



June 1, 2022

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Withdrawal of NCCI Item P-1419 - *Revisions to the Premium Due Date Endorsement (WC 00 04 19)*

The North Carolina Rate Bureau has filed and the North Carolina Commissioner of Insurance has approved the withdrawal of the *Part Five – Premium Amendatory Endorsement (WC 00 04 19 A)*, which revised two sections of Part Five – Section A. (Our Manuals) and Section D. (Premium Payments) per NCCI Item Filing P-1419 – *Revisions to the Premium Due Date Endorsement (WC 00 04 19)*. As a result, the *Part Five–Premium Amendatory Endorsement (WC 00 04 19 A)* will not be permissible for use on any policy.

The North Carolina Commissioner of Insurance previously approved the *Premium Due Date Endorsement (WC 00 04 19)* per NCCI Item Filing P-1370 – *Premium Due Date Endorsement* to be applicable to new and renewal policies effective April 1, 2001. The *Premium Due Date Endorsement (WC 00 04 19)* will remain applicable for all new and renewal policies.

Copies of NCRB Circulars C-22-3 – NCCI Item P-1419 – *Revisions to the Premium Due Date Endorsement (WC 00 04 19)* and C-01-02 – Item P-1370 – *Premium Due Date Endorsement* are included for your review.

If you have any questions, contact the NCRB Information Center at 919-582-1056 or via email at support@ncrb.org.

Sincerely,

Jarred Chappell

Chief Operating Officer

JC:ko
Attachments
C-22-7



February 9, 2022

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

NCCI Item P-1419 - Revisions to the Premium Due Date
Endorsement (WC 00 04 19)

The North Carolina Rate Bureau has filed and the North Carolina Commissioner of Insurance has approved revisions to the Premium Due Date Endorsement (WC 00 04 19). The approved changes will be applicable to all new and renewal policies with an effective date on and after August 1, 2022 and any in-force policy as of August 1, 2022.

The approved changes correspond to NCCI Item P-1419 – Revisions to the Premium Due Date Endorsement (WC 00 04 19), which revises two sections of Part Five – Section A. (Our Manuals) and Section D. (Premium Payments).

A copy of NCCI's Item Filing P-1419 as applicable to North Carolina is included for your review.

If you have any questions, contact the NCRB Information Center at 919-582-1056 or via email at support@ncrb.org.

Sincerely,

Jarred Chappell

Chief Operating Officer

JC:ko
C-22-3
Attachment

FILING MEMORANDUM

ITEM P-1419—REVISIONS TO THE PREMIUM DUE DATE ENDORSEMENT (WC 00 04 19)

PURPOSE

This item revises the Premium Due Date Endorsement (WC 00 04 19) in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.

NCCI recently completed a review of Part Five of NCCI's workers compensation and employers liability insurance policy (policy) and is proposing clarification for two sections of Part Five—Section A. (Our Manuals) and Section D. (Premium Payments).

BACKGROUND

Part Five—Premium of the policy identifies how and when premium is determined, when it is payable, and how cancellation of the policy affects premium.

Part Five-Section A. (Our Manuals)

An amendment to Part Five—Premium, Section A. (Our Manuals) of the policy is being proposed to define “our manuals” for clarification purposes and to expressly incorporate by reference “our manuals” into NCCI’s policy. Part Five, Section A. of the policy states that “all premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications.” A definition of “our manuals” will specify that only filed and approved manuals of rules, rates/loss costs (as applicable), rating plans, forms, endorsements, and classifications can be relied on for the purpose of premium determination.

Part Five-Section D. (Premium Payments)

The Premium Due Date Endorsement currently amends Part Five—Premium, Section D. (Premium Payments) of the policy to comply with the National Association of Insurance Commissioners (NAIC) Statutory Accounting Principles (SAP) Number 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers; this endorsement must be attached to every policy.

SAP Number 6 states that:

The due date for audit premiums and retrospective premiums is governed by policy or contract provisions. If the due date for receivables relating to these policies is not addressed by policy provisions or contract provisions, any uncollected premium (either accrued or billed) is nonadmitted.

The Premium Due Date Endorsement currently states that the due date for audit and retrospective premiums is the date of the billing and the explanatory note states that the date of billing means the date the billing is received by the insured. The due date should be the due date as specified in the billing for the policy, rather than the receipt date.

PROPOSAL

This item proposes to revise the Premium Due Date Endorsement to:

1. Revise the title to “Part Five—Premium Amendatory Endorsement”

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. (“NCCI”). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

FILING MEMORANDUM

ITEM P-1419—REVISIONS TO THE PREMIUM DUE DATE ENDORSEMENT (WC 00 04 19)

2. Add an amendment to Part Five, Section A. (Our Manuals) to define and incorporate “our manuals” into the policy and add forms and endorsements to the listing of manuals
3. Revise the amendment to Part Five, Section D. (Premium Payments) to clarify the due date for audit and retrospective premiums

IMPACT

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

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
1	<ul style="list-style-type: none"> • Details the revisions to the Premium Due Date Endorsement (WC 00 04 19) in NCCI’s Forms Manual • Applies in all states except AZ, FL, OR, and TX 	<p>In all states except Hawaii, this item is to become effective for:</p> <ul style="list-style-type: none"> • New and renewal policies with effective dates on and after 12:01 a.m. on August 1, 2022, and • Any in-force policy in effect on and after August 1, 2022. <p>In Hawaii, the effective date will be determined upon regulatory approval of the individual carriers’ election to adopt this change</p>
2	<ul style="list-style-type: none"> • Details the establishment of the Part Five—Premium Amendatory Endorsement (WC 00 04 19 A) in NCCI’s Forms Manual • The language in Exhibits 1 and 2 is identical • Applies in AZ and OR 	
3	<ul style="list-style-type: none"> • Details the revisions to the Premium Due Date Endorsement (WC 00 04 19) in NCCI’s Forms Manual • The only difference between Exhibits 1 and 3 are the revisions shown for the Explanatory Note(s) • Applies in FL 	
4	<ul style="list-style-type: none"> • Details the withdrawal of the Oregon Premium Due Date Endorsement (WC 36 04 06) in NCCI’s Forms Manual • This Oregon-specific endorsement is no longer necessary because the premium-related language on the proposed countrywide endorsement is similar to the language on the Oregon Premium Due Date Endorsement • Applies in OR 	

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. (“NCCI”). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI’s Legal Department for permission.

FILING MEMORANDUM

ITEM P-1419—REVISIONS TO THE PREMIUM DUE DATE ENDORSEMENT (WC 00 04 19)

Exhibit	Exhibit Comments	Implementation Summary
5	<ul style="list-style-type: none">• Details the revisions to the Texas Amendatory Endorsement (WC 42 03 01 J) in NCCI's <i>Forms Manual</i>• The revisions to this Texas-specific endorsement are similar to the revisions proposed on the countrywide endorsement (Exhibit 1)• Applies in TX	

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

ITEM P-1419—REVISIONS TO THE PREMIUM DUE DATE ENDORSEMENT (WC 00 04 19)

EXHIBIT 1
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
PREMIUM DUE DATE ENDORSEMENT (WC 00 04 19)
(Applies in: AK, AL, AR, CO, CT, DC, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE,
NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

Part Five—Premium Amendatory ~~Premium Due Date~~ Endorsement (WC 00 04 19 A)

This endorsement ~~is used to~~ amends Part Five—Premium of the policy as follows:

Part Five—Premium, Section A. (Our Manuals) is replaced by the following provision:

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates and loss costs (as applicable), rating plans, forms, endorsements, and classifications, and such manuals are expressly incorporated by reference into, and apply to, this policy and any renewals (our manuals). As used in this policy and any renewals, our manuals means manuals that have been:

1. Developed in any format and filed by the state-designated workers compensation rating or advisory organization on our behalf with the appropriate state insurance regulatory authority; or
2. Developed in any format and filed by the respective state rating bureau on our behalf with the appropriate state insurance regulatory authority; or
3. Developed in any format and filed by us with the appropriate state insurance regulatory authority; and
4. For each or any of the three scenarios above, the manuals also must be approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

We may change our manuals and apply the changes to this policy and any renewals if such manual changes are approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

Part Five—Premium, Section D. (Premium Payments) of Part Five of the policy is replaced by this the following provision:

PART FIVE
PREMIUM

D. Premium Payments is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. The due date for audit and retrospective premiums is the due date specified in of the billing for the policy.

NORTH CAROLINA RATE BUREAU

**POST OFFICE BOX 176010
RALEIGH, NORTH CAROLINA 27619-6010**

RAYMOND F. EVANS, JR. CPCU
General Manager

5401 SIX FORKS ROAD
RALEIGH, NORTH CAROLINA 27609-4435

TELEPHONE (919) 783-9790
FACSIMILE (919) 783-7467

JERRY G. HAMRICK
Workers Compensation Manager

F. TIMOTHY LUCAS
Personal Lines Manager

DAVID E. SINK, JR.
Accounting Manager

February 21, 2001

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item P-1370

Premium Due Date Endorsement

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved an endorsement to comply with the National Association of Insurance Commissioners' Statement of Statutory Accounting Principles No. 6.

A copy of the Filing Memorandum and the standard endorsement form are attached.

The Premium Due Date Endorsement WC 00 04 19 has been approved for use in North Carolina effective April 1, 2001, applicable to new and renewal business only.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:dg

Enclosures

C-01-02

FILING MEMORANDUM

ITEM P-1370—PREMIUM DUE DATE ENDORSEMENT

(To be effective 12:01 a.m. on April 1, 2001, applicable to new and renewal business only.)

PURPOSE

The purpose of this filing is to introduce Premium Due Date Endorsement WC 00 04 19. This endorsement will comply with the National Association of Insurance Commissioners (NAIC) Statement of Statutory Accounting Principles No. 6.

BACKGROUND

NAIC issued Statement of Statutory Accounting Principles No. 6 effective for years beginning January 1, 2001. This statement establishes statutory accounting principles for direct- and group-billed uncollected premiums, bills receivable for premiums, and amounts due from agents and brokers. These items are admitted assets to the extent that they conform to the requirements of this statement.

The due date is key to determining whether premium balances are admitted. The statement establishes the due date of audit premiums and retrospective premiums as governed by policy or contract provisions. If the due date for receivables relating to these policies is not addressed by policy or contract provisions, the statement requires treating any uncollected audit premium, either accrued or billed, as nonadmitted.

Workers Compensation and Employers Liability Policy WC 00 00 00 A does not currently address the due date of audit premiums and retrospective premiums.

PROPOSAL

The attached endorsement has been prepared to establish the due date for audit premiums and retrospective premiums as the date of billing. The proposed effective date of this endorsement in North Carolina is 12:01 a.m., April 1, 2001, applicable to new and renewal business only.

IMPACT

This Item does not affect current premium levels.

IMPLEMENTATION

The attached endorsement will be included in *Forms Manual of Workers Compensation and Employers Liability Insurance*.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI") The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (e.g., create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event that such use is contemplated or desired, please contact NCCI's Legal Department for permission.

PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the policy is replaced by this provision:

**PART FIVE
PREMIUM**

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**