



Minnesota Workers' Compensation
Insurers Association, Inc.

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March 23, 2017

ALL ASSOCIATION MEMBERS

Circular No. 17-1706

**RE: NCCI Item P-1413— Establishment of Experience Rating Modification
Factor Revision Endorsement**

The Minnesota Department of Commerce has approved the above filing to become effective at 12:01 a.m. on May 1, 2017, for new and renewal business.

This item introduces a newly established Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) to be included in the ***Minnesota Forms Manual***.

Recently, National Council's proposed Item B-1430- Elimination of Anniversary Rating Date (ARD) was approved in 45 states. Though this Item was not applicable in the state of Minnesota, the result of this Item approval eliminated the Form WC 00 04 02, which member carriers used in all other states, not only to schedule a Policy Rate Anniversary Rating Date, but also to schedule an Experience Modification Anniversary Rating Date. In Minnesota, the Minnesota Anniversary Rating Date Endorsement (WC 22 04 02) was utilized by carriers to schedule an Experience Modification Anniversary Rating Date.

Rather than continue to use a state special Form, where a national Form is available, the Minnesota specific, Minnesota Anniversary Rating Date Endorsement (WC 22 04 02) will be withdrawn and replaced with the approved Experience Rating Modification Factor Revision Endorsement (WC 00 04 25).

Attached please find Exhibits 1 and 1A which illustrate necessary changes to the ***Minnesota Forms Manual***. As in past filings, strikethroughs indicate deleted text while underlining indicates new or added text. Please note, Exhibits 2-8 are not applicable in Minnesota. A copy of National Council's original filing memorandum is also included to provide additional background information regarding Item P-1413.

Please direct any questions you may have concerning this item to MWCIA's Underwriting Department at 952-897-1737, Option 1, or email to underwriting@mwcia.org

A NOTICE TO MEMBERSHIP:

Pursuant to Minn R. Part 2705.3200, the Manual forms and/or endorsements included in this filing do **not** require independent filing by our members.

Exhibit 1

Minnesota Forms Manual

Effective 5/1/2017

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC-22-04-02

(Ed. 9-95)

MINNESOTA ANNIVERSARY RATING DATE ENDORSEMENT

The experience rating modification factor, if any, may change on your anniversary rating date shown in the Schedule.

Schedule

Anniversary Rating Date _____ (Month) _____ (Day)

WITHDRAWN

Notes:

1. The anniversary rating date rule is explained under Rule 4 of the **Minnesota Experience Rating Plan Manual**.
2. Use this endorsement to show the insured's normal anniversary rating date if different from the policy effective date.
3. The insurer may show the anniversary rating date in Item 2 or Item 4 of the Information Page. In order to conform each carriers' information page with other provisions of the Standard Workers' Compensation Policy, the Information Page must, at a minimum, comply with the sequence of Items 1 through 4 of WC-00-00-01 which may not be changed.

Exhibit 1 (Continued)

Minnesota Forms Manual

Effective 5/1/2017

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 04 25

(Ed. 5-17)

EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

This endorsement is added to Part Five— Premium of the policy.

The Premium for the policy is adjusted by an experience rating factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

Notes:

1. The anniversary rating date rule is explained under Rule 4 of the *Minnesota Experience Rating Plan Manual*.
2. Use this endorsement to show the insured's normal anniversary rating date if different from the policy effective date.
3. The insurer may show the anniversary rating date in Item 2 or Item 4 of the Information Page. In order to conform each carriers' information page with other provisions of the Standard Workers' Compensation Policy, the Information Page must, at a minimum, comply with the sequence of Items 1 through 4 of WC 00 00 01 which may not be changed.

Exhibit 1A

Minnesota Forms Manual- Index

Effective 5/1/2017

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MINNESOTA FORMS MANUAL

The following forms and endorsements in this Minnesota Forms Manual have been approved by the Minnesota Commerce Department and are available for use in Minnesota.

- Introduction
- Workers' Compensation and Employers Liability Insurance Policy Rules
- WC 00 00 00 C Workers Compensation and Employers Liability Insurance Policy
- WC 00 01 01 A Defense Base Act Coverage Endorsement
- WC 00 01 04 A Federal Employers' Liability Act Coverage Endorsement
- WC 00 01 06 A Longshore and Harbor Workers' Compensation Act Coverage Endt
- WC 00 01 08 A Nonappropriated Fund Instrumentalities Act Coverage Endorsement
- WC 00 01 09 C Outer Continental Shelf Lands Act Coverage Endorsement
- WC 00 01 11 Migrant and Season Agricultural Worker Protection Act Coverage Endorsement
- WC 00 02 01 B Maritime Coverage Endorsement
- WC 00 02 03 Voluntary Compensation Maritime Coverage Endorsement
- WC 00 02 04 Limited Maritime Coverage Endorsement
- WC 00 03 01 A Alternate Employer Endorsement
- WC 00 03 02 Designated Workplaces Exclusion Endorsement
- WC 00 03 03 C Employers Liability Coverage Endorsement
- WC 00 03 04 Insurance Company as Insured Endorsement
- WC 00 03 05 Joint Venture as Insured Endorsement
- WC 00 03 08 Partners, Officers and Others Exclusion Endorsement
- WC 00 03 09 B Rural Utilities Service Endorsement
- WC 00 03 10 Sole Proprietors, Partners, Officers and Others Coverage Endorsement
- WC 00 03 11 A Voluntary Compensation and Employers Liability Coverage Endt.
- WC 00 03 13 Waiver of Our Right to Recover from Others Endorsement
- WC 00 04 03 Experience Rating Modification Factor Endorsement
- WC 00 04 05 Policy Period Endorsement
- WC 00 04 06 A Premium Discount Endorsement
- WC 00 04 09 Premium Determination Endorsement— Former Self Insurers 1
- WC 00 04 10 Premium Determination Endorsement— Former Self Insurers 2
- WC 00 04 12 Contingent Experience Rating Modification Factor Endorsement

Exhibit 1A (Continued)

***Minnesota Forms Manual*- Index**

Effective 5/1/2017

- WC 00 04 14 Notification of Change in Ownership Endorsement
- WC 00 04 19 Premium Due Date Endorsement
- WC 00 04 22 B Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement
- WC 00 04 24 Audit Noncompliance Charge Endorsement
- **WC 00 04 25 Experience Rating Modification Factor Revision Endorsement**
- WC 00 05 03 C Retrospective Rating Plan Premium Endorsement— One Year Plan
- WC 00 05 04 C Retrospective Rating Plan Premium Endorsement— Three Year Plan
- WC 00 05 05 C Retrospective Rating Plan Premium Endorsement— Long-term Wrap- Up Construction Project
- WC 00 05 08 Retrospective Rating Plan Premium Endorsement Aviation Exclusion
- WC 00 05 09 A Retrospective Rating Plan Premium Endorsement Changes
- WC 00 05 10 B Retrospective Rating Plan Premium Endorsement Non- Ratable Catastrophe Element or Surcharge
- WC 00 05 11 Retrospective Rating Plan Premium Endorsement Short Form
- WC 00 05 12 C Retrospective Rating Plan Premium Endorsement One Year Plan— Multiple Lines
- WC 00 05 13 C Retrospective Rating Plan Premium Endorsement Three Year Plan— Multiple Lines
- WC 00 05 14 C Retrospective Rating Plan Premium Endorsement Long- Term Wrap- Up Construction Project — Multiple Lines
- WC 00 05 15 A Retrospective Rating Plan Premium Endorsement Flexibility Options
- WC 00 05 16 Retrospective Rating Plan Premium Endorsement— Large Risk Alternative Rating Option (LRARO)
- WC 00 06 03 Benefits Deductible Endorsement
- WC 89 06 09 C Policy Termination/ Cancellation/ Reinstatement Notice
- WC 22 00 00 A Minnesota Amendatory Endorsement
- WC 22 00 01 Information Page
- WC 22 03 01 Minnesota Compliance with Applicable Trade Sanction Laws
- WC 22 03 02 Minnesota Independent Contractors Coverage Endorsement
- WC 22 03 03 Minnesota Third Degree of Kindred Family Member Exclusion Endt.
- WC 22 03 04 Minnesota Employee Leasing Endorsement
- WC 22 03 05 Minnesota Exclusion of Coverage for Leased Employees Endorsement

Exhibit 1A (Continued)

Minnesota Forms Manual- Index

Effective 5/1/2017

- WC 22 03 06 Minnesota Alternate Employer Endorsement [Excluding Employers Liability Coverage]
- WC 22 04 01 Minnesota Contracting Premium Adjustment Program Endorsement
- ~~WC 22 04 02 Minnesota Anniversary Rating Date Endorsement~~
- WC 22 06 00 Minnesota Policy Change Endorsement
- WC 22 06 01 D Minnesota Cancellation and Nonrenewal Endorsement
- WC 22 06 02 Minnesota Policy Information Page Endorsement Insured's Name
- WC 22 06 03 Minnesota Policy Information Page Endorsement Policy Number
- WC 22 06 04 Minnesota Policy Information Page Endorsement Effective Date
- WC 22 06 05 Minnesota Policy Information Page Endorsement Expiration Date
- WC 22 06 06 Minnesota Policy Information Page Endorsement- Insured's Mailing Address
- WC 22 06 07 Minnesota Policy Information Page Endorsement- Experience Modification
- WC 22 06 08 Minnesota Policy Information Page Endorsement Producer's Name
- WC 22 06 09 Minnesota Policy Information Page Endorsement- Change in Workplace Endorsement
- WC 22 06 10 Minnesota Policy Information Page Endorsement- Insured's Legal Status
- WC 22 06 11 Minnesota Policy Information Page Endorsement Add States
- WC 22 06 12 Minnesota Policy Information Page Endorsement Employer Limits
- WC 22 06 13 Minnesota Policy Information Page Endorsement Change in State
- WC 22 06 14 Minnesota Policy information Page Endorsement- Endorsement Numbers
- WC 22 06 15 A Minnesota Policy information Page Endorsement- Class, Rate, Other Change
- WC 22 06 16 A Minnesota Policy Information Page Endorsement- Interim Adjustment of Premium
- WC 22 06 17 Minnesota Policy Information Page Endorsement- Carrier Servicing Office
- WC 22 06 18 Minnesota Policy Information Page Endorsement- Interstate/ Intrastate Risk ID Number
- WC 22 06 19 Minnesota Policy Information Page Endorsement Carrier Number
- WC 22 06 20 Minnesota Entity Address Schedule



**National Council on
Compensation
Insurance**

Terri Robinson
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Regulatory Services Division

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December 21, 2016

Mr. Brandon Miller, President
Minnesota Workers' Compensation Insurers Association
7701 France Avenue South, Suite 450
Minneapolis, Minnesota 55435-3200

Re: **Item P-1413—Establishment of Experience Rating Modification Factor Revision Endorsement**

Dear Mr. Miller:

We are filing the above captioned item in a number of NCCI jurisdictions. The attached filing memorandum describes the proposed changes.

This filing memorandum is proprietary and copyrighted by NCCI. NCCI grants your organization permission to copy, use and modify the filing memorandum as necessary for filing in your jurisdiction on the condition that the materials are reprinted for distribution or sale only to members of your organization and only for use in your state. In addition, the modified pages must bear the following copyright legend:

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NCCI maintains a report for use by our common members that contains the approval status of national and state item filings (*Status of Item Filings Circular*). Please notify Michelle Smith by phone (561-893-3016) or e-mail (michelle_smith@ncci.com) if your organization files and receives approval of this item. This information will be reflected in the *Status of Item Filings Circular*, which is located on our web site and to which you have been given access.

Sincerely,

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

Terri Robinson
State Relations Executive

TR:ah

Attachment

FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

PURPOSE

This item establishes the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's ***Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)***.

BACKGROUND

NCCI's Workers Compensation and Employers Liability Insurance Policy Part Five, Section A—Our Manuals states:

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

Further, NCCI's ***Experience Rating Plan Manual*** Rule 1-D-5 states, "The calculated experience rating modification factor is applied by the carrier(s) in accordance with this Plan, other applicable rules, statutes, and regulations."

Experience rating modification factors may change during a policy period for a variety of reasons, including but not limited to:

- Rating effective date change
- Revision of payroll and/or losses
- Change from preliminary to final modification status

Recently, Item B-1430—Elimination of Anniversary Rating Date (ARD) was approved nationally. As a result, the Anniversary Rating Date Endorsement (WC 00 04 02) will be eliminated effective May 1, 2017. The current endorsement language includes a provision that the experience rating modification factor, if any, may change on the anniversary rating date.

Because Form WC 00 04 02 is being eliminated, NCCI is introducing a new endorsement to advise employers that their experience rating modification factor may change during the policy term. The proposed language in Exhibit 1 is based on existing policy and manual language detailed above.

PROPOSAL

This item proposes to establish the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's ***Forms Manual***.

Florida-Specific

NCCI's Florida Experience Rating Modification Factor Endorsement (WC 09 04 02) is used to inform employers that their experience rating modification factor is not available at the time of policy issuance. It also details how changes to the experience rating modification factor are applied to the policy.

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FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

NCCI is proposing to establish the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08), similar to the proposed national endorsement but including the application information in Form WC 09 04 02. This new Florida endorsement will be consistent with the existing Florida Experience Rating Modification Factor Endorsement. Although Form WC 09 04 02 is related to the proposal, it is not impacted by the establishment of Form WC 09 04 08. However, NCCI is proposing to revise Form WC 09 04 02 to include appropriate references to rating effective date and additional application information to be consistent with the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.

Florida's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains a reference to the Experience Rating Modification Factor Endorsement. This state exception must be revised to also include a reference to the proposed Experience Rating Modification Factor Revision Endorsement.

This item proposes to:

1. Revise the Florida Experience Rating Modification Factor Endorsement (WC 09 04 02) for consistency with the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.
2. Establish the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08) in NCCI's *Forms Manual*.
3. Revise the Florida exception to NCCI's *Experience Rating Plan Manual* Rule 4-E to clarify that a decrease in the experience modification factor is applied retroactively to the rating effective date if the rating effective date is later than the policy effective date. Also, a reference will be included to the proposed Florida Experience Rating Modification Factor Revision Endorsement.

Missouri-Specific

Missouri's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains references to the Experience Rating Modification Factor Endorsement. This item proposes to revise the Missouri exception to Rule 4-E to include references to the proposed Experience Rating Modification Factor Revision Endorsement.

Nebraska-Specific

NCCI's Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) is used to inform employers that their experience rating modification factor is not available at the time of policy issuance. It also details how changes to the experience rating modification factor are applied to the policy.

NCCI is proposing to establish the Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03), similar to the proposed national endorsement but including the application information in Form WC 26 04 01 A. This new Nebraska endorsement will be consistent with the existing Nebraska Experience Rating Modification Endorsement. Although Form WC 26 04 01 A is related to the proposal, it is not impacted by the establishment of Form WC 26 04 03. However, NCCI is proposing to revise Form WC 26 04 01 A to include appropriate references to rating effective date and additional application information to be consistent with the Nebraska exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.

This item proposes the following in NCCI's *Forms Manual*:

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FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

1. Revise the Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) for consistency with the Nebraska exception to NCCI's *Experience Rating Plan Manual* Rule 4-E.
2. Establish the Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03).

Oregon-Specific

Oregon's exception to Rule 4-E in NCCI's *Experience Rating Plan Manual* contains references to the Experience Rating Modification Factor Endorsement. This item proposes to revise the Oregon exception to Rule 4-E to include references to the proposed Experience Rating Modification Factor Revision Endorsement.

IMPACT

There will be no statewide premium impact as a result of the changes proposed in this item.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
1-Form	<ul style="list-style-type: none"> Displays the establishment of the Experience Rating Modification Factor Revision Endorsement (WC 00 04 25) in NCCI's <i>Forms Manual</i> Applies in all states except FL and NE 	To become effective for new and renewal policies effective on and after 12:01 a.m. on May 1, 2017.
2-Form	Displays the revision to the Florida Experience Rating Modification Factor Endorsement (WC 09 04 02 A) in NCCI's <i>Forms Manual</i> .	
3-Form	Displays the establishment of the Florida Experience Rating Modification Factor Revision Endorsement (WC 09 04 08) in NCCI's <i>Forms Manual</i> .	
4-Form	Displays the revision to the Nebraska Experience Rating Modification Endorsement (WC 26 04 01 A) in NCCI's <i>Forms Manual</i> .	
5-Form	Displays the establishment of Nebraska Experience Rating Modification Factor Revision Endorsement (WC 26 04 03) in NCCI's <i>Forms Manual</i> .	

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FILING MEMORANDUM

ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT

Exhibit	Exhibit Comments	Implementation Summary
6-Rule	Displays the revision to Florida's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> .	To become effective for experience rating modification factors with rating effective dates on and after May 1, 2017.
7-Rule	Displays the revision to Missouri's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> .	
8-Rule	Displays the revision to Oregon's exception to Rule 4-E in NCCI's <i>Experience Rating Plan Manual</i> .	

Note: Due to the approval of Item B-1430—Elimination of Anniversary Rating Date (ARD), effective May 1, 2017, Exhibits 4–Form, 6–Rule, 7–Rule, and 8–Rule show the changes as a result of Item B-1430 and Item P-1413.

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**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

EXHIBIT 1—FORM

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 00 04 25)
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT,
NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 00 04 25)

This endorsement is added to Part Five—Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 2—FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT (WC 09 04 02 A)****FLORIDA EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT (WC 09 04 02 A B)**

This endorsement applies because Florida is shown in Item 3.A. of the Information Page.

- A. The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.
- B. If the experience rating modification factor is an increase over from that shown on the Information Page, it will apply as of the policy effective date; or if the rating effective date is later than the policy effective date it will apply as of the rating effective date. Your premium will be calculated follows:
1. Retroactively to the policy effective date of the policy, or to the rating effective date if the rating effective date is later than the policy effective date, if the adjustment is within the first 90 days of the policy effective date;
 2. On a pro rata basis from the date we endorsed the policy if the adjustment is more than 90 days after the policy effective date of the policy.
- C. Section B. of this endorsement notwithstanding:
1. The adjustment will be An increase in the experience rating modification factor is applied retroactively to the policy effective date of the policy or to the rating effective date if the rating effective date is later than the policy effective date when:
 - a. The change in the experience rating modification factor is the result of a revision in your classifications;
 - b. The delay in the calculation of the experience rating modification factor is due to your failure to make available all your records for examination and audit as provided in Part Five—Premium, Section G. (Audit) of the policy.
 2. An increase in the experience rating modification factor due to:
 - a. The termination of a client's employee leasing arrangement under a master policy approach is applied to the client's policy effective on the date of termination of the employee leasing arrangement.
 - b. An appeals board or other appropriate administrative process or judicial decision is applied as of the date determined by such board, process, or judicial decision.
- D. ~~G.~~ If the experience rating modification factor is a decrease from that shown on the Information Page, it will apply is applied retroactively to the policy effective date or the rating effective date if the rating effective date is later than the policy effective date.
- E. An increase or decrease in the experience rating modification factor due to a change in ownership or combinability status is applied as of the date of the change in accordance with our manuals.

Note:

1. This endorsement must be used if the insured's experience rating modification factor for the Florida portion of interstate rated policies which develop Florida premium or the modification factor for Florida intrastate premium is not available when the policy is issued.
2. The Experience Rating Modification Factor Endorsement—WC 00 04 03 may be used on interstate rated policies in addition to this Florida endorsement if the insured's experience rating modification factor is not available when the policy is issued.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 3—FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC
09 04 08)**

FLORIDA EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 09 04 08)

This endorsement applies because Florida is shown in Item 3.A. of the Information Page.

- A. The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.
- B. If the factor is an increase from that shown on the Information Page, it will apply as follows:
 - 1. Retroactively to the policy effective date, or to the rating effective date if the rating effective date is later than the policy effective date, if the adjustment is within the first 90 days of the policy effective date.
 - 2. On a pro rata basis from the date we endorsed the policy if the adjustment is more than 90 days after the policy effective date.
- C. Section B. of this endorsement notwithstanding:
 - 1. An increase in the experience rating modification factor is applied retroactively to the policy effective date or to the rating effective date if the rating effective date is later than the policy effective date when:
 - a. The change in the experience rating modification factor is the result of a revision in your classifications.
 - b. The delay in the calculation of the experience rating modification factor is due to your failure to make available all your records for examination and audit as provided in Part Five—Premium, Section G. (Audit) of the policy.
 - 2. An increase in the experience rating modification factor due to:
 - a. The termination of a client's employee leasing arrangement under a master policy approach is applied to the client's policy effective on the date of termination of the employee leasing arrangement.
 - b. An appeals board or other appropriate administrative process or judicial decision is applied as of the date determined by such board, process, or judicial decision.
- D. If the factor is a decrease from that shown on the Information Page, it is applied retroactively to the policy effective date or to the rating effective date if the rating effective date is later than the policy effective date.
- E. An increase or decrease in the experience rating modification factor due to a change in ownership or combinability status is applied as of the date of the change in accordance with our manuals.

Note:

- 1. This endorsement is used to notify the employer that the experience rating modification factor shown on the Information Page may be revised for the Florida portion of interstate-rated policies that develop Florida premium or for Florida intrastate premium.
- 2. The Experience Rating Modification Factor Revision Endorsement may be used on interstate-rated policies in addition to this Florida endorsement.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 4—FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEBRASKA EXPERIENCE RATING MODIFICATION ENDORSEMENT (WC 26 04 01 A)****NEBRASKA EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT (WC 26 04 01 A B)**

This endorsement applies because Nebraska is shown in Item 3.A. of the Information Page.

- A. If multiple states are shown in Item 3.A. of the Information Page, this endorsement does not apply if the premiums attributable to Nebraska (calculated using prior experience rating modifications) are less than 50% of the total premium for the risk. If more than 50% of your premium is derived from Nebraska, the application of this endorsement applies only to the Nebraska premium.
- B. ~~A-~~ The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor shown on the Information Page is the most recent factor which was known at the time the policy was issued. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.
- C. ~~B-~~ If the ultimately determined experience rating modification factor applying to this policy is a decrease from that shown on the Information Page, it will be applied retroactively to the policy effective date or to the rating effective date if different from the rating effective date is later than the policy effective date.
- ~~D. C-~~ If the experience rating modification factor is an increase over from that shown on the Information Page, it will apply as follows:
1. Retroactively to the policy effective date of the policy, or to the rating effective date if the rating effective date is later than the policy effective date, if the adjustment is within if you or your agent are notified of the new experience rating modification no more than 30 days after the policy effective date.
 2. Only to premiums earned after the date that if neither you nor your agent receive notification are first notified of the increased revised experience rating modification factor if the change occurred more than 30 days prior to 31 days after the policy effective date, then the increased experience rating modification will apply only to premiums earned after the date that you or your agent are first notified of the new experience rating modification.
 3. Sections GD.1. and D.2. of this endorsement notwithstanding, the increase will be retroactively to the policy effective date of this policy, or the rating effective date if the rating effective date is later than the policy effective date when:
 - a. The change in the experience rating modification factor is the result of a revision in your classifications or an appeals board or other appropriate administrative process or judicial decision.
 - b. The delay in the calculation of the experience rating modification factor is due to your failure to make available all your records for examination and audit for us or for a previous insurer carrier.
- E. An increase or decrease in the experience rating modification factor due to a change in ownership or combinability status is applied as of the date of the change in accordance with our manuals.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 5—FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEBRASKA EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT
(WC 26 04 03)**

NEBRASKA EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT (WC 26 04 03)

This endorsement applies because Nebraska is shown in Item 3.A. of the Information Page.

- A. If multiple states are shown in Item 3.A. of the Information Page, this endorsement does not apply if the premiums attributable to Nebraska (calculated using prior experience rating modifications) are less than 50% of the total premium for the risk. If more than 50% of your premium is derived from Nebraska, the application of this endorsement applies only to the Nebraska premium.
- B. The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.
- C. If the ultimately determined experience rating modification factor applying to this policy is a decrease from that shown on the Information Page, it will be applied retroactively to the policy effective date or to the rating effective date if the rating effective date is later than the policy effective date.
- D. If the experience rating modification factor is an increase from that shown on the Information Page, it will apply as follows:
 - 1. Retroactively to the policy effective date, or to the rating effective date if the rating effective date is later than the policy effective date, if the adjustment is within 30 days after the policy effective date.
 - 2. Only to premiums earned after the date that you or your agent is first notified of the revised experience rating modification factor if the change occurred more than 30 days after the policy effective date.
 - 3. Sections D.1. and D.2. of this endorsement notwithstanding, retroactively to the policy effective date or to the rating effective date if the rating effective date is later than the policy effective date when:
 - a. The change in the experience rating modification factor is the result of a revision in your classifications or an appeals board or other appropriate administrative process or judicial decision.
 - b. The delay in the calculation of the experience rating modification factor is due to your failure to make available all your records for examination and audit for us or for a previous carrier.
- E. An increase or decrease in the experience rating modification factor due to a change in ownership or combinability status is applied as of the date of the change in accordance with our manuals.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 6—RULE
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
FLORIDA STATE RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS**

E. CHANGES IN EXPERIENCE RATING MODIFICATIONS

Change the Changes in Experience Rating Modifications Table of Rule 4-E as follows:

Changes in Experience Rating Modifications Table

If the change results in . . .	And the change occurs . . .	Then the change is applied . . .
A decrease in the experience rating modification for any reason other than a correction in classification according to Rule 4-B-3	<ul style="list-style-type: none"> At any time during the policy period, or After expiration of the policy but within revision period according to Rule 4-B 	<ul style="list-style-type: none"> Retroactively to the inception of the policy, or As of the rating effective date, if later than the policy effective date
An increase in the experience rating modification due to: <ul style="list-style-type: none"> Revision of payroll Revision of losses Change in status from preliminary to final modification Change in status of contingent modification Any additional reasons other than exclusions listed below 	Within 90 days after the policy effective date	<ul style="list-style-type: none"> Retroactively to the inception of the policy, or As of the rating effective date, if later than the policy effective date.
	More than 90 days after the policy effective date	Pro rata from the date the carrier endorses the policy.
Exclusions: An increase in the experience rating modification due to: <ul style="list-style-type: none"> Changes in ownership or combinability status. Retroactive reclassification of a risk The termination of a client's employee leasing arrangement under a master policy approach. Late issuance of an experience rating modification due to the lack of cooperation of the risk with the carrier in securing the necessary data for audit. Proof of non-cooperation of the risk must be maintained by the carrier in their records for examination by the Office of Insurance Regulation. At least two valid attempts to secure the 	<ul style="list-style-type: none"> At any time during the policy period, or After expiration of policy 	<ul style="list-style-type: none"> Retroactively to the inception of the policy, or As of the rating effective date, if later than the policy effective date <p>Note 1: Increases in experience rating modifications due to a change in ownership or combinability status are applied retroactively to the date of change according to Rule 3-E-3.</p> <p>Note 2: The experience rating modification is to be applied to the client's policy effective on the date of termination of the employee leasing arrangement.</p> <p>Note 3: Increases in experience rating modifications due to revisions directed by an Appeals Board or other appropriate administrative process or judicial decision are applied as of the date determined</p>

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 6—RULE (CONT'D)
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
FLORIDA STATE RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS
Changes in Experience Rating Modifications Table (Cont'd)**

If the change results in . . .	And the change occurs . . .	Then the change is applied . . .
information from the risk must be documented to establish proof of non-cooperation. <ul style="list-style-type: none">• Appeals Board or other appropriate administrative process or judicial decision.		by such Board, process or judicial decision.

Note: The Florida Experience Rating Modification Factor Endorsement and/or the Florida Experience Rating Modification Factor Revision Endorsement must ~~should~~ be attached to the policy to ensure proper application of increased and decreased experience rating modifications.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 7—RULE
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
MISSOURI RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS**

E. CHANGES IN EXPERIENCE RATING MODIFICATIONS

Change the Changes in Experience Rating Modifications Table of Rule 4-E as follows:

This rule applies only to portions of an insurance policy that provides coverage for risks principally localized in Missouri.

Changes in Experience Rating Modifications Table

If the change results in . . .	And the change occurs . . .	Then the change is applied . . .
A decrease in the experience rating modification for any reason other than a correction in classification in accordance with Rule 4-B-3	<ul style="list-style-type: none"> At any time during the policy period, or After expiration of the policy but within the revision period according to Rule 4-B 	<ul style="list-style-type: none"> Retroactively to the inception of the policy, or As of the rating effective date, if later than the policy effective date
An increase in the experience rating modification due to: <ul style="list-style-type: none"> Revision of payroll Revision of losses Change in status from preliminary to final modification Change in status of contingent modification Any additional reasons other than exclusions listed below 	After the policy effective date	<ul style="list-style-type: none"> 60 days after the date the carrier provides written notification of the increase to the risk if the policy was issued with the Experience Rating Modification Factor Endorsement and/or the <u>Experience Rating Modification Factor Revision Endorsement</u> To the next policy renewal, or rating effective date if later than the policy effective date, if the policy was not issued with the Experience Rating Modification Factor Endorsement and/or the <u>Experience Rating Modification Factor Revision Endorsement</u>
Exclusions: An increase in the experience rating modification due to: <ul style="list-style-type: none"> Changes in ownership or combinability status Retroactive reclassification of a risk The termination of an employee leasing arrangement under a master policy approach 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 agents of the risk, including but not limited to modification avoidance 	<ul style="list-style-type: none"> At any time during the policy period, or After expiration of policy 	<ul style="list-style-type: none"> Retroactively to the inception of the policy, or As of the rating effective date, if later than the policy effective date <p>Note: Increases in experience rating modifications due to a change in ownership or combinability status are applied retroactively to the date of change according to Rule 3-E-3</p>

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 7—RULE (CONT'D)
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
MISSOURI RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS
Changes in Experience Rating Modifications Table (Cont'd)**

If the change results in . . .	And the change occurs . . .	Then the change is applied . . .
<ul style="list-style-type: none">• Determinations Review Board or other appropriate administrative process or judicial decision		

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 8—RULE
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
OREGON RULE EXCEPTIONS
RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS**

E. CHANGES IN EXPERIENCE RATING MODIFICATIONS

Change the Changes in Experience Rating Modification Table of Rule 4-E as follows:

This rule applies to intrastate and interstate experience rating modification factors for Oregon policies.

Changes in Experience Rating Modifications Table

If the change results in . . .	And the change occurs . . .	Then . . .
A decrease in the experience rating modification for any reason other than a correction in classification according to Rule 4-B-3	<ul style="list-style-type: none"> At any time during the policy period, or After expiration of the policy but within the revision period according to Rule 4-B 	The change is applied retroactively to the policy as of the policy inception date, or as of the rating effective date, if later than the policy effective date.
An increase in the experience rating modification due to: <ul style="list-style-type: none"> Revision of payroll Revision of losses Change in status from preliminary to final modification Change in status from contingent modification Any additional reasons other than exclusions listed below 	<ul style="list-style-type: none"> Within the first 90 days from the inception of the policy, and The carrier has provided to the risk at policy issuance the Experience Rating Modification Factor Endorsement in accordance with OAR 836-085-0210 <u>and/or the Experience Rating Modification Factor Revision Endorsement in accordance with OAR 836-085-0215</u> 	The change is applied retroactively to the policy as of the policy inception date, or as of the rating effective date, if later than the policy effective date.
	After the first 90 days from the inception of the policy, but prior to the final 90 days	The change is applied pro rata, on a date not earlier than 30 days after the carrier has provided notice to the risk of the experience rating modification factor by endorsement. Prior to that date, the carrier may apply the Experience Rating Modification Factor Endorsement in accordance with OAR 836-085-0210 <u>and/or the Experience Rating Modification Factor Revision Endorsement in accordance with OAR 836-085-0215.</u>
	During the final 90 days before the expiration date of the policy	The change is not applied. However, the carrier must provide written notice to the risk of the inapplicable experience rating modification.

**ITEM P-1413—ESTABLISHMENT OF EXPERIENCE RATING MODIFICATION FACTOR
REVISION ENDORSEMENT**

**EXHIBIT 8—RULE (CONT'D)
EXPERIENCE RATING PLAN MANUAL—2003 EDITION
OREGON RULE EXCEPTIONS****RULE 4—APPLICATION AND REVISION OF EXPERIENCE RATING MODIFICATIONS
Changes in Experience Rating Modifications Table (Cont'd)**

If the change results in . . .	And the change occurs . . .	Then . . .
Exclusions: An increase in the experience rating modification due to: <ul style="list-style-type: none"> • Changes in ownership or combinability status • Retroactive reclassification of a risk • Late issuance of an experience rating modification due to a risk who has failed to cooperate with audits or other actions attributable to the risk or agents of the risk, including, but not limited to, modification avoidance • Appeals Board or other appropriate administrative process or judicial decision 	<ul style="list-style-type: none"> • At any time during the policy period, or • After expiration of policy 	The change is applied retroactively to the policy as of the policy inception date, or as of the rating effective date, if later than the policy effective date.