

The insurance provider requires the employer to report changes in ownership or combinability status, or the combination of the two, within 90 days of the date of change as outlined in the 90-Day Reporting Requirement—Notification of Change in Ownership Endorsement. The employer must submit its request (a) using the Experience Rating Ownership Submission tool, (b) by completing a Request for Ownership Information—ERM-14 Form, or (c) by providing the information in narrative form signed by an officer using the employer's letterhead.

#### Applicability of the requirement for the employer

The requirement for an employer to report changes in ownership or combinability status applies regardless of whether an experience rating modification is currently applicable.

#### Failure to report changes in ownership

The failure to report changes in ownership according to the 90-Day Reporting Requirement—Notification of Change in Ownership Endorsement may be considered experience rating modification evasion.

#### References

Refer to

- the Experience Rating Ownership Submission tool to submit a request for ownership information electronically
- the [Request for Ownership Information—ERM-14 Form](#) for more information, and
- [Evasion of experience rating modification](#) for information about experience rating modification evasion.

### Ownership determination for risks that qualify for an experience rating modification

**Rule ID: ER-OWNQ-O4D50**

*Effective Date: July 1, 2025*

The rating organization issues an ownership determination for risks that qualify for an experience rating modification. For risks that do not qualify for an experience rating modification, the rating organization retains submitted information for future reference should a risk qualify for an experience rating modification at a later date.

## Researching and decisions for changes in ownership and combination of entities

**Rule ID: ER-OWNY-RA8A9**

*Effective Date: July 1, 2025*

The rating organization interacts with the employer, insurance providers, or agents of the employer to determine the impact, if any, of a change in ownership, or a change in combinability, or both.

1. The employer, insurance providers, or agents of the employer submit the ownership or combinability status information to the rating organization.
2. The rating organization
  - a) reviews the information from the employer, insurance providers, or agents of the employer regarding each change
  - b) decides whether there is an impact to one or more experience rating modifications of the entities involved, and
  - c) for complex situations or to detect possible experience rating modification evasion, may request additional information from the employer, or verify the information provided by researching public or other available records.

### References

Refer to [Evasion of experience rating modification](#) for information about experience rating modification evasion.

## Changes in ownership

**Rule ID: ER-OWNO-OAFE8**

*Effective Date: July 1, 2025*

Changes in ownership interest can affect the use of an entity's experience in future experience rating modifications. Based on the rules of this Plan, when a change occurs, the rating organization determines whether to exclude or retain an entity's experience.

### Improperly affected experience rating modification

If the rating organization determines that the ownership transaction improperly affected the experience rating modification, the rating organization takes the necessary action to ensure the proper calculation and application of all current and preceding experience rating modifications.

### References

Refer to

- NCCI's *Experience Rating Plan Manual User's Guide*
- [Notifications related to ownership changes](#) for information about changes in ownership and combination of entities requirements, and
- [Evasion of experience rating modification](#) for information about responses to ownership transactions that improperly affect the experience rating modification.

Topic	See Page
<a href="#">Types of changes in ownership</a>	41
<a href="#">Impact of changes in ownership</a>	42

## Types of changes in ownership

**Rule ID: ER-OWNO-TAFF0**

*Effective Date: July 1, 2025*

Changes in ownership may include any transactions that involve (a) a sale, (b) a transfer, (c) a merger of entities, (d) the formation of a new entity, or (e) the establishment of an irrevocable trust or receiver.

### Transactions that are considered a change in ownership

A change in ownership can include

- a merger or consolidation of two or more entities
- an irrevocable trust or receiver, established either voluntarily or by court mandate
- the sale, transfer, or conveyance of
  - all or a portion of an entity's ownership interest, or
  - an entity's physical assets to another entity that takes over its operations
- the formation of a new entity that acts as, or in effect is, a successor to another entity that

- has dissolved
- is nonoperative, or
- may continue to operate in a limited capacity.

**Transactions that are not considered a change in ownership**

A change in ownership does not include

- entities entering or leaving employee leasing arrangements
- the creation or dissolution of joint ventures
- wrap-up projects
- the establishment of or change in a revocable trust
- the establishment of "debtor in possession" status
- probate proceedings until a disposition of the estate is complete, or
- entities entering or leaving affiliation, franchise, or management agreements.

**References**

Refer to

- [Employee leasing arrangements](#) for more information
- [Projects as a joint venture](#) for experience rating modification qualifications, and
- [Experience rating modifications for wrap-up construction projects](#) for more information.

**Impact of changes in ownership**

**Rule ID: ER-OWNO-IA5AA**

*Effective Date: July 1, 2025*

Changes in ownership may impact a risk's experience rating modification.

**Examples of the impact of changes in ownership**

Changes in ownership may impact the

- experience rating modification or modifications
- combinability status with other entities
- rating effective date, and
- premium eligibility status, where an entity may or may not qualify to be experience rated.

**References**

Refer to

- [Premium eligibility](#) for information about premium eligibility status, and
- NCCI's *Experience Rating Plan Manual User's Guide* for examples of how changes in ownership affect the combinability of entities.

**Combination of entities**

**Rule ID: ER-OWNC-CD038**

*Effective Date: July 1, 2025*

When entities share common majority ownership, the rating organization combines them to calculate a single experience rating modification.

**References**

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples.

Topic	See Page
<a href="#">Combination of two or more entities</a>	43
<a href="#">Determination of majority ownership interest</a>	43
<a href="#">Determination of multiple combinations of entities</a>	43

## Combination of two or more entities

**Rule ID: ER-OWNC-C607D**

*Effective Date: July 1, 2025*

The combination of two or more entities requires common majority ownership.

### Requirement for the combination of entities for common majority ownership

The rating organization combines two or more entities when

- the same person, group of persons, or corporation owns more than 50% of each entity, or
- an entity owns a majority interest in another entity, which in turn owns a majority interest in another entity.

All entities are combinable for experience rating modification purposes regardless of the number of entities involved.

### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples of the combination of two or more entities.

## Determination of majority ownership interest

**Rule ID: ER-OWNC-D7BC1**

*Effective Date: July 1, 2025*

There are several criteria applicable to determine majority ownership interest.

### Criteria for majority ownership interest

The rating organization uses these criteria to determine majority ownership interest:

1. The majority of issued voting stock
2. The majority of the owners, partners, or members if no voting stock is issued
3. The majority of the board of directors or comparable governing body if no voting stock is issued or no majority of owners, partners, or members exist
4. The participation of each general partner in the profits of a partnership. The rating organization does not consider limited partners in determining the majority interest
5. The ownership interest is held by an entity as a fiduciary, where the entity's total ownership interest also includes any ownership held in a nonfiduciary capacity

### Exclusions for a fiduciary

A fiduciary does not include

- a debtor in possession
- a trustee under a revocable trust, or
- a franchisor.

### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples of majority ownership interest.

## Determination of multiple combinations of entities

**Rule ID: ER-OWNC-DC7A7**

*Effective Date: July 1, 2025*

More than one combination of entities may be possible within a group of entities. The rating organization bases the selection of combinations on the one that involves the most entities.

### Combination of entities based on estimated standard premium

If more than one combination of entities does not result in a single group with a majority of entities, the rating organization bases the combination on the group with the largest amount of estimated standard premium.

### Estimated standard premium

Estimated standard premium is based on the policies in effect at the time of the combination.

### Experience of an entity

The rating organization may use the experience of any entity in only one combination.

### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples of multiple combinations.

## Treatment of experience

**Rule ID: ER-OWNI-T5055**

*Effective Date: July 1, 2025*

Changes in ownership or changes in combinability status, or both may result in revisions of experience rating modifications.

Topic	See Page
Transfer of experience due to changes in ownership	44
Experience retention or transfer	44
Transfer of experience when an entity disposes of all of its operations	44
Transfer of experience when an entity disposes of part of its operations and the insurance provider provides the data	45
Transfer of experience when an entity disposes of part of its operations and the insurance provider cannot provide the data	45

## Transfer of experience due to changes in ownership

**Rule ID: ER-OWNI-TB903**

*Effective Date: July 1, 2025*

Changes in ownership or combinability status may result in revisions of experience rating modifications. The rating organization may issue, retract, or revise the current and up to two preceding experience rating modifications due to changes in ownership or combinability status. For purposes of this rule, the current experience rating modification is the experience rating modification in effect on the date that the rating organization receives notification of the change.

### Request for separate data

The rating organization requests separate data from the insurance provider when appropriate. In certain cases, the rating organization may require documentation to validate the accuracy of the submitted data.

### References

Refer to NCCI's *Experience Rating (ER) Split Data Reporting Guide* for the data reporting requirements.

## Experience retention or transfer

**Rule ID: ER-OWNI-EDA5B**

*Effective Date: July 1, 2025*

Any entity which has undergone a change in ownership retains or transfers the entity's experience to the experience rating modification or modifications of the acquiring, surviving, or new entity unless specifically excluded by this Plan.

## Transfer of experience when an entity disposes of all of its operations

**Rule ID: ER-OWNI-E9D53**

*Effective Date: July 1, 2025*

A single or multiple entity risk's experience, also known as the seller's experience, transfers to a buyer when the seller disposes of all of its operations to the buyer.

### *Transfer of experience when an entity disposes of all of its operations table*

For a seller that disposes of all of its operations, where the buyer ...	the seller's experience ...
does not have any prior or current policies or experience	transfers to the buyer for its future experience rating modification, subject to premium eligibility qualifications.
<ul style="list-style-type: none"> <li>has prior experience for which an experience rating modification has already been issued, or</li> <li>has prior experience but did not qualify for experience rating</li> </ul>	<ul style="list-style-type: none"> <li>transfers to the buyer for its future experience rating modification, and</li> <li>is combined with the buyer's existing experience, subject to premium eligibility qualifications.</li> </ul>

**References**

Refer to [Premium eligibility](#) for more information.

**Transfer of experience when an entity disposes of part of its operations and the insurance provider provides the data**

**Rule ID: ER-OWNI-SD9E6**

*Effective Date: July 1, 2025*

A single or multiple entity risk's experience, also known as the seller's experience, transfers to a buyer when (a) the buyer purchases partial business operations, (b) the seller continues to operate its business and its statistical data is combined on a single policy, and (c) the insurance provider can provide the rating organization with the appropriate experience for the data transfer to the buyer.

***Transfer of experience when an entity disposes of part of its operations and the insurance provider provides the data table***

<b>For a seller that disposes of part of its business operations, where the buyer ...</b>	<b>the seller's experience ...</b>
does not have any prior experience	transfers to the buyer and is excluded from any future experience rating modifications of the seller. A unity (1.00) factor applies to any risk that does not qualify for an experience rating modification, until the risk develops the necessary experience to qualify. The unity (1.00) factor applies when the separation of the experience causes the seller, the buyer, or both not to qualify for an experience rating modification.
<ul style="list-style-type: none"> <li>• has experience but does not qualify for experience rating, or</li> <li>• is experience rated</li> </ul>	transfers to the buyer, is combined with the other experience of the buyer, and is excluded from any future experience rating modifications of the seller. A unity (1.00) factor applies to any risk that does not qualify for an experience rating modification, until the risk develops the necessary experience to qualify. The unity (1.00) factor applies when the separation of the experience causes the seller, the buyer, or both not to qualify for an experience rating modification.

**References**

Refer to [Premium eligibility](#) for more information.

**Transfer of experience when an entity disposes of part of its operations and the insurance provider cannot provide the data**

**Rule ID: ER-OWNI-EE7D4**

*Effective Date: July 1, 2025*

A single or multiple entity risk's experience, also known as the seller's experience, is retained by the seller when (a) the buyer purchases partial business operations, (b) the seller continues to operate its business and its statistical data is combined on a single policy, and (c) the insurance provider cannot provide the rating organization with the appropriate experience for the data transfer to the buyer.

***Transfer of experience when an entity disposes of part of its operations and the insurance provider cannot provide the data table***

<b>For a seller that disposes of part of its business operations, where the buyer ...</b>	<b>the seller's experience ...</b>
<ul style="list-style-type: none"> <li>• does not have any prior experience, or</li> <li>• has experience but does not qualify for experience rating modification</li> </ul>	remains in future experience rating modifications of the seller and does not transfer to the buyer. A unity (1.00) factor applies to the buyer that does not qualify for an experience rating modification, until the buyer develops experience that allows the buyer to qualify, subject to premium eligibility qualifications.
is experience rated	remains with the seller in the seller's future experience rating modifications and the buyer's experience rating modification continues to apply to the buyer. Any experience developed after the sale is included in the buyer's future experience rating modifications.

## References

Refer to

- [Evasion of experience rating modification](#) for information about experience rating modification evasion, and
- [Premium eligibility](#) for more information.

## Exclusion of experience due to changes in ownership

**Rule ID: ER-OWNX-EA7DE**

*Effective Date: July 1, 2025*

Under rare circumstances, the rating organization can exclude experience from future experience rating modifications for any entity undergoing a change in ownership. The rating organization does not exclude experience for employee leasing companies and temporary employment agencies except for action the rating organization takes under the rule, Evasion of experience rating modification.

## References

Refer to

- [Employee leasing arrangements](#) for more information on employee leasing companies, and
- [Evasion of experience rating modification](#) for more information about experience rating modification evasion.

## Criteria for exclusion of experience in future experience rating modifications

**Rule ID: ER-OWNG-C30A5**

*Effective Date: July 1, 2025*

The rating organization excludes the experience of an entity that has undergone a material change in ownership, as defined in this rule, only after confirming all of the exclusion criteria.

### Material changes in ownership

A material change in ownership must include a (a) change in ownership interest, (b) change in operations, and (c) change in process and hazard of the operations.

#### Change in ownership interest

The change in ownership interest must be a material change such that

- the entire ownership interest after the material change had no ownership interest before the material change, or
- the collective ownership of all that have interest in an entity results in less than
  - one-third ownership before the material change, or
  - one-half ownership after the material change.

#### Change in operations

The material change in ownership must also include a sufficient change in operations, which occurs when the change is large enough to result in the reclassification of the governing classification.

#### Change in the process and hazard of the operations

The material change in ownership must also include a change in the process and hazard of the operations that the rating organization determines.

## References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples.

## Recalculation of experience rating modifications

**Rule ID: ER-OWNA-RE143**

*Effective Date: July 1, 2025*

The rating organization may recalculate the experience rating modifications when a change in ownership or combinability status occurs. Changes in ownership or combinability status can also result in a change in the rating effective date, as determined by the rating organization.

## References

Refer to [Rating effective date \(RED\) of an experience rating modification](#) for information about RED.

## Recalculation and application of experience rating modifications

Rule ID: ER-OWNA-R15AA

Effective Date: July 1, 2025

The rating organization recalculates the experience rating modification due to a change in ownership or combinability status. When recalculating experience rating modifications, the current experience rating modification is the experience rating modification in effect on the date when the rating organization receives the notification of the change in ownership or combinability status.

### Recalculation or revision of the experience rating modification

If the rating organization determines that a change in ownership or combinability status requires recalculation of experience rating modifications, then it revises the current and up to two preceding experience rating modifications.

If the rating organization revises the current and up to two preceding experience rating modifications because of a change in ownership or combinability status, then the insurance provider applies the revised experience rating modifications retroactively to the date of the change in ownership or combinability status.

### References

Refer to

- NCCI's *Experience Rating Plan Manual User's Guide* for examples of recalculation and revision of experience rating modifications
- [Changes in experience rating modifications](#) for more information, and
- [Evasion of experience rating modification](#) for more information.

## Evasion of experience rating modification

Rule ID: ER-OWNE-EA18D

Effective Date: July 1, 2025

Evasion of experience rating modification refers to any action that employers take to avoid the proper application of an experience rating modification.

Topic	See Page
<a href="#">Actions of the employers</a>	47
<a href="#">Rating organization response</a>	48

## Actions of the employers

Rule ID: ER-OWNE-AECE8

Effective Date: July 1, 2025

Employers may take actions that intentionally or unintentionally evade an experience rating modification. Employers may take these actions for legitimate business reasons, but these actions may still result in the improper application of an experience rating modification.

### Actions considered to be experience rating modification evasion

Regardless of the intent, any action that results in the miscalculation or misapplication of an experience rating modification determined under this Plan is prohibited. These actions include but are not limited to

- failure to report changes in ownership according to the 90-Day Reporting Requirement—Notification of Change in Ownership Endorsement
- a change in ownership
- a change in combinability status
- formation of a new entity
- transfer of operations from one entity to another entity that is not combinable according to the rule, Combination of entities, and
- misrepresentation on audits or failure to cooperate with an audit.

### References

Refer to

- [Rating organization response](#) for more information about the actions the rating organization may take in response to experience rating modification evasion
- NCCI's *Forms Manual*, 90-Day Reporting Requirement—Notification of Change in Ownership Endorsement, and
- [Combination of entities](#) for more information.



## Rating organization response

Rule ID: ER-OWNE-RBCCE

Effective Date: July 1, 2025

The rating organization may obtain any information that indicates evasion or improper calculation or application of experience rating modifications due to actions included but not limited to those listed in this Plan.

### Response to the improper calculation or application of experience rating modifications

The rating organization acts to ensure the proper calculation and application of all current and preceding experience rating modifications impacted by improper actions. This includes, but is not limited to the

- combination of experience that would otherwise not be combinable according to the rules, Combination of entities and Transfer of experience due to changes in ownership
- separation of experience that would otherwise be combinable according to the rules, Combination of entities and Transfer of experience due to changes in ownership
- exclusion of experience that would otherwise be included according to the rule, Transfer of experience due to changes in ownership
- continuation of experience that would otherwise be excluded according to the rules, Transfer of experience due to changes in ownership and Exclusion of experience due to changes in ownership
- issuance of experience rating modifications that were not originally issued, and
- revision or retraction of experience rating modifications.

### References

Refer to

- [Actions of the employers](#) for more information about actions that the rating organization considers to be an evasion of experience rating modification
- [Combination of entities](#) for more information
- [Transfer of experience due to changes in ownership](#) for more information, and
- [Exclusion of experience due to changes in ownership](#) for more information.

## Employee leasing arrangements

**Rule ID: ER-PEOA-EA916**

*Effective Date: July 1, 2025*

NCCI's **Basic Manual** and NCCI's **Residual Market Manual** provide the rules for writing policies involving employee leasing arrangements. An employee leasing company may also be referred to as a professional employer organization, PEO, or labor contractor.

Under an employee leasing arrangement, clients may move in and out of employee leasing arrangements or move from one arrangement to another. The rules in the Plan address the calculation and application of experience rating modifications for such arrangements.

### References

Refer to

- NCCI's **Basic Manual** for more information, and
- NCCI's **Residual Market Manual** for more information.

Topic	See Page
<a href="#">Rule for maintaining and submitting client experience</a>	49
<a href="#">Employee leasing arrangements written under a master policy basis</a>	49
<a href="#">Employee leasing arrangements written under a multiple coordinated policy (MCP) basis</a>	51

## Rule for maintaining and submitting client experience

**Rule ID: ER-PEOS-RCE45**

*Effective Date: July 1, 2025*

Maintain and submit detailed written records of each individual client of an employee leasing arrangement.

- Verify that the written records document the (a) classifications, (b) payroll, (c) losses, and (d) any applicable experience ratings of each individual client of an employee leasing arrangement
- Submit all written records, on request, to the Indiana Compensation Rating Bureau (ICRB).

### Maintenance and submission of individual client experience

Maintaining and submitting records of each individual client of an employee leasing arrangement ensures that a client's experience remains in the experience rating applicable to its coverage, if the client

- moves its coverage to another employee leasing arrangement, or
- obtains its own coverage.

## Employee leasing arrangements written under a master policy basis

**Rule ID: ER-PEOM-EAE0C**

*Effective Date: July 1, 2025*

Employee leasing arrangements may be written under a master policy basis. A master policy is a workers compensation insurance policy written in the name of the employee leasing company covering the leased workers and direct employees of the employee leasing company.

Topic	See Page
<a href="#">Experience rating modifications while in an employee leasing arrangement written under a master policy</a>	49
<a href="#">Termination of employee leasing arrangements written under a master policy</a>	50

## Experience rating modifications while in an employee leasing arrangement written under a master policy

**Rule ID: ER-PEOM-EA05A**

*Effective Date: July 1, 2025*

Experience rating modifications apply to employee leasing companies and clients while in an employee leasing arrangement written under a master policy.

### Experience rating modifications for the client's leased employees

For the client's leased employees covered under a master policy, the employee leasing company's experience rating modifications apply to the client's leased employees.

### Experience rating modifications for the client's nonleased employees

The client's nonleased employees are not covered on the master policy. Nonleased workers are covered under a separate policy in the name of the client. For policies covering the client's nonleased employees

- separate experience rating modifications apply, subject to premium eligibility requirements, and
- the experience rating modifications include all the client's experience, if any, prior to the employee leasing arrangement.

If the client does not qualify for experience rating based on its experience prior to the employee leasing arrangement, a unity (1.00) factor applies to

- the policy covering the client's nonleased employees, and
- subsequent policies, until the client is eligible for an experience rating modification.

### Experience rating modifications for the employee leasing company

The employee leasing company's experience rating modifications apply to the master policies and any other policy of the employee leasing company. If the employee leasing company does not qualify for experience rating, a unity (1.00) factor applies to

- the master policy
- any other policies of the employee leasing company, and
- subsequent policies, until the employee leasing company is eligible for an experience rating modification.

### References

Refer to NCCI's *Experience Rating Plan Manual User's Guide* for examples.

## Termination of employee leasing arrangements written under a master policy

**Rule ID: ER-PEOM-TA6F0**

*Effective Date: July 1, 2025*

When a client terminates an employee leasing arrangement written under a master policy, the employee leasing company's insurance provider must report the client's data to the rating organization.

### Data developed during the employee leasing arrangement

If separate records are maintained and submitted for the client, the rating organization uses the client's data developed during the employee leasing arrangement to calculate an experience rating modification for the former client, subject to the premium eligibility rules.

### References

Refer to

- [Premium eligibility](#) for the premium eligibility requirements to qualify for experience rating
- NCCI's *Experience Rating Plan Manual User's Guide* for examples, and
- NCCI's *Experience Rating (ER) Split Data Reporting Guide* for data reporting requirements.

Topic	See Page
<a href="#">Experience rating modifications for clients terminating employee leasing arrangements written under a master policy</a>	50
<a href="#">Experience rating modifications for PEOs when a client terminates an employee leasing arrangement written under a master policy</a>	51

## Experience rating modifications for clients terminating employee leasing arrangements written under a master policy

**Rule ID: ER-PEOM-EB952**

*Effective Date: July 1, 2025*

The rating organization applies experience rating rules for a client that terminates an employee leasing arrangement under a master policy.

### Former client enters another employee leasing arrangement

When a master policy covered the employee leasing arrangement and the client enters another employee leasing arrangement, the rating organization does not need to calculate the client's experience rating modification.

**Former client obtains coverage under a policy issued in the client's name**

When a master policy covered the employee leasing arrangement and the client obtains coverage under a policy issued in the client's name

- the rating organization calculates the client's experience rating modification using the data reported for the client
- the experience rating modification includes experience for the client's leased employees and nonleased employees, if any, during the experience period
- the employee leasing company's experience rating modification applies to the client's new policy until the rating organization calculates the client's own experience rating modification
- the client's new experience rating modification applies to the client's policy retroactive to the inception of the policy, and
- for clients ineligible for experience rating based on the client's experience for leased and nonleased employees during the experience period, a unity (1.00) factor applies to the client's policy until the client is eligible for an experience rating modification.

**Experience rating modifications for PEOs when a client terminates an employee leasing arrangement written under a master policy**

**Rule ID: ER-PEOM-EA240**

*Effective Date: July 1, 2025*

When a master policy covered the employee leasing arrangement and the former client enters another employee leasing arrangement, the rating organization revises (a) the former PEO's experience rating modification to remove the data reported for the client upon the former PEO's normal renewal date, and (b) the current PEO's experience rating modification to add the data reported for the client upon the current PEO's normal renewal date.

When a master policy covered the employee leasing arrangement and the former client obtains coverage under a policy issued in the former client's name, the rating organization revises the former PEO's experience rating modification to remove the data reported for the former client upon the former PEO's normal renewal date.

**PEO's normal renewal date**

The PEO's normal renewal date is usually on an annual basis.

**Employee leasing arrangements written under a multiple coordinated policy (MCP) basis**

**Rule ID: ER-PEOC-EA05A**

*Effective Date: July 1, 2025*

Employee leasing arrangements may be written under an MCP basis. An MCP is a workers compensation insurance policy where (a) each client has its own policy covering its leased workers that require coverage, (b) the employee leasing company has its own policy covering only its direct workers, and (c) endorsements coordinate coverage between the client and the employee leasing company.

Topic	See Page
<a href="#">Experience rating modifications for client employees in an employee leasing arrangement written under a multiple coordinated policy (MCP)</a>	51
<a href="#">Termination of employee leasing arrangements written under a multiple coordinated policy (MCP)</a>	52

**Experience rating modifications for client employees in an employee leasing arrangement written under a multiple coordinated policy (MCP)**

**Rule ID: ER-PEOC-EC5A0**

*Effective Date: July 1, 2025*

Experience rating modifications apply to employee leasing companies and clients while in an employee leasing arrangement written under an MCP.

**Experience rating modifications for the client's employees**

For clients in employee leasing arrangements written under an MCP, the client's experience rating modifications apply to

- the client's policy under the MCP, and
- any other policies covering the client's nonleased employees.

Topic	See Page
<a href="#">Applying experience rating modifications for a client written under a multiple coordinated policy (MCP)</a>	52
<a href="#">Experience rating modifications for an employee leasing company written under a multiple coordinated policy (MCP)</a>	52

### Applying experience rating modifications for a client written under a multiple coordinated policy (MCP)

Rule ID: ER-PEOC-AD9EF

Effective Date: July 1, 2025

Specific criteria determine whether a client in an employee leasing arrangement qualifies for experience rating written under an MCP.

When a client ...	Then ...
qualifies for an experience rating modification	<ul style="list-style-type: none"> <li>the experience rating modifications include the client's experience prior to the employee leasing arrangement, if any, and</li> <li>the subsequent experience rating modifications include the client's experience for leased and nonleased employees developed during the employee leasing arrangement.</li> </ul>
does not qualify for an experience rating modification	a unity (1.00) factor applies to <ul style="list-style-type: none"> <li>the client's policy under the MCP</li> <li>any other policies covering the client's nonleased employees, and</li> <li>subsequent policies, until the client is eligible for an experience rating modification.</li> </ul>

### Experience rating modifications for an employee leasing company written under a multiple coordinated policy (MCP)

Rule ID: ER-PEOC-EACA7

Effective Date: July 1, 2025

Experience rating modifications apply to employee leasing companies while in an employee leasing arrangement written under an MCP.

#### Experience rating modifications for the employee leasing company's direct employees

The employee leasing company's experience rating modifications apply to the policies covering the employee leasing company's direct employees. If the employee leasing company does not qualify for an experience rating modification, a unity (1.00) factor applies to

- all of the employee leasing company's policies, and
- subsequent policies, until the employee leasing company is eligible for an experience rating modification.

### Termination of employee leasing arrangements written under a multiple coordinated policy (MCP)

Rule ID: ER-PEOC-TAFE6

Effective Date: July 1, 2025

No special treatment is necessary to develop an experience rating modification for the client when it terminates an employee leasing arrangement written under an MCP.

#### Treatment for MCPs

When a client or employee leasing company terminates an employee leasing arrangement, no special treatment is necessary because

- the insurance provider maintains separate policies for the client, which result in data reporting in accordance with NCCI's **Statistical Plan**
- the rating organization calculates the experience rating modifications, and
- the insurance provider applies the experience rating modifications.

#### References

Refer to

- NCCI's **Statistical Plan** for information about the submission of data for each client, and
- [Employee leasing arrangements written under a multiple coordinated policy \(MCP\) basis](#) for information about the calculation and application of experience rating modifications.

## Non-affiliate carrier data and non-affiliate self-insured data

**Rule ID: ER-NAFC-NA740**

*Effective Date: July 1, 2025*

The rating organization may include non-affiliate carrier data, non-affiliate self-insured group data, or individual self-insured employer data in experience rating modifications.

Topic	See Page
<a href="#">Carrier of record request to include non-affiliate data</a>	53
<a href="#">Carrier of record submission and verification of non-affiliate data</a>	53
<a href="#">Usage of non-affiliate data in experience rating modifications</a>	53
<a href="#">Non-affiliate self-insured group or individual self-insured employer requests for experience rating modifications</a>	54

### Carrier of record request to include non-affiliate data

**Rule ID: ER-NAFI-AF1B2**

*Effective Date: July 1, 2025*

A carrier of record may request to include non-affiliate carrier data or individual self-insured employer data in their risk's experience rating modifications. The request must come from the carrier of record during the time the experience rating modification that includes the non-affiliate data applies to the risk. Also, the non-affiliate data must not be required to be reported in accordance with NCCI's *Statistical Plan*.

#### Agreement to use non-affiliate data for risks covered by multiple carriers of record

When multiple carriers of record cover the risk during the time the experience rating modification applies to the risk, only one of the risk's carriers of record must agree to use the non-affiliate data.

#### References

Refer to NCCI's *Statistical Plan* for data reporting rules.

### Carrier of record submission and verification of non-affiliate data

**Rule ID: ER-NAFV-AAB9A**

*Effective Date: July 1, 2025*

The affiliate carrier or affiliate self-insured group submits the non-affiliate carrier data, non-affiliate self-insured group data, or individual self-insured employer data to the rating organization on the ERM-6 Form. The carrier of record may designate another party to submit the data on their behalf. The non-affiliate data is subject to verification by the carrier of record that submits the data for inclusion in an experience rating modification.

#### References

Refer to

- the [ERM-6 Form—Workers Compensation Experience Rating for Non-Statistical Data](#) for more information, and
- NCCI's *Statistical Plan* for data reporting rules.

### Usage of non-affiliate data in experience rating modifications

**Rule ID: ER-NAFU-UA394**

*Effective Date: July 1, 2025*

The rating organization uses the non-affiliate carrier data, non-affiliate self-insured group data, or individual self-insured employer data in the calculation of experience rating modifications. The rating organization does not use the non-affiliate data to determine premium eligibility.

## Non-affiliate self-insured group or individual self-insured employer requests for experience rating modifications

Rule ID: ER-NAFS-NCCF4

Effective Date: July 1, 2025

Non-affiliate self-insured groups or individual self-insured employers may request experience rating modifications.

### Non-affiliate self-insured group requests for experience rating modifications using their data

Non-affiliate self-insured groups may request experience rating modifications by submitting their data to the rating organization using the ERM-6 Form. For this request, the non-affiliate data must not be required to be reported in accordance with NCCI's *Statistical Plan*.

### Exception to non-affiliate self-insured group requests for experience rating modifications using their data

Non-affiliate self-insured groups that submit unit statistical data in accordance with NCCI's *Statistical Plan* do not need to request an experience rating modification. The rating organization automatically calculates the experience rating modification after receiving the unit statistical data.

### Requests for experience rating modifications using individual self-insured employer data

A non-affiliate self-insured group or an individual self-insured employer may request experience rating modifications using individual self-insured employer data. The non-affiliate self-insured group or individual self-insured employer must submit the data to the rating organization on the ERM-6 Form.

### Usage of non-affiliate data in experience rating modifications

When the non-affiliate self-insured group or individual self-insured employer submits data on the ERM-6 Form, the rating organization uses the data to calculate an experience rating modification for use by only the requesting non-affiliate.

### References

Refer to

- the [ERM-6 Form—Workers Compensation Experience Rating for Non-Statistical Data](#) for more information, and
- NCCI's *Statistical Plan* for data reporting rules.

## Insolvent carrier or insolvent self-insured group data

**Rule ID: ER-INSL-ID55B**

*Effective Date: July 1, 2025*

The rating organization may include insolvent carrier or insolvent self-insured group data in experience rating modifications.

Topic	See Page
<a href="#">Insolvent carrier or insolvent self-insured group submission of their data</a>	55
<a href="#">Carrier of record request to include insolvent data</a>	55
<a href="#">Carrier of record submission of insolvent carrier or insolvent self-insured group data</a>	55
<a href="#">Carrier of record submission of updated insolvent carrier or self-insured group data</a>	56

### Insolvent carrier or insolvent self-insured group submission of their data

**Rule ID: ER-INSC-IAEDA**

*Effective Date: July 1, 2025*

When insolvent carriers or insolvent self-insured groups submit data to the rating organization in accordance with NCCI's **Statistical Plan**, the rating organization includes the data in the calculation of experience rating modifications.

#### Discontinuation of insolvent carrier or insolvent self-insured group submission of their data

There are specific circumstances when an insolvent carrier or insolvent self-insured group is not required to report data and discontinues submitting data, and the rating organization must continue to produce an experience rating modification. If an insolvent carrier or insolvent self-insured group discontinues submitting data, the rating organization continues to include the data previously reported by the insolvent carrier or insolvent self-insured group in the calculation of experience rating modifications. The rating organization includes the data, even if not updated, for a period of coverage until the data is no longer in the experience period.

### Carrier of record request to include insolvent data

**Rule ID: ER-INSR-AAC18**

*Effective Date: July 1, 2025*

An insolvent carrier or insolvent self-insured group may not be required to report data and discontinues submitting data to the rating organization. In this circumstance, a carrier of record may request to include an insolvent carrier's or insolvent self-insured group's data in their risk's experience rating modification. The request must come from the carrier of record during the time the experience rating modification that includes the insolvent data applies to the risk. Also, the insolvent carrier or insolvent self-insured group must not be required to report data in accordance with NCCI's **Statistical Plan**.

#### Agreement for risks covered by multiple carriers of record

When multiple carriers of record cover the risk during the time the experience rating modification applies to the risk, only one of the risk's carriers of record must agree to use the non-affiliate data.

#### References

Refer to NCCI's **Statistical Plan** for more information on reporting unit statistical data.

### Carrier of record submission of insolvent carrier or insolvent self-insured group data

**Rule ID: ER-INSS-AE7F2**

*Effective Date: July 1, 2025*

The carrier of record submits the insolvent carrier's or insolvent self-insured group's data on the ERM-6 Form. The data must only include (a) updated data, and (b) data developed during the experience period not submitted by the insolvent carrier or insolvent self-insured group. The carrier of record may verify the data.

#### References

Refer to the [ERM-6 Form—Workers Compensation Experience Rating for Non-Statistical Data](#) for more information.



## Carrier of record submission of updated insolvent carrier or self-insured group data

**Rule ID: ER-INSG-AAE6C**

*Effective Date: July 1, 2025*

For subsequent experience rating modification calculations, the carrier of record must submit updated insolvent carrier or insolvent self-insured group data on the ERM-6 Form. If the carrier of record does not submit the updated data, the rating organization continues to include the unit statistical data previously reported by the insolvent carrier or insolvent self-insured group in the calculation of experience rating modifications. The rating organization includes the data, even if not updated, for a period of coverage until the data is no longer in the experience period.

### **Subsequent experience ratings**

For subsequent experience rating modification calculations, the rating organization does not carry forward insolvent carrier or insolvent self-insured group data submitted by the carrier of record.

### **References**

Refer to the [ERM-6 Form—Workers Compensation Experience Rating for Non-Statistical Data](#) for more information.

## Special rating conditions

**Rule ID: ER-COND-SA37F**

*Effective Date: July 1, 2025*

These rules provide special rating conditions or programs that may affect experience rating.

Topic	See Page
<a href="#">Separate state experience rating modification</a>	57
<a href="#">Construction and contracting risks</a>	59
<a href="#">United States Longshore and Harbor Workers' (USL&amp;HW) Compensation Act coverage</a>	60

### Separate state experience rating modification

**Rule ID: ER-CONB-SE840**

*Effective Date: July 1, 2025*

The rating organization may calculate a separate state experience rating modification for a single state in an interstate-rated risk. The calculation uses a weighted average to produce the single state experience rating modification, using the risk's total expected losses in all states included in the experience rating modification and its expected losses in the separate state.

Topic	See Page
<a href="#">Rules for separate state experience rating modifications</a>	57
<a href="#">Rules for the request of a separate state experience rating modification</a>	58
<a href="#">Rules for the application of separate state experience rating modifications</a>	58
<a href="#">Calculating the separate state experience rating modification</a>	58

### Rules for separate state experience rating modifications

**Rule ID: ER-CONB-DA59E**

*Effective Date: July 1, 2025*

Fulfill all requirements to receive a separate state experience rating modification.

#### Risk requirements

The risk must

- be interstate-rated, and
- qualify for an intrastate rating in
  - the state the insurance provider is requesting the separate state experience rating modification for, and
  - at least one other state.

#### Calculation of separate state experience rating modifications

The rating organization uses the experience rating modification formula and the cap on experience rating modifications to calculate the experience rating modifications used to determine a separate state experience rating modification.

#### References

Refer to [Calculating the separate state experience rating modification](#) for the steps to calculate the separate state experience rating modification.

## Rules for the request of a separate state experience rating modification

**Rule ID: ER-CONB-R3904**

*Effective Date: July 1, 2025*

Submit the request for a separate state experience rating modification in accordance with this rule's requirements.

- The request must be from an insurance provider only licensed to write workers compensation insurance in the state for which the separate state experience rating modification is requested.
- The request must be in writing and subject to the agreement of the risk.
- The request must be received by the rating organization before the rating effective date.

## Rules for the application of separate state experience rating modifications

**Rule ID: ER-CONB-R6229**

*Effective Date: July 1, 2025*

Apply a separate state experience rating modification based on this rule's requirements.

- Apply the separate state experience rating modification for the full rating period, regardless of whether the requesting insurance provider or another insurance provider provides the insurance. The separate state experience rating modification applies to all of a risk's operations in that state.
- Apply the remaining interstate experience rating modification to all other states.
- A risk may qualify for a separate state experience rating modification in more than one state. Apply the state's separate state experience rating modification for each qualifying state.

## Calculating the separate state experience rating modification

**Rule ID: ER-CONB-C3701**

*Effective Date: July 1, 2025*

The rating organization calculates the separate state experience rating modification.

1. The rating organization
  - a) calculates an interstate experience rating modification for the entire risk (Step A)
  - b) calculates an intrastate experience rating modification for the state for which a separate state experience rating modification is requested (Step B)
  - c) calculates an interstate experience rating modification for all states excluding the state that the insurance provider requested a separate state experience rating modification in (Step C)
  - d) uses the formula in the rule, Formula for the separate state adjustment factor to calculate the separate state adjustment factor used to determine a separate state experience rating modification (Step D)
  - e) calculates the completed separate state experience rating modification by multiplying the intrastate experience rating modification for the state for which a separate state experience rating modification is requested by the separate state adjustment factor calculated using the formula (Step B x Step D), and
  - f) calculates the completed experience rating modification for all other states by multiplying the interstate experience rating modification for all states excluding the state that the insurance provider requested a separate state experience rating modification in by the separate state adjustment factor calculated using the formula (Step C x Step D).

## References

Refer to

- [Formula for the separate state adjustment factor](#) for more information, and
- NCCI's *Experience Rating Plan Manual User's Guide* for an example.

## Formula for the separate state adjustment factor

**Rule ID: ER-CONB-C78BF**

*Effective Date: July 1, 2025*

The rating organization uses this formula to calculate the separate state adjustment factor used to determine a separate state experience rating modification.

**Calculation of the separate state adjustment factor**

$$\frac{\text{Step A} \times \text{Total Expected Losses in All States}}{(\text{Step B} \times \text{Expected Losses in Separate State}) + (\text{Step C} \times \text{Expected Losses in All Other States})}$$

**References**

Refer to [Calculating the separate state experience rating modification](#) for more information.

**Construction and contracting risks**

**Rule ID: ER-CONR-CA61C**

*Effective Date: July 1, 2025*

This rule provides information regarding experience rating for certain construction and contracting risks.

Topic	See Page
<a href="#">Experience rating modifications for wrap-up construction projects</a>	59
<a href="#">Projects as a joint venture</a>	59
<a href="#">Cost-plus contracts for the principal and contractor</a>	60
<a href="#">Inclusion of uninsured contractors' experience</a>	60

**Experience rating modifications for wrap-up construction projects**

**Rule ID: ER-CONR-WEBE2**

*Effective Date: July 1, 2025*

The policy that the insurance provider issues for an entity participating in a wrap-up construction project is subject to its own experience rating modification. The insurance provider reports to the rating organization payroll and loss experience for the wrap-up policies. The rating organization uses the experience developed from the wrap-up policies in the future experience rating modifications of the participating entities. There is no experience rating modification for the wrap-up construction project as a unit.

**References**

Refer to NCCI's *Basic Manual* for more information on wrap-up construction projects.

**Projects as a joint venture**

**Rule ID: ER-CONR-JA1D8**

*Effective Date: July 1, 2025*

Two or more contractors not combinable for experience rating under the rules of this Plan may associate for undertaking one or more projects as a joint venture.

**Qualifications of a joint venture for its own experience rating modification**

For a joint venture to qualify for its own experience rating modification, all participating entities of the joint venture must

- be awarded a contract or contracts in the name of the joint venture
- share control, direction, and supervision of all work undertaken in the project, and
- maintain a common bank account, payroll, and business records.

**Determination of an experience rating modification for joint ventures**

**Rule ID: ER-CONR-EA3CE**

*Effective Date: July 1, 2025*

The rating organization excludes the experience of the joint venture participants from their individual experience rating modifications and qualifies the joint venture for its own experience rating modification based on years of operation.

**Determination of an experience rating modification for a joint venture table**

Joint venture qualification	Calculation of the experience rating modification
The joint venture does not qualify for its own experience rating modification within the first two years of operations.	The insurance provider calculates and uses <ul style="list-style-type: none"> <li>• an arithmetic average of the experience rating modifications of the participating entities, and</li> <li>• a unity (1.00) factor for a participating entity that does not have its own experience rating modification.</li> </ul>
The joint venture may qualify for its own experience rating modification in the third and subsequent years of operations.	The rating organization calculates and uses the experience developed from the joint venture.

**Cost-plus contracts for the principal and contractor**

**Rule ID: ER-CONR-CC6DC**

*Effective Date: July 1, 2025*

Under a cost-plus contract, the principal agrees to compensate the contractor based on the cost of the work that the principal and contractor perform plus a fixed fee.

**Experience rating modification applicable to cost-plus contracts**

For a policy that covers the contractor and the principal, the insurance provider applies the experience rating modification of the contractor to the policy.

The rating organization includes the experience from the policy covering the contractor and the principal in the contractor's future experience rating modifications.

**Inclusion of uninsured contractors' experience**

**Rule ID: ER-CONR-UF8B0**

*Effective Date: July 1, 2025*

The rating organization includes the experience of an uninsured contractor in the experience rating modification of the principal contractor or the principal owner.

**United States Longshore and Harbor Workers' (USL&HW) Compensation Act coverage**

**Rule ID: ER-CONU-U553C**

*Effective Date: July 1, 2025*

The rating organization calculates experience rating modifications containing classifications where the rates include coverage under the USL&HW Act using the experience rating modification formula described in this Plan.

**Non-F-classifications where the rates include coverage for USL&HW Act**

Non-F-classifications are (a) classifications subject to the USL&HW Act, and (b) not followed by the letter "F" in the Table of Expected Loss Rates and Discount Ratios. The rating organization determines the expected losses for non-F-classifications subject to the USL&HW Act and applies the USL&HW Act expected loss factor to the Expected Loss Rate (ELR) for a non-F-classification.

**References**

Refer to

- [Experience rating modification formula](#) for more information about how the rating organization calculates the experience rating modification
- NCCI's **Statistical Plan** for more information about reporting classifications subject to the USL&HW Act, and
- the Rating Values, Table of Weighting Values footnotes for the applicable
  - ULS&HW per claim accident limitation
  - ULS&HW multiple claim accident limitation, and
  - ULS&HW Act expected loss factor for non-F-classifications.

Item E-1411—NCCI's Experience Rating Plan Manual for Workers Compensation and Employers  
Liability Insurance

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Exhibit 2  
Basic Manual—Indiana

# Basic Manual

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## FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

# Indiana

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Item E-1411—NCCI's Experience Rating Plan Manual for Workers Compensation and Employers  
Liability Insurance

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Exhibit 4  
Residual Market Manual—Indiana

# Residual Market Manual

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## FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

# Indiana

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ITEM E-1411—NCCI'S EXPERIENCE RATING PLAN MANUAL FOR WORKERS  
COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

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EXHIBIT 5  
STATISTICAL PLAN—2008 EDITION

PREFACE

A. SCOPE

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

2. ~~Affiliate~~Self-Insurers' Applicability

The ~~Pre-URE Workers Compensation~~*Statistical Plan* manual is the minimum reporting is applicable to affiliate self-insured groups and provides the requirements for affiliate self-insurers reporting Unit Statistical plan data in NCCI states.

The *Statistical Plan* is optional for to non-affiliate self-insured groups for reporting Unit Statistical plan data in NCCI states. This is effective for all unit data reported to NCCI as of January 1, 2004 and subsequent.

For the purpose of requesting experience rating modifications only, non-affiliate self-insured groups and individual self-insured employers have the option to submit data using the ERM-6 Form—Workers Compensation Experience Rating for Non-Statistical Data. Refer to NCCI's *Experience Rating Plan Manual* for more information.



**ITEM E-1411—NCCI'S EXPERIENCE RATING PLAN MANUAL FOR WORKERS  
COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

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**EXHIBIT 6  
STATISTICAL PLAN—2008 EDITION  
PART 4—LOSS AND EXPENSE INFORMATION  
A. GENERAL INCURRED LOSS INFORMATION****1. Incurred Losses**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**e. Liability-Over Claims**

A liability-over claim is a particular Employers Liability coverage situation where a third party, who is being sued by an employee, in turn sues the employer on the grounds of negligence, or like theory. Liability-over claims are reported with Type of Claim Code 04.

When settled, liability-over claims result in:

1. No payment to a third party—Any Employers Liability Allocated Loss Adjustment Expense incurred in defending such claims must be reported as part of the incurred indemnity loss and paid indemnity loss as appropriate.
2. Payment to a third party—No change must be made in the loss valuation used in the calculation of the current experience rating modification. At the next valuation date, the settlement amount plus any Employers Liability Allocated Loss Adjustment Expense incurred in defending such claims must be reported as part of the incurred indemnity loss and paid indemnity loss as appropriate.

Refer to Part 6, Item D-9—Type of Claim Code for additional information.

Refer to NCCI's *Experience Rating Plan Manual* for experience rating modification calculation requirements when a risk's incurred losses include liability-over claims.

**ITEM E-1411—NCCI'S EXPERIENCE RATING PLAN MANUAL FOR WORKERS  
COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 7  
STATISTICAL PLAN—2008 EDITION  
PART 6—CODING VALUES**

**D. LOSS INFORMATION**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**9. Type of Claim Code**

Type of Claim Code identifies how the claim applies to the provisions of the workers compensation policy.

Refer to Part 4, Item F—Additional Claim Reporting Rules for additional information.

<b>Code</b>	<b>Type of Claim</b>	<b>Description</b>	<b>Additional Rules and/or Exceptions (If Applicable)</b>
01	Workers Compensation Only	The entire loss is incurred under the provisions of Part One of the Workers Compensation and Employers Liability Insurance policy.	
02	Employers Liability Only	The entire loss is incurred under the provisions of Part Two of the Workers Compensation and Employers Liability Insurance policy.	
03	Workers Compensation Including Employers Liability	The loss is incurred under the provisions of Parts One and Two of the Workers Compensation and Employers Liability Insurance policy.	
04	Liability–Over	A particular Employers Liability coverage situation where a third party, who is being sued by an employee, in turn sues the employer on the grounds of negligence, or like theory.	Refer to Part 4, Item <u>A-1-e—Liability-Over Claims, for additional information.</u>  For Virginia, refer to the <u>Virginia exception in Part 4, Item A-1-f—Liability-Over Claims, for additional information.</u>
05	Excess Benefits	The loss is incurred under the provisions of excess coverage.	Applicable in Maryland and Virginia only.
		This code must be used in connection with Deliberate Intent (Mandolidis) Coverage, when endorsed on a workers compensation/employers liability policy or when provided as an excess policy.	Applicable in West Virginia only.
06	Excess Special Compensation	The loss is incurred under the provisions of excess coverage.	Not applicable in Texas.



### Informational Exhibit 1 - Experience Rating Plan Manual Content Reference ID Map

<p><b>Item Filing Information</b></p>	<p>Item E-1411—NCCI’s Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance</p>
<p><b>Description</b></p>	<p>Informational Exhibit 1 - Manual Content Reference ID Map—Displays the relationship between the current manual rule numbers to new manual reference "Rule ID" numbers.</p>

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Rule #	Current Experience Rating Plan Manual Title	New Experience Rating Plan Manual Topic	Unique ID
Preface	Preface to the Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance	Organization of the Experience Rating Plan Manual	Rule ID: ER-PREF-OA74A
A	Jurisdiction Where This Plan Applies	Experience Rating Plan Manual applicability Jurisdictions where the Experience Rating Plan Manual applies	Rule ID: ER-PREG-E0850 Rule ID: ER-PREP-JFA97
B	JURISDICTIONS WHERE THIS PLAN DOES NOT APPLY	Experience Rating Plan Manual applicability Jurisdictions where the Experience Rating Plan Manual applies	Rule ID: ER-PREG-E0850 Rule ID: ER-PREP-JFA97
C	Jurisdictions Where This Plan Applies to Employers Liability Only and on an Advisory Basis (Monopolistic Fund States)	Experience Rating Plan Manual applicability Jurisdictions where the Experience Rating Plan Manual applies	Rule ID: ER-PREG-E0850 Rule ID: ER-PREP-JFA97
<b>Rule 1—General Explanations</b>			
1.A	Experience Rating	Experience rating Purpose of an experience rating modification factor	Rule ID: ER-ERPS-EA14B Rule ID: ER-ERPM-P9DDB
1.B	Mandatory Plan	Application of manual rules Impact of rules on the application of the Plan	Rule ID: ER-PREI-IA2CC Rule ID: ER-PREI-P8B35
1.C	Definitions	Elements of the Experience Rating Plan	Rule ID: ER-RPDS-EA209
1.C.1	Experience	Experience used in calculating experience rating modifications	Rule ID: ER-RPDX-EAD81
1.C.2	Payroll	Payroll used in experience rating	Rule ID: ER-RPDP-PA966
1.C.3	Losses	Losses used in experience rating Losses excluded from experience rating Exclusion of Catastrophe Number 12 COVID-19 claims Exclusion for noncompensable claims Exclusion of fraudulent claims Exclusion of coal mine disease (black lung) claims	Rule ID: ER-RPDL-LFC53 Rule ID: ER-SPEX-LCOEC Rule ID: ER-SPEX-E72CB Rule ID: ER-SPEX-EB1A1 Rule ID: ER-SPEX-E7290 Rule ID: ER-SPEX-E0A1D
1.C.4	Entity	Types of entities	Rule ID: ER-RPDE-EAA56
1.C.5	Risk	Uses of the term "risk"	Rule ID: ER-RPDR-RCD6E
1.C.6	Statistical Plan	Statistical Plan references	Rule ID: ER-RPDT-SA093
1.C.7	Subject Premium	Uses of subject premium Rule for applying the experience rating modification to subject premium	Rule ID: ER-RPDJ-SC9B4 Rule ID: ER-RPDJ-R221A
1.C.8	Unity (1.00) Factor	Application of a unity (1.00) factor	Rule ID: ER-RPDU-UA238
<b>Rule 2—Experience Rating Elements and Formulas</b>			
2.A	Premium Eligibility	Premium eligibility	Rule ID: ER-ELIG-PC6F9
2.A.1	Premium	N/A	N/A
2.A.1.a	Subject Premium	Risk qualifications for experience rating	Rule ID: ER-ELIR-ECAA6
2.A.1.b	Not Subject to Experience Rating	Premium elements not subject to experience rating	Rule ID: ER-ELIA-PA9D9
2.A.2	State Subject Premium Eligibility Amounts	Subject premium eligibility amounts	Rule ID: ER-ELIT-SEE7E
2.A.3	Average Annual Subject Premium	Calculation of average annual subject premium	Rule ID: ER-ELIC-CD2D0
2.A.4	Intrastate Experience Rating	Intrastate experience rating	Rule ID: ER-ELIQ-I34B9
2.A.5	Interstate Experience Rating	Interstate experience rating	Rule ID: ER-ELIS-IA9FD
2.B	Rating Effective Date (RED)	Rating effective date (RED) of an experience rating modification Determination of a risk's rating effective date (RED) Reasons why a risk's rating effective date (RED) and policy effective date may differ Policies not used to determine the rating effective date (RED)	Rule ID: ER-REDS-RA102 Rule ID: ER-REDD-DC00A Rule ID: ER-REDL-R20D1 Rule ID: ER-REDU-P8F73
2.C	Elements of Experience Rating Formula and Worksheet	Elements of the Experience Rating Worksheet	Rule ID: ER-RWDS-EA34F
2.C.1	Expected Loss Rate (ELR)	Application of an Expected Loss Rate (ELR)	Rule ID: ER-RWDI-AF321
2.C.2	Expected Losses	Calculation of expected losses	Rule ID: ER-RWDM-EA34B
2.C.3	Discount Ratio (D-Ratio)	Application of a discount ratio (D-Ratio)	Rule ID: ER-RWDC-A90CD

Rule #	Current Experience Rating Plan Manual Title	New Experience Rating Plan Manual Topic	Unique ID
2.C.4	Expected Primary Losses	Calculation of expected primary losses	Rule ID: ER-RWDB-EA509
2.C.5	Actual Incurred Losses	Applicability of actual incurred losses	Rule ID: ER-RWDU-AA879
N/A	N/A	Application of a split point	Rule ID: ER-RWDN-OEAE6
2.C.6	Actual Primary Losses	Calculation of actual primary losses	Rule ID: ER-RWDA-AA8AD
2.C.7	Expected Excess Losses	Calculation of expected excess losses	Rule ID: ER-RWDL-EB7A3
2.C.8	Actual Excess Losses	Calculation of actual excess losses	Rule ID: ER-RWDO-AD6AD
2.C.9	Weighting Value	Application of a weighting value Calculating the interstate-rated risk's average weighting value	Rule ID: ER-RWDZ-UE207 Rule ID: ER-RWDZ-CAE0C
2.C.10	Ballast Value	Application of a ballast value Calculating the interstate-rated risk's average ballast value	Rule ID: ER-RWDQ-A4D34 Rule ID: ER-RWDQ-C54C8
2.C.11	Stabilizing Value	Calculation of a stabilizing value	Rule ID: ER-RWDD-SBF84
2.C.12	Ratable Excess	N/A	N/A
2.C.12.a	Expected Ratable Excess Losses	Calculation of expected ratable excess losses	Rule ID: ER-RWDW-EA396
2.C.12.b	Actual Ratable Excess Losses	Calculation of actual ratable excess losses	Rule ID: ER-RWDT-AA37B
2.C.13	Limitation of Losses Employed in a Rating	Special loss conditions Limitation of losses employed in experience rating	Rule ID: ER-SPEC-SAF0B Rule ID: ER-SPEL-LAA5B
2.C.13.a	Single and Multiple Claim Limitation	Loss limitations Medical-only loss limitation Individual loss limitation Accidents involving multiple loss limitations Employers liability-only loss limitation Liability-over claim loss limitation	Rule ID: ER-SPEL-CF68B Rule ID: ER-SPEL-M4BD1 Rule ID: ER-SPEL-SA1E9 Rule ID: ER-SPEL-MAEEA Rule ID: ER-SPEL-L00DF Rule ID: ER-SPEL-EABEC
2.C.13.b	Disease Loss Limitation	Disease loss limitation Application of the disease loss policy limitation	Rule ID: ER-SPEL-DBA84 Rule ID: ER-SPEL-A21A6
2.D	Experience Rating Formula	Experience rating modification formula	Rule ID: ER-FORM-EAB03
2.D.1	Experience Rating Modification Formula	Experience rating modification formula Values used in the experience rating modification formula	Rule ID: ER-FORM-EAB03 Rule ID: ER-FORX-EFC2C
2.D.2	Maximum Debit Modification	Maximum debit modification	Rule ID: ER-FORD-MF36B
2.D.3	United States Longshore and Harbor Workers' Compensation (USL&HW) Act Coverage	United States Longshore and Harbor Workers' (USL&HW) Compensation Act Coverage	Rule ID: ER-CONU-U553C
2.E	Experience to Be Used in a Rating	Experience used in a rating	Rule ID: ER-EXPS-RA398
2.E.1	Experience Period	Experience period Determination of an experience period Experience period limited to 45 months of data Unit reports included in an experience rating modification calculation	Rule ID: ER-EXPP-EAC75 Rule ID: ER-EXPP-D33D2 Rule ID: ER-EXPP-E4AE4 Rule ID: ER-EXPP-RB250
2.E.2	Non-Affiliate Self-Insurer and Non-Affiliate Carrier Data	Non-affiliate carrier data and non-affiliate self-insured data Carrier of record request to include non-affiliate data Carrier of record submission and verification of non-affiliate data Usage of non-affiliate data in experience rating modifications Non-affiliate self-insured group or individual self-insured employer requests for experience rating modifications	Rule ID: ER-NAFC-NA740 Rule ID: ER-NAFI-AF1B2 Rule ID: ER-NAFV-AAB9A Rule ID: ER-NAFU-UA394 Rule ID: ER-NAFS-NCCF4
2.E.3	Discontinued Operations	Discontinuation of operations	Rule ID: ER-EXPT-D16B3
<b>Rule 3—Ownership Changes and Combination of Entities</b>			
3.A	Reporting Requirement	Changes in ownership and combination of entities Notifications related to ownership changes	Rule ID: ER-OWNR-OAD3D Rule ID: ER-OWNK-R6205

Rule #	Current Experience Rating Plan Manual Title	New Experience Rating Plan Manual Topic	Unique ID
3.B	Research and Decision	Ownership determination for risks that qualify for an experience rating modification Researching and decisions for changes in ownership and combination of entities	Rule ID: ER-OWNQ-O4D50 Rule ID: ER-OWNY-RA8A9
3.C	Ownership Changes	Changes in ownership	Rule ID: ER-OWNO-OAFE8
3.C.1	Types of Ownership Changes	Types of changes in ownership	Rule ID: ER-OWNO-TAFF0
3.C.2	Impact of Ownership Changes	Impact of changes in ownership	Rule ID: ER-OWNO-IA5AA
3.D	Combination of Entities	Combination of entities Combination of two or more entities Determination of majority ownership interest Determination of multiple combinations of entities	Rule ID: ER-OWNC-CD038 Rule ID: ER-OWNC-C607D Rule ID: ER-OWNC-D7BC1 Rule ID: ER-OWNC-DC7A7
3.E	Treatment of Experience	Treatment of experience	Rule ID: ER-OWNI-T5055
3.E.1	Transfer of Experience	Transfer of experience due to changes in ownership Experience retention or transfer Transfer of experience when an entity disposes of all of its operations Transfer of experience when an entity disposes of part of its operations and the insurance provider provides the data Transfer of experience when an entity disposes of part of its operations and the insurance provider cannot provide the data	Rule ID: ER-OWNI-TB903 Rule ID: ER-OWNI-EDA5B Rule ID: ER-OWNI-E9D53 Rule ID: ER-OWNI-SD9E6 Rule ID: ER-OWNI-EE7D4
3.E.2	Exclusion of Experience	Exclusion of experience due to changes in ownership Criteria for exclusion of experience in future experience rating modifications	Rule ID: ER-OWNX-EA7DE Rule ID: ER-OWNG-C30A5
3.E.3	Recalculation and Application of Experience Rating Modifications	Recalculation of experience rating modifications Recalculation and application of experience rating modifications	Rule ID: ER-OWNA-RE143 Rule ID: ER-OWNA-R15AA
3.F	Evasion of Experience Rating Modification	Evasion of experience rating modification	Rule ID: ER-OWNE-EA18D
3.F.1	Actions	Actions of the employers	Rule ID: ER-OWNE-AECE8
3.F.2	Rating Organization Response	Rating organization response	Rule ID: ER-OWNE-RBCE
<b>Rule 4—Application and Revision of Experience Rating Modifications</b>			
4.A	General Explanation	Application and types of experience rating modifications	Rule ID: ER-APPL-AAEE6
4.B	Inclusion of Payroll and Losses	N/A	N/A
4.B.1	Revision of Payroll	Revision of experience rating modifications Revision of payroll	Rule ID: ER-REVI-RF26D Rule ID: ER-REVP-RDAD0
4.B.2	Revision of Losses	Revision of losses Special fund reimbursements Subrogation recoveries	Rule ID: ER-REVL-RA9D8 Rule ID: ER-REVL-SADC3 Rule ID: ER-REVL-SAEAA
4.B.3	Corrections in Classifications	Corrections in classifications	Rule ID: ER-REVC-CAED7
4.B.4	Third Party Cases	Removed from manual.	N/A
4.B.4.a	Unsettled Claims	Removed from manual.	N/A
4.B.4.b	Settled Claims	Removed from manual.	N/A
4.B.5	Liability-Over Cases	Liability-over claim loss limitation	Rule ID: ER-SPEL-EABEC
4.C	Types of Experience Rating Modifications	Types of experience rating modifications	Rule ID: ER-APPT-TA7C3
4.C.1	Preliminary Modifications	Preliminary modifications	Rule ID: ER-APPT-PA598
4.C.2	Final Modifications	Final modifications	Rule ID: ER-APPT-FA7C9
4.C.3	Contingent Modifications	N/A	N/A
4.C.3.a	Explanation	Contingent modifications	Rule ID: ER-APPT-CD851
4.C.3.b	Minimum Data Requirements	Minimum data requirements within the experience period	Rule ID: ER-APPT-MAC68
4.C.3.c	Exceptions to Minimum Data Requirements	Experience rating modifications not issued as contingent modifications	Rule ID: ER-APPT-EA78F
4.C.3.d	Submission of Missing Data	Experience rating modification revisions upon receipt of missing data	Rule ID: ER-APPT-SADD2
4.C.3.e	Application	Contingent modifications	Rule ID: ER-APPT-CD851

Rule #	Current Experience Rating Plan Manual Title	New Experience Rating Plan Manual Topic	Unique ID
4.D	Application for Single and Multiple Policy Risks	Time period that an experience rating modification applies	Rule ID: ER-APPA-AB538
4.D.1	For Single Policy Risks	Experience rating modification application for single policy risks	Rule ID: ER-APPA-FA43E
4.D.2	For Multiple Policy Risks	Experience rating modification application for multiple policy risks	Rule ID: ER-APPA-FCF43
4.E	Changes in Experience Rating Modifications	Changes in experience rating modifications	Rule ID: ER-REVV-CA3C0
	Changes in Experience Rating Modifications Table	Decreases in the experience rating modification Application of decreases in the experience rating modification due to any reason other than a correction in classification Rule for decreases in the experience rating modification due to a change in ownership or combinability status Increases in the experience rating modification Application of increases in the experience rating modification due to the 90-day rule Exceptions to application of increases in the experience rating modification due to the 90-day rule Rule for increases in the experience rating modification due to a change in ownership or combinability status	Rule ID: ER-REVV-D21AA Rule ID: ER-REVV-ADE15 Rule ID: ER-REVV-RB17B Rule ID: ER-REVV-I2442 Rule ID: ER-REVV-A77CC Rule ID: ER-REVV-ECOAE6 Rule ID: ER-REVV-R8D53
<b>Rule 5—Special Rating Conditions</b>			
5.A	Employee Leasing/Professional Employer Organizations	N/A	N/A
5.A.1	Employee Leasing/Professional Employer Organization (PEO) Arrangements	Employee leasing arrangements	Rule ID: ER-PEOA-EA916
5.A.2	Calculation and Application of Experience Rating Modification	N/A	N/A
5.A.2.a	While a Client Is Involved in an Employee Leasing Arrangement	Employee leasing arrangements written under a master policy basis Experience rating modifications while in an employee leasing arrangement written under a master policy Employee leasing arrangements written under a multiple coordinated policy (MCP) basis Experience rating modifications for client employees in an employee leasing arrangement written under a multiple coordinated policy (MCP) Applying experience rating modifications for a client written under a multiple coordinated policy (MCP) Experience rating modifications for an employee leasing company written under a multiple coordinated policy (MCP)	Rule ID: ER-PEOM-EAE0C Rule ID: ER-PEOM-EA05A Rule ID: ER-PEOC-EA05A Rule ID: ER-PEOC-EC5A0 Rule ID: ER-PEOC-AD9EF Rule ID: ER-PEOC-EACA7
5.A.2.b	Upon Termination of a Client's Employee Leasing Arrangement	N/A	N/A
5.A.2.b(2)	Multiple Coordinated Policy (MCP)	Termination of employee leasing arrangements written under a multiple coordinated policy (MCP)	Rule ID: ER-PEOC-TAFE6
5.C	Separate State Experience Rating Modification	N/A	N/A
5.C.1	Explanation	Separate state experience rating modification	Rule ID: ER-CONB-SE840
5.C.2	Permitted as Follows	Rules for separate state experience rating modifications Rules for the request of a separate state experience rating modification	Rule ID: ER-CONB-DA59E Rule ID: ER-CONB-R3904
5.C.3	Application	Rules for the application of separate state experience rating modifications	Rule ID: ER-CONB-R6229
5.C.4	Determination of the Separate State Experience Rating Modification	Calculating the separate state experience rating modification Formula for the separate state adjustment factor	Rule ID: ER-CONB-C3701 Rule ID: ER-CONB-C78BF
5.D	Construction/Contracting Risks	Construction and contracting risks	Rule ID: ER-CONR-CA61C
5.D.1	Wrap-Up Construction Project	Experience rating modifications for wrap-up construction projects	Rule ID: ER-CONR-WEBE2
5.D.2	Joint Ventures	Projects as a joint venture Determination of an experience rating modification for joint ventures	Rule ID: ER-CONR-JA1D8 Rule ID: ER-CONR-EA3CE
5.D.3	Cost-Plus Contracts	Cost-plus contracts for the principal and contractor	Rule ID: ER-CONR-CC6DC

Rule #	Current Experience Rating Plan Manual Title	New Experience Rating Plan Manual Topic	Unique ID
5.D.4	Uninsured Contractors	Inclusion of uninsured contractors' experience	Rule ID: ER-CONR-UF8B0
N/A	N/A	United States Longshore and Harbor Workers' (USL&HW) Compensation Act loss limitation	Rule ID: ER-SPEL-UDD19
N/A	N/A	Insolvent carrier or insolvent self-insured group data	Rule ID: ER-INSL-ID55B
N/A	N/A	Insolvent carrier or insolvent self-insured group submission of their data	Rule ID: ER-INSC-IAEDA
N/A	N/A	Carrier of record request to include insolvent data	Rule ID: ER-INSR-AAC18
N/A	N/A	Carrier of record submission of insolvent carrier or insolvent self-insured group data	Rule ID: ER-INSS-AE7F2
N/A	N/A	Carrier of record resubmission of insolvent carrier or self-insured group data	Rule ID: ER-INSG-AAE6C
<b>Appendix</b>			
Appendix	Request for Ownership Information—ERM-14 Form	Moved to ncci.com	N/A
Appendix	ERM-6 Form—Workers Compensation Experience Rating for Non-Affiliate Data	Moved to ncci.com	N/A
<b>State Exceptions &amp; State Specials</b>			
1.D	Administration	Administration of the Plan	Rule ID: ER-PRET-AD2E8
2.D.4	Ex-Medical Experience	Ex-medical experience	Rule ID: ER-FORK-E5970
5.A.1	Employee Leasing/Professional Employer Organization (PEO) Arrangements	Rule for maintaining and submitting client experience	Rule ID: ER-PEOS-RCE45
5.A.2.b(1)	Master Policy	Termination of employee leasing arrangements written under a master policy	Rule ID: ER-PEOM-TA6F0
		Experience rating modifications for clients terminating employee leasing arrangements written under a master policy	Rule ID: ER-PEOM-EB952
		Experience rating modifications for PEOs when a client terminates an employee leasing arrangement written under a master policy	Rule ID: ER-PEOM-EA240



Informational Exhibit 2 – State Content Changes - Indiana

Jurisdiction	Current Rule	New topic	Reason for change	Change
Multistate	N/A	Organization of the Experience Rating Plan Manual Rule ID: ER-PREF-OA74A	New rule	Added a subblock, Applicability of intrastate-rated and interstate-rated risks, to specifically indicate how the rules apply.
Multistate	N/A	Application of manual rules Rule ID: ER-PREI-IA2CC	New rule	Added a subblock, Insurance provider references in the Plan, to define the use of "insurance provider" throughout the <i>Experience Rating Plan Manual</i> . Specifically, insurance provider may be the carrier, the self-insured group, a third-party data reporter, or a non-affiliate.
Multistate	N/A	Application of manual rules Rule ID: ER-PREI-IA2CC	New rule	Added a subblock, Self-insured group references in the Plan, to reflect the various terms used for self-insured groups.
Multistate	N/A	United States Longshore and Harbor Workers' (USL&HW) Compensation Act loss limitation Rule ID: ER-SPEL-UDD19	New rule	Added a new rule for USL&HW loss limitations. This new rule supports the USL&HW loss limitations provided as footnotes in the Rating Values, Table of Weighing Values.
Multistate	2-A-2 - State Subject Premium Eligibility Amounts	Subject premium eligibility amounts Rule ID: ER-ELIT-SEE7E	Clarification	Each state manual has it's state's eligibility amounts. A multistate table may be provided in NCCI's <i>Experience Rating Plan Manual User's Guide</i> for the convenience of carriers writing multistate policies.
Multistate	2-C-13 - Limitation of Losses Employed in a Rating	Medical-only loss limitation Rule ID: ER-SPEL-M4BD1 Individual loss limitation Rule ID: ER-SPEL-SA1E9 Accidents involving multiple loss limitations Rule ID: ER-SPEL-MAEEA Employers liability-only loss limitation Rule ID: ER-SPEL-L00DF	Clarification	Transformed three tables into separate topics.
Multistate	2-E-2 - Non-Affiliate Self-Insurer and Non-Affiliate Carrier Data	Non-affiliate carrier data and non-affiliate self-insured data Rule ID: ER-NAFC-NA740	Update	Updated the content to make it more comprehensive.
Multistate	2-E-4 - Insolvent Insurance Provider Data	Insolvent carrier or insolvent self-insured group data Rule ID: ER-INSL-ID55B	New rule	This rule originally appeared as an Oregon state-special rule. Expanded this state-special rule to apply on a multistate basis.
Multistate	3-A - Reporting Requirements	Notifications related to ownership changes Rule ID: ER-OWNK-R6205	Update	Added additional ownership change submission method - Experience Rating Ownership Submission Tool (EROWN).
Multistate	4-B-4 - Third Party Cases	N/A	Eliminate rule	Eliminated the data-reporting portion of the rules related to third party cases, unsettled claims, and settled claims from the <i>Experience Rating Plan Manual</i> .
Multistate	4-B-5 - Liability-Over Cases	Liability-over claim loss limitation Rule ID: ER-SPEL-EABEC	Eliminate rule	Eliminated the data-reporting portion of the rules from the <i>Experience Rating Plan Manual</i> and moved the content to the <i>Statistical Plan</i> . Refer to Exhibit 6.
Multistate	Appendix - ERM-14 Form—Request for Ownership Information	N/A	Remove form	Removed the ERM-14 Form from the <i>Experience Rating Plan Manual</i> . Reference links to the ERM-14 Form are provided within the applicable topics of the <i>Experience Rating Plan Manual</i> . Additionally, this form is available on <a href="http://ncci.com">ncci.com</a> under the Popular Forms section within the Underwriting tab. The ERM-14 Form will no longer be filed for approval.

Informational Exhibit 2 – State Content Changes - Indiana

Multistate	Appendix - ERM-6 Form—Workers Compensation Experience Rating for Non-Affiliate Data	N/A	Remove form	Removed the ERM-6 Form from the <i>Experience Rating Plan Manual</i> . Reference links to the ERM-6 Form are provided within the applicable topics of the <i>Experience Rating Plan Manual</i> . Additionally, this form is available on <a href="http://ncci.com">ncci.com</a> under the Popular Forms section within the Underwriting tab. The ERM-6 Form will no longer be filed for approval.
Multistate	Appendix - ERM-6 Form—Workers Compensation Experience Rating for Non-Affiliate Data	N/A	Update	Changed the title of the ERM-6 Form to Workers Compensation Experience Rating for Non-Statistical Data.

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