

November 8, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item B-1403 – Revision to Basic Manual and
Retrospective Rating Plan Manual
2006 Update to Hazard Groups and Retrospective
Rating Plan Parameters

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved NCCI Item B-1403 – Revision to Basic Manual and Retrospective Rating Plan Manual / 2006 Update to Hazard Groups and Retrospective Rating Plan Parameters. The filing is effective April 1, 2007 for both new and renewal policies.

NCCI Item B-1403 revises the number of Hazard Groups in both The Basic Manual and The Retrospective Rating Plan Manual from 4 groups to 7 groups. Companies that are unable to complete the necessary programming must file with the North Carolina Department of Insurance to continue to use the 4 hazard group system until the programming needed to implement the 7 hazard group system is complete. In addition Item B-1403 updated the Expected Loss Ranges and State Hazard Group Relativities.

In summary there are 6 components to Item B-1403:

1. The effective date for both new and renewal policies is April 1, 2007. If a carrier determines it is unable to implement the programming changes needed to use the 7 hazard groups, they must receive approval from the North Carolina Department of Insurance prior to April 1, 2007.
2. The number of hazard groups has been increased from 4 to 7.
3. Assigned Risk carriers will be required to use the 7 hazard group system effective April 1, 2007 for both new and renewal policies to allow for the uniform application of the 7 hazard groups to residual market accounts that select deductible options.
4. A single Table of Classifications by Hazard Group will be created as Appendix E of the Basic Manual and both 4 hazard group and 7 hazard group systems will be included in the table.
5. Part Four F – Table of Classifications by Hazard Group will be removed from the Retrospective Rating Plan Manual, and
6. Individual state Table of Classifications by Hazard Group will be removed from each individual state's Miscellaneous Rules section of the Basic Manual.

A copy of NCCI Item B-1403 is attached for your reference.

Sincerely,

Sue Taylor

Director of Workers Compensation

ST:dg

C-06-26

FILING MEMORANDUM

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN
 MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN
 PARAMETERS

(To be effective on new and renewal voluntary and assigned risk business.)

PURPOSE

The purpose of this item is to revise the Hazard Groups and update the Expected Loss Ranges and State Hazard Group Relativities in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance* and *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance*. In addition, updated Excess Loss Factors are included for United States Longshore and Harbor Workers' Act (USL&HW) and for loss cost states with loss cost filings that are effective between January 1, 2007 and July 1, 2007. As a result of this filing, the following changes will occur:

- The number of hazard groups will be increased from four to seven. Since some carriers may not be able to update their systems with the seven-hazard-group system in the time required, this filing also provides a revised four-hazard-group system.
- All assigned risk carriers in the states of AL, AR, CT, GA, KS, NV, NH, NM, NC, SC, SD will apply the seven-hazard-group system uniformly to residual market accounts that select deductible options.
- One Table of Classifications by Hazard Group will be created as Appendix E of the *Basic Manual*; both hazard group systems (seven and four) will be included.
- Part Four F—Table of Classifications by Hazard Group will be removed from the *Retrospective Rating Plan Manual*.
- Individual state Tables of Classifications by Hazard Group will be removed from each individual state's Miscellaneous Rules section of the *Basic Manual*.

BACKGROUND

Retrospective rating is a plan for adjusting the risk premium of a policy according to the loss experience during the effective period of the policy. At the simplest level, an insured's retrospective premium is determined by the formula $R = (b + cL)T$, where

R	=	Retrospective premium, subject to minimum and maximum amounts
b	=	Basic premium
c	=	Loss conversion factor, generally reflecting loss adjustment expense
L	=	Actual incurred loss during the effective policy period
T	=	Tax multiplier

The retrospective premium, R, is not known until after the policy has expired and the actual losses are fully developed.

The basic premium contains provisions for the expenses of the carriers. It also includes a net insurance charge, which results from the maximum and minimum limitations on the retrospective premium. The net insurance charge reflects the charge to compensate for the possibility that R will exceed the maximum

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

premium amount. It also reflects the savings resulting from the possibility that R will be less than the minimum premium amount. The net insurance charge is the difference between the charge for the maximum and the savings from the minimum.

The Retrospective Rating Plan contains an optional provision—an individual loss limitation—which limits the amount of loss arising out of any one accident that will be used in the calculation of retrospective premium adjustments. The charge for limiting losses is determined by application of an Excess Loss Factor (ELF) to the standard premium multiplied by the appropriate Loss Conversion Factor.

Hazard Groups

Hazard group assignments are used to establish the proper ELF for risks electing a loss limitation under a retrospective rating plan. Class codes are assigned to hazard groups based on their ELFs. This effectively categorizes the relative extent to which workers are exposed to serious occupational injuries.

NCCI completed a statistical analysis that was supplemented from an underwriting perspective. The statistical analysis was based on classification data in those states where NCCI collects workers compensation statistical plan data. Cluster analysis was used to optimally group classifications with similar ELFs.

Hazard groups are also used in deductible programs, which are offered in several states on an optional basis. In these states, the premium reduction percentages vary by hazard group. Revised deductible values that incorporate the new hazard group assignments will be included in the next rate or loss cost filing that is effective on or after January 1, 2007. The hazard group assignments are based on the classification, subject to any deductible amount, that produces the largest amount of estimated workers compensation standard premium for that state.

Expected Loss Ranges

The Table of Insurance Charges contains the excess ratios needed to quantify the insurance charge and savings described above. The ratio of actual losses to expected losses—the entry ratio—is used to look up the values in the Table of Insurance Charges. The charges depend on the maximum and minimum subject losses, and on the size of the insured. The variation in the loss ratios, hence the charges, of the larger employers for which greater losses are expected should be much lower than the variation for smaller employers.

As inflation increases claim size, there is an apparent growth in the size of the insured, measured in expected losses, but no real growth in the size of the insured, measured in the expected number of claims. To correct for the impact of loss size inflation, NCCI is proposing that the Table of Expected Loss Ranges be updated for the trend in average size of loss. The last time such an update was made was in 2005 (Item R-1395—2005 Update to Retrospective Rating Plan Parameters). The current Table of Expected Loss Ranges was based on a projected annual increase in severity of 9% from March 5, 2002 to August 15, 2006. NCCI has since observed an actual annualized growth in severity of 10.1% from March 5, 2002 to February 15, 2003. NCCI projects an annual growth in severity of 9% from February 15, 2003 to January 1, 2008. The new table incorporates both these observed and projected changes in severity.

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State Hazard Group Relativities

The variation in the loss ratios of employers in the lower hazard groups generally should be smaller than the variation for employers in the higher hazard groups. The State Hazard Group Relativity Factors adjust for this difference by placing lower hazard group employers in a higher Expected Loss Size Range and higher hazard group employers in a lower Expected Loss Size Range than would otherwise be the case. This adjustment affects the column selection in the Table of Insurance Charges, which then impacts the basic premium portion of the retrospective policy premium.

NCCI will review the State Hazard Group Relativities and recommend appropriate item filings regularly due to changes in the circumstances (changes in state statutory benefit levels, inflation, etc.) underlying each state's severity.

Excess Loss Factors

The ELF's vary by loss limitation and hazard group; ELF's are produced for each state and for USL&HW. This variation in ELF's across hazard groups reflects the varying degrees of severity exposure to occupational hazards inherent to operations associated with each classification. ELF's must be updated for three reasons:

1. ELF's vary by hazard group and so they must be updated when the hazard groups change.
2. ELF's are computed from excess ratios giving the percentage of losses expected to be above a given limit. For any fixed limit, inflation will increase the percentage of losses above that limit and so excess ratios and ELF's must be updated regularly to reflect this.
3. Overall excess ratios are computed as a weighted average of injury type excess ratios; therefore, excess ratios, and consequently ELF's, must be updated regularly for changes in the mix of injury types.

The proposed state ELF's are based on the data underlying the currently approved ELF's in each state. This data was trended forward to the effective date of the next filing, and the proposed state ELF's were then computed in the same way as the currently approved ELF's.

PROPOSAL

It is proposed that NCCI's *Basic Manual* and *Retrospective Rating Plan Manual* be amended as contained in the attached exhibits.

Hazard Groups

It is proposed that the number of hazard groups be increased from the current four to seven. The seven new hazard groups will be labeled A, B, C, D, E, F, and G, with A being the lowest hazard group with the least likelihood of serious claims and G being the hazard group with the highest likelihood of serious claims.

Exhibit 1 details the changes to NCCI's *Basic Manual* for inclusion of the hazard group table located in a new Appendix E. Appendix E will provide the applicable state(s) and the appropriate hazard group for each classification. The term "National" means that the classification code applies in all jurisdictions that follow the NCCI classification system (excluding West Virginia). In the future, NCCI will provide notification of changes to those states where the change is applicable. These changes will be added to the chart and supplied to all subscribers in all states.

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Exhibit 2 details the removal of the Table of Classifications by Hazard Group from NCCI's *Retrospective Rating Plan Manual*. The new Appendix E of NCCI's *Basic Manual* will be the location for the Table of Classifications by Hazard Group.

NCCI is filing the revised seven hazard group assignments and associated information on behalf of all carriers licensed to write in NCCI states.

Some carriers may wish to maintain four hazard groups, due to lead time needed for computer programming or other considerations. This filing also incorporates the appropriate tables for these carriers to reference if they need to separately file for four hazard groups. The new four-hazard-group option will be labeled 1 to 4. The new groups 1 to 4 will not be the same as the current groups I to IV (for example, some classifications in the current hazard group II will be in the new hazard group 2, while others will be in the new 1 or 3).

The four- and seven-hazard-group options are related. The new hazard group 1 is the result of combining hazard groups A and B, the new hazard group 2 is the result of combining hazard groups C and D, the new hazard group 3 is the result of combining hazard groups E and F, and the new hazard group 4 is the same as hazard group G. The proposed hazard group assignments are shown in Exhibit 1.

Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the filed four-hazard-groups referenced in this item. If a carrier does not file to elect the four-hazard-groups, they are considered to have accepted the seven- hazard-groups..

Expected Loss Ranges

This filing updates the Table of Expected Loss Ranges for entry into the Table of Insurance Charges. The proposed ranges are found in **Exhibit 3**.

State Hazard Group Relativities

This filing also updates the State Hazard Group Relativities of the Retrospective Rating Plan for each state. **Exhibit 4** provides a description of the development of the relativities for the seven-hazard-groups and **Exhibit 5** provides a description of the development of the relativities for the four-hazard-groups. As explained in these exhibits, individual state severities, as well as countrywide severities, are used in the calculation of the relativities.

The proposed State Hazard Group Relativities are found in **Exhibit 6** and **Exhibit 7** for the seven-hazard-groups and four-hazard-groups, respectively.

Excess Loss Factors

For USL&HW and states that publish loss costs rather than final rates and that have loss cost filing effective dates between January 1, 2007 and July 1, 2007, this filing updates the ELFs for the new hazard groups. The proposed USL&HW ELFs are shown in **Exhibit 8**.

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

State Specific Exhibits – Hazard Group Relativities and Basic Manual Revisions

The proposed state ELF's are shown in **Exhibit 9**. **Exhibit 10** provides the four-hazard-group state ELF's for those carriers that prefer to adopt the new four-hazard-groups. In states that publish final rates, and in loss cost states with filings effective after July 1, 2007, revised ELF's will be included in the state's next rate filing.

Exhibit 11 shows the revisions required to state miscellaneous rules, where applicable, in order to implement this item. Many of the state's Deductible Insurance Rules cite that the applicable hazard group is determined from the Table of Classifications by Hazard Group "shown below." The Table of Classifications by Hazard Group will move to Appendix E of the *Basic Manual*, so there must be a revision to the Deductible Insurance Rules to provide the proper location of the Table of Classifications by Hazard Group. In reviewing the Deductible Insurance Rules, there were some states that specified the appropriate endorsement number in the rules. To make the information consistent, the appropriate endorsement number was added to those states that did not have this information. Since there will be one Table of Classifications by Hazard Group, the elimination of individual state Tables of Classifications by Hazard Group is also included in this filing as **Exhibits 12**. For states that currently have Loss Elimination Ratios included in their Miscellaneous Rules, updated values will be included with the next loss cost/rate filing.

IMPACT

Hazard Groups and Excess Loss Factors

The proposed changes are expected to have minimal impact on overall premium levels. However, individual policies will be impacted if they are written under deductible programs or if they have a loss limit under the Retrospective Rating Plan. Individual risks may experience increases or decreases, but individual risk equity would be improved as the deductibles and ELF's would more precisely identify high risks from low risks. For deductibles of \$5,000 or less, the impact of the revised credit on the loss cost premium of most risks will be less than 5%. The deductible programs being discussed are optional; they can be chosen by the insured in place of a standard full coverage guaranteed cost policy.

Expected Loss Ranges

The proposed Expected Loss Ranges are necessary to maintain the aggregate expected balance between the retrospectively rated premium and the guaranteed cost premium. If these ranges were not updated, there would be a natural slippage caused by inflation over time because risks would have an apparent growth in size as seen by increasing expected losses, but no real growth in size as seen by their expected number of claims.

State Hazard Group Relativities

Retrospective rating should produce premium that is equitably distributed to all insured employers, but on average close to the guaranteed cost in the approved rate. The objective of this change is to maintain the aggregate expected balance, but the impact will vary slightly for individual insured employers. Thus, insurance charges and premiums will be higher for some insureds and lower for others. The impact on final premium from these changes probably will be small for most of the insured employers electing retrospective rating.

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PARAMETERS**

The improved equitability from this change will result in slightly lower average insurance charges for some states, and slightly higher average insurance charges for others; the state-wide impact will be negligible. The program is designed to be revenue-neutral countrywide.

IMPLEMENTATION

It is proposed that this item filing and the attached exhibits be implemented:

- In each respective state except Hawaii and Virginia, effective at 12:01 a.m. with the next loss cost/rate filing that is effective on or after January 1, 2007, applicable to new and renewal voluntary and assigned risk business
- In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change
- In Virginia, this item will be implemented with the next loss cost filing that is effective on or after 12:01 a.m., January 1, 2007, applicable to new and renewal voluntary and assigned risk business

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1

BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard	Hazard
		Group A - G	Group 1 - 4*
0001	NV	B	1
0002	NV	B	1
0005	National, IN, NC	C	2
0006	AZ	C	2
0008	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	D	2
0010	NV	C	2
0016	National, IN, NC	E	3
0017	AZ	E	3
0019	HI	C	2
0030	FL, LA	D	2
0034	National, IN, NC	C	2
0035	National, IN, NC	B	1
0036	National, IN, NC	C	2
0037	National, IN, NC	D	2
0039	NV	C	2
0042	National, IN, NC	D	2
0050	National, IN, NC	C	2
0052	FL	E	3
0053	CO	E	3
0054	NV	B	1
0058	NV	B	1
0059	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT	G	4
0060	NV	C	2
0065	AL, AK, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT	E	3
0066	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT	E	3
0067	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT	E	3
0078	HI	C	2
0079	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
0083	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
0091	NV	B	1
0092	NV	B	1
0093	NV	B	1
0094	NV	B	1
0100	NV	B	1
0101	NV	B	1
0102	NV	B	1
0105	NV	B	1
0106	National, IN, NC	F	3
0107	NV	B	1
0113	AL, AK, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
0117	OR	B	1
0124	ID, MT, OR	B	1
0131	MT	B	1
0145	CO	C	2
0153	FL	E	3
0169	OR, UT	C	2
0170	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
0173	FL	B	1
0251	National, IN, NC	C	2
0301	VA	E	3
0400	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
0401	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	F	3
0908	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
0909	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
0912	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
0913	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
0914	ID	G	4
0917	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
1005	National, IN, NC	G	4

*Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the four hazard groups referenced in this item.

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1
BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard	Hazard
		Group	Group
		A - G	1 - 4*
1015	CO	G	4
1016	AL, AK, AZ, AR, CO, GA, IL, IN, IA, KS, KY, MD, MS, MO, MT, NV, NM, OK, OR, SD, TN, UT, VA	G	4
1019	CO	G	4
1164	National, IN, NC	G	4
1165	National, IN, NC	F	3
1169	GA, SC	E	3
1218	FL	C	2
1219	NM	G	4
1320	National, IN, NC	F	3
1322	National, IN, NC	F	3
1420	AL	E	3
1429	TN	E	3
1430	National, IN, NC	E	3
1438	National, IN, NC	F	3
1452	National, IN, NC	E	3
1457	OK	G	4
1463	National, IN, NC	F	3
1470	NC	E	3
1472	AK, AZ, AR, CO, CT, DC, FL, HI, ID, IL, IN, IA, KS, KY, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
1473	AL, FL, GA, LA, MS, NC	E	3
1474	AL, GA, LA, NC	E	3
1604	GA, IN, TN, VT	E	3
1605	ID, OK, VA	E	3
1624	National, IN, NC	F	3
1642	National, IN, NC	E	3
1654	National, IN, NC	E	3
1655	National, IN, NC	E	3
1699	National, IN, NC	E	3
1701	National, IN, NC	E	3
1710	National, IN, NC	E	3
1741	National, IN, NC	G	4
1745	AR, NH, VT, VA	E	3
1747	National, IN, NC	E	3
1748	National, IN, NC	E	3
1751	GA, SC	E	3
1803	National, IN, NC	F	3
1811	VT	G	4
1852	National, IN, NC	G	4
1853	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
1860	National, IN, NC	B	1
1924	National, IN, NC	B	1
1925	National, IN, NC	D	2
2001	National, IN, NC	B	1
2002	National, IN, NC	B	1
2003	National, IN, NC	C	2
2004	MT	C	2
2014	National, IN, NC	E	3
2016	National, IN, NC	B	1
2021	National, IN, NC	D	2
2022	LA	B	1
2030	CO, NE	E	3
2039	National, IN, NC	B	1
2041	National, IN, NC	B	1
2055	VA	B	1
2065	National, IN, NC	C	2
2070	National, IN, NC	C	2
2081	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
2086	OR	C	2
2089	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
2095	National, IN, NC	C	2
2101	AL, AK, VA	B	1
2104	AK, LA, OR	C	2
2105	National, IN, NC	B	1
2110	National, IN, NC	B	1
2111	National, IN, NC	B	1
2112	National, IN, NC	B	1
2113	ME	E	3
2114	National, IN, NC	B	1
2118	LA	E	3
2119	FL	D	2
2121	National, IN, NC	C	2

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1
BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
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Class Code	Applies in:	Hazard Group	Hazard Group
		A - G	1 - 4*
2122	AK	B	1
2130	National, IN, NC	C	2
2131	AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
2143	AL, AK, AZ, AR, CO, CT, DC, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
2150	VA, SC	C	2
2156	National, IN, NC	C	2
2157	National, IN, NC	C	2
2172	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
2173	KY	B	1
2174	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
2177	AL, GA	B	1
2211	National, IN, NC	E	3
2220	National, IN, NC	C	2
2260	RI, SC, VA	E	3
2286	National, IN, NC	B	1
2288	National, IN, NC	B	1
2300	National, IN, NC	A	1
2302	National, IN, NC	C	2
2305	National, IN, NC	D	2
2352	MO, OK	B	1
2361	National, IN, NC	C	2
2362	National, IN, NC	C	2
2380	National, IN, NC	C	2
2386	National, IN, NC	B	1
2388	National, IN, NC	B	1
2402	National, IN, NC	E	3
2413	National, IN, NC	C	2
2416	National, IN, NC	C	2
2417	National, IN, NC	C	2
2501	National, IN, NC	C	2
2503	National, IN, NC	B	1
2532	VA	A	1
2534	National, IN, NC	B	1
2560	CT, VA	A	1
2570	National, IN, NC	B	1
2576	VA, SC	B	1
2578	VA, SC	C	2
2585	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
2586	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
2587	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
2589	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
2592	AK, OR	C	2
2600	National, IN, NC	B	1
2623	National, IN, NC	D	2
2651	National, IN, NC	B	1
2660	National, IN, NC	B	1
2670	National, IN, NC	A	1
2683	National, IN, NC	B	1
2688	National, IN, NC	B	1
2697	OR	G	4
2702	National, IN	G	4
2703	AK, MT, OR, SD	E	3
2704	OR	G	4
2705	GA, LA, MS, NC, TN	E	3
2706	NC	G	4
2709	ME, NH, SD, VT	E	3
2710	National, IN, NC	F	3
2714	National, IN, NC	B	1
2719	AR, KY, LA, MS	E	3
2721	ME, NH, NM	G	4
2722	ME, NH, NM	E	3
2725	AK, OR, VA	E	3
2727	ID, MT, NV, NC	E	3
2731	National, IN, NC	E	3
2735	National, IN, NC	B	1
2740	VA	B	1
2741	KY	A	1

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1
BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard	Hazard
		Group	Group
		A - G	1 - 4*
2747	KY, MO	A	1
2759	National, IN, NC	B	1
2790	National, IN, NC	B	1
2791	MD, MO, NC, OK, VT, VA	A	1
2797	AZ, FL, GA, ID, IN, KS, NC	C	2
2802	National, IN, NC	D	2
2804	AL, MS, OK	B	1
2805	VA	C	2
2812	National, IN, NC	C	2
2826	NM	C	2
2835	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
2836	National, IN, NC	A	1
2841	National, IN, NC	B	1
2881	National, IN, NC	A	1
2883	National, IN, NC	C	2
2913	National, IN, NC	A	1
2915	National, IN, NC	D	2
2916	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	F	3
2923	National, IN, NC	B	1
2942	National, IN, NC	A	1
2960	National, IN, NC	C	2
3004	National, IN, NC	E	3
3018	National, IN, NC	E	3
3022	National, IN, NC	B	1
3027	National, IN, NC	E	3
3028	National, IN, NC	C	2
3030	National, IN, NC	E	3
3040	National, IN, NC	E	3
3041	National, IN, NC	C	2
3042	National, IN, NC	D	2
3064	National, IN, NC	C	2
3066	National, IN, NC	C	2
3075	MD	B	1
3076	National, IN, NC	B	1
3081	National, IN, NC	E	3
3082	National, IN, NC	E	3
3085	National, IN, NC	E	3
3091	KY, SC	C	2
3110	National, IN, NC	C	2
3111	National, IN, NC	C	2
3113	National, IN, NC	C	2
3114	National, IN, NC	C	2
3117	AL, VA	A	1
3118	National, IN, NC	B	1
3119	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
3120	AL, CT	A	1
3122	National, IN, NC	B	1
3126	National, IN, NC	C	2
3131	National, IN, NC	C	2
3132	National, IN, NC	C	2
3145	National, IN, NC	C	2
3146	National, IN, NC	C	2
3168	OR	C	2
3169	National, IN, NC	C	2
3175	National, IN, NC	C	2
3179	National, IN, NC	B	1
3180	National, IN, NC	B	1
3188	National, IN, NC	B	1
3220	National, IN, NC	C	2
3223	National, IN, NC	A	1
3224	National, IN, NC	B	1
3227	National, IN, NC	B	1
3240	National, IN, NC	B	1
3241	National, IN, NC	C	2
3255	National, IN, NC	A	1
3257	National, IN, NC	C	2
3270	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
3300	National, IN, NC	C	2
3303	National, IN, NC	B	1
3307	National, IN, NC	C	2
3315	National, IN, NC	B	1

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Class Code	Applies in:	Hazard	Hazard
		Group	Group
		A - G	1 - 4*
3334	National, IN, NC	C	2
3336	National, IN, NC	E	3
3365	National, IN, NC	E	3
3372	National, IN, NC	D	2
3373	National, IN, NC	C	2
3383	National, IN, NC	B	1
3385	National, IN, NC	B	1
3400	National, IN, NC	D	2
3507	National, IN, NC	C	2
3515	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
3516	NC, RI, SC, VA	B	1
3548	National, IN, NC	C	2
3559	National, IN, NC	C	2
3561	IL, RI	B	1
3565	IL, KY, TN	B	1
3571	IL, OK	B	1
3574	National, IN, NC	B	1
3581	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
3582	VT	B	1
3612	National, IN, NC	D	2
3620	National, IN, NC	E	3
3629	National, IN, NC	B	1
3632	National, IN, NC	D	2
3634	National, IN, NC	B	1
3635	National, IN, NC	C	2
3638	National, IN, NC	B	1
3639	AZ, CO, IL, MS, TN	G	4
3642	National, IN, NC	C	2
3643	National, IN, NC	C	2
3647	National, IN, NC	D	2
3648	National, IN, NC	B	1
3681	National, IN, NC	B	1
3685	National, IN, NC	B	1
3719	National, IN, NC	G	4
3724	National, IN, NC	F	3
3726	National, IN, NC	G	4
3803	National, IN, NC	C	2
3807	National, IN, NC	B	1
3808	National, IN, NC	D	2
3821	National, IN, NC	D	2
3822	National, IN, NC	D	2
3824	National, IN, NC	D	2
3826	National, IN, NC	C	2
3827	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
3830	National, IN, NC	D	2
3851	National, IN, NC	B	1
3865	National, IN, NC	A	1
3881	National, IN, NC	C	2
4000	National, IN, NC	F	3
4018	MO	E	3
4021	National, IN, NC	E	3
4024	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
4034	National, IN, NC	E	3
4036	National, IN, NC	E	3
4038	National, IN, NC	A	1
4053	National, IN, NC	C	2
4061	National, IN, NC	B	1
4062	National, IN, NC	C	2
4063	NM	B	1
4101	National, IN, NC	D	2
4111	National, IN, NC	B	1
4112	National, IN, NC	C	2
4113	National, IN, NC	C	2
4114	National, IN, NC	C	2
4130	National, IN, NC	C	2
4131	National, IN, NC	B	1
4133	National, IN, NC	B	1
4150	National, IN, NC	A	1
4206	National, IN, NC	C	2
4207	National, IN, NC	E	3
4239	National, IN, NC	E	3

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Class Code	Applies in:	Hazard Group	Hazard Group
		A - G	1 - 4*
4240	National, IN, NC	B	1
4243	National, IN, NC	C	2
4244	National, IN, NC	C	2
4250	National, IN, NC	C	2
4251	National, IN, NC	C	2
4263	National, IN, NC	C	2
4273	National, IN, NC	C	2
4279	National, IN, NC	C	2
4282	National, IN, NC	B	1
4283	National, IN, NC	C	2
4299	National, IN, NC	B	1
4301	IL, NC, RI	B	1
4304	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OR, RI, SC, SD, TN, UT, VT, VA	D	2
4307	National, IN, NC	A	1
4308	VA, SC	B	1
4311	OK	D	2
4312	OK	C	2
4351	National, IN, NC	C	2
4352	National, IN, NC	B	1
4360	National, IN, NC	B	1
4361	National, IN, NC	B	1
4362	National, IN, NC	C	2
4410	National, IN, NC	C	2
4417	ME, MD, NH, NC	B	1
4420	National, IN, NC	F	3
4431	National, IN, NC	A	1
4432	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
4439	National, IN, NC	E	3
4452	National, IN, NC	C	2
4459	National, IN, NC	C	2
4470	National, IN, NC	C	2
4479	ME, MD, VA	A	1
4484	National, IN, NC	C	2
4493	National, IN, NC	C	2
4511	National, IN, NC	D	2
4536	MD	G	4
4557	National, IN, NC	B	1
4558	National, IN, NC	C	2
4561	National, IN, NC	C	2
4565	LA, OK	E	3
4568	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
4581	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	F	3
4582	VA	E	3
4583	National, IN, NC	F	3
4584	MD	E	3
4585	KS, KY, MS	D	2
4586	FL, KS, MS, OK	F	3
4597	GA, MO	B	1
4611	National, IN, NC	B	1
4635	National, IN, NC	G	4
4653	National, IN, NC	B	1
4665	National, IN, NC	E	3
4670	National, IN, NC	E	3
4673	OK	E	3
4683	National, IN, NC	C	2
4686	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
4692	National, IN, NC	B	1
4693	National, IN, NC	C	2
4703	National, IN, NC	C	2
4710	FL	B	1
4716	IL, IN, MO	B	1
4717	National, IN, NC	A	1
4720	National, IN, NC	C	2
4730	IL	E	3
4740	National, IN, NC	E	3
4741	National, IN, NC	C	2
4743	KS, LA, NM	E	3
4750	IL, LA	E	3
4751	National, IN, NC	E	3
4758	GA, UT	G	4

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		Group A - G	Group 1 - 4*
4759	GA, UT	G	4
4761	CO, OK, TN	G	4
4766	AL, AZ, ID, IN	G	4
4767	CT	G	4
4770	GA	G	4
4771	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
4773	GA	G	4
4774	GA	G	4
4775	GA	G	4
4776	GA	G	4
4777	National, IN, NC	G	4
4779	GA	G	4
4799	GA	G	4
4825	National, IN, NC	E	3
4828	National, IN, NC	D	2
4829	National, IN, NC	F	3
4902	National, IN, NC	B	1
4923	National, IN, NC	C	2
4940	IL, MO, OK	E	3
5020	National, IN, NC	E	3
5022	National, IN, NC	F	3
5037	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
5040	National, IN, NC	G	4
5057	National, IN, NC	G	4
5059	National, IN, NC	G	4
5067	MO, VA	G	4
5069	AL, AK, AZ, AR, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	G	4
5102	National, IN, NC	F	3
5146	National, IN, NC	E	3
5160	National, IN, NC	F	3
5183	National, IN, NC	E	3
5188	National, IN, NC	E	3
5190	National, IN, NC	E	3
5191	National, IN, NC	C	2
5192	National, IN, NC	C	2
5213	National, IN, NC	F	3
5215	National, IN, NC	D	2
5221	National, IN, NC	E	3
5222	National, IN, NC	F	3
5223	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
5348	National, IN, NC	E	3
5402	National, IN, NC	B	1
5403	National, IN, NC	F	3
5437	National, IN, NC	E	3
5438	CO	E	3
5443	National, IN, NC	C	2
5445	National, IN, NC	F	3
5462	National, IN, NC	E	3
5472	National, IN, NC	G	4
5473	National, IN, NC	G	4
5474	National, IN, NC	F	3
5478	National, IN, NC	E	3
5479	National, IN, NC	D	2
5480	National, IN, NC	F	3
5491	National, IN, NC	F	3
5505	MO	E	3
5506	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
5507	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
5508	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
5509	AK, CT, FL, UT	F	3
5511	MT, OR	F	3
5515	MO	D	2
5516	AK, UT	E	3
5536	VA, SC	E	3
5537	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SD, TN, UT, VT	E	3
5538	National, IN, NC	E	3
5539	IL, TN	E	3

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		Group	Group
		A - G	1 - 4*
5551	National, IN, NC	G	4
5606	National, IN, NC	F	3
5609	CO	E	3
5610	National, IN, NC	C	2
5611	OK	E	3
5613	FL, TN	C	2
5645	National, IN, NC	F	3
5650	AZ	E	3
5651	National, IN, NC	F	3
5703	National, IN, NC	E	3
5705	National, IN, NC	E	3
5951	National, IN, NC	B	1
6003	National, IN, NC	E	3
6005	National, IN, NC	E	3
6017	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, SC, SD, TN, UT, VT, VA	E	3
6018	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, SC, SD, TN, UT, VT, VA	E	3
6045	National, IN, NC	E	3
6204	National, IN, NC	F	3
6205	LA	E	3
6206	National, IN, NC	G	4
6213	National, IN, NC	F	3
6214	National, IN, NC	G	4
6215	OK	E	3
6216	National, IN, NC	G	4
6217	National, IN, NC	F	3
6229	National, IN, NC	F	3
6233	National, IN, NC	F	3
6235	National, IN, NC	G	4
6236	National, IN, NC	E	3
6237	National, IN, NC	E	3
6251	National, IN, NC	F	3
6252	National, IN, NC	G	4
6257	CO	G	4
6260	National, IN, NC	G	4
6306	National, IN, NC	F	3
6319	National, IN, NC	F	3
6325	National, IN, NC	F	3
6365	MT	E	3
6400	National, IN, NC	D	2
6504	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OR, RI, SC, SD, TN, UT, VT, VA	B	1
6513	OK	B	1
6702	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
6703	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
6704	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
6801	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
6811	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
6824	National, IN, NC	F	3
6825	MO	G	4
6826	National, IN, NC	E	3
6827	MS	G	4
6828	FL	E	3
6829	MS	G	4
6834	National, IN, NC	D	2
6835	MO	G	4
6836	National, IN, NC	E	3
6837	MS	G	4
6838	FL	D	2
6843	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
6845	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
6846	LA	G	4
6854	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
6869	OR	G	4
6872	National, IN, NC	G	4
6873	LA, OR	G	4

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1

BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard	Hazard
		Group	Group
		A - G	1 - 4*
6874	AL, AK, AZ, AR, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
6876	LA, OR	G	4
6882	National, IN, NC	G	4
6884	AL, AK, AZ, AR, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
7016	National, IN, NC	G	4
7024	National, IN, NC	G	4
7038	National, IN, NC	G	4
7046	National, IN, NC	G	4
7047	National, IN, NC	G	4
7050	National, IN, NC	G	4
7069	VA	G	4
7076	VA	G	4
7090	National, IN, NC	G	4
7094	VA	G	4
7097	CT	G	4
7098	National, IN, NC	G	4
7099	National, IN, NC	G	4
7133	National, IN, NC	F	3
7151	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
7152	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
7153	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
7201	FL	C	2
7204	FL	B	1
7205	FL	C	2
7207	MO	E	3
7219	AK, FL, ID, LA, MT, OR, TN	F	3
7222	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
7223	LA	E	3
7228	AL, AZ, AR, CO, CT, DC, GA, HI, IL, IN, IA, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, UT, VT, VA	E	3
7229	AL, AZ, AR, CO, CT, DC, GA, HI, IL, IN, IA, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, UT, VT, VA	F	3
7230	National, IN, NC	D	2
7231	National, IN, NC	D	2
7232	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
7250	AZ, MO	G	4
7309	National, IN, NC	G	4
7313	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
7317	National, IN, NC	G	4
7323	NC	G	4
7327	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
7333	National, IN, NC	G	4
7335	National, IN, NC	G	4
7337	National, IN, NC	G	4
7350	AL, AK, AZ, AR, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
7360	National, IN, NC	E	3
7370	National, IN, NC	C	2
7373	MD, NH	E	3
7380	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	D	2
7382	National, IN, NC	C	2
7383	FL, GA	E	3
7390	National, IN, NC	C	2
7394	National, IN, NC	G	4
7395	National, IN, NC	G	4
7398	National, IN, NC	G	4
7403	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
7405	National, IN, NC	E	3
7408	NV	G	4
7409	AK, IL, IN, IA, MT, NC, OR, VA	G	4
7414	AK	C	2
7418	AK	G	4
7420	National, IN, NC	G	4
7421	National, IN, NC	F	3

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EXHIBIT 1

BASIC MANUAL

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Class Code	Applies in:	Hazard	Hazard
		Group	Group
		A - G	1 - 4*
7422	National, IN, NC	G	4
7423	AK, IL, IN, IA, MT, NC, OR, VA	E	3
7425	National, IN, NC	G	4
7431	National, IN, NC	G	4
7500	AL, GA, TN	E	3
7502	National, IN, NC	E	3
7515	National, IN, NC	G	4
7520	National, IN, NC	C	2
7529	NC	G	4
7538	National, IN, NC	G	4
7539	National, IN, NC	F	3
7540	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	G	4
7570	AL, OK	E	3
7580	National, IN, NC	E	3
7590	National, IN, NC	D	2
7600	National, IN, NC	E	3
7601	National, IN, NC	F	3
7605	National, IN, NC	E	3
7610	National, IN, NC	D	2
7611	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
7612	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
7613	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
7698	IN	G	4
7699	IN	E	3
7704	AL, AK, AZ, AR, CO, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
7705	LA, VT	D	2
7710	CT, ID	G	4
7711	CT, ID, NV, VA	G	4
7719	CO, ID	G	4
7720	National, IN, NC	E	3
7723	CT, ME, NV, NC, VA	G	4
7724	NV, VA	G	4
7725	IN	F	3
7726	ID, NV	G	4
7727	VA	G	4
7855	National, IN, NC	E	3
8001	National, IN, NC	B	1
8002	National, IN, NC	C	2
8003	AK	B	1
8006	National, IN, NC	C	2
8008	National, IN, NC	B	1
8010	National, IN, NC	B	1
8013	National, IN, NC	C	2
8014	IL	B	1
8015	National, IN, NC	C	2
8017	National, IN, NC	B	1
8018	National, IN, NC	B	1
8021	National, IN, NC	C	2
8024	ME	C	2
8031	National, IN, NC	C	2
8032	National, IN, NC	B	1
8033	National, IN, NC	C	2
8034	AZ, MO, OK	C	2
8039	National, IN, NC	B	1
8044	National, IN, NC	D	2
8045	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
8046	National, IN, NC	C	2
8047	National, IN, NC	B	1
8048	OK	B	1
8050	VA, SC	B	1
8058	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
8061	FL, GA, MO, TN	C	2
8072	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
8102	National, IN, NC	B	1
8103	National, IN, NC	D	2
8105	National, IN, NC	B	1
8106	National, IN, NC	E	3

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ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1
BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard Group	Hazard Group
		A - G	1 - 4*
8107	National, IN, NC	E	3
8111	National, IN, NC	C	2
8112	OR	E	3
8116	National, IN, NC	C	2
8203	National, IN, NC	C	2
8204	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
8209	National, IN, NC	C	2
8215	National, IN, NC	E	3
8227	National, IN, NC	G	4
8232	National, IN, NC	E	3
8233	National, IN, NC	E	3
8235	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
8236	NM, NC	E	3
8263	National, IN, NC	D	2
8264	National, IN, NC	E	3
8265	National, IN, NC	F	3
8273	FL	C	2
8274	FL	C	2
8277	CO	D	2
8279	National, IN, NC	F	3
8288	National, IN, NC	E	3
8291	National, IN, NC	D	2
8292	National, IN, NC	C	2
8293	National, IN, NC	E	3
8295	AL, AR, GA, LA, MS, TN	C	2
8304	National, IN, NC	E	3
8350	National, IN, NC	F	3
8353	AL, AZ, FL, LA, MS, MO, OK	E	3
8370	MO, NM, SD	E	3
8380	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, ME, MD, MS, MT, NE, NV, NH, NM, NC, OR, SC, SD, TN, UT, VT, VA	D	2
8381	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
8385	National, IN, NC	E	3
8387	HI, LA, MO, OK, RI	D	2
8391	HI, LA, MO, OK, RI	D	2
8392	National, IN, NC	C	2
8393	National, IN, NC	C	2
8399	AL, CT	C	2
8411	AZ, OR	G	4
8500	National, IN, NC	E	3
8601	National, IN, NC	D	2
8605	OK	E	3
8606	National, IN, NC	F	3
8607	AK, AZ, OK	E	3
8709	National, IN, NC	G	4
8710	NC	E	3
8719	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	G	4
8720	National, IN, NC	E	3
8721	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	E	3
8726	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
8734	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8737	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8738	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8742	National, IN, NC	E	3
8745	National, IN, NC	D	2
8748	National, IN, NC	D	2
8753	OK	B	1
8754	CT, LA, RI	C	2
8755	National, IN, NC	E	3
8800	National, IN, NC	A	1
8803	National, IN, NC	E	3
8805	AL, AK, AZ, AR, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8808	NV	B	1
8810	National, IN, NC	C	2
8811	CO, ID	B	1

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Class Code	Applies in:	Hazard Group	Hazard Group
		A - G	1 - 4*
8812	AK, CO	C	2
8813	CO	B	1
8814	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8815	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
8818	ID	B	1
8820	National, IN, NC	D	2
8824	National, IN, NC	B	1
8825	National, IN, NC	A	1
8826	National, IN, NC	C	2
8829	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, OK, SC, SD, TN, UT, VT, VA	C	2
8831	National, IN, NC	C	2
8832	National, IN, NC	C	2
8833	National, IN, NC	C	2
8835	National, IN, NC	C	2
8837	AK, CO, NC, OR	C	2
8840	AZ, OK	C	2
8841	FL, RI	D	2
8842	OR	C	2
8848	NC	C	2
8849	NC	C	2
8853	OR	B	1
8861	AL, AZ, AR, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SC, SD, TN, UT, VT, VA	C	2
8862	SD	C	2
8867	NV	B	1
8868	National, IN, NC	B	1
8869	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
8871	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	B	1
8901	National, IN, NC	D	2
8989	OR	E	3
9000	FL	D	2
9001	FL	E	3
9012	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
9013	HI	C	2
9014	National, IN, NC	C	2
9015	National, IN, NC	C	2
9016	National, IN, NC	C	2
9019	AL, AK, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	E	3
9022	NV	C	2
9023	VA	B	1
9032	AZ	C	2
9033	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2
9040	National, IN, NC	B	1
9044	CO, CT, IL, IN, IA, KS, KY, LA, MS, MO, NE, NM, NC, SD	B	1
9047	FL, RI	C	2
9052	National, IN, NC	B	1
9053	OK	B	1
9058	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
9059	AL, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	D	2
9060	National, IN, NC	B	1
9061	National, IN, NC	A	1
9062	CO, IL, IN, IA, KS, KY, LA, MS, MO, NE, NM, NC, OR, SD	A	1
9063	National, IN, NC	B	1
9064	AK, ID, MT, OR	B	1
9076	AK	E	3
9077	National, IN, NC	C	2
9078	AK, ID	C	2
9079	OR	A	1
9080	LA, OK, VA	B	1
9082	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
9083	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	A	1
9084	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA	C	2

*Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the four hazard groups referenced in this item.

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1
BASIC MANUAL

APPENDIX E - TABLE OF CLASSIFICATIONS BY HAZARD GROUP AS APPROVED IN EACH RESPECTIVE STATE BELOW
EFFECTIVE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Class Code	Applies in:	Hazard Group A - G	Hazard Group 1 - 4*
9088	AL, AK, AZ, CO, CT, DC, FL, HI, ID, IL, IN, IA, KY, LA, ME, MD, MS, MO, MT, NV, NH, NM, RI, SC, SD, TN, UT, VT, VA	G	4
9089	National, IN, NC	B	1
9093	National, IN, NC	B	1
9094	AK, MT	G	4
9101	National, IN, NC	B	1
9102	National, IN, NC	C	2
9110	AL, AZ, AR, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SC, SD, TN, UT, VT, VA	C	2
9150	NV	B	1
9152	NV	C	2
9154	National, IN, NC	C	2
9156	National, IN, NC	D	2
9170	CO	G	4
9177	AZ	E	3
9178	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	A	1
9179	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	B	1
9180	National, IN, NC	E	3
9181	MO	A	1
9182	National, IN, NC	C	2
9183	CO, NV	E	3
9186	National, IN, NC	F	3
9187	MT	E	3
9190	NV	E	3
9220	National, IN, NC	D	2
9310	OR	E	3
9311	OR	E	3
9315	OR	E	3
9328	OR	E	3
9349	OR	B	1
9351	OR	E	3
9366	OR	B	1
9402	National, IN, NC	E	3
9403	National, IN, NC	F	3
9405	MT	E	3
9410	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	C	2
9411	VA	E	3
9415	UT	E	3
9416	UT	C	2
9417	UT	C	2
9420	MT	E	3
9425	OR	E	3
9429	NV	B	1
9450	NV	B	1
9451	OR	E	3
9452	NV	E	3
9453	NV	C	2
9470	OR	E	3
9496	OR	B	1
9499	OR	F	3
9501	National, IN, NC	D	2
9505	National, IN, NC	D	2
9516	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SD, TN, UT, VT, VA	E	3
9519	National, IN, NC	E	3
9521	National, IN, NC	E	3
9522	National, IN, NC	C	2
9529	AZ	G	4
9530	LA	G	4
9534	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
9552	MT	E	3
9554	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA	F	3
9586	National, IN, NC	A	1
9600	National, IN, NC	B	1
9609	NV	E	3
9610	HI, MT	E	3
9620	National, IN, NC	D	2
9661	NV	E	3
9662	NV	G	4
9921	AZ	B	1

*Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the four hazard groups referenced in this item.

**ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN
MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN
PARAMETERS**

**EXHIBIT 2
RETROSPECTIVE RATING PLAN MANUAL**

~~TABLE OF CLASSIFICATIONS BY HAZARD GROUP~~

~~This Table is to be used in the determination of the excess loss premium factor. This factor is determined based on the selected loss limitation, and the hazard group assignment shown below for the classification producing the largest amount of estimated Workers Compensation standard premium for each state included in the plan.~~

~~See state retrospective rating pages for hazard group assignment of state special classifications.~~

Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group
0005	II	1654	III	2143	II	2660	II	3076	II
0008	II	1655	III	2150	II	2670	I	3081	III
0016	II	1699	III	2156	II	2683	II	3082	III
0034	II	1701	III	2157	II	2688	II	3085	III
0035	II	1710	III	2172	II	2702	III	3110	II
0036	II	1741	IV	2174	I	2710	III	3111	II
0037	II	1747	III	2211	III	2714	II	3113	II
0042	II	1748	III	2220	II	2731	II	3114	II
0050	II	1803	IV	2286	II	2735	II	3118	II
0079	III	1852	III	2288	II	2759	II	3119	I
0083	II	1853	II	2300	I	2790	II	3122	II
0106	III	1860	II	2302	II	2802	II	3126	II
0113	II	1924	II	2305	II	2812	II	3131	II
0170	II	1925	II	2361	II	2835	I	3132	III
0251	II	2001	II	2362	II	2836	I	3145	II
0400	II	2002	II	2380	II	2841	II	3146	II
0401	III	2003	III	2386	I	2881	II	3169	II
0908	II	2014	III	2388	II	2883	II	3175	II
0909	II	2016	II	2402	III	2913	II	3179	II
0912	II	2021	II	2413	II	2915	II	3180	II
0913	II	2039	II	2416	II	2916	II	3188	II
0917	II	2041	II	2417	II	2923	II	3220	II
1005	IV	2065	II	2501	II	2942	I	3223	I
1016	IV	2070	II	2503	II	2960	II	3224	I
1164	IV	2081	II	2534	II	3004	III	3227	II
1165	III	2089	II	2570	II	3018	II	3240	II
1320	III	2095	II	2576	II	3022	II	3241	II
1322	III	2105	II	2578	II	3027	II	3255	I
1430	III	2110	II	2585	II	3028	II	3257	II
1438	III	2111	II	2586	II	3030	III	3270	II
1452	III	2112	II	2587	II	3040	III	3300	I
1463	III	2114	II	2589	II	3041	II	3303	II
1472	III	2121	II	2600	II	3042	II	3307	II
1624	III	2130	II	2623	II	3064	II	3315	II
1642	III	2131	II	2651	II	3066	II	3334	II

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN
MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN
PARAMETERS

EXHIBIT 2 (CONT'D)
RETROSPECTIVE RATING PLAN MANUAL

~~TABLE OF CLASSIFICATIONS BY HAZARD GROUP (Cont'd)~~

Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group
3336	II	3881	II	4362	III	5020	III	5551	III
3365	III	4000	III	4410	II	5022	III	5606	III
3372	III	4021	II	4420	III	5037	IV	5610	II
3373	II	4024	III	4431	I	5040	IV	5645	III
3383	II	4034	III	4432	I	5057	IV	5651	III
3385	II	4036	III	4439	III	5059	IV	5703	III
3400	II	4038	I	4452	II	5069	III	5705	III
3507	II	4053	II	4459	II	5102	III	5951	II
3515	II	4061	II	4470	III	5146	III	6003	III
3548	II	4062	II	4484	II	5160	III	6005	III
3559	II	4101	III	4493	II	5183	III	6017	III
3574	II	4111	II	4511	II	5188	III	6018	III
3581	II	4112	II	4557	II	5190	III	6045	III
3612	II	4113	II	4558	II	5191	III	6204	III
3620	III	4114	II	4561	II	5192	II	6206	IV
3629	II	4130	II	4568	III	5213	III	6213	III
3632	II	4131	II	4581	III	5215	II	6214	III
3634	II	4133	II	4583	III	5221	III	6216	III
3635	II	4150	I	4611	II	5222	IV	6217	III
3638	II	4206	II	4635	IV	5223	III	6229	II
3642	II	4207	II	4653	II	5348	III	6233	III
3643	II	4239	III	4665	III	5402	II	6235	III
3647	II	4240	II	4670	III	5403	III	6236	III
3648	II	4243	II	4683	II	5437	III	6237	III
3681	II	4244	II	4686	III	5443	II	6251	IV
3685	II	4250	II	4692	II	5445	III	6252	IV
3719	III	4251	II	4693	II	5462	III	6260	IV
3724	III	4263	II	4703	II	5472	III	6306	III
3726	IV	4273	II	4717	I	5473	III	6319	III
3803	II	4279	II	4720	II	5474	III	6325	III
3807	II	4282	II	4740	III	5478	III	6400	II
3808	II	4283	II	4741	II	5479	III	6504	II
3821	III	4299	II	4751	III	5480	III	6702M	III
3822	II	4304	II	4771	IV	5491	III	6703M	III
3824	II	4307	I	4777	III	5506	III	6704M	III
3826	II	4308	II	4825	III	5507	III	6801F	III
3827	II	4351	II	4828	III	5508	III	6811	III
3830	III	4352	II	4829	III	5536	III	6824F	III
3851	I	4360	II	4902	II	5537	III	6826F	III
3865	I	4361	II	4923	II	5538	III	6834	III

* Please review the Status of Item Filing Circular for B-1391 for each state's status.

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN
MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN
PARAMETERS

EXHIBIT 2 (CONT'D)
RETROSPECTIVE RATING PLAN MANUAL

~~TABLE OF CLASSIFICATIONS BY HAZARD GROUP (Cont'd)~~

Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group
6836	III	7409	IV	8072	II	8755	III	9110	II
6843F	IV	7420	IV	8102	II	8800	I	9154	III
6845F	III	7421	III	8103	II	8803	III	9156	II
6854	IV	7422	IV	8105	II	8805M	II	9178	II
6872F	IV	7423	III	8106	III	8810	II	9179	II
6874F	III	7425	IV	8107	III	8814M	II	9180	II
6882	IV	7431	IV	8111	II	8815M	II	9182	II
6884	III	7502	III	8116	II	8820	III	9186	III
7016M	IV	7515	IV	8203	II	8824	I	9220	II
7024M	IV	7520	III	8204	III	8825	II	9402	III
7038M	IV	7538	IV	8209	II	8826	II	9403	III
7046M	IV	7539	III	8215	III	8829	II	9410	II
7047M	IV	7540	IV	8227	III	8831	II	9501	II
7050M	IV	7580	III	8232	III	8832	III	9505	II
7090M	IV	7590	II	8233	III	8833	II	9516	III
7098M	IV	7600	III	8235	II	8835	II	9519	III
7099M	IV	7601	III	8263	II	8861	II	9521	III
7133	III	7605	III	8264	II	8868	II	9522	II
7151M	III	7610	III	8265	III	8869	II	9534	III
7152M	III	7611	III	8279	II	8871	II	9554	III
7153M	III	7612	III	8288	II	8901	III	9586	I
7222	III	7613	III	8291	II	9012	III	9600	II
7228	III	7704	III	8292	II	9014	II	9620	III
7229	III	7720	III	8293	II	9015	III		
7230	III	7855	III	8304	III	9016	II		
7231	III	8001	I	8350	III	9019	III		
7232	III	8002	II	8380	III	9033	II		
7309F	IV	8006	II	8381	II	9040	II		
7313F	IV	8008	II	8385	III	9044	II		
7317F	IV	8010	II	8392	II	9052	II		
7327F	IV	8013	II	8393	III	9058	II		
7333M	IV	8015	II	8500	III	9059	II		

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN
MANUAL/2006 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN
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EXHIBIT 2 (CONT'D)
RETROSPECTIVE RATING PLAN MANUAL

Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group	Code No	Hazard Group
7335M	IV	8017	II	8601	III	9060	II		
7337M	IV	8018	II	8606	III	9061	II		
7350F	IV	8021	II	8709F	IV	9062	II		
7360	III	8031	II	8719	III	9063	III		
7370	II	8032	II	8720	III	9077F	II		
7380	III	8033	II	8721	III	9082	II		
7382	III	8039	II	8726F	III	9083	II		
7390	III	8044	II	8734M	II	9084	II		
7394M	IV	8045	II	8737M	II	9088	IV		
7395M	IV	8046	II	8738M	II	9089	II		
7398M	IV	8047	II	8742	III	9093	I		
7403	II	8050	II	8745	II	9101	II		
7405	III	8058	II	8748	III	9102	II		

**ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS**

EXHIBIT 3

**RETROSPECTIVE RATING PLAN MANUAL
2007 EXPECTED LOSS RANGES
EFFECTIVE DATE TO COINCIDE WITH THE
FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007**

Expected Loss Group	Range Rounded Values	Expected Loss Group	Range Rounded Values	Expected Loss Group	Range Rounded Values
95	950 — 1,482	65	79,631 — 86,005	35	993,169 — 1,115,100
94	1,483 — 2,195	64	86,006 — 92,890	34	1,115,101 — 1,252,005
93	2,196 — 2,899	63	92,891 — 100,326	33	1,252,006 — 1,427,664
92	2,900 — 3,832	62	100,327 — 108,357	32	1,427,665 — 1,641,009
91	3,833 — 4,985	61	108,358 — 117,031	31	1,641,010 — 1,886,237
90	4,986 — 6,020	60	117,032 — 126,424	30	1,886,238 — 2,168,113
89	6,021 — 7,266	59	126,425 — 136,696	29	2,168,114 — 2,577,266
88	7,267 — 8,435	58	136,697 — 147,592	28	2,577,267 — 3,081,849
87	8,436 — 9,791	57	147,593 — 159,021	27	3,081,850 — 3,685,227
86	9,792 — 11,357	56	159,022 — 171,339	26	3,685,228 — 4,543,120
85	11,358 — 12,844	55	171,340 — 184,612	25	4,543,121 — 5,781,252
84	12,845 — 14,520	54	184,613 — 199,613	24	5,781,253 — 7,356,812
83	14,521 — 16,398	53	199,614 — 215,895	23	7,356,813 — 9,400,713
82	16,399 — 18,246	52	215,896 — 233,510	22	9,400,714 — 12,029,102
81	18,247 — 20,301	51	233,511 — 252,554	21	12,029,103 — 15,392,375
80	20,302 — 22,583	50	252,555 — 272,532	20	15,392,376 — 19,696,001
79	22,584 — 25,126	49	272,533 — 294,043	19	19,696,002 — 25,202,895
78	25,127 — 27,726	48	294,044 — 317,406	18	25,202,896 — 34,570,976
77	27,727 — 30,525	47	317,407 — 345,321	17	34,570,977 — 51,130,195
76	30,526 — 33,609	46	345,322 — 375,689	16	51,130,196 — 75,621,156
75	33,610 — 36,933	45	375,690 — 408,729	15	75,621,157 — 111,843,086
74	36,934 — 40,435	44	408,730 — 446,652	14	111,843,087 — 165,415,034
73	40,436 — 44,268	43	446,653 — 488,733	13	165,415,035 — 244,647,514
72	44,269 — 48,471	42	488,734 — 534,783	12	244,647,515 — 382,966,802
71	48,472 — 52,908	41	534,784 — 589,532	11	382,966,803 — 606,006,859
70	52,909 — 57,713	40	589,533 — 651,490	10	606,006,860 — 958,945,559
69	57,714 — 62,948	39	651,491 — 719,961	9	958,945,560 — & over
68	62,949 — 68,250	38	719,962 — 795,628		
67	68,251 — 73,720	37	795,629 — 884,563		
66	73,721 — 79,630	36	884,564 — 993,168		

**ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS**

EXHIBIT 4

**DEVELOPMENT OF STATE HAZARD GROUP RELATIVITIES
FOR HAZARD GROUPS A TO G**

Step 1. Individual state severities are calculated for each hazard group.

Step 2. The state severities are weighted with the countrywide severities by hazard group using a credibility that varies by state. For this purpose, 155,000 claims are regarded as fully credible, and use the square root rule to compute partial credibilities.

Step 3. Credibility weighted severities for each state hazard group are produced. A new countrywide average severity is calculated by taking the weighted average of the formula for state severities using claim counts as weights.

Step 4. The relativities are calculated by dividing the countrywide severity by the individual state hazard group severities.

Example: State X

<u>Step 1</u> Severities	<u>Hazard Group</u>	<u>State X</u>	<u>Countrywide</u>
	A	32,814	30,576
	B	44,535	40,483
	C	49,334	45,595
	D	54,695	50,307
	E	63,090	58,228
	F	76,376	71,941
	G	97,855	94,564

<u>Step 2</u>	Claim Count	52,631
	Credibility =	$(52,631 / 155,000)^{0.5} = 0.583$

<u>Step 3</u> Cred. Wtd. Severities	<u>Hazard Group</u>	<u>State X</u>	
	A	31,881	= 0.583 x 32,814 + 0.417 x 30,576
	B	42,845	
	C	47,775	
	D	52,865	
	E	61,063	
	F	74,527	
	G	96,483	
	Countrywide Overall: 51,533		

<u>Step 4</u> Relativities	<u>Hazard Group</u>	<u>State X</u>	
	A	1.62	= 51,533 / 31,881
	B	1.20	
	C	1.08	
	D	0.97	
	E	0.84	
	F	0.69	
	G	0.53	

Note: The underlying data source for the above calculations is NCCI's **URE Workers Compensation Statistical Plan** (WCSP), excluding medical-only claims. The WCSP data for each state is adjusted accordingly, as reflected in the data underlying the Excess Loss Factor (ELF) calculation.

**ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS**

EXHIBIT 5

**DEVELOPMENT OF STATE HAZARD GROUP RELATIVITIES
FOR HAZARD GROUPS 1 TO 4***

Step 1. Individual state severities are calculated for each hazard group.

Step 2. The state severities are weighted with the countrywide severities by hazard group using a credibility that varies by state. For this purpose, 155,000 claims are regarded as fully credible, and use the square root rule to compute partial credibilities.

Step 3. Credibility weighted severities for each state hazard group are produced. A new countrywide average severity is calculated by taking the weighted average of the formula for state severities using claim counts as weights.

Step 4. The relativities are calculated by dividing the countrywide severity by the individual state hazard group severities.

Example: State X

<u>Step 1</u>	<u>Hazard Group</u>	<u>State X</u>	<u>Countrywide</u>
Severities	1	41,597	37,928
	2	50,849	47,067
	3	68,963	64,356
	4	97,855	94,564
 <u>Step 2</u>	Claim Count	52,631	
	Credibility =	$(52,631 / 155,000)^{0.5} = 0.583$	
 <u>Step 3</u>	<u>Hazard Group</u>	<u>State X</u>	
Cred. Wtd.	1	40,067	= 0.583 x 41,597 + 0.417 x 37,928
Severities	2	49,272	
	3	67,042	
	4	96,483	
	Countrywide Overall: 51,533		
 <u>Step 4</u>	<u>Hazard Group</u>	<u>State X</u>	
Relativities	1	1.29	= 51,533 / 40,067
	2	1.05	
	3	0.77	
	4	0.53	

Note: The underlying data source for the above calculations is NCCI's **URE Workers Compensation Statistical Plan** (WCSP), excluding medical-only claims. The WCSP data for each state is adjusted accordingly, as reflected in the data underlying the Excess Loss Factor (ELF) calculation.

* Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the filed four hazard groups referenced in this item. If a carrier does not file to elect the four hazard groups, they are considered to have accepted the seven hazard groups.

**ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS**

EXHIBIT 6

**RETROSPECTIVE RATING PLAN MANUAL
STATE HAZARD GROUP RELATIVITIES
EFFECTIVE DATE TO COINCIDE WITH THE
FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007**

State	Hazard Group						
	A	B	C	D	E	F	G
AK	1.55	1.16	1.04	0.94	0.82	0.67	0.52
AL	1.39	1.04	0.92	0.83	0.72	0.58	0.43
AR	1.86	1.40	1.24	1.13	0.97	0.78	0.59
AZ	1.46	1.09	0.97	0.88	0.76	0.62	0.48
CO	1.77	1.34	1.19	1.08	0.93	0.75	0.56
CT	1.67	1.24	1.12	1.01	0.87	0.71	0.56
DC	1.62	1.21	1.08	0.98	0.84	0.68	0.52
FL	1.67	1.27	1.14	1.04	0.91	0.74	0.56
GA	1.51	1.13	1.01	0.91	0.79	0.64	0.49
HI	2.08	1.56	1.40	1.27	1.10	0.90	0.69
IA	1.94	1.46	1.31	1.19	1.03	0.84	0.66
ID	1.84	1.40	1.25	1.14	1.00	0.82	0.63
IL	1.43	1.10	1.00	0.90	0.79	0.65	0.52
IN	2.11	1.61	1.46	1.33	1.17	0.97	0.77
KS	1.81	1.38	1.24	1.12	0.97	0.79	0.61
KY	1.24	0.92	0.81	0.73	0.63	0.50	0.37
LA	1.45	1.08	0.97	0.87	0.76	0.62	0.47
MD	1.70	1.27	1.14	1.02	0.88	0.72	0.55
ME	1.60	1.20	1.07	0.97	0.84	0.69	0.53
MO	2.03	1.56	1.40	1.27	1.10	0.89	0.70
MS	1.70	1.28	1.15	1.04	0.90	0.74	0.57
MT	1.58	1.19	1.06	0.96	0.82	0.67	0.51
NC	1.13	0.85	0.76	0.68	0.59	0.48	0.36
NE	1.66	1.25	1.12	1.01	0.88	0.71	0.55
NH	1.69	1.26	1.13	1.02	0.88	0.72	0.55
NM	1.83	1.38	1.23	1.12	0.97	0.79	0.60
NV	1.87	1.41	1.25	1.13	0.97	0.79	0.59
OK	1.76	1.33	1.20	1.08	0.94	0.77	0.60
OR	2.10	1.58	1.38	1.25	1.06	0.85	0.61
RI	2.18	1.64	1.47	1.33	1.15	0.94	0.72
SC	1.33	1.01	0.90	0.82	0.71	0.57	0.43
SD	1.86	1.40	1.25	1.13	0.97	0.79	0.60
TN	1.55	1.18	1.06	0.95	0.83	0.68	0.52
UT	1.98	1.49	1.33	1.21	1.05	0.86	0.65
VA	1.43	1.06	0.95	0.86	0.74	0.61	0.46
VT	1.72	1.30	1.16	1.05	0.91	0.75	0.58

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
 UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 7

RETROSPECTIVE RATING PLAN MANUAL
 STATE HAZARD GROUP RELATIVITIES
 EFFECTIVE DATE TO COINCIDE WITH THE
 FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

State	Hazard Group			
	1*	2*	3*	4*
AK	1.25	1.01	0.74	0.52
AL	1.12	0.89	0.65	0.43
AR	1.50	1.21	0.88	0.59
AZ	1.17	0.94	0.69	0.48
CO	1.44	1.15	0.84	0.56
CT	1.32	1.08	0.80	0.56
DC	1.31	1.05	0.76	0.52
FL	1.38	1.11	0.83	0.56
GA	1.21	0.98	0.72	0.49
HI	1.68	1.36	1.00	0.69
IA	1.55	1.27	0.94	0.66
ID	1.48	1.22	0.91	0.63
IL	1.16	0.96	0.73	0.52
IN	1.71	1.42	1.07	0.77
KS	1.46	1.20	0.88	0.61
KY	0.98	0.78	0.56	0.37
LA	1.17	0.93	0.69	0.47
MD	1.36	1.10	0.80	0.55
ME	1.28	1.04	0.76	0.53
MO	1.65	1.36	1.00	0.70
MS	1.37	1.11	0.82	0.57
MT	1.28	1.02	0.74	0.51
NC	0.91	0.73	0.52	0.36
NE	1.33	1.09	0.80	0.55
NH	1.34	1.09	0.80	0.55
NM	1.49	1.20	0.88	0.60
NV	1.51	1.21	0.88	0.59
OK	1.42	1.16	0.86	0.60
OR	1.70	1.33	0.95	0.61
RI	1.76	1.42	1.04	0.72
SC	1.08	0.87	0.64	0.43
SD	1.50	1.21	0.88	0.60
TN	1.24	1.02	0.75	0.52
UT	1.59	1.29	0.95	0.65
VA	1.14	0.92	0.67	0.46
VT	1.38	1.13	0.83	0.58

* Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the filed four hazard groups referenced in this item. If a carrier does not file to elect the four hazard groups, they are considered to have accepted the seven hazard groups.

ITEM B-1403—REVISION TO BASIC MANUAL AND RETROSPECTIVE RATING PLAN MANUAL/2006
UPDATE TO HAZARD GROUPS AND RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 8
RETROSPECTIVE RATING PLAN MANUAL
EXCESS LOSS PURE PREMIUM FACTORS FOR
UNITED STATES LONGSHORE AND HARBOR WORKERS' ACT*
EFFECTIVE DATE TO COINCIDE WITH THE FIRST LOSS COST/RATE FILING ON OR AFTER JANUARY 1, 2007

Excess Loss Pure Premium Factors			
Per Accident Limitation	Hazard Groups**		
	C & D	E & F	G
	2†	3†	4†
\$25,000	0.628	0.743	0.797
\$30,000	0.598	0.716	0.778
\$35,000	0.572	0.691	0.755
\$40,000	0.550	0.669	0.735
\$50,000	0.513	0.631	0.703
\$75,000	0.439	0.559	0.627
\$100,000	0.390	0.499	0.572
\$125,000	0.350	0.454	0.522
\$150,000	0.320	0.419	0.486
\$175,000	0.294	0.386	0.451
\$200,000	0.274	0.361	0.424
\$250,000	0.242	0.320	0.378
\$300,000	0.218	0.288	0.344
\$500,000	0.161	0.214	0.257
\$1,000,000	0.106	0.139	0.165

* Applicable to new and renewal policies. Factors do not include a margin for any expenses or state assessments.

** No factors are provided for Hazard Groups A and B since this group does not contain any F-classifications.

For use as appropriate, the Excess Loss Pure Premium Factors must be converted to Excess Loss Factors using the expense provisions applicable in each state. The following formula would be used:

$$\text{Excess Loss Factor} = \frac{\text{Excess Loss Pure Premium Factor} \times \text{Target Cost Ratio}}{1 + \text{LAE} + \text{Assessment}}$$

† Carriers that elect to use NCCI's four hazard groups must make a filing in each state to adopt the filed four hazard groups referenced in this item. If a carrier does not file to elect the four hazard groups, they are considered to have accepted the seven hazard groups.