



Oregon Workers Compensation Rating System Review & Advisory Committee

Agenda Tracking No.: ORAC 02-2016

Prepared by: Tim Hughes

Date of Meeting: Tuesday, July 19, 2016

Minutes Release Date: August 3, 2016

Location of Meeting: Lincoln Center Office Complex, located at 10220 S.W. Greenburg Road, Portland, Oregon.

Members:

Name	Representing	Voting? Y/N	Present? Y/N	Substitute
David Waki	Dept. of Consumer & Business Services, Labor & Industries	N	Y	
Ed McKenney	Gem Equipment	Y	Y	
DeAnne Hoyt	SAIF	Y	Y	
Emily Drew	Liberty Mutual Ins.	Y	Y	
Ralph E. Wyatt	Linn County	Y	N	N
Michael Menacho	Republic Indemnity Ins.	Y	Y	
Steve O'Connell*	Travelers	Y	Y*	
Sharon Thaler	AIG	Y	Y	

*Participated by telephone

Others in Attendance:

Name	Representing
David Dahl	Dept. of Consumer & Business Services, Labor & Industries
Ying Liu	Dept. of Consumer & Business Services, Labor & Industries
Tim Hughes	National Council on Compensation Insurance
Jessica Epley	National Council on Compensation Insurance
Clyde Rapozo, Jr.	Liberty Mutual
Michele Summerlin	SAIF
Brian Murphy	SAIF
Eric Williams	SAIF
Mark Newsome	A&B Sheet Metal Works
Steve McInnis	A&B Sheet Metal Works
Jeff Cecchiai	Montgomery & Graham
Megan Hitchcock	Travelers

Agenda Items

Issue	Resolution
Employer Dispute Employer dispute concerning an NCCI ownership ruling.	The sales transaction between 2 companies does not



	warrant the transfer of the sellers experience to the buyer. NCCI is directed to remove the experience of company A from the experience rating modifier of Company B
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Issue	Resolution
<p>Underwriting Update</p> <p>Jessica Epley provided an update on issues currently being considered by NCCI that will result in future item filings. Issues include:</p> <ul style="list-style-type: none"> • NCCI is preparing a third item filing that will propose to eliminate 14 national class codes and 56 state special class codes that no longer have sufficient data to produce statistically credible rates. Upon approval, policies assigned to an eliminated code will be mapped to the most analogous code. Several eliminated codes may require a premium transition plan to mitigate rate/premium impact. • Trucking and Towing. This filing will propose the elimination of the current two national trucking classifications, Code 7228 and Code 7229 and replace these two with a single classification, Code 7219. This change will have no impact in Oregon as Code 7219 is currently in use. In addition, this filing will establish a new classification for towing operations, Code 7225—Automobile Towing & Drivers. • NCCI will propose revisions to certain rules contained in Basic Manual Rule 1 and 2. Proposed changes include: <ul style="list-style-type: none"> - Clarify the classification treatment of traveling district/regional managers - Move employer operated daycare's from being a General Exclusion to a General Inclusion - Provide a definition for the term "separate and distinct businesses" - Increase the flat amount of travel reimbursement when no receipts are maintained - Revise certain payroll exclusions <p>The resulting Item Filing will be presented to ORAC when completed.</p>	<p>No action. Information only.</p>

Issue	Resolution
Oregon Small Employer Credit Program	No action.



**National Council on
Compensation Insurance**

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Consultant**

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<p>Jessica Epley advised that in 2015, NCCI filed Premium Eligibility Threshold (PET) which established a methodology to index the calculation of experience rating state premium eligibility amounts. PET's indexing methodology will impact Oregon's Small Employer Credit Program (OSECP). As Oregon's experience rating eligibility thresholds change, so must the eligibly requirements for OSECP. NCCI will make a filing to index OSECP with the experience rating thresholds to avoid potential gaps between the two rating programs.</p>	<p>Information only.</p>
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Distribution: Committee Members