



NOVEMBER 15, 2017

NV-2017-02

LOSS COSTS OR RATE FILING APPROVAL

Nevada—Approval of Voluntary Loss Costs, Assigned Risk Rates, and Rating Values to Be Effective March 1, 2018

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, 2018, for new and renewal policies.

Note: Proposed Regulation R043-17 has not been incorporated into this filing. If adopted, the overall system costs could be impacted and, if necessary, a subsequent filing will be submitted by NCCI.

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
Company decides to use the prospective loss costs and effective date as filed with no change to its previously filed and approved loss cost multiplier	Company does not need to take action. Prospective loss costs filed by the advisory organization are automatically adopted by subscribing companies. Company may continue to use the loss cost multipliers it previously filed. Company otherwise must file all of the rates, supplementary rate information, supporting data, and changes and amendments that it intends to use, except any information filed by the advisory organization. Company may adopt any supplementary rate information or supporting data that it previously filed and was approved. Company 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.
Company decides to modify the filed prospective loss costs	Company cannot deviate from the loss costs filed by the advisory organization.
Company decides to use the prospective loss costs, but with a change to its previously approved loss costs multiplier	Company must file with the Commissioner its revised loss cost multiplier.
Company decides to use the prospective loss costs, but with a different effective date	Company must file with the Commissioner its proposed effective date.

BACKGROUND

This approval circular is a supplement to Filing Circular NV-2017-01.

NCCI recently submitted a voluntary advisory loss costs, assigned risk rates, and rating values filing to the Nevada Division of Insurance. The filing is proposed to be effective March 1, 2018, for new and renewal policies.

The filing proposed an overall average loss cost level decrease of 2.3% for the voluntary market and an overall average rate level increase of 0.2% for the assigned risk market. Voluntary advisory loss costs in this filing exclude all expense provisions (except loss adjustment expenses). The filing was approved as filed.

Please note the following in connection with this filing:

- As a result of Item B-1435, effective March 1, 2018:
 - Class Code 1655 is discontinued and the loss cost for Class Code 1642 is payroll-weighted to reflect the combined experience of Class Codes 1655 and 1642.
 - Class Codes 1741 and 1853 are discontinued and the loss cost for Class Code 1701 is payroll-weighted to reflect the combined experience of Class Codes 1701, 1741, and 1853.
 - Class Codes 1860, 4279, and 4282 are combined to reflect the first year of a two-year transition program. In the second year of the transition, Class Codes 1860 and 4282 will be discontinued.
 - Class Code 2534 is discontinued and the loss cost for Class Code 2501 is payroll-weighted to reflect the combined experience of Class Codes 2501 and 2534.
 - Class Code 3175 is discontinued and the loss cost for Class Code 3169 is payroll-weighted to reflect the combined experience of Class Codes 3169 and 3175.
 - Class Code 3223 is discontinued and the loss cost for Class Code 3180 is payroll-weighted to reflect the combined experience of Class Codes 3180 and 3223.
 - Class Codes 4053 and 4061 are discontinued and the loss cost for Class Code 4062 is payroll-weighted to reflect the combined experience of Class Codes 4053, 4061, and 4062.
 - Class Code 4113 is discontinued and the loss cost for Class Code 4111 is payroll-weighted to reflect the combined experience of Class Codes 4111 and 4113.
 - Class Code 4439 is discontinued and the loss cost for Class Code 4558 is payroll-weighted to reflect the combined experience of Class Codes 4439 and 4558.
 - Class Code 5069 is discontinued and the loss cost for Class Code 5059 is payroll-weighted to reflect the combined experience of Class Codes 5059 and 5069.
 - Class Code 6017 is discontinued and the loss cost for Class Code 5213 is payroll-weighted to reflect the combined experience of Class Codes 5213 and 6017.
 - Class Codes 7228 and 7229 are discontinued and the loss cost for Class Code 7219 is established and payroll-weighted to reflect the combined experience of Class Codes 7228 and 7229.
 - Class Code 7225 is established.
- As a result of Item R-1413, the retrospective rating plan parameters were updated.

IMPACT

An overall average loss cost level decrease of 2.3% for the voluntary market and an overall average rate level increase of 0.2% for the assigned risk market have been approved. These will be effective March 1, 2018, for new and renewal policies.

Important: Each insurer must adopt the revised voluntary loss costs effective March 1, 2018, 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.

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