



NOVEMBER 10, 2016

NV-2016-03

LOSS COSTS OR RATE FILING APPROVAL

Nevada—Approval of Voluntary Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective March 1, 2017

**ACTION
NEEDED**

Please review this circular, which contains information on approved voluntary loss costs, assigned risk rates, and rating values for Nevada. These will become effective March 1, 2017, for new and renewal policies.

When a participating company receives this approval circular containing advisory loss costs and other supplementary rating information, the company must decide what actions to take.

Company Action Table

If	Then
Carrier decides to use the prospective loss costs and effective date as filed	<p>Carrier does not need to take action. Prospective loss costs filed by the advisory organization are automatically adopted by subscribing carriers. Carrier may continue to use the loss cost multipliers it previously filed.</p> <p>Carrier otherwise must file all the rates, supplementary rate information, supporting data, and changes and amendments which it intends to use, except any information filed by the advisory organization. Carrier may adopt any supplementary rate information or supporting data that it previously filed and that was approved. Carrier may file its rates by filing final rates or a multiplier and, if used, a premium charged to each policy regardless of size which, when applied to the prospective loss costs, results in final rates.</p> <p>For each filing of final rates or loss cost multipliers, the insurer shall complete Expense Worksheet A, if an expense constant applies, or Expense Worksheet B, if an expense constant does not apply.</p>
Carrier decides to modify the filed prospective loss costs	Carrier cannot deviate from the loss costs filed by the advisory organization.
Carrier decides to use NCCI's prospective loss costs, but wishes to change its loss cost multiplier	Carrier may continue to use the loss cost multipliers it previously filed, until disapproved or a new loss cost multiplier is filed.

Company Action Table

If	Then
Carrier decides to use NCCI's prospective loss costs, but wishes to use a different effective date	Carrier files its proposed effective date for use of the loss costs.

BACKGROUND

This approval circular is a supplement to Filing Circular NV-2016-01 and Filing Supplement Circular NV-2016-02.

NCCI recently submitted a voluntary loss costs, assigned risk rates, rating values, and voluntary retrospective rating plan parameters filing to the Nevada Division of Insurance. The filing is proposed to be effective March 1, 2017, for new and renewal policies.

The filing proposed an overall average loss cost level decrease of 10.7% for the voluntary market and an overall average rate level decrease of 10.5% for the assigned risk market. Advisory loss costs in this filing exclude all expense provisions (except loss adjustment expense). The filing was approved as filed.

The following are of special note as a result of item filings approved in Nevada:

- As a result of Item B-1431, effective March 1, 2017:
 - Class Code 1852 is discontinued
 - Class Code 0400 is discontinued and the loss cost for Class Code 8103 is payroll-weighted to reflect the combined experience of Class Codes 0400 and 8103
 - Class Codes 2300 and 2386 are discontinued and the loss cost for Class Code 2501 is payroll-weighted to reflect the combined experience of Class Codes 2300, 2386, and 2501
 - Class Code 2913 is discontinued and the loss cost for Class Code 2883 is payroll-weighted to reflect the combined experience of Class Codes 2913 and 2883
 - Class Code 2942 is discontinued and the loss cost for Class Code 4432 is payroll-weighted to reflect the combined experience of Class Codes 2942 and 4432
 - Class Code 6260 is discontinued and the loss cost for Class Code 6251 is payroll-weighted to reflect the combined experience of Class Codes 6260 and 6251
 - Class Code 7724 is discontinued and the loss cost for Class Code 7720 is payroll-weighted to reflect the combined experience of Class Codes 7724 and 7720
 - Class Code 8105 is discontinued and the loss cost for Class Code 8018 is payroll-weighted to reflect the combined experience of Class Codes 8105 and 8018
- As a result of Item E-1404, effective September 1, 2017, experience rating premium eligibility thresholds are updated
- As a result of Item R-1412, the retrospective rating plan parameters were updated

IMPACT

An overall average loss cost level decrease of 10.7% for the voluntary market and an overall average rate level decrease of 10.5% for the assigned risk market have been approved. These will be effective March 1, 2017, for new and renewal policies.

Important: Each insurer must adopt the revised voluntary loss costs effective March 1, 2017, for all new and renewal business.

NCCI ACTION

Revised manual pages will be mailed shortly to subscribers of NCCI's *Basic Manual*, *Experience Rating Plan Manual*, and *Retrospective Rating Plan Manual*. If you would like to subscribe to any of our manuals, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123).

We will post this approval circular on ncci.com.

**PERSON TO
CONTACT**

If you have any questions, please contact:

Jessica Epley
State Relations Executive
NCCI
1 Lincoln Center
10300 SW Greenburg Road, Suite 550
Portland, OR 97223
503-892-8919
jessica_epley@ncci.com

Technical Contact:
Damon Raben, FCAS, MAAA
Director and Actuary
NCCI
901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
561-893-3079
damon_raben@ncci.com
