

<i>SERFF Tracking Number:</i>	<i>INCR-127636625</i>	<i>State:</i>	<i>Indiana</i>
<i>Filing Company:</i>	<i>Indiana Compensation Rating Bureau</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0002 Employers Liability WC</i>
<i>Product Name:</i>	<i>B-1424</i>		
<i>Project Name/Number:</i>	<i>Revisions to Basic Manual Classification Code 7711-Firefighters & Drivers Volunteer & Discontinuation of Statistical Code 9219-Volunteer Firefighters Head Count/B-1424</i>		

Filing at a Glance

Company: Indiana Compensation Rating Bureau

Product Name: B-1424	SERFF Tr Num: INCR-127636625	State: Indiana
TOI: 16.0 Workers Compensation	SERFF Status: Closed-Filed	State Tr Num:
Sub-TOI: 16.0002 Employers Liability WC	Co Tr Num:	State Status:
Filing Type: Form	Co Status:	Reviewer(s): Richard Lash
	Author: Robin Eleson	Disposition Date: 09/23/2011
	Date Submitted: 09/20/2011	Disposition Status: Filed
Effective Date Requested (New): 09/01/2011		Effective Date (New):
Effective Date Requested (Renewal): 09/01/2011		Effective Date (Renewal):

General Information

Project Name: Revisions to Basic Manual Classification Code 7711-Firefighters & Drivers Volunteer & Discontinuation of Statistical Code 9219-Volunteer Firefighters Head Count	Status of Filing in Domicile: Pending
Project Number: B-1424	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular: CIF-2011-10
Filing Status Changed: 09/23/2011	Company Status Changed:
State Status Changed:	Deemer Date:
Created By: Robin Eleson	Submitted By: Robin Eleson
Corresponding Filing Tracking Number:	
Filing Description:	
Revisions to Basic Manual Classification Code 7711-Firefighters & Drivers Volunteer & Discontinuation of Statistical Code 9219-Volunteer Firefighters Head Count	

Company and Contact

Filing Contact Information

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Indianapolis, IN 46250	

Filing Company Information

SERFF Tracking Number: INCR-127636625 State: Indiana
Filing Company: Indiana Compensation Rating Bureau State Tracking Number:
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Indiana Compensation Rating Bureau CoCode: State of Domicile: Indiana
5920 Castleway W Dr Group Code: Company Type: Rating
Organization
Indianapolis, IN 46250 Group Name: ICRB
(317) 842-2800 ext. 301[Phone] FEIN Number: 35-0837318
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: Yes

SERFF Tracking Number: INCR-127636625 State: Indiana
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Richard Lash	09/23/2011	09/23/2011

SERFF Tracking Number: *INCR-127636625* *State:* *Indiana*
Filing Company: *Indiana Compensation Rating Bureau* *State Tracking Number:*
Company Tracking Number:
TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0002 Employers Liability WC*
Product Name: *B-1424*
Project Name/Number: *Revisions to Basic Manual Classification Code 7711-Firefighters & Drivers Volunteer & Discontinuation of Statistical Code 9219-Volunteer Firefighters Head Count/B-1424*

Disposition

Disposition Date: 09/23/2011

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: INCR-127636625 State: Indiana

Filing Company: Indiana Compensation Rating Bureau State Tracking Number:

Company Tracking Number:

TOI: 16.0 Workers Compensation Sub-TOI: 16.0002 Employers Liability WC

Product Name: B-1424

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	80 Filing Description/Cover Letter/NAIC Transmittal		Yes
Supporting Document	Filing Fee		Yes
Supporting Document	Third Party Filers		Yes
Supporting Document	B-1424 - Revisions to Basic Manual		Yes

SERFF Tracking Number: INCR-127636625 State: Indiana
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 Company Tracking Number:
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Supporting Document Schedules

Item Status: **Status**
Date:

Satisfied - Item: 80 Filing Description/Cover
Letter/NAIC Transmittal

Comments:
Item B-1424-Revisions to Basic Manual Classification Code 7711-Firefighters & Drivers Volunteer & Discontinuation of Statistical Code 9219-Volunteer Firefighters Head Count

Item Status: **Status**
Date:

Satisfied - Item: Filing Fee

Comments:
The Quarterly billing system is currently applicable & mandatory for SERFF filings. The IDOI will bill for the filing.

Item Status: **Status**
Date:

Satisfied - Item: Third Party Filers

Comments:
Per IC-27-7-2-3 through IC 27-7-2-4, the Bureau has statutory authority to file rates, rules, plans and forms on behalf of all workers compensation insurance companies in Indiana.

Item Status: **Status**
Date:

Satisfied - Item: B-1424 - Revisions to Basic Manual

Comments:

Attachment:
B-1424 Revisions to BM Classification Code 7711- Firefighters and Drivers Volunteer.pdf

FILING MEMORANDUM

ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS & DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE 9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT

PURPOSE

This item:

- Revises the classification wording of Code 7711—Firefighters & Drivers—Volunteer in NCCI's ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***
- Discontinues Statistical Code 9219—Volunteer Firefighters—Head Count and its associated rule in NCCI's ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Manual)***

BACKGROUND

Item B-1397—Revisions to Basic Manual Classifications and Rules, effective July 1, 2007 in most states, established two separate classification codes for firefighters: Code 7710—Firefighters & Drivers and Code 7711—Firefighters & Drivers—Volunteer. Prior to July 1, 2007, both paid and volunteer firefighters were classified to Code 7704—Firefighters & Drivers, which was discontinued in Item B-1397.

Prior to its discontinuation, the national classification wording for Code 7704 stated:

“When part-time or volunteer firefighters are employed, the actual payroll of all such persons shall be included with the payroll of regular firefighters in computing the premium. In no case, however, shall the payroll of any such firefighters be taken at less than \$300 per person per annum.”

With the implementation of Code 7711, the payroll basis for volunteer firefighters was amended. Currently, the national classification wording regarding payroll determination in Code 7711 states:

“. . . Applies to volunteer firefighters serving with or without payroll. Unless state statutes, regulations and/or rules specify otherwise, premium for volunteer firefighters must be determined on the basis of the payroll normally received by nonvolunteer firefighters doing the same or similar work; however, in no case should the remuneration of any such firefighters, including volunteer officers, be less than \$300 annually per person . . . ”

Recently, questions have arisen regarding the national classification wording for Code 7711 that states “premium for volunteer firefighters must be determined on the basis of the payroll normally received by nonvolunteer firefighters doing the same or similar work” and how this payroll is actually derived. As a result, NCCI is proposing to revise the classification wording of Code 7711 to state that volunteer firefighter payroll be based on the actual payroll, if any, of each individual volunteer firefighter, subject to a minimum payroll of \$300 per year for each individual volunteer firefighter (as was previously used in Code 7704).

Based on recommendations in Item B-1397, Statistical Code 9219—Volunteer Firefighters—Head Count was established in Item U-1397—Statistical Plan for Workers Compensation and Employers Liability Insurance, effective September 1, 2008 in most states. With the creation of Classification Codes 7710 and 7711 and Statistical Code 9219, NCCI has had the ability to collect separate payroll and loss data for paid and

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FILING MEMORANDUM

ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS & DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE 9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT

volunteer firefighters. This data is in the process of being evaluated and will assist NCCI in developing future recommendations for charging the appropriate premium for the firefighter industry overall. As part of this evaluation, NCCI has determined that the reporting of volunteer firefighter head count data is no longer required; therefore, NCCI is proposing to discontinue Statistical Code 9219.

PROPOSAL

It is proposed that:

1. The classification wording regarding payroll determination for volunteer firefighters in Classification Code 7711—Firefighters & Drivers—Volunteer be revised:
 - **From**—payroll normally received by nonvolunteer firefighters doing the same or similar work
 - **To**—actual payroll of all volunteer firefighters subject to a minimum payroll of \$300 annually per person
2. Statistical Code 9219—Volunteer Firefighter—Head Count and its associated rules in the **Statistical Plan** be discontinued.

State-Specific Proposals

NCCI proposes that certain states adopt exceptions to the proposal above as described in the following state-specific proposals:

Alaska

NCCI proposes that Alaska adopt the proposed classification wording changes for Code 7711 with the exception of using the current state minimum payroll of \$2,000 annually per volunteer instead of the national \$300 minimum payroll.

Colorado

In addition to the changes proposed in this item, NCCI proposes that Colorado revise the classification wording of state special Classification Code 7719—Volunteer Rescue Team or Group & Drivers to reflect that payroll determination must be based on actual payroll subject to a minimum of \$300 per volunteer per year.

Indiana

In addition to adopting the proposed classification wording changes for Code 7711, NCCI proposes to include additional classification wording to further explain the application of Code 7711.

Kansas

NCCI proposes that Kansas adopt the proposed classification wording changes for Code 7711 with the exception of using the current state minimum payroll of \$100 annually per person instead of the national \$300 minimum payroll.

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FILING MEMORANDUM

ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS & DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE 9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT

South Carolina

NCCI proposes that South Carolina adopt the proposed classification wording changes for Code 7711 with the exception of using the current state minimum payroll of \$1,000 per volunteer per year instead of the national \$300 minimum payroll.

Utah

In addition to the changes proposed in this item, NCCI proposes that Utah revise their state special Classifications Code 9416—County Employees and Code 9417—Municipal Employees to replace the references to Code 7704 with references to Codes 7710 and 7711. Code 9417 is no longer applicable in Utah.

Vermont

NCCI proposes that Vermont adopt the proposed classification wording changes for Code 7711 with the exception of using the current state minimum payroll of \$275 per volunteer per year instead of the national \$300 minimum payroll.

Virginia

NCCI proposes that Virginia adopt the proposed classification wording changes for Code 7711 with the exception of using the current state minimum payroll of the "Average Monthly Wage" value instead of the national \$300 minimum payroll.

IMPACT

There will be no statewide premium impact as a result of this item because the proposals are only intended to clarify the payroll determination for volunteer firefighters assigned to Code 7711. NCCI will continue to develop the rates and/or loss costs for Code 7710 and Code 7711 as approved in Item B-1397. In addition, data reporters will no longer be required to report head count information for volunteer firefighters.

IMPLEMENTATION

In order to implement this item, the attached exhibits detail the changes required:

- **Exhibit 1** displays the proposed changes to the Classifications section of NCCI's *Basic Manual*
- **Exhibits 2 and 3** display the proposed changes to discontinue Part 3-F-2-d Nonpayroll Exposure rule and discontinuation date of Statistical Code 9219 in NCCI's *Statistical Plan*
- **Exhibit 4** displays the proposed changes to the states' Special Classifications sections of NCCI's *Basic Manual*, where applicable

In all states, except Hawaii and Virginia, this item will be implemented effective 12:01 a.m. on **September 1, 2011**, applicable to new and renewal voluntary and assigned risk policies.

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FILING MEMORANDUM

**ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS
& DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE
9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT**

In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.

In Virginia, this item filing will be implemented for new and renewal, voluntary and assigned risk policies effective on or after 12:01 a.m. on September 1, 2011.

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**ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS
& DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE
9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT**

**EXHIBIT 1
BASIC MANUAL—2001 EDITION
NATIONAL CLASSIFICATIONS
(Not Applicable: AK, IN, KS, SC, VA, VT)**

7711 FIREFIGHTERS & DRIVERS—VOLUNTEER

Applies when coverage is provided to volunteer firefighters in states where such workers are entitled to benefits under the workers compensation law. ~~Applies to volunteer firefighters serving with or without payroll. Unless state statutes, regulations and/or rules specify otherwise, premium for volunteer firefighters must be determined on the basis of the payroll normally received by nonvolunteer firefighters doing the same or similar work.~~ The actual payroll of all volunteer firefighters must be used in calculating premium. In no case, however, ~~in no case~~ should the ~~remuneration payroll~~ of any such firefighters, including volunteer officers, be less than \$300 annually per person. The minimum payroll of \$300 annually per person also applies to fire department volunteers that are assigned to a standard exception classification.

Applies to organizations serving the public through firefighting and related fire protection services.

Includes volunteer firefighters who also perform emergency medical services. Separately rate employees who perform only EMS duties and no firefighting to Code 7705.

Separately rate nonvolunteer firefighters and drivers to Code 7710.

**ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS
& DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE
9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT**

**EXHIBIT 2
STATISTICAL PLAN—2008 EDITION
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT
2. Nonpayroll Exposure**

d. Volunteer Firefighters—Head Count

For experience classified under Classification Code 7711 (Firefighters ~~& and~~ Drivers—Volunteer), report the associated head count using Statistical Code 9219 (Volunteer Firefighters—Head Count).

Each volunteer firefighter covered under Classification Code 7711 is considered as a head count of one. For example, one head count is reported as an exposure of “10” using Statistical Code 9219. There is an assumed decimal point between the “1” and the “0”.

For policies effective on or after September 1, 2011, Volunteer Firefighters Head Count and associated Statistical Code 9219 are discontinued.

**ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS
& DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE
9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT**

**EXHIBIT 3
STATISTICAL PLAN—2008 EDITION
PART 6—CODING VALUES
H. STATISTICAL CODES**

3. Premium Amount *Not Part* of Standard Premium

Premium Amount *Not Part* of Standard Premium

Description	Stat Code	Premium Credit (–) or Debit (+)	Applicable States	Effective Date	Discontinuation Date
Volunteer Firefighters—Head Count	9219	+	All States Except FL, MT, OR, VA, WV	09/01/08	<u>08/31/11</u>
			VA	01/01/11	<u>08/31/11</u>

**ITEM B-1424—REVISIONS TO BASIC MANUAL CLASSIFICATION CODE 7711—FIREFIGHTERS
& DRIVERS—VOLUNTEER AND DISCONTINUATION OF STATISTICAL CODE
9219—VOLUNTEER FIREFIGHTERS—HEAD COUNT**

**EXHIBIT 4
BASIC MANUAL—2001 EDITION
INDIANA SPECIAL CLASSIFICATIONS**

7711 FIREFIGHTERS & DRIVERS—VOLUNTEER

~~Applies to volunteer firefighters serving with or without payroll. Coverage is restricted by law to medical and burial benefits. Premium for volunteer firefighters must be determined on the basis of the payroll normally received by nonvolunteer firefighters doing the same or similar work; The actual payroll of all volunteer firefighters must be used in calculating premium. In no case, however, in no case should the payroll of any such firefighters including volunteer officers be less than \$300 per volunteer per year. The minimum payroll of \$300 per volunteer per year also applies to fire department volunteers that are assigned to a standard exception class.~~

Includes firefighters who also perform emergency medical services. Separately rate employees who perform EMS duties and no firefighting to Code 7705.

Separately rate paid firefighters and drivers to either Code 7699 or 7710.