



May 3, 2013

CIRCULAR LETTER TO ALL MEMBER COMPANIES

RE: Catastrophe 98 - West Fertilizer Plant

The purpose of this filing is to establish Catastrophe Number 98 for identification of claims resulting from the fire and explosion that recently occurred at the West Fertilizer Plant in Texas.

On the evening of April 17, 2013, the West Fertilizer Plant in West, Texas experienced an explosion and fire. The event has been classified as an Extraordinary Loss Event. An Extraordinary Loss Event is a significant loss that requires the establishment of a unique Catastrophe Number for identification of all claims involved. Catastrophe Number 98 will be used to identify all claims involved. The accident date range that has been established for Catastrophe Number 98 is April 17 through April 19, 2013. The accident range covers losses sustained on the day of the event and any claims associated with responders.

The North Carolina Rate Bureau will accept loss records with Catastrophe Number 98 for North Carolina employers who had employees in Texas that were injured as a result of the event.

Statistical reporting information for Catastrophe 98 claims for North Carolina employers will follow the guidelines outlined in NCCI Circular DR-2013-01 issued on April 25, 2013. A copy of the NCCI circular is attached for your review.

Sincerely,

Sue Taylor

Director of Operations

ST:dms

Attachment

C-13-5



Data Reporting—Catastrophe Number 98 Reporting Instructions

ACTION NEEDED

NCCI is providing reporting instructions for Catastrophe Number 98, which has been established for data providers to identify claims resulting from the explosion and fire that recently occurred at the West Fertilizer Plant in Texas.

Please review this information in order to properly code and report any associated claims when submitting Unit Statistical, Detailed Claim Information, and Financial Call data to NCCI.

BACKGROUND

On the evening of April 17, 2013, the West Fertilizer Plant in West, Texas, experienced an explosion and fire.

NCCI determined that this qualifies as a workers compensation Extraordinary Loss Event, which is a significant loss event that requires a unique Catastrophe Number to identify all claims involved.

Catastrophe Number 98 has been established for reporting these claims, and the accident date range is April 17–19, 2013. The reason for this range is to cover losses sustained on the day of the event and any claims for responders (rescue, recovery, firefighters, etc.) thereafter.

IMPACT

Unit Statistical Reporting Instructions

The earliest possible reporting of Unit Statistical reports containing Catastrophe Number 98 claims will be for policies effective April 2012, which will be valued as of October 2013 and will be due for reporting by December 2013. For these claims, report 98 in the Catastrophe Number field on the Loss Record.

Detailed Claim Information (DCI) Reporting Instructions

The earliest reporting of DCI claims, in accordance with the Texas Detailed Claim Information Program, will be based on claims with a Reported to Insurer Date of April 17, 2013, which will be valued (6 months) as of October 2013 and will be due for reporting in January 2014.

For these claims, report Y in the Extraordinary Loss Claim Indicator on the DCI claim record.

Financial Call Catastrophe Instructions

Financial Call reporting for claims identified with Catastrophe Number 98 will begin with the 2014 reporting season for Calls valued as of December 31, 2013.

Claims impacted by this catastrophe must be included in the applicable Financial Calls:

- Call #3—Policy Year
- Call #3A—Policy Year—Assigned Risk
- Call #5—Calendar-Accident Year
- Call #5A—Calendar-Accident Year—Assigned Risk
- Call #8—Reconciliation Report
- Call #19—Accident Year Countrywide Loss Adjustment Expense

Note: Call #31—Large Loss and Catastrophe Call is currently not reported for Texas

NCCI ACTION**Experience Rating**

NCCI is currently analyzing how Catastrophe Number 98 claims will be treated for experience rating modification purposes. When a decision is reached, NCCI will communicate this information to the industry.

Editing Requirements

NCCI will update Unit Statistical Edit 0029-13 and DCI Edit 0412-02 to validate that the accident date range and accident state combination are appropriate for Catastrophe Number 98 claims.

PERSON TO CONTACT

If you have questions, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123). We're here to assist you Monday–Friday, 8:00 a.m.–8:00 p.m. ET. For faster service, use our simple online form at ncci.com.
