

April 12, 2012

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

NCCI Item B-1425-Revisions to Employers Liability and Admiralty or FELA Coverage Increased Limits Percentages and Factors

NCCI has issued Item B-1425. A copy of Item B-1425 is attached.

The North Carolina Rate Bureau has adopted and the North Carolina Commissioner of Insurance has approved the adoption of changes to NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance**. The effective date of the change is January 1, 2013.

The purpose of Item B-1425 is to update NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance** to: (1) reflect adjustments to the current percentages and factors for the increased limits of employers liability insurance; (2) create two new sets of values to replace the current set of values, *(Each state will be assigned only one of the two newly created sets of values. These values have not been updated since 1997. The last increase took limits from \$50,000 to \$100,000)*; (3) revise the structure of the increased limits tables; (4) add a note to Rule 3.A.14 to specify FELA (Federal Employers Liability Act) coverage and increased limits for Admiralty Law are not available for assigned risk policies and (5) add ARAP Surcharge to the list of premium elements that are applied after the calculation of additional premium for increased limits.

The attached circular provides a more detailed explanation of the changes.

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dms

Attachment

C-12-4

FILING MEMORANDUM

ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

(To be effective 12:01 a.m. on January 1, 2013, applicable to new and renewal voluntary and assigned risk policies.)

PURPOSE

This item:

- Replaces the present percentages and factors for increased limits of employers liability insurance with two new sets of values
- Revises the structure of the tables containing these percentages and factors
- Adds rules for increased limits pertaining to assigned risk policies

BACKGROUND

Increased limits percentages and factors are used to determine the premium when the limits of employers liability insurance are increased by endorsement. The increased limits percentages and factors for employers liability insurance were last adjusted in 1997 with the implementation of Item B-1337—Employers Liability and Admiralty/FELA Increased Limits. As part of Item B-1337, the standard or basic limit of employers liability insurance per occurrence was increased from \$50,000 to \$100,000.

In most states, the Admiralty or FELA table of increased limits factors was last adjusted in 2000 with the filing of Item B-1366—Revisions to Admiralty and Federal Employers Liability Act Classifications. The standard limit of \$100,000 for Admiralty or FELA was also introduced within Item B-1366.

The increased limits percentages and factors for employers liability insurance are located in Appendix C of NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*. Currently, the tables in Appendix C display percentages for increased limits of up to \$50 million for employer liability insurance and up to \$25 million for Admiralty/FELA coverage. A portion of the increased limits percentages and factors is also shown in Rule 3-A-14 of NCCI's *Basic Manual*.

PROPOSAL

It is proposed that:

1. Present increased limits percentages and factors for employers liability insurance, Admiralty, and FELA coverage be adjusted.
2. Increased limits tables for employers liability insurance, Admiralty, and FELA coverage be revised to show values for limits no greater than \$10 million because employers liability claims data reported to NCCI is very minimal beyond \$10 million, and there are few workers compensation policies sold with employers liability limits greater than \$10 million.
3. States are assigned to one of two sets of values for employers liability insurance increased limits based on actuarial analyses of their historical loss experience. The analyses suggest that there are discernible differences across states as measured by employers liability losses as a percentage of total workers compensation losses. Upon approval of this item, the current Table 1, in which the current increased limits percentages are published, will be replaced with a new Table 1.

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FILING MEMORANDUM

ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

4. The format of the Increased Limits Percentages table of Appendix C of NCCI's *Basic Manual* be modified to include the minimum premium amounts within the same published table as the increased limits percentages.
5. New rules specific to residual market policies be added to address the fact that FELA coverage and increased limits for Admiralty Law are not available for assigned risk policies.

Alabama Specific Proposal:

NCCI proposes that Alabama adopt the following changes to NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Adopt a state exception to Table 1 in Appendix C.

Alaska Specific Proposal:

NCCI proposes that Alaska discontinue its state exceptions to the tables in NCCI's *Basic Manual* Rule 3-A-14-b(1) and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14 and Appendix C.

Arizona Specific Proposal:

NCCI proposes that Arizona discontinue its state exceptions to the tables in NCCI's *Basic Manual* Rule 3-A-14-b(1) and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14 and Appendix C.

Arkansas Specific Proposal:

NCCI proposes that Arkansas retain its state exception to NCCI's *Basic Manual* Rule 3-A-14-b(2).

Florida Specific Proposal:

NCCI proposes that Florida adopt the following changes to NCCI's *Basic Manual*:

1. Discontinue its state exceptions to the tables in Rule 3-A-14-a(2) and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14 and Appendix C.
2. Discontinue its state exception standard limit of coverage for Admiralty or FELA of \$25,000, and adopt the national standard limit of \$100,000.
3. Amend the data in the tables in Rule 3-A-14-b(1) and Rule 3-A-14-b(2) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
4. Discontinue its state exceptions to Tables 1 and 1A and the Increased Limits Factors tables in Appendix C, and adopt the newly proposed state exception to Table 1 and Increased Limits Factors.

Georgia Specific Proposal:

NCCI proposes that Georgia discontinue its state exceptions to the tables in NCCI's *Basic Manual* Rule 3-A-14-b(1) and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14 and Appendix C.

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FILING MEMORANDUM

ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

Hawaii Specific Proposal:

NCCI proposes that Hawaii adopt the following changes in NCCI's *Basic Manual*:

1. Discontinue its state exceptions to the tables in Rule 3-A-14-a(2), Rule 3-A-14-b(1), and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14.
2. Discontinue its state exception standard limit of coverage for Admiralty or FELA of \$25,000, and adopt the national standard limit of \$100,000.
3. Discontinue its state exceptions to Tables 1A and 2 in Appendix C, and adopt the nationally proposed Tables 1 and 2.

Illinois Specific Proposal:

NCCI proposes that Illinois adopt the following changes in NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Retain its state exception to Rule 3-A-14-b(3).
3. Adopt a state exception to Table 1 in Appendix C.

Louisiana Specific Proposal:

NCCI proposes that Louisiana adopt the following changes in NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Discontinue its state exception to the table in Rule 3-A-14-b(4), and adopt the nationally proposed table in Rule 3-A-14-b(4).
3. Adopt a state exception to Table 1 in Appendix C.
4. Discontinue its state exception to Table 2 in Appendix C, and adopt the nationally proposed Table 2.

Missouri Specific Proposal:

NCCI proposes that Missouri adopt the following changes in NCCI's *Basic Manual*:

1. Discontinue its state exception to the table in Rule 3-A-14-b(1), and adopt the nationally proposed table in Rule 3-A-14.
2. Discontinue its state exception to Tables 1 and 1A in Appendix C, and adopt the nationally proposed Table 1.

Nebraska Specific Proposal:

NCCI proposes that Nebraska retain its state exception to NCCI's *Basic Manual* Rule 3-A-14-b(1).

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FILING MEMORANDUM

ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

Oklahoma Specific Proposal:

NCCI proposes that Oklahoma adopt the following changes in NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Adopt a state exception to Table 1 in Appendix C.

Oregon Specific Proposal:

NCCI proposes that Oregon adopt the following changes in NCCI's *Basic Manual*:

1. Retain its state exception to the table in Rule 3-A-14-a.
2. Amend the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
3. Discontinue its state exceptions to Tables 1 and 1A in Appendix C, and adopt the newly proposed state exception to Table 1.

Tennessee Specific Proposal:

NCCI proposes that Tennessee adopt the following changes in NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Amend the data in the table in Rule 3-A-14-b(2).
3. Adopt a state exception to Table 1 in Appendix C.

Virginia Specific Proposal:

NCCI proposes that Virginia adopt the following changes in NCCI's *Basic Manual*:

1. Discontinue its state exceptions to the tables in Rule 3-A-14-a(2), Rule 3-A-14-b(1), and Rule 3-A-14-b(4), and adopt the nationally proposed tables in Rule 3-A-14.
2. Discontinue its state exception standard limit of coverage for Admiralty or FELA of \$25,000, and adopt the national standard limit of \$100,000.
3. Retain its state exception to Rule 3-A-14-b(2).
4. Update the descriptions for several classification codes that contain standard limits information. The codes are 6702, 6703, 6704, 7016, 7024, 7038, 7046, 7047, 7050, 7090, 7098, 7099, 7151, 7152, 7153, 7333, 7335, 7337, 7394, 7395, 7398, 8734, 8737, 8738, 8805, 8814, and 8815. These classifications also contain references to other states that will be eliminated.

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ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

West Virginia Specific Proposal:

NCCI proposes that West Virginia adopt the following changes in NCCI's *Basic Manual*:

1. Adopt a state exception to the table in Rule 3-A-14-b(1) to reflect the values in the newly proposed state exception to Table 1 in Appendix C.
2. Adopt a state exception to Table 1 in Appendix C.

IMPACT

This proposal to adjust the employers liability and Admiralty or FELA coverage increased limits percentages and factors will reduce increased limits premium for an insured that chooses to purchase higher limits in a state which currently uses the countrywide increased limits tables.

Employers liability increased limits premium and losses flow directly into NCCI's financial data Calls used for aggregate ratemaking. To ensure that an appropriate level of statewide premium is collected through the loss costs/rate filings, an adjustment may be needed in future loss costs/rate filings to achieve premium neutrality by contemplating both the statutory workers compensation system and the amount of premium derived from employers liability increased limits policies.

The revised structure of the increased limits tables will make it easier for users to obtain the information they need.

The rules regarding increased limits and assigned risk policies will provide clarification for existing rules in NCCI's *Basic Manual*.

Florida Specific Impact:

This proposal to adjust the increased limits percentages and factors may raise or lower premium for increased limits for an insured that chooses to purchase higher limits of employers liability insurance, depending upon which limit they purchase.

The standard limit of coverage for Admiralty or FELA is being proposed to increase from \$25,000 to \$100,000. This proposal to adjust the Admiralty or FELA coverage increased limits factors will increase premium for an insured that chooses to purchase higher limits on policies having Admiralty or FELA coverage.

Any insured that purchases an employers liability insurance policy without workers compensation insurance will see a premium increase if it chooses to purchase higher limits of insurance. Any insured that purchases the standard limit of coverage under an employers liability insurance policy without workers compensation insurance will not be impacted.

Hawaii Specific Impact:

The standard limit of coverage for Admiralty or FELA is being proposed to increase from \$25,000 to \$100,000. This proposal to adjust the Admiralty or FELA coverage increased limits factors will decrease premium for an insured that chooses to purchase higher limits on policies having Admiralty or FELA coverage.

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FILING MEMORANDUM

ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS

Louisiana Specific Impact:

This proposal to adjust the Admiralty or FELA coverage increased limits factors will increase premium slightly for an insured that chooses to purchase higher limits on policies having Admiralty or FELA coverage. An exception is that the minimum premium for employers liability increased limits will decrease.

Virginia Specific Impact:

The standard limit of coverage for Admiralty or FELA is being proposed to increase from \$25,000 to \$100,000. This proposal to adjust the Admiralty or FELA coverage increased limits factors will increase premium for an insured that chooses to purchase higher limits on policies having Admiralty or FELA coverage. An exception is that the minimum premium for employers liability increased limits will decrease.

IMPLEMENTATION

The following exhibits detail the changes required in NCCI's *Basic Manual*:

1. **Exhibit 1** shows the changes to Rule 3-A-14—Limits of Liability
2. **Exhibit 2** shows the discontinuation of Appendix C—Table 1—Increased Limits Percentages, and Table 1A—Minimum Premium for Increased Limits
3. **Exhibit 3** shows the newly proposed Appendix C—Table 1, Minimum Premium and Increased Limits Percentages
4. **Exhibit 4** shows the changes to Appendix C—Table 2, Minimum Premium and Increased Limits Factors for Admiralty or FELA coverage
5. **Exhibit 5** shows the changes to state exceptions to rules and/or tables, if applicable

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**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 1
BASIC MANUAL—2001 EDITION
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
A. EXPLANATION AND APPLICATION**

14. Limits of Liability

Refer to Rule 4-G for additional rules applicable to assigned risk policies.

a. Standard Limits of Liability

Standard limits of liability apply to Employers Liability Insurance:

- With or without Workers Compensation Insurance
- For employees subject to Voluntary Compensation Insurance
- For operations subject to USL&HW Act
- For damages under admiralty law or FELA

Note: All references to FELA in this rule or other rules in this manual do not apply to assigned risk policies because FELA is not an available coverage in the residual market. *Refer to Rule 4-G regarding available coverages for assigned risk policies.*

(1) Bodily Injury by Accident

Bodily Injury by Accident (each accident limit) applies to all bodily injury resulting from a single accident.

(2) Bodily Injury by Disease

Bodily Injury by Disease is represented by two limits:

- **Each Employee Limit**
Each Employee Limit is the maximum amount of damages that an insurer will pay for a single employee during the policy year. It applies as a separate limit to bodily injury by disease to any one employee.
- **Policy Limit**
Policy Limit is an aggregate limit that applies to all bodily injury occurring from disease during the term of the policy, regardless of the number of employees who are injured by disease. An aggregate limit is the maximum amount of damages that an insurer will pay during the policy year.

Table for Standard Limits

| | Employers Liability, Voluntary Compensation, USL&HW Act and Extensions | Admiralty Law and FELA |
|---------------------------|---|-------------------------------|
| Bodily Injury by Accident | \$100,000—each accident | \$100,000 |
| Bodily Injury by Disease | \$100,000—each employee | Not applicable |
| Bodily Injury by Disease | \$500,000—policy limit | \$100,000 |

b. Increased Limits of Liability

Except for FELA and/or Admiralty coverage for assigned risk policies as described in Rule 3-A., 14.b.(4)(c), increased Limits of Liability are available under Part Two—Employers Liability. Accordingly, the standard limits may be increased.

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
A. EXPLANATION AND APPLICATION**

Any additional premium for increased limits must be calculated before application of:

- Expense constant-~~s~~
- Experience rating modification
- Merit rating modification
- ARAP surcharge factor (refer to Rule 4-E)
- Schedule rating modification
- Premium discount
- Retrospective rating adjustment
- Deductible credit-~~s~~

(1) Standard Policy

Employers Liability (E/L) Increased Limits ~~Percentage Factor~~ is a percentage factor that is applied to the manual premium if the employer chooses to increase its standard limits under Part Two—Employers Liability.

If the limits of liability under Part Two are increased:

- (a) The limits of liability must be the same for all states specified in Item 3A of the Information Page of the policy.
- (b) The additional premium for increased limits must be determined by multiplying the total manual premium by the percentage in Table 1 in Appendix C ~~the Table for Increased Limits~~.
- (c) In competitive rating jurisdictions, the additional premium must not be less than the minimum premium, if any, filed by or on behalf of the carrier and approved for use by the appropriate insurance regulatory authority.
- (d) In administered pricing jurisdictions, the additional premium must not be less than the minimum premium shown in Table 1 in Appendix C ~~the Table for Increased Limits~~.
- (e) For assigned risk policies, the additional premium must not be less than the minimum premium shown in Table 1 in Appendix C ~~the Table for Increased Limits~~.
- (f) The minimum premium for increased limits is in addition to the policy minimum premium at standard limits of liability and applies although coverage for increased limits may have been added during the policy term. *Refer to Rule 3-A-16-b for additional minimum premium information.*

*Refer to the **User's Guide** for an example.*

- (g) When more than one state is insured on the same policy:
 - The applicable increased limits minimum premium for the policy is that of the state with the highest increased limits minimum premium, or
 - No increased limits minimum premium applies to any of the states when the premium calculated for all states equals or exceeds the increased limits minimum premium for the state with the highest increased limits minimum premium. The combined increased limits premium for all states would apply.

*Refer to the **User's Guide** for examples.*

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
A. EXPLANATION AND APPLICATION**

Table for Increased Limits*

| Limits of Liability (000 omitted) | Percentage | Minimum Premium for Increased Limits** |
|--------------------------------------|---------------------|---|
| \$ 500/500/500 | 1.7 0.8% | \$ 100.00 75 |
| 1,000/1,000/1,000 | 2.8 1.1 | 150.00 120 |
| 2,000/2,000/2,000 | 4.3 1.4 | 175.00 140 |
| 3,000/3,000/3,000 | 5.3 1.6 | 200.00 160 |
| 4,000/4,000/4,000 | 6.1 1.8 | 225.00 180 |
| 5,000/5,000/5,000 | 6.8 2.0 | 250.00 200 |
| 6,000/6,000/6,000 | 7.4 2.2 | 260.00 210 |
| 7,000/7,000/7,000 | 7.9 2.4 | 270.00 220 |
| 8,000/8,000/8,000 | 8.3 2.6 | 280.00 230 |
| 9,000/9,000/9,000 | 8.7 2.8 | 290.00 240 |
| 10,000/10,000/ 10,000 | 9.0 3.0 | 300.00 250 |

*Refer to Appendix C for additional limits values.

**In Hawaii, refer to the carrier rate pages for minimum premium.

(2) Employers Liability Insurance—Without Workers Compensation Insurance

- (a) The standard limits of employers liability insurance may be increased. If higher limits of liability apply, the premium is determined on the basis of the rates multiplied by the factors filed by or on behalf of the carrier and approval for their use is obtained from the appropriate insurance regulatory authority.
- (b) All references to employers liability insurance without workers compensation insurance in this rule or other rules in this manual do not apply to ~~residual market assigned risk policies in states where NGCI is the Plan Administrator because employers liability insurance without workers compensation insurance is not available in the residual market.~~

(3) Voluntary Compensation Insurance

- (a) The standard limits under Part Two—Employers Liability Insurance for employees subject to Voluntary Compensation Insurance may be increased.
- (b) The premium for the increased limits must be determined by using Table 1 in Appendix C ~~the Table for Increased Limits provided in Rule 3 A-14 b(1) above.~~

(4) Admiralty Law ~~or~~ FELA

- (a) The total premium including the additional premium for increased limits must be determined by applying the factor in the Table for Increased Limits provided below, or Table 2 in Appendix C, to the total premium for Admiralty or FELA classifications.
- (b) The minimum premium for increased limits is in addition to the policy minimum premium at standard limits of liability, and applies although coverage for increased limits may have

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
A. EXPLANATION AND APPLICATION**

been added during the policy term. *Refer to Rule 3-A-16-b for additional minimum premium information.*

(c) For assigned risk policies:

- 1) Increased limits of liability for Employers Liability insurance are not available for Admiralty coverage, although the standard limit of liability is available for such coverage.
- 2) Employers Liability insurance is not available for FELA coverage; therefore, increased limits of liability are also not available for FELA coverage.
- 3) Rule 3-A-14-b(4)—Table for Limits and Appendix C—Table 2 do not apply.

Refer to Rule 4-G regarding available coverages for assigned risk policies.

Table for ~~Increased~~ Limits*

| Limit per Accident | Factor | | Minimum Premium** | |
|--------------------|----------------------|----------------------|--------------------|--------------------|
| | Program I | Program II | Program I | Program II |
| \$100,000 | 1.00 | 1.00 | \$115 0 | \$230 0 |
| 150,000 | 1.17 | 1.15 | 119 | 238 |
| 200,000 | 1.30 1.31 | 1.28 1.26 | 123 75 | 246 100 |
| 300,000 | 1.51 1.47 | 1.48 1.41 | 129 75 | 258 100 |
| 400,000 | 1.68 1.56 | 1.63 1.50 | 134 75 | 268 100 |
| 500,000 | 1.80 1.60 | 1.75 1.54 | 138 75 | 276 100 |
| 1,000,000 | 1.77 | 1.70 | 120 | 150 |
| 5,000,000 | 2.13 | 2.04 | 200 | 250 |
| 10,000,000 | 2.20 | 2.11 | 250 | 300 |

*Refer to Appendix C for additional limits values.

**In Hawaii, refer to the carrier rate pages for minimum premium.

(5) USL&HW Act and Extensions of the USL&HW Act

Rule 3-A-14-b(1) ~~above~~ applies to policies that include coverage for the USL&HW Act and/or its extensions.

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 2
BASIC MANUAL—2001 EDITION
APPENDIX C**

**TABLE 1—WORKERS COMPENSATION AND EMPLOYERS LIABILITY—INCREASED LIMITS—
PERCENTAGES**

Bodily Injury by Disease: Policy Limit (\$000 Omitted)

| | 500 | 1,000 | 2,000 | 3,000 | 4,000 | 5,000 | 6,000 | 7,000 | 8,000 | 9,000 | 10,000 | 15,000 | 20,000 | 25,000 | 30,000 | 35,000 | 40,000 | 45,000 | 50,000 |
|--------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 100 | 0.0 | 0.6 | 1.3 | 1.8 | 2.20 | 2.5 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.4 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.1 | 4.2 |
| 200 | 0.5 | 1.10 | 1.8 | 2.3 | 2.70 | 3.0 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.9 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 |
| 300 | 0.9 | 1.50 | 2.2 | 2.7 | 3.10 | 3.4 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.3 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 |
| 400 | 1.3 | 1.90 | 2.6 | 3.1 | 3.50 | 3.8 | 4.0 | 4.1 | 4.2 | 4.3 | 4.4 | 4.7 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 |
| 500 | 1.7 | 2.30 | 3.0 | 3.5 | 3.90 | 4.2 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 5.1 | 5.3 | 5.4 | 5.5 | 5.6 | 5.7 | 5.8 | 5.9 |
| 1,000 | | 2.80 | 3.5 | 4.0 | 4.40 | 4.7 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.6 | 5.8 | 5.9 | 6.0 | 6.1 | 6.2 | 6.3 | 6.4 |
| 2,000 | | | 4.3 | 4.8 | 5.20 | 5.5 | 5.7 | 5.8 | 5.9 | 6.0 | 6.1 | 6.4 | 6.6 | 6.7 | 6.8 | 6.9 | 7.0 | 7.1 | 7.2 |
| 3,000 | | | | 5.3 | 5.70 | 6.0 | 6.2 | 6.3 | 6.4 | 6.5 | 6.6 | 6.9 | 7.1 | 7.2 | 7.3 | 7.4 | 7.5 | 7.6 | 7.7 |
| 4,000 | | | | | 6.10 | 6.4 | 6.6 | 6.7 | 6.8 | 6.9 | 7.0 | 7.3 | 7.5 | 7.6 | 7.7 | 7.8 | 7.9 | 8.0 | 8.1 |
| 5,000 | | | | | | 6.8 | 7.0 | 7.1 | 7.2 | 7.3 | 7.4 | 7.7 | 7.9 | 8.0 | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 |
| 6,000 | | | | | | | 7.4 | 7.5 | 7.6 | 7.7 | 7.8 | 8.1 | 8.3 | 8.4 | 8.5 | 8.6 | 8.7 | 8.8 | 8.9 |
| 7,000 | | | | | | | | 7.9 | 8.0 | 8.1 | 8.2 | 8.5 | 8.7 | 8.8 | 8.9 | 9.0 | 9.1 | 9.2 | 9.3 |
| 8,000 | | | | | | | | | 8.3 | 8.4 | 8.5 | 8.8 | 9.0 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 | 9.6 |
| 9,000 | | | | | | | | | | 8.7 | 8.8 | 9.1 | 9.3 | 9.4 | 9.5 | 9.6 | 9.7 | 9.8 | 9.9 |
| 10,000 | | | | | | | | | | | 9.0 | 9.3 | 9.5 | 9.6 | 9.7 | 9.8 | 9.9 | 10.0 | 10.10 |
| 15,000 | | | | | | | | | | | | 10.3 | 10.5 | 10.60 | 10.70 | 10.80 | 10.90 | 11.0 | 11.10 |
| 20,000 | | | | | | | | | | | | | 11.3 | 11.40 | 11.50 | 11.60 | 11.70 | 11.80 | 11.90 |
| 25,000 | | | | | | | | | | | | | | 12.10 | 12.20 | 12.30 | 12.40 | 12.50 | 12.60 |
| 30,000 | | | | | | | | | | | | | | | 12.80 | 12.90 | 13.0 | 13.10 | 13.20 |
| 35,000 | | | | | | | | | | | | | | | | 13.40 | 13.50 | 13.60 | 13.70 |
| 40,000 | | | | | | | | | | | | | | | | | 13.90 | 14.0 | 14.10 |
| 45,000 | | | | | | | | | | | | | | | | | | 14.30 | 14.40 |
| 50,000 | | | | | | | | | | | | | | | | | | | 14.70 |

Refer to Table 1A for Minimum Premiums.

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 2 (CONT'D)
BASIC MANUAL—2001 EDITION
APPENDIX C**

~~TABLE 1A—MINIMUM PREMIUM FOR INCREASED LIMITS~~

Minimum Premium to be used when increasing the limits of employers liability under Part Two of a workers-compensation and employers liability policy.

| LIMITS OF LIABILITY: | | | | | | |
|---|--|--|---|--|--|--|
| ARE GREATER THAN: | | | BUT NOT MORE THAN: | | | |
| Bodily Injury by Accident (Each Accident Limit) | Bodily Injury by Disease (Each Employee Limit) | Bodily Injury by Disease (Policy Limit) | Bodily Injury by Accident (Each Accident Limit) | Bodily Injury by Disease (Each Employee Limit) | Bodily Injury by Disease (Policy Limit) | Minimum Premium for Increased Limits |
| 100,000 | 100,000 | 500,000 | 500,000 | 500,000 | 500,000 | \$100 |
| 500,000 | 500,000 | 500,000 | 1,000,000 | 1,000,000 | 1,000,000 | \$150 |
| 1,000,000 | 1,000,000 | 1,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | \$150 plus \$25 for each 1,000,000 or part thereof in excess of a Bodily Injury by Disease (Policy Limit) of 1,000,000. |
| 5,000,000 | 5,000,000 | 5,000,000 | — | — | — | \$250 plus \$10 for each 1,000,000 or part thereof in excess of a Bodily Injury by Disease (Policy Limit) of 5,000,000. |

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

EXHIBIT 3

BASIC MANUAL—2001 EDITION

APPENDIX C

(Applies in: AK, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IN, KS, KY, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, RI, SC, SD, UT, VA, VT)

**TABLE 1—WORKERS COMPENSATION AND EMPLOYERS LIABILITY—TABLE FOR MINIMUM
PREMIUM AND INCREASED LIMITS PERCENTAGES**

Bodily Injury by Disease: Policy Limit (\$000 Omitted)

| | Loss Limit | Minimum Premium | 500 | 1,000 | 2,000 | 3,000 | 4,000 | 5,000 | 6,000 | 7,000 | 8,000 | 9,000 | 10,000 |
|-----------|------------|-----------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Bodily | 100 | — | 0.0% | 0.1% | 0.2% | 0.3% | 0.4% | 0.5% | 0.6% | 0.7% | 0.8% | 0.9% | 1.0% |
| Injury by | 200 | \$75 | 0.2% | 0.3% | 0.4% | 0.5% | 0.6% | 0.7% | 0.8% | 0.9% | 1.0% | 1.1% | 1.2% |
| Accident | 300 | \$75 | 0.4% | 0.5% | 0.6% | 0.7% | 0.8% | 0.9% | 1.0% | 1.1% | 1.2% | 1.3% | 1.4% |
| Each | 400 | \$75 | 0.6% | 0.7% | 0.8% | 0.9% | 1.0% | 1.1% | 1.2% | 1.3% | 1.4% | 1.5% | 1.6% |
| Accident | 500 | \$75 | 0.8% | 0.9% | 1.0% | 1.1% | 1.2% | 1.3% | 1.4% | 1.5% | 1.6% | 1.7% | 1.8% |
| Limit | 1,000 | \$120 | | 1.1% | 1.2% | 1.3% | 1.4% | 1.5% | 1.6% | 1.7% | 1.8% | 1.9% | 2.0% |
| and | 2,000 | \$140 | | | 1.4% | 1.5% | 1.6% | 1.7% | 1.8% | 1.9% | 2.0% | 2.1% | 2.2% |
| Bodily | 3,000 | \$160 | | | | 1.6% | 1.7% | 1.8% | 1.9% | 2.0% | 2.1% | 2.2% | 2.3% |
| Injury by | 4,000 | \$180 | | | | | 1.8% | 1.9% | 2.0% | 2.1% | 2.2% | 2.3% | 2.4% |
| Disease | 5,000 | \$200 | | | | | | 2.0% | 2.1% | 2.2% | 2.3% | 2.4% | 2.5% |
| Each | 6,000 | \$210 | | | | | | | 2.2% | 2.3% | 2.4% | 2.5% | 2.6% |
| Employee | 7,000 | \$220 | | | | | | | | 2.4% | 2.5% | 2.6% | 2.7% |
| Limit | 8,000 | \$230 | | | | | | | | | 2.6% | 2.7% | 2.8% |
| (\$000 | 9,000 | \$240 | | | | | | | | | | 2.8% | 2.9% |
| Omitted) | 10,000 | \$250 | | | | | | | | | | | 3.0% |

* The same minimum premium applies for all the Bodily Injury by Disease policy limits within the same row. For increased limits not displayed in the table, apply the minimum premium shown for the next highest limit published in the table. In Hawaii, refer to the carrier rate pages for minimum premium.

**ITEM B-1425—REVISIONS TO EMPLOYERS LIABILITY AND ADMIRALTY OR FELA
COVERAGE INCREASED LIMITS PERCENTAGES AND FACTORS**

**EXHIBIT 4
BASIC MANUAL—2001 EDITION
APPENDIX C
(Applicable in all states)**

**TABLE 2—EMPLOYERS LIABILITY INSURANCE FOR ADMIRALTY OR FELA—TABLE FOR
MINIMUM PREMIUM AND INCREASED LIMITS FACTORS**

| Limit Per Accident | Factor | | Minimum Premium* | |
|--------------------|----------------------|----------------------|--------------------|--------------------|
| | Program I | Program II | Program I | Program II |
| \$ 100,000 | 1.00 | 1.00 | \$115 0 | \$230 0 |
| 150,000 | 1.17 | 1.15 | 119 | 238 |
| 200,000 | 1.30 1.31 | 1.28 1.26 | 123 75 | 246 100 |
| 250,000 | 1.42 | 1.39 | 126 | 252 |
| 300,000 | 1.51 1.47 | 1.48 1.41 | 129 75 | 258 100 |
| 400,000 | 1.68 1.56 | 1.63 1.50 | 134 75 | 268 100 |
| 500,000 | 1.80 1.60 | 1.75 1.54 | 138 75 | 276 100 |
| 600,000 | 1.91 | 1.85 | 141 | 282 |
| 700,000 | 2.00 | 1.94 | 143 | 286 |
| 800,000 | 2.08 | 2.01 | 145 | 290 |
| 900,000 | 2.15 | 2.07 | 146 | 292 |
| 1,000,000 | 2.21 1.77 | 2.16 1.70 | 148 120 | 296 150 |
| 1,500,000 | 2.43 | 2.33 | 153 | 306 |
| 2,000,000 | 2.57 1.96 | 2.46 1.88 | 157 140 | 314 175 |
| 2,500,000 | 2.67 | 2.56 | 160 | 320 |
| 3,000,000 | 2.74 2.05 | 2.63 1.97 | 163 160 | 326 200 |
| 3,500,000 | 2.79 | 2.67 | 166 | 332 |
| 4,000,000 | 2.83 2.10 | 2.71 2.02 | 169 180 | 338 225 |
| 4,500,000 | 2.87 | 2.75 | 172 | 344 |
| 5,000,000 | 2.90 2.13 | 2.77 2.04 | 175 200 | 350 250 |
| 6,000,000 | 2.94 2.15 | 2.81 2.06 | 181 210 | 362 260 |
| 7,000,000 | 2.97 2.17 | 2.84 2.08 | 187 220 | 374 270 |
| 8,000,000 | 2.99 2.18 | 2.86 2.09 | 193 230 | 386 280 |
| 9,000,000 | 3.01 2.19 | 2.87 2.10 | 199 240 | 398 290 |
| 10,000,000 | 3.02 2.20 | 2.88 2.11 | 205 250 | 410 300 |
| 15,000,000 | 3.06 | 2.92 | 230 | 460 |
| 20,000,000 | 3.07 | 2.93 | 255 | 510 |
| 25,000,000 | 3.08 | 2.94 | 280 | 560 |

* In Hawaii, refer to the carrier rate pages for minimum premium.