



Obsolete

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

June 10, 1985

ADMINISTRATIVE LETTER 1985-13

TO: ALL GROUP SELF-INSURERS FOR WORKERS' COMPENSATION
LICENSED IN VIRGINIA

RE: REGULATION 16-SECTION 12
RULES GOVERNING GROUP SELF-INSURERS OF LIABILITY
UNDER THE VIRGINIA WORKERS' COMPENSATION ACT

MANUAL OF RULES AND RATES - FILING REQUIREMENTS

The State Corporation Commission adopted Regulation 16 to be effective February 1, 1985. The Bureau of Insurance feels that some clarification is required as respects the filing requirements outlined in Section 12 of the Regulation.

Each group self-insurer must have a manual of rules, rates, and rating plans on file with the Bureau of Insurance and approved for its use. This may be accomplished by one of two methods:

1. The enclosed REFERENCE FILING AUTHORIZATION form CP-10(5-85) may be completed by you, indicating that you are using the NCCI (National Council on Compensation Insurance) manual of rules and rates and/or the NCCI Experience Rating Plan, both of which have been filed by the Virginia Compensation Rating Bureau and approved by the State Corporation Commission. The CP-10(5-85) must be completed and returned to the Bureau of Insurance in duplicate. Physical filing of these manuals will not be required if the NCCI manual(s) are used without amendment.

If you desire to use the NCCI manual(s) of rules, rates, and rating plans with certain amendments or exceptions, then you must advise the Bureau of Insurance in duplicate, in detail, enclosing with your filing letter an appropriate manual-size Exception Sheet(s) setting forth the specific adjustment(s), and the extent of the adjustment(s),

that you propose to make to the rates and/or premiums, or to any supplementary rate information filed by the NCCI, along with any applicable actuarial justification, for approval. Workers' Compensation deviations will continue to be handled in accordance with Section 38.1-255.2 of the Code of Virginia and Administrative Letter 1982-12. In addition, Group Self-Insured Associations will also be required to complete the attached Supplemental Deviation Request Form VA WCD-3(5-85) when application is made for a deviation.

In the event that you presently, or in the future, have on file any rate(s)/premium(s) and/or rules and supplementary rate information that would be affected by an NCCI filing, but which you desire to retain on file on your behalf, you must advise the Bureau in sufficient enough detail to clearly identify the particular item(s) prior to the effective date of the NCCI-filing; otherwise, the NCCI filing will be applicable to you as of its effective date.

2. You may wish to independently file, in duplicate, a complete manual(s) of rules, rates, and rating plans for use in the writing of workers' compensation insurance, along with the necessary actuarial justification, for approval.

Any questions you have concerning this matter should be communicated to the Bureau in writing.

Sincerely,

James M. Thomson
Commissioner of Insurance

JMT/ah

STATE OF VIRGINIA
REFERENCE FILING AUTHORIZATION

SECTION I

Being a Non-Member and Non-Subscriber of the VCRB for Workers' Compensation rules and rates this authorization applies to:

(Check one of the following):

- NCCI manual of rules and rates
- NCCI Experience Rating Plan
- Both NCCI manual of rules and rates
and the NCCI Experience Rating Plan

SECTION II

(1) CURRENT FILINGS - If checked here ___:

The undersigned group self-insurer hereby requests that it be deemed to have independently submitted, as its own, the filings currently approved for the NCCI as checked above.

(2) FUTURE FILINGS - If checked here ____:

The undersigned group self-insurer hereby requests that it be deemed to have independently submitted, as its own, the filings approved in the future for the NCCI as checked above, which filing(s) shall become effective for this group self-insurer on the same date as such becomes effective for NCCI members and/or subscribers who have authorized the NCCI to file on their behalf, unless otherwise stipulated by the group self-insurer in writing prior to such effective date.

As regards future filings, it is understood and agreed, that in the event this group self insurer presently, or in the future, has on file any rule and/or rate exceptions that would be affected by an NCCI filing(s), but which the group self-insurer desires to retain on file on its behalf, the group self-insurer must advise the Bureau of Insurance in sufficient enough detail to clearly identify the particular item(s) prior to the effective date of the NCCI filing.

(3) This request, direction, and agreement shall become effective as of the date such is received by the Bureau of insurance of Virginia and shall remain in full force until either withdrawn or amended by the group self-insurer, or until ordered rescinded by the Bureau of Insurance.

Group Self-insurer _____

Title _____

Date _____

VA-CP-10(5/85)

Abbreviation: NCCI-National Council on Compensation Insurance

By _____

DATE _____

GROUP SELF-INSURED ASSOCIATIONS
SUPPLEMENTAL DEVIATION REQUEST FORM
(TO BE COMPLETED IN DOLLARS)

ASSOCIATION NAME _____

I. MANUAL PREMIUM = \$ _____

Manual Rate(s) x Anticipated Payroll

II. NORMAL PREMIUM = \$ _____

Manual Premium x Experience Rating
Modifier (____)

III. DEVIATED NORMAL PREMIUM = \$ _____

Normal Premium x Reciprocal of
Requested Deviation

IV. DISCOUNTED PREMIUM = \$ _____

Deviated Normal Premium less
Average Group Discount (____ %)

V. ESTIMATED EXPENSES (_____ % x Line IV) = \$ _____

Include All Expenses

VI. PREMIUM AVAILABLE FOR LOSSES
AND INVESTMENT = \$ _____

Line IV less Line V

VII. PROPOSED LOSS FUND(____ % x Line IV) = \$ _____

Excess Insurance Threshold (Stop Loss)
Converted to Dollars

VIII. LINE VI LESS LINE VII

(a) If A Minus, Show as
(b) If A Plus, Show as

Shortfall = \$ _____
Surplus = \$ _____

SUPPLEMENTAL DEVIATION REQUEST FORM
PAGE TWO

IX. INVESTMENT INCOME = \$_____

50% Line V x . % = \$_____

50% Line VI x . % = \$_____

100% of Restricted Surplus

(if any) x . % = \$_____

Not to exceed 50% of Lines V and VI if paid up front. If paid in installments, provide Exhibit Developing Investment Income.

X. SURPLUS OVER FORESEEABLE COSTS

(1) Line VIII (a) Minus Line IX \$_____

or (2) Line VIII (b) Plus Line IX \$_____

Specify the interest rate. Determine investment income based upon the period the money is actually available for investment.