



December 22, 2023

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance: Updates

WC2023-04: Revisions to Manual Rules Related to the Removal of Occupational Disease Provisions

WC2023-05: Revisions to Assigned Carrier Performance Standards related to Remote Loss Prevention Surveys and Audits (Comparable to NCCI Item RM-W-8049)

The North Carolina Rate Bureau (Bureau) has filed revisions to the state-specific North Carolina Basic Manual for Workers Compensation and Employers Liability (**Basic Manual**) and NCCI's Assigned Carriers Performance Standards (**ACPS**). The approved revisions are related to changes being made by way of NCRB items WC2023-04 and WC2023-05.

WC2023-04 revises the basic manual to remove occupational disease loads. The approved changes become effective for all new and renewal policies with effective dates on and after April 1, 2024.

WC2023-05 revises NCCI's **ACPS** manual to allow for remote loss prevention surveys and audits. The approved changes become effective for all new and renewal residual market only policies with effective dates on or after January 1, 2024, as well as any in-force residual market policy in effect on or after January 1, 2024.

Complete copies of Filing Memorandums WC2023-04 and WC2023-05 and exhibits outlining all changes are included for your review.

If you have any questions, contact Regulatory Manager, Jodi Webb at 919-719-3028 or via email at [JLW@ncrb.org](mailto:JLW@ncrb.org).

Sincerely,

Jarred Chappell  
Chief Operating Officer

JC:ko

Attachment

C-23-13



## Plan—Announcement of Item RM-W-8049—Revisions to the Assigned Carrier Performance Standards Related to Remote Loss Prevention Surveys and Audits

### ACTION NEEDED

Please review the changes outlined in the attachment to this circular for impact on your company's systems and procedures. Also, review the weekly *Status of Item Filings* circular for state approval of this item.

**Caution:** At the time of distribution of this circular, this filing has been filed with the regulator but is **not yet approved**. This information is provided for your convenience and analysis. Please do not use this information until the regulator has approved the filing.

### BACKGROUND

NCCI has submitted Item RM-W-8049—Revisions to the Assigned Carrier Performance Standards Related to Remote Loss Prevention Surveys and Audits to the appropriate state regulatory authorities. In all states indicated in this filing, except for Oklahoma, this item is applicable to

- new and renewal residual market policies only, with effective dates on and after 12:01 a.m. on January 1, 2024, and
- any in-force residual market policy in effect on and after January 1, 2024.

In Oklahoma, this item is to become effective for new residual market policies only, with effective dates on and after 12:01 a.m. on June 1, 2024.

Additionally, this item has been submitted to the independent bureaus for their consideration.

This item proposes to revise NCCI's *Assigned Carrier Performance Standards (ACPS)* related to remote loss prevention surveys and audits.

Refer to the attachments for details on this item.

### IMPACT

No statewide premium impact is expected as a result of the changes proposed in this item.

### NCCI ACTION

For Item RM-W-8049, NCCI will

- issue a circular notifying you when the item is approved as filed, approved with changes, disapproved, or withdrawn
- update the weekly *Status of Item Filings* circular on [ncci.com](http://ncci.com) with the latest status, and
- publish updated pages for NCCI's *ACPS* prior to the effective date, if approved.

If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123).

**PERSON TO  
CONTACT**

If you have any questions, please contact:  
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## FILING MEMORANDUM

### **ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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#### **PURPOSE**

This item revises NCCI's *Assigned Carrier Performance Standards (ACPS or Performance Standards)* related to Remote Loss Prevention Surveys and Audits.

#### **BACKGROUND**

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's manuals. As part of this process, NCCI conducted a comprehensive review of the **ACPS** related to remote loss prevention surveys and audits. Currently, NCCI's **ACPS** provides an exception for final physical audits for renewal businesses to be conducted remotely, rather than on-site at the employer's location, when certain conditions are met. The **ACPS** does not address remote loss prevention surveys.

NCCI's research determined that the COVID-19 pandemic has led many employers to adapt their work environment to remote work arrangements. Employers are also equipped with the technology and communication tools required for seamless communication and information sharing that are not limited by physical locations. In response to shifts in the work environment resulting from the COVID-19 pandemic, NCCI made allowances for remote loss prevention surveys and audits. These allowances contributed to continuity of operations within the residual market during the pandemic. Discussions with assigned carriers provided valuable feedback indicating that remote loss prevention surveys and audits offer scheduling flexibility and can be as effective as on-site visits.

Based on this research and assigned carrier feedback, NCCI determined that it is appropriate to revise Performance Standard (PS) 4—Loss Prevention and Performance Standard 6—Audits, to address the standards for conducting remote loss prevention surveys and audits in lieu of physical on-site visits.

This item will also revise various **ACPS** to align with the revisions to Performance Standard 6, and reflect appropriate NCCI manual references.

#### **PROPOSAL**

This item proposes the following revisions to NCCI's **ACPS**:

1. Revise the following **ACPS** to be consistent with the proposed revisions related to PS 6-C-4—Remote Audit:
  - PS 1-A-4-b(1)(c)—Preliminary Physical
  - PS 1-A-4-b(2)(c)—Physical
2. Revise PS 1-A-5—Manuals Referenced in These Standards and PS 3-F-3—Certificate of Insurance, to reflect appropriate NCCI manual references
3. Revise PS 4-B-2-a(3)—Loss Prevention Survey to address remote loss prevention surveys
4. Eliminate PS 6-C-2-d—Exception to Final Physical Audit at the Employer's Location—Renewal Business Table
5. Establish PS 6-C-4—Remote Audit, to specify that a remote audit may be conducted in lieu of a physical audit when certain conditions are met

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**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

6. Revise certain state exceptions to reflect revisions to PS 4—Loss Prevention

**IMPACT**

No statewide premium impact is expected 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"> <li>Details the revisions to NCCI's <b>ACPS</b> PS 1-A-4-b(1)(c)</li> <li>Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> </ul>	<p>For all states where applicable, except Oklahoma, this item is to become effective for</p> <ul style="list-style-type: none"> <li>new and renewal residual market policies only, with effective dates on and after 12:01 a.m. on January 1, 2024, and</li> <li>any in-force residual market policy in effect on and after January 1, 2024.</li> </ul> <p>In Oklahoma, this item is to become effective for new residual market policies only, with effective dates on and after 12:01 a.m. on June 1, 2024.</p>
2	<ul style="list-style-type: none"> <li>Details the revisions to NCCI's <b>ACPS</b> PS 1-A-4-b(2)(c)</li> <li>Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> </ul>	
3	<ul style="list-style-type: none"> <li>Details the revisions to NCCI's <b>ACPS</b> PS 1-A-5</li> <li>Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> </ul>	
4	<ul style="list-style-type: none"> <li>Details the revisions to NCCI's <b>ACPS</b> PS 3-F-3</li> <li>Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> </ul>	
5	<ul style="list-style-type: none"> <li>Details the revisions to NCCI's <b>ACPS</b> PS 4-B-2-a(3)</li> <li>Applies in: AK, AL, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> <li>Refer to state exhibits for AR, DE, SD</li> </ul>	
6	<ul style="list-style-type: none"> <li>Details the elimination of NCCI's <b>ACPS</b> PS 6-C-2-d</li> </ul>	

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FILING MEMORANDUM

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

Exhibit	Exhibit Comments	Implementation Summary
	<ul style="list-style-type: none"> <li>Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> <li>Refer to state exhibit for AK</li> </ul>	
7	<ul style="list-style-type: none"> <li>Details the establishment of NCCI's <b>ACPS</b> PS 6-C-4</li> <li>Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV</li> <li>Refer to state exhibit for AK</li> </ul>	
<b>State Exhibits</b>		
8	Details revisions to the following Alaska exceptions in NCCI's <b>ACPS</b> : <ul style="list-style-type: none"> <li>Eliminate PS 6-C-2-d</li> <li>Establish PS 6-C-4</li> </ul>	
8	Details the establishment of the following Arkansas exceptions in NCCI's <b>ACPS</b> : <ul style="list-style-type: none"> <li>PS 4-A-1-c</li> <li>PS 4-B-2-a(3)</li> </ul>	
8	Details the establishment of a Delaware exception to PS 4-B-2-a(3) in NCCI's <b>ACPS</b>	
8	Details the establishment of a South Dakota exception to PS 4-B-2-a(3) in NCCI's <b>ACPS</b>	

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**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 1  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 1—INTRODUCTION**

**A. GENERAL EXPLANATION**

**4. Definitions and Terms**

**b. Audit**

**(1) Midterm Audits**

**(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK,  
OR, SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**(c) Preliminary Physical**

Conducted at the employer's location(s) and/or location(s) where the employer's records are kept, typically early in the policy term, to review verifiable payroll, tax information (including tax returns), and/or other requested information. Assigned carriers may choose to conduct these audits remotely using electronic means if the requirements in PS 6-C-4 are met.

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RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 2  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 1—INTRODUCTION**

**A. GENERAL EXPLANATION**

**4. Definitions and Terms**

**b. Audit**

**(2) Final Audits**

**(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK,  
OR, SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**(c) Physical**

Conducted at the employer's location(s) and/or location where the employer's records are kept to review verifiable payroll, tax information (including tax returns), and/or other requested information. Assigned carriers may choose to conduct these audits remotely, using electronic means, if the requirements in PS 6-C-4 are met. Refer to PS 6-B-4-b for situations when a mail audit may replace a physical visit to the employer's location. Refer to PS 6-C-2-d for situations when an electronic submission may replace a physical visit to the employer's location.



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**EXHIBIT 3  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 1—INTRODUCTION****A. GENERAL EXPLANATION**

(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC, SD, TN, VA, VT, WV)

(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)

**5. Manuals Referenced in These Standards****a. Assigned Risk Supplement to the ~~Basic~~Residual Market Manual**

Applies in accordance with the States of Application section of the *Assigned Risk Supplement (ARS)*.

**b. Basic Manual**

Applies in NCCI jurisdictions and where licensed to independent jurisdictions; *refer to NCCI's Basic Manual User's Guide*. In jurisdictions where NCCI's *Basic Manual User's Guide* does not apply, substitute the appropriate state rules.

**c. Experience Rating Plan Manual**

The appropriate *Experience Rating Plan Manual* provides the authority for the experience rating modifications referenced in these *Performance Standards*.

**d. ~~Servicing Carrier Reference Guide~~Residual Market Manual**

The ~~*Servicing Carrier Reference Guide (SCRG)*~~ applies in its entirety to residual market servicing carriers and to direct assignment carriers as detailed in its Preface. Provides prescribed procedures and reporting requirements regarding workers compensation insurance plans and reinsurance pooling mechanisms.

**Note:** For a complete listing of NCCI's data reporting manuals, refer to the **Manuals Library** at ~~[ncci.com](http://ncci.com)~~. Applies in NCCI jurisdictions and where licensed to independent jurisdictions. The *Residual Market Manual* contains the state's Workers Compensation Insurance Plan (WCIP or Plan) and related information for NCCI-administered residual market states.

**e. ~~Servicing Carrier Reference Guide~~**

The ~~*Servicing Carrier Reference Guide (SCRG)*~~ applies in its entirety to residual market servicing carriers and to direct assignment carriers as detailed in its Preface. It provides prescribed procedures and reporting requirements regarding workers compensation insurance plans and reinsurance pooling mechanisms.

**Note:** For a complete listing of NCCI's data reporting manuals, refer to the **Manuals Library** at [ncci.com](http://ncci.com).

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 4**

**ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION**

**PERFORMANCE STANDARD 3—UNDERWRITING**

**(Applies in: AK, AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NV, OK, OR,  
SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AK, AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**F. CERTIFICATE OF INSURANCE**

1. On request, the assigned carrier must issue certificates of insurance. If the request is consistent with the terms and conditions of the policy, the certificate must be issued within five business days after receipt of the request.
2. The assigned carrier must contact the employer or producer within five business days after receipt of the request, if additional documentation is necessary. The certificate must be issued within five business days after receipt of the requested additional documentation.
3. Producers are authorized to issue certificates of workers compensation insurance, in accordance with Section 4-A-4-a of the NCCI's *Assigned Risk Supplement* rule, Producer issuance of certificates of insurance.
4. Assigned carriers may permit producers to issue certificates of insurance on the assigned carrier's own forms; however, such certificates may only be issued subject to the same terms and conditions under which certificates on the standard ACORD® form may be issued. If the assigned carrier authorizes the use of such a form, the assigned carrier must instruct producers in the use of that particular form.
5. The "Special Items" section of the certificate may be modified by the assigned carrier, or by the employer/producer if authorized by the assigned carrier, to include clauses required by contract. This is the only basis for modification and must be authorized by the assigned carrier. An example of such modification is the addition of the special cancellation and notification clause required by many government contracts.

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 5  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 4—LOSS PREVENTION  
B. TIMELINESS AND PROCEDURES**

**2. Assigned Carrier-Initiated Loss Prevention Surveys (LPS)**

**(Applies in: AK, AL, AZ, CT, DC, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR, SC,  
SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AK, GA, IN, KS, MS, NH, OR, SD)**

**a. Loss Prevention Survey**

**(1) New Policies**

- (a) An LPS must be performed on qualifying employers.
- (b) An LPS must be performed if the assigned carrier has knowledge of a prior LPS that contained critical recommendations, regardless of qualification for that policy period.

**(2) Renewal Policies**

- (a) An LPS must be performed if the prior policy's LPS contained critical recommendations, regardless if the current policy is a qualifying employer.
- (b) An LPS must be performed for a qualifying employer if an LPS was not conducted within the last three policies regardless of whether or not the employer qualified during the last three policies. For examples, *refer to Appendix B*.

**Note:** If the assigned carrier chooses to perform an LPS at its discretion for a renewal policy within the three-year time frame, that LPS would be used to determine the next three-year qualifying policy.

- (3) An LPS typically is performed by visiting and observing the physical operations of an employer. However, an LPS may be performed by visiting an employer's office, remotely using electronic means, or by telephone, in accordance with the Location Determination Table in PS 4-D. The method used to perform the LPS is at the assigned carrier's discretion, based on sound underwriting judgment.
- (4) For purposes of the three-year LPS cycle:
  - (a) Policies that are cancelled and reinstated with a lapse are combined to be treated as an individual full policy term based on the original effective and expiration dates.
  - (b) An employer reassigned back to a prior assigned carrier must be serviced as a renewal; however, if there is a gap of six months or more between the policy periods, the reassignment must be serviced as new business.

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 6  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 6—AUDITS**

**C. QUALIFYING EMPLOYERS**

**2. Final Physical Audits**

**(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR,  
SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**d. ~~Exception to Final Physical Audit at the Employer's Location—Renewal Business Table~~**

~~A final physical audit may be conducted by electronic means rather than on-site at the employer's location, based on the assigned carrier's sound underwriting judgment, if the following conditions are met:~~

- ~~• The employer is technologically capable of submitting and is willing to submit electronically~~
- ~~• The employer submits the following via a secure website, email, or other electronic means:~~
  - ~~• Verifiable payroll~~
  - ~~• Tax information (including tax returns)~~
  - ~~• Photos and/or videos for a valid description of operations~~
  - ~~• Other requested information~~

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 7  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
PERFORMANCE STANDARD 6—AUDITS**

**C. QUALIFYING EMPLOYERS**

**(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, OK, OR,  
SC, SD, TN, VA, VT, WV)**

**(Regulatory approval required in: AR, DE, GA, IN, KS, MS, NH, OR, SD)**

**4. Remote Audit**

A physical audit may be conducted by electronic means rather than on-site at the employer's location, based on the assigned carrier's sound underwriting judgment, if the following conditions are met:

- The employer is technologically capable of submitting and is willing to submit electronically
- The employer submits the following via a secure website, email, or other electronic means:
  - Verifiable payroll
  - Tax information (including tax returns)
  - Photos and/or videos for a valid description of operations
  - A list of vendors and subcontractors used during the policy term (including the amounts paid) and copies of Certificates of Insurance, if applicable and requested by the assigned carrier
  - Any other information deemed necessary to complete the audit

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 8**  
**ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION**  
**ALASKA EXCEPTIONS—APPLICABLE TO ASSIGNED RISK POLICIES ONLY**  
**PERFORMANCE STANDARD 6—AUDITS**  
**C. QUALIFYING EMPLOYERS**  
**2. Final Physical Audits**  
**(Regulatory approval required in: AK)**

**d. Exception to Final Physical Audit at the Employer's Location—Renewal Business Table**

Change 6-C-2-d as follows:

A final physical audit may be conducted by electronic means rather than on-site at the employer's location, based on the assigned carrier's sound underwriting judgment, if the following conditions are met:

- (1) The employer is technologically capable of submitting and is willing to submit electronically
- (2) The employer is capable of and willing to submit the following, if applicable and requested by the carrier, via a secure website, email, or other electronic means:
  - (a) IRS Form 941 Quarterly Payroll Tax Report
  - (b) IRS Forms 1099 and/or 1096
  - (c) IRS Form 940 Quarterly Unemployment Tax Report
  - (d) W-2 and/or W-3
  - (e) State of Alaska—Quarterly Unemployment Contribution Report
  - (f) Copy of the latest policy period general liability insurance audit report
  - (g) Copy of the payroll ledger
  - (h) Certified payroll reports
  - (i) A list of vendors and subcontractors used during the policy term (including the amounts paid) and copies of Certificates of Insurance
  - (j) Photos and/or videos for a valid description of operations
  - (k) Other requested information
- (3) The assigned carrier may request additional records if questions arise concerning relevant payroll and other remuneration during the audit process. In unique circumstances, the following additional records may be required:
  - (a) Bank statements or check registers for the employer's business
  - (b) IRS Schedule C
  - (c) IRS Form 1120

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

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**EXHIBIT 8  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
ALASKA EXCEPTIONS—APPLICABLE TO ASSIGNED RISK POLICIES ONLY  
PERFORMANCE STANDARD 6—AUDITS  
C. QUALIFYING EMPLOYERS  
4. Remote Audit  
(Regulatory approval required in: AK)**

**4. Remote Audit**

Change 6-C-4 as follows:

A physical audit may be conducted by electronic means rather than on-site at the employer's location, based on the assigned carrier's sound underwriting judgment, if the following conditions are met:

- (1) The employer is technologically capable of submitting and is willing to submit electronically
- (2) The employer is capable of and willing to submit the following, if applicable and requested by the carrier, via a secure website, email, or other electronic means:
  - (a) IRS Form 941 Quarterly Payroll Tax Report
  - (b) IRS Forms 1099 and/or 1096
  - (c) IRS Form 940 Quarterly Unemployment Tax Report
  - (d) W-2 and/or W-3
  - (e) State of Alaska—Quarterly Unemployment Contribution Report
  - (f) Copy of the latest policy period general liability insurance audit report
  - (g) Copy of the payroll ledger
  - (h) Certified payroll reports
  - (i) A list of vendors and subcontractors used during the policy term (including the amounts paid) and copies of Certificates of Insurance
  - (j) Photos and/or videos for a valid description of operations
  - (k) Other requested information
- (3) The assigned carrier may request additional records if questions arise concerning relevant payroll and other remuneration during the audit process. In unique circumstances, the following additional records may be required:
  - (a) Bank statements or check registers for the employer's business
  - (b) IRS Schedule C
  - (c) IRS Form 1120

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

**EXHIBIT 8  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
ARKANSAS EXCEPTIONS—APPLICABLE TO ASSIGNED RISK POLICIES ONLY  
PERFORMANCE STANDARD 4—LOSS PREVENTION  
(Regulatory approval required in: AR)**

**A. LOSS PREVENTION SERVICES TO BE PROVIDED**

**1. General Information**

Change PS 4-A-1-c as follows:

**c. Accident prevention programs**

Accident prevention programs in Arkansas must be in accordance with AR Rule 099.31. For details regarding accident prevention programs, refer to the AR Rule 099.31.

**B. TIMELINESS AND PROCEDURES**

**2. Assigned Carrier-Initiated Loss Prevention Surveys (LPS)**

**a. Loss Prevention Survey**

Change PS 4-B-2-a(3) as follows:

AR Rule 099.31 requires an assigned carrier to provide accident prevention services by conducting annual workplace visits based on the amount of direct premium written for each policyholder. The requirements are provided in the Annual Workplace Visits Requirements Table.

**Annual Workplace Visits Requirements Table**

<b><u>Premium Range</u></b>	<b><u>Assigned Carrier Requirements</u></b>
<u>\$25,000 and over</u>	<u>Conduct an annual on-site workplace visit or other appropriate services to each policyholder.</u>
<u>\$5,000 to \$24,999</u>	<u>Conduct an annual workplace visit or other appropriate services to each policyholder whose loss ratio is equal to or greater than 100%.</u>
<u>\$1 to \$4,999</u>	<u>Conduct an annual workplace visit other appropriate services to each policyholder whose loss ratio is equal to or greater than 150%.</u>

If the policyholder is excluded from the categories listed above, determine the method of contact to provide for the accident prevention services.



**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

---

**EXHIBIT 8  
ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
DELAWARE EXCEPTIONS—APPLICABLE TO ASSIGNED RISK POLICIES ONLY  
PERFORMANCE STANDARD 4—LOSS PREVENTION  
B. TIMELINESS AND PROCEDURES  
2. Assigned Carrier-Initiated Loss Prevention Surveys (LPS)  
(Regulatory approval required in: DE)**

**a. Loss Prevention Survey**

Change PS 4-B-2-a(3) as follows:

According to Delaware Title 19, § 2379 Workplace Safety Program, inspections may be completed by the assigned carrier or the Department of Insurance. The Workplace Safety Program requires both a scheduled inspection and a second unannounced inspection be made to confirm the safety in the workplace.

**ITEM RM-W-8049—REVISIONS TO THE ASSIGNED CARRIER PERFORMANCE STANDARDS  
RELATED TO REMOTE LOSS PREVENTION SURVEYS AND AUDITS**

---

**EXHIBIT 8**

**ASSIGNED CARRIER PERFORMANCE STANDARDS—2009 EDITION  
SOUTH DAKOTA EXCEPTIONS—APPLICABLE TO ASSIGNED RISK POLICIES ONLY  
PERFORMANCE STANDARD 4—LOSS PREVENTION**

**B. TIMELINESS AND PROCEDURES**

**2. Assigned Carrier-Initiated Loss Prevention Surveys (LPS)  
(Regulatory approval required in: SD)**

**a. Loss Prevention Survey**

Add the following to PS 4-B-2-a(3) as follows:

Employers are permitted to request an on-site safety inspection.

**North Carolina Rate Bureau  
Filing Memorandum  
Filing WC2023-05**

**Revisions to Assigned Carrier Performance Standards Related to Loss Prevention Surveys and Audits**

**PURPOSE**

The purpose of this filing is to: Revise NCCI's Assigned Carrier Performance Standards (**ACPS or Performance Standards**) related to Remote Loss Prevention Surveys and Audits.

**BACKGROUND**

North Carolina participated in a comprehensive review of the NCCI's **ACPS** related to remote loss prevention surveys and audits. Currently, NCCI's **ACPS** provides an exception for final physical audits for renewal businesses to be conducted remotely, rather than on-site at the employer's location, when certain conditions are met. The **ACPS** does not address remote loss prevention surveys.

Research determined that the COVID-19 pandemic has led many employers to adapt their work environment to remote work arrangements. Employers are also equipped with the technology and communication tools required for seamless communication and information sharing that are not limited by physical locations. In response to shifts in the work environment resulting from the COVID-19 pandemic, allowances were made for remote loss prevention surveys and audits. Feedback from various carriers confirmed that remote loss prevention surveys and audits offer scheduling flexibility and can be as effective as on-site visits.

Bureau staff recommends proposed revisions to **ACPS** that address the standards for conducting remote loss prevention surveys and audits in lieu of physical on-site visits. In addition, various **ACPS** will be revised to align with the revisions to Performance Standard 6, and reflect appropriate NCCI manual references.

**PROPOSAL**

This item proposes the following revisions to NCCI's **ACPS**:

1. Revise the following ACPS to be consistent with the proposed revisions related to PS 6-C-4 – Remote Audit:
  - PS 1-A-4-b(1)(c) - Preliminary Physical
  - PS 1-A-4-b(2)(c) – Physical
2. Revise PS 1-A-5 – Manuals Referenced in These Standards and PS 3-F-3 – Certificate of Insurance, to reflect appropriate manual references
3. Revise PS 4-B-2-a(3) – Loss Prevention Survey to address remote loss prevention surveys
4. Eliminate PS 6-C-2-d – Exception to Final Physical Audit at the Employer's Location – Renewal Business Table
5. Establish PS 6-C-4 – Remote Audit, to specify that a remote audit may be conducted in lieu of a physical audit when certain conditions are met.

Exhibits showing revisions to the **NC Basic Manual** and NCCI's ACPS follow this filing memorandum.

**North Carolina Rate Bureau  
Filing Memorandum  
Filing WC2023-05**

**Revisions to Assigned Carrier Performance Standards Related to Loss Prevention Surveys and Audits**

**IMPACT**

No statewide premium impact is expected as a result of the changes proposed in this item.

**IMPLEMENTATION**

This filing revises NCCI's Assigned Carrier Performance Standards related to remote loss prevention surveys and audits. It is applicable to new and renewal residual market policies only with effective dates on or after 12:01 am on January 1, 2024 as well as any in-force residual market policies in effect on or after 12:01 am on January 1, 2024.

## **NCRB Exhibit 1 – Update to North Carolina Compensation Basic Manual**

### **Rule 4-C-4-c:**

Completing preliminary physical and final physical audits for all new business qualifying for LSRP (and any other audit requirements for renewal business) in accordance with the Assigned Carrier Performance Standards. Assigned carriers may choose to conduct these audits remotely using electronic means if the requirements in PS 6-C-4 are met.

**North Carolina Rate Bureau  
Filing Memorandum  
Filing WC2023-04**

**Revisions to Basic Manual Rules Related to the Removal of Occupational Disease Provisions**

**PURPOSE**

The purpose of this filing is to:

- Remove occupational disease provisions from currently loaded class codes.

**BACKGROUND**

North Carolina reviewed NC Basic Manual rules related to occupational disease provisions. Specific Disease Loadings are currently included in the loss cost/rate of certain classifications and are meant to capture experience beyond what is included in ratemaking data due to latency. NCCI conducted research which found a lack of data supporting a need for Silicosis disease provisions based on data reported in the Medical Data Call and Indemnity Data Call data. Unit data showed a lack of latency and significance in disease losses for the currently loaded class codes.

Bureau staff has created proposed revisions to the **NC Basic Manual**, the **NC Statistical Plan**, and the **Premium Algorithms** to remove disease loading and supplemental disease provisions.

**PROPOSAL**

This item will:

- Remove Rule 3-A-7 a (Disease Loading) and 3-7-A b (Supplementary Disease) verbiage from the **NC Basic Manual**
- Remove class code footnote “D” from impacted class codes: 1165, 1624, 1803, 3081, 3082, 3085, 4024, 6251 and 6252
- Eliminate supplementary disease codes and related disease rates for impacted class codes: 0059, 0065, 0066 and 0067
- Remove the disease loading from the Voluntary and Assigned Risk Premium Algorithms

Exhibits showing revisions to the **NC Basic Manual** follow this filing memorandum.

**IMPACT**

Minimal deterioration to loss experience is anticipated with this change. Carriers will continue to have the option to load voluntary rates for any occupational disease exposure. Any carrier-specific loading of rates for occupational disease exposure should be separately filed with the DOI as part of the Carrier's rate filing.

**IMPLEMENTATION**

This filing proposes to revise rules in the North Carolina Basic Manual rules related to the removal of occupational disease provisions. It is applicable to new and renewal policies with effective dates on or after 12:01 am on April 1, 2024.

# Rule 3 - Ratings and Application of Premium Elements

Rule 3-A-7

## ~~7. Disease Loading~~ RESERVE FOR FUTURE USE

### ~~a. Supplemental Disease Exposure~~

- ~~1) Premium for the disease exposures covered by the standard policy are included within the advisory loss cost and assigned risk rates.~~
- ~~2) Supplemental disease loading may be added to a rate applicable to an individual risk. The proposed supplemental disease loading will be based on the carrier's evaluation of the operations.~~

~~Atomic Energy Radiation Exposure NOC may be subject to a supplemental disease loading and is applicable for operations that involve radioactive material exposures that are not performed for, or under the direction of, the Nuclear Regulatory Commission or any governmental agency. Statistical code 9985—Atomic Energy—Radiation Exposure NOC is used for reporting the radiation exposure.~~

### ~~3) Specific Disease Loading~~

- ~~• Classification code numbers that are followed by the letter "D" in the Classifications section include specific disease loadings within the advisory loss costs and assigned risk rates. These loadings reflect specific disease hazards involved in the operations assigned to those classifications.~~
- ~~• Any supplemental disease loading that is added to an advisory loss cost or assigned risk rate that includes a specific disease load must be for exposure not contemplated within the specific disease loading.~~
- ~~• The carrier may remove the specific disease loading from a rate when the substance for which the disease loading was established is not present or is determined by the carrier to be insignificant in the operations of the insured.~~

#### ~~Exceptions:~~

~~For silicosis, the specific disease loading may be removed when not more than 5% free silica is present.~~

- ~~4) Partial application of a specific disease loading is permissible based on the carrier's evaluation of the operations.~~

### ~~b. Supplementary Disease~~

~~Supplementary disease advisory loss costs or assigned risk rates shown in the Miscellaneous Values section reflect hazards involved in foundry, abrasive, or sandblasting operations.~~

- ~~• Supplementary disease rates for Codes 0065—Incidental Foundries—Steel, 0066—Incidental Foundries—Non-Ferrous Metals and 0067—Incidental Foundries—Iron~~

~~must be applied to the payroll of employee's exposure to the foundry hazard, except employees assigned to Codes 3081, 3082, 3085, and 3169.~~

- ~~• Supplementary disease rate Code 0059—Abrasive or Sandblasting must be assigned to the payroll of employees exposed to these hazards.~~

## Rule 3-A-16

### 16. Non-ratable Element

- A non-ratable element is a supplementary loading or percentage included in the development of the manual rate for a specific classification. It adjusts for the classification's potential for ~~occupational disease or~~ catastrophic losses.
- Class codes designated with an "N" in the advisory loss cost or rate pages are part of the ratable/non-ratable group.
- The footnotes to the advisory loss cost or rate pages provide the separate statistical code for each non-ratable element to reflect the non-ratable catastrophe loading.
- When determining premium, the statistical non-ratable code and corresponding advisory loss cost or rate are applied in addition to the basic classification.
- Premium for a non-ratable element is not subject to experience rating or retrospective rating.

## Rule 3-A-19

### 19. Standard Premium

Standard premium is the premium before application of any premium discount. It is determined on the basis of:

- Rates
- ~~• Disease loadings~~
- Non-ratable elements
- Premium for increased limits of liability
- Experience rating modification
- Applicable schedule rating modification
- Minimum premiums

Total standard premium is the total premium for all states covered by the policy excluding expense constant, additional charges for the catastrophe provisions detailed in [Rule 3-A-23](#) and any disease charge subject to the Federal Mine Health and Safety Act before the application of the premium discount.

**NOTE:** NCCI's Annual Financial Calls for experience, which are used for ratemaking, contain a different definition of standard premium.



## Part 2 – Classifications

The classifications contained in this manual have been adopted by the NCRB and approved by the North Carolina Commissioner of Insurance for the purpose of writing workers compensation and employer's liability insurance in North Carolina. This section of this manual provides an alpha listing of all classification codes approved for use in North Carolina.

State special codes, cross-references, notes and alternate phraseologies have been included. For complete descriptions of the classification codes and what business operations they include and exclude, refer to NCCI's Scopes Manual.

Several class codes have special footnotes or industry identifiers. If applicable, these will be notated in the "FN ID" column. The meaning of each letter or symbol is described below.

Class Code Footnotes and Identifiers	
A	Minimum Premium \$100 per ginning location for policy minimum premium computation.
D	<del>Rate for classification already includes specific disease loading, per Rule 3-A-7.</del>
F	Rate provides for coverage under the USL&HW Act and its extensions. Rate includes a provision for USL&HW Assessment.
M	Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA).
N	This code is part of a ratable/nonratable group. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.
P	Classification is computed on a per capita basis.
X	Contains a special classification or note which is applicable in North Carolina.
•	Construction Classification
■	Farm Classification
◆	Mercantile Classification

Phraseology	Class	Notes	FN ID	Industry Group	Hazard Code
BRICK MFG—FIRE OR ENAMELED & DRIVERS	4024	Applicable only to the mfg of bricks from refractory clays with or without other refractory materials. Clay digging, mining or quarrying to be separately rated.	D	1	E
CAISSON WORK—ALL OPERATIONS TO COMPLETION	6252	Includes pile driving, excavation, masonry, or concrete work. Applies to all employees working under air pressure and all others engaged in or upon the caisson or the apparatus connected therewith.	D•	2	G
CAN MFG	3220			1	D
COFFERDAM WORK - NOT PNEUMATIC - ALL OPERATIONS TO COMPLETION	6252	Includes pile driving, excavation, and masonry or concrete work up to completion of the substructure only.	D•	2	G
ENAMELED IRONWARE MFG	3081		D	1	E
FOUNDRY - FERROUS-NOC	3081		D	1	D
FOUNDRY - NON-FERROUS	3085		D	1	D
FOUNDRY - STEEL CASTINGS	3082		D	1	E
HONE OR OIL STONE MFG & DRIVERS	1803	Quarrying to be separately rated.	D	1	F
MINING NOC - NOT COAL - SURFACE - & DRIVERS	1165	Includes construction, repair or maintenance of all buildings, structures or equipment and the installation of machinery. Does not contemplate mining with shafts, tunnels or drifts. Codes 1165	XD	5	G

Phraseology	Class	Notes	FN ID	Industry Group	Hazard Code
OIL OR HONE STONE MFG & DRIVERS	1803	Quarrying to be separately rated.	D	1	F
QUARRY - NOC & DRIVERS	1624	Includes operation of crushers; construction, repair or maintenance of all buildings, structures or equipment; installation of machinery.	D	5	F
REFRACTORY PRODUCTS MFG & DRIVERS	4024	Includes the manufacturing of fire bricks, boiler or stoker tiles, special refractory shapes, enameled bricks, retorts, flue linings, muffles, crucibles and similar products manufactured from refractory clays with or without other refractory materials. Clay digging, mining or quarrying to be separately rated.	D	1	E
ROOFING - SLATE MFG OR SLATE SPLITTING & DRIVERS	1624	Includes quarrying; construction, repair or maintenance of all buildings, structures or equipment; and installation of machinery.	D	5	F
SHAFT SINKING - ALL OPERATIONS	6252	Includes pile driving, excavation, concrete work, or lining.	D•	2	G
SLAG DIGGING AND CRUSHING & DRIVERS	1624		D	5	F
SLATE MILLING & DRIVERS	1803	No slate splitting or roofing slate mfg. Quarrying or mining to be separately rated.	D	1	F
SOAPSTONE OR SOAPSTONE PRODUCTS MFG. & DRIVERS	1803	Quarrying to be separately rated.	D	1	F
STONE CUTTING OR POLISHING NOC & DRIVERS	1803	Quarrying or mining to be separately rated. Stone cutting in quarries shall be rated as Code 1624 - Quarry.	D	1	E
TUNNELING - NOT PNEUMATIC- ALL OPERATIONS	6251	Includes lining, all employees working under air pressure and all others working in the tunnel or performing work in connection with equipment. Subway construction to be separately rated.	D•	2	F

## Voluntary Premium Algorithm

Remove highlighted boxes

### NORTH CAROLINA WORKERS COMPENSATION PREMIUM ALGORITHM

(Effective 01 Jan 2017)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line. [\*]

PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
<b>MANUAL PREMIUM</b>	$[(\text{PAYROLL} / 100) * \text{RATE}]$	
+ Supplementary Disease (foundry, abrasive, sandblasting)	$[(\text{SUBJECT PAYROLL} / 100) * \text{DISEASE RATE}]$	3-A-7
+ USL&H Exposure for non-F classification codes	$[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$	3-A-4
<b>TOTAL MANUAL PREMIUM</b>		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is	3-A-21
+ Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]	3-A-13-b (1)
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]	3-A-13-b
+ Employers Liability factor (Admiralty/FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]	3-A-13-b (4)
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]	Carrier files for charge
- Deductible Credit	[% applied to Total Manual Premium]	5-E
<b>TOTAL SUBJECT PREMIUM</b>		
x Experience Modification		Experience Rating Plan Manual
<b>TOTAL MODIFIED PREMIUM</b>		
x Schedule Rating Factor (1-SR Credit %) or (1 + SR Debit %)		Carrier files for charge
+ Supplemental Disease Exposure (Asbestos, NOC)[*]		3-A-7
+ Atomic Energy Radiation Exposure NOC[*]		3-A-7
+ Charge for nonratable catastrophe loading[*]		3-A-16
+ Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]	N/A
+ Balance to Minimum Premium (Admiralty/FELA)	[Balance to minimum premium at Admiralty Standard Limits]	N/A
<b>TOTAL STANDARD PREMIUM</b>		
- Premium Discount{§}	[% applied to Standard Premium]	3-A-18
+ Coal Mine Disease Charge	[Surface and other than mining]	3-A-11
+ Expense Constant		3-A-10
+ Terrorism	$[(\text{PAYROLL} / 100) * \text{TERRORISM VALUE}]$	3-A-23

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## Assigned Risk Premium Algorithm

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### NORTH CAROLINA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM

Applicable to Assigned Risk Policies Only (Effective 01 Jan 2017)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
<b>MANUAL PREMIUM</b>	$[(\text{PAYROLL} / 100) * \text{RATE}]$	
+ Supplementary Disease (foundry, abrasive, sandblasting)	$[(\text{SUBJECT PAYROLL} / 100) * \text{DISEASE RATE}]$	3-A-7
+ USL&H Exposure for non-F classification codes	$[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$	3-A-4
<b>TOTAL MANUAL PREMIUM</b>		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is applied]	3-A-21
+ Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]	3-A-13-b (1)
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]	3-A-13-b
+ Employers Liability factor (Admiralty)	[Factor applied to the portion of Manual Premium where Admiralty coverage is applicable]	3-A-13-b (4)
- Small Deductible Credit	[% applied to Total Manual Premium]	5-E
<b>TOTAL SUBJECT PREMIUM</b>		
x Experience Modification (Exp Mod)		Experience Rating Plan Manual
<b>TOTAL MODIFIED PREMIUM</b>		
x Assigned Risk Adjustment Program (ARAP) Surcharge		4-D
+ Supplemental Disease Exposure (Asbestos, NOC)[†]		3-A-7
+ Atomic Energy Radiation Exposure NOC[†]		3-A-7
+ Charge for nonratable catastrophe loading[†]		3-A-16
+ Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]	N/A
+ Balance to Minimum Premium (Admiralty)	[Balance to minimum premium at Admiralty Standard Limits]	N/A
<b>TOTAL STANDARD PREMIUM</b>		
+ Coal Mine Disease Charge	[Underground, surface, surface auger]	3-A-11
+ Expense Constant		3-A-10
+ Terrorism	$[(\text{PAYROLL} / 100) * \text{TERRORISM VALUE}]$	3-A-23
+ Catastrophe (other than Certified Acts of Terrorism)	$[(\text{PAYROLL} / 100) * \text{CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE}]$	3-A-23
<b>ESTIMATED ANNUAL PREMIUM</b>		
+ Audit Noncompliance Charge		3-A-12
<b>TOTAL AMOUNT DUE</b>		

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# Voluntary Premium Algorithm

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## NORTH CAROLINA WORKERS COMPENSATION PREMIUM ALGORITHM (Effective 01 Jan 2017)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line. [\*]



PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
<b>MANUAL PREMIUM</b>	[(PAYROLL / 100) * RATE]	
Supplementary Disease (foundry, abrasive, sandblasting)	[(SUBJECT PAYROLL / 100) * DISEASE RATE]	3-A-7
+ USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]	3-A-4
<b>TOTAL MANUAL PREMIUM</b>		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is]	3-A-21
+ Employers Liability (E/L) Increased Limits factor	[% applied to Total Manual Premium]	3-A-13-b (1)
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]	3-A-13-b
+ Employers Liability factor (Admiralty/FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]	3-A-13-b (4)
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]	Carrier files for charge
- Deductible Credit	[% applied to Total Manual Premium]	5-E
<b>TOTAL SUBJECT PREMIUM</b>		
x Experience Modification		Experience Rating Plan Manual
<b>TOTAL MODIFIED PREMIUM</b>		
x Schedule Rating Factor (1-SR Credit %) or (1 + SR Debit %)		Carrier files for charge
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- Atomic Energy Radiation Exposure NOC[*]		3-A-7
+ Charge for nonratable catastrophe loading[*]		3-A-16
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- Premium Discount[§]	[% applied to Standard Premium]	3-A-18
+ Coal Mine Disease Charge	[Surface and other than mining]	3-A-11
+ Expense Constant		3-A-10
+ Terrorism	[(PAYROLL / 100) * TERRORISM VALUE]	3-A-23



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## Assigned Risk Premium Algorithm

### NORTH CAROLINA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM

Applicable to Assigned Risk Policies Only (Effective 01 Jan 2017)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
<b>MANUAL PREMIUM</b>	$[(PAYROLL / 100) * RATE]$	
Supplementary Disease (foundry, abrasive, sandblasting)	$[(SUBJECT PAYROLL / 100) * DISEASE RATE]$	3-A-7
+ USL&H Exposure for non-F classification codes	$[(SUBJECT PAYROLL / 100) * (RATE * USL\&H FACTOR)]$	3-A-4
<b>TOTAL MANUAL PREMIUM</b>		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is applied]	3-A-21
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+ Employers Liability factor (Admiralty)	[Factor applied to the portion of Manual Premium where Admiralty coverage is applicable]	3-A-13-b (4)
- Small Deductible Credit	[% applied to Total Manual Premium]	5-E
<b>TOTAL SUBJECT PREMIUM</b>		
x Experience Modification (Exp Mod)		Experience Rating Plan Manual
<b>TOTAL MODIFIED PREMIUM</b>		
x Assigned Risk Adjustment Program (ARAP) Surcharge		4-D
Supplemental Disease Exposure (Asbestos, NOC)[*]		3-A-7
Atomic Energy Radiation Exposure NOC[*]		3-A-7
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+ Balance to Minimum Premium (Admiralty)	[Balance to minimum premium at Admiralty Standard Limits]	N/A
<b>TOTAL STANDARD PREMIUM</b>		
+ Coal Mine Disease Charge	[Underground, surface, surface auger]	3-A-11
+ Expense Constant		3-A-10
+ Terrorism	$[(PAYROLL / 100) * TERRORISM VALUE]$	3-A-23
+ Catastrophe (other than Certified Acts of Terrorism)	$[(PAYROLL / 100) * CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE]$	3-A-23
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+ Audit Noncompliance Charge		3-A-12
<b>TOTAL AMOUNT DUE</b>		

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