



National Council on Compensation Insurance

Regulatory Services

APRIL 10, 2025

ITEM FILING APPROVAL

TX-2025-02

Texas--Approval of Item 01-TX-2024--Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group

ACTION NEEDED	<p>This circular announces the approval of Item 01-TX-2024—Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group.</p> <p>The Texas Department of Insurance (TDI) has approved this item with changes for new and renewal policies effective on and after July 1, 2025. Refer to the table below for a description of the change:</p> <table><tr><th>Exhibit</th><th>Class Code</th><th>Change Description</th></tr><tr><td>21</td><td>7610</td><td>Minor change made to the formatting of the phraseology to read as below: Motion Picture—Production—in Studios or Outside—All Operations & Clerical, Drivers</td></tr></table> <p>Note: All other proposed changes were approved as filed.</p> <p>In Texas, a participating company may respond to an NCCI filing as follows:</p> <p>Texas Company Response</p> <p>The company does not file anything with the TDI to adopt the updates because it will be included in the NCCI manuals approved for use in Texas.</p> <p>The material contained herein is based on NCCI's latest research but is subject to periodic change. This information is provided as a guide to voluntary market carriers and is not intended as an interpretation of state law. Refer to state law for current and detailed information because there may be additional laws that may impact your response to an NCCI item filing. While all due effort is made to keep the material up to date, NCCI assumes no responsibility for the use of this material.</p>	Exhibit	Class Code	Change Description	21	7610	Minor change made to the formatting of the phraseology to read as below: Motion Picture—Production—in Studios or Outside—All Operations & Clerical, Drivers
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21	7610	Minor change made to the formatting of the phraseology to read as below: Motion Picture—Production—in Studios or Outside—All Operations & Clerical, Drivers					
BACKGROUND	<p>Circular TX-2024-05, dated December 19, 2024, announced the filing of Item 01-TX-2024—Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group. Refer to the announcement circular for complete details on this item.</p>						
IMPACT	<p>Texas-specific Codes to Be Eliminated and Reassigned to Newly Established Multistate Codes</p> <p>For the Texas-specific codes listed in Table 1 that will be eliminated as a result of this item, it is expected that employers will transfer from the eliminated codes into newly established codes. Historical experience from the eliminated codes will be reassigned to the corresponding newly established codes. The starting loss cost for the newly established codes will be equal to the eliminated codes until there is enough data for the codes to be rated on their own. As a result, there is expected to be no premium impact to employers due to these changes, as well as no expected statewide impact.</p>						

Table 1

Texas-specific Codes to Be Eliminated in Their Entirety	Newly Established Multistate Codes in Texas
2040	2039
2068*	2065
2068*	2070
4150	4149
8828	8835

*Since Texas-specific Code 2068 is being reassigned to two codes, the historical experience of Texas-specific Code 2068 will not be reassigned.

In addition, employers assigned to Texas-specific Code 2041 may move to newly established multistate Code 2039. The impact to individual employers will depend on the amount of payroll (if any) that transfers from code to code. Employers moving from Texas-specific Code 2041 to newly established multistate Code 2039 could see an increase in premium.

Texas-Specific Codes to Be Eliminated and Reassigned to Currently Existing Multistate Codes

For the Texas-specific codes listed in Table 2 that will be eliminated in their entirety as a result of this item, it is expected that employers will transfer from the eliminated codes into already existing multistate codes. Historical experience from the eliminated codes will be reassigned to the corresponding existing codes. The loss cost for the existing codes will be based on the combined historical data of the eliminated code and the corresponding existing code. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll from the eliminated code to the existing code.

The impact to individual employers will depend on the amount of historical payroll that transfers from the eliminated code to the existing code. There is a negligible expected statewide impact.

Table 2

Texas-specific Codes to Be Eliminated in Their Entirety	Existing Multistate Codes in Texas
0011	0037
2578	2501
4045	4034
4362	7610
8607	8606

Texas-specific Code 2578 is to be eliminated in its entirety and data transferred to Code 2501 based on a two-phase transition program in order to minimize the impact of the proposed changes to individual employer premium.

Texas-specific Code 4045 is to be eliminated in its entirety and data transferred to Code 4034 based on a three-phase transition program in order to minimize the impact of the proposed changes to individual employer premium.

Existing Texas-Specific Codes—Phraseologies Reassigned to Newly Established Multistate Codes

For the Texas-specific code phraseologies that will be reassigned to newly established multistate codes, as listed in Table 3, it is expected that employers will transfer from existing codes into the newly established multistate codes. The

starting loss cost for the newly established codes will be equal to the existing codes until there is enough data for the newly established codes to be rated on their own.

There is negligible expected impact to the employers due to these changes, as well as no expected statewide impact.

Table 3

Existing Texas-Specific Codes	Newly Established Multistate Codes in Texas
0037	0050
0083	0036
2041	2021
2081	2089
4243	4240
8017	8001
9014	0917

In addition, employers assigned to Texas-specific Code 8018 phraseology being impacted by this item is also expected to move to newly established multistate Code 8001. This movement may result in an increase or decrease in employer premium, depending on how much payroll transfers between the codes.

For the Texas-specific classification phraseologies that are not eliminated, there will be no impact since the employers will continue to use the same Texas-specific classification.

Existing Texas-Specific Codes—Phraseologies Reassigned to the Same Multistate Code

For the Texas-specific code phraseologies that will be eliminated and reassigned to the same multistate code, as listed in Table 4, it is expected that there should be no movement of payroll since the multistate phraseology is similar to the Texas-specific phraseology. There is expected to be no impact to overall statewide premium as a result of this item.

Table 4

Code 0008
Code 0034
Code 0035
Code 0037
Code 0908
Code 0913
Code 2041
Code 2081
Code 2095
Code 2790
Code 3004
Code 4239
Code 4243
Code 8606
Code 8901+

+ Additionally, it is expected that some employers currently in Texas-specific Code 8901 could move to Code 8810, which may result in a decrease in employer premium, depending on how much payroll transfers between the codes.

Existing Texas-Specific Codes—Phraseologies Reassigned to Different Multistate Codes

For the Texas-specific classification phraseologies that will be eliminated and reassigned to different multistate codes, as listed in Table 5, it is expected that some payroll will transfer between codes included in the proposal. The amount of payroll that will transfer cannot be identified using current industry data sources. The impact to individual employers will depend on the amount of payroll (if any) that transfers from code to code, as well as their associated loss costs.

For the Texas-specific code phraseologies that are not eliminated, there will be no impact, since the employers will continue to use the same Texas-specific code.

The transfer of payroll includes expected movement between the codes listed in Table 5.

Table 5

Existing Texas-Specific Codes	Existing Multistate Codes With Newly Established Phraseology
0035	0034
0113	0034

Negligible impact to overall statewide premium is expected as a result of this item.

Revision to rule, Rule for including premium for non-F-classification operations subject to USL&HW Act

There is expected to be no impact to overall statewide premium as a result of this item.

NCCI ACTION

NCCI will take the following actions for Item 01-TX-2024:

- update the weekly **Status of Item Filings** circular on **ncci.com** with the approval, and
- publish updated pages for NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)** for Texas, shortly.

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

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