

The North Carolina Rate Bureau (Bureau) would like to update you on upcoming changes that may impact you in 2019. Please take a few moments to review these changes as they may impact how you respond to the needs of your clients.

New E-Payment Process for Assigned Risk Premium Payments

Effective March 2019, the Bureau will implement a new process for collecting premium payments on assigned risk policies.

- Completed Applications will be reviewed and prepared for assignment prior to payment being made.
- Once an application is approved and prepared for assignment, the submitting agent will receive an email with a unique link pertaining to that application and instructions on how to make an electronic payment.
- The submitting agent will have two business days to facilitate the electronic payment using the link provided to initiate an electronic payment directly to the assigned carrier.
- If payment is not made within two business days, coverage will be declined.

The new E-Payment platform will be the preferred payment method for assigned risk premium. Paper checks will no longer be accepted for payment of premium on assigned risk policies, unless specifically approved by the Bureau. Agents are strongly encouraged to contact their premium finance company partners to discuss this new process. Our current EFT platform will no longer be available after the March 2019 transition. Prior to March 2019, it is critical that all agents establish and/or update their ManageAR account with current contact information. More detailed instructions on the new process will be sent out at a later date.

Revised Workers Compensation Insurance Plan and Forms

Effective March 1, 2019, the Bureau will implement a revised North Carolina Basic Manual Rule 4-A – Workers Compensation Insurance Plan (WCIP). Minor revisions introduce the Bureau's online application submissions system, ManageAR, launched in 2005. With a need to modernize WCIP definitions, and revise payment method rules to require electronic payment of deposit premium, unless otherwise approved by the Bureau, a complete review of the WCIP was needed to ensure that the rules were clear and appropriate. ACORD 135 NC Application for Designation of an Insurance Company and ACORD form 136 NC Instructions for Completing ACORD 135 NC Application were also updated in compliance with the WCIP revisions.

Notice of Assignment for Assigned Risk Policies

Effective January 2, 2019, the Bureau will no longer use US Mail to send the Notice of Assignment for assigned risk policies to the agent. An electronic copy (PDF) will be emailed to the agent listed on the application at the time of assignment. Once the assignment is received by the agent, it is the agent's responsibility to notify their client of the terms and conditions of the policy. Since all correspondence will be emailed to the agent listed on the application, it is critical that all agents update their Manage AR profile with their current contact information.

Workers Compensation

Assigned Risk Carriers

The 2019 Servicing and Direct Assignment Carriers for the North Carolina Workers Compensation Insurance Plan are:

Servicing Carriers

- AmGuard Insurance Company
- LM Insurance Company
- Travelers Property & Casualty Company of America

Direct Assignment Carriers

- ACE American Insurance Company
- American Interstate Insurance Company
- American Zurich Insurance Company
- Auto Owners Insurance Company
- Builders Mutual Insurance
- Cincinnati Insurance Company
- Continental Casualty Company
- Hartford Underwriters Insurance Company

Executive Officer Payroll

No change on April 1, 2019

- Maximum Payroll effective 4/1/19
Weekly: \$1,800 / Annually: \$93,600
- Minimum Payroll effective 4/1/19
Weekly: \$900 / Annually: \$46,800

Partners, Sole Proprietor and

Members of LLC's Payroll

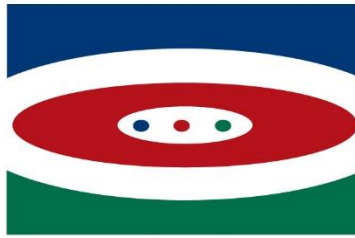
Annual Payroll used to determine premium will increase effective 4/1/19:

- Annually: \$46,900
- Other Miscellaneous values effective 4/1/19 can be found in Part 3 of the North Carolina Basic Manual for Workers Compensation and Liability.

Experience Rating Premium Eligibility

Applicable for ratings effective 4/1/19

- \$11,000 / \$5,500



2019 Classification Code Changes North Carolina

(Changes effective 04/01/19)

Classification Code Additions, Revisions, and Eliminations effective 04/01/2019:

The industries impacted by Class Code changes effective 04/01/2019 are:

- **Retirement Living Centers and Nursing Homes**
- **Limousine Companies**
- **Photography and Document Scanning**
- **Unmanned Aircraft System or Drone Aircraft**
- **Automobile Body Repair and Mechanical Repair**

Retirement Living Centers and Nursing Homes

Healthcare workers will be assigned to National Code 8824 for all types of adult care facilities. This would include Retirement Living Centers, Adult Care Home, and Nursing and Convalescent care facilities. All other non-healthcare workers providing services in these types of operations will be assigned to National Code 8826. At the end of a Two-Phase Transition Program, National Code 8825 and NC state-specific Codes 8848 and 8849 will be eliminated.

Two-Phase Transition Program:

- In Phase I (the 4/1/2019 experience filing)
 - The loss cost for Code 8825 and 8826 will begin to be combined using a 2-year transition period.
- In Phase II (the 4/1/2020 experience filing)
 - The loss cost for Codes 8825 and 8826 will be fully combined and 8825 would be discontinued.
 - Codes 8848 and 8849 will be discontinued and payroll weighted with Code 8824 to determine the loss cost for 8824.
 - Codes 8824 and 8826 will be redefined.

Limousine Companies

- Cross-reference for *Limousine Co-All Employees & Drivers* will be eliminated from Code 7370 and assigned to Code 7382.
- The word “Scheduled” will be eliminated from cross-reference phraseology, *Limousine Co – All Other Employees & Drivers – Scheduled*, in Code 7382 to allow the application of this code to both scheduled and non-scheduled limousine services.
- Code 7382 will clarify that garage employees of operations included in Codes 7370 and 7382 are to be separately rated to Code 8385.

- Note of cross-reference for *Railroad Operation* in Codes 7382 and 7133 will be revised to indicate that “yard employees” are to be separately rated to Code 8385.
- National classifications for Railroad Operations will be formatted and updated with plain language and display for improved online search results on ncci.com.

Photography and Document Scanning

- Phraseology *Film Print Shops – All Employees * Clerical, Salespersons, Drivers* will be eliminated from Code 4361 and replaced with *Photo Print Shop – All Employees & Clerical, Salespersons, Drivers* with the addition of a note indicating that it is applicable to developing and printing photographs from film or digital media.
- Phraseology *Document – Scanning – All Employees & Clerical, Salespersons, Drivers* will be established as new phraseology for Code 8015, with the shredding of documents at customers’ locations to be assigned to Code 8264.
- Phraseology *Document – Shredding Operations & Drivers* will be established as new phraseology for Code 8264.
- National classifications for Sign Manufacturing Codes 4299 and 9501 will be formatted and updated with plain language and display for improved online search results on ncci.com.

Unmanned Aircraft System or Drone Aircraft

- Phraseology *Unmanned Aircraft System or Drone Aircraft Manufacturing, Service, or Repair – Aircraft Weighing Less Than 55 Pounds* will be established as a new phraseology for Code 3685.
- Phraseology *Unmanned Aircraft System or Drone Aircraft Manufacturing, Service, or Repair – Aircraft Weighing 55 Pounds or More* will be established as a new phraseology for Code 3830.
- Phraseology *Unmanned Aircraft System or Drone Aircraft Operations NOC – Aircraft Weighing Less Than 55 Pounds* will be established as a new phraseology for Code 8720.

Automobile Body Repair and Mechanical Repair

- Note for Code 8380 – *Automobile – Service or Repair Center & Drivers* will be revised to include service writers and to indicate that automobile body repair is to be separately rated to Code 8393.
- Note for Code 8380 – *Automobile – Sales or Service Agency & parts Department Employees, Drivers* will be revised to indicate that automobile body repair is to be separately rated to Code 8393.
- Note for Code 8380 – *Gasoline Station NOC – Retail & Drivers* will be revised to indicate that automobile body repair is to be separately rated to Code 8393.
- Note for Code 8393 – *Automobile – Body Repair & Drivers* will be revised to add carbon fiber, add estimator and to indicate that automobile body repair is to be separately rated to Code 8393.

Elimination of National Codes using Two-Phase Transition Program*

<u>National Classifications to Be Eliminated</u>	<u>National Classification at April 1, 2019*</u>
1741—Flint or Spar Grinding & Drivers	1701—Flint or Spar Grinding
1741—Silica Grinding & Drivers	1701—Silica Grinding
1741—Spar or Flint Grinding & Drivers	1701—Spar or Flint Grinding
	7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial
1853—Mica Goods Mfg. & Mica Preparing	1701—Mica Goods Mfg. & Mica Preparing
4053—Pottery Mfg.—China or Tableware	4062—Pottery Mfg.—China or Tableware
4053—Terra-Cotta Mfg.	4062—Terra-Cotta Mfg.
4061—Pottery Mfg.—Earthenware—Glazed or Porcelain—Hand Molded or Cast	4062—Pottery Mfg.—Earthenware—Glazed or Porcelain—Hand Molded or Cast

*Two-Phase Transition Program – North Carolina

Phase 1 of the transition program for class codes 1741, 1853, 4053 and 4061 begins with the state’s approved loss cost/rate filing effective April 1, 2018.

Risks using class codes 1741, 1853, 4053 or 4061 will have their operations classified to either the code being discontinued or the acquiring code as appropriate until the second phase of the transition program.

For Phase 1 of the two-phase transition program, the payroll-weighted loss cost/rate of the code being discontinued and the acquiring code will be calculated using the latest available year's payroll and the standard calculated loss cost/rate of the two individual codes.

Phase 2 of this two-phase transition program will begin April 1, 2019. Class codes 1741, 1853, 4053 and 4061 will be discontinued. All operations previously assigned to these codes will be assigned to the acquiring code.

The loss cost/rate for the acquiring code will be the payroll-weighted loss cost/rate of the code being discontinued and the acquiring code, using the latest available year's payroll, and the standard calculated loss cost/rate of the two individual codes.

National Classifications to Be Reformatted

CLASS CODE	PHRASEOLOGY	NOTES	FN ID	Industry Code	Hazard Group
	CHRISTMAS TREE PLANTING, CULTIVATING AND HARVESTING	See Farms			
2417	CLOTH PRINTING	Not applicable to an employer performing operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business.		1	C
2413	CLOTH PRINTING – SILKSCREEN PROCESS-MACHINERY OPERATIONS	Applies to operations preliminary before to or after following the hand printing process.		1	C
5057	CONSTRUCTION - ELEVATOR OR HOD HOIST INSTALLATION, REPAIR OR REMOVAL & DRIVERS - IRON OR STEEL BUILDINGS OR STRUCTURES	The following operations will be classified as: 5213—Concrete or Concrete Encased Buildings or Structures; 5057—Iron or Steel Buildings or Structures; 5022—Masonry Buildings or Structures; 6003—Piers or Wharfs; 5403—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy.		2	G
5213	CONSTRUCTION - ELEVATOR OR HOD HOIST INSTALLATION, REPAIR OR REMOVAL & DRIVERS - CONCRETE OR CONCRETE-ENCASED BUILDINGS OR STRUCTURES	The following operations will be classified as: 5213—Concrete or Concrete Encased Buildings or Structures; 5057—Iron or Steel Buildings or Structures; 5022—Masonry Buildings or Structures; 6003—Piers or Wharfs; 5403—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy.		2	F
5403	CONSTRUCTION - ELEVATOR OR HOD HOIST INSTALLATION, REPAIR OR REMOVAL & DRIVERS WOODEN BUILDINGS OR STRUCTURES INCLUDING THOSE DESIGNED FOR DWELLING OCCUPANCY	The following operations will be classified as: 5213—Concrete or Concrete Encased Buildings or Structures; 5057—Iron or Steel Buildings or Structures; 5022—Masonry Buildings or Structures; 6003—Piers or Wharfs; 5403—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy.		2	F
5022	CONSTRUCTION - ELEVATOR OR HOD HOIST INSTALLATION, REPAIR OR REMOVAL & DRIVERS - MASONRY BUILDINGS OR STRUCTURES	The following operations will be classified as: 5213—Concrete or Concrete Encased Buildings or Structures; 5057—Iron or Steel Buildings or Structures; 5022—Masonry Buildings or Structures; 6003—Piers or Wharfs; 5403—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy.		2	F
6003	CONSTRUCTION - ELEVATOR OR HOD HOIST INSTALLATION, REPAIR OR REMOVAL & DRIVERS - PIERS OR WHARFS	The following operations will be classified as: 5213—Concrete or Concrete Encased Buildings or Structures; 5057—Iron or Steel Buildings or Structures; 5022—Masonry Buildings or Structures; 6003—Piers or Wharfs; 5403—Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy.		2	E
	FLORIST	See Farms			
8001	FLORIST STORE & DRIVERS	Includes service away from store premises. Cultivating or gardening to be separately rated as 0035— Farm—Florist .		4	B
	REFRIDGERATION	A refrigeration system is defined as "domestic" whether located in a residential or commercial setting provided it is a "reach in" refrigeration system having not more than 1/3 h.p. motor or more than 20 cubic feet capacity. All other types of refrigeration shall be considered commercial.			
3179	REFRIGERATOR MFG. - METAL - DOMESTIC OR COMMERCIAL- <u>MANUFACTURING OR ASSEMBLING THE REFRIGERATING UNIT</u>	Code 2179—manufacturing or assembling the refrigerating unit; Code 3076—all other operations.		1	B

For additional detailed information on these classification code changes please review NCRB Workers Compensation Circulars C-17-8, dated July 13, 2017, C-17-9, dated July 28, 2017, and C-18-13, dated October 17, 2018 located on the Bureau's website at www.ncrb.org.

If you have questions regarding any of these items, please contact our Information Center via email at support@ncrb.org or 919-582-1056.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:ko
2/15/19
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