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Bulletin 10-04

DATE: August 2, 2010
TO: All Workers' Compensation Insurers
FROM: Merle Scheiber, Director
RE: SD Schedule Rating Program

This bulletin modifies the requirements for the South Dakota Schedule Rating Worksheet and procedures associated with scheduled rating for workers' compensation insurance effective September 1, 2010. A Schedule Rating Plan is optional at the discretion of the insurer.

Insurers are no longer required to submit the Schedule Rating Worksheet to the Division. However, the South Dakota Scheduled Rating Worksheet must be used. Insurers are required to complete and maintain the Schedule Rating Worksheet as a permanent part of the underwriting file, along with appropriate underwriting justification documenting any credits or debits based on the seven risk characteristics available for a for a range of modification as outlined as part of the Scheduled Rating Plan in the Basic Manual. The worksheet must be updated at renewal if the schedule rating modification changes. The Scheduled Rating Worksheet must be made available to the South Dakota Division of Insurance at any time upon request. A new Schedule Rating Worksheet is not required as part of the file if no schedule rating modification is applicable.

Insurers should refer to NCCI Item 01-SD-2010 for the revised filing memorandum and the changes to the Schedule Rating Worksheet that are attached as exhibits to that NCCI memorandum. The revised South Dakota Schedule Rating Worksheet and the revised NCCI instructions are attached to this Bulletin. Documentation is required to support the basis of each schedule rating factor. Insurers must complete the underwriting file either prior to the applicable policy period or within a reasonable time thereafter. If the schedule rating modification changes at renewal updated documentation and a new worksheet must be included in the underwriting file.

Effective September 1, 2010

SOUTH DAKOTA SCHEDULE RATING WORKSHEET

(Risk Name)

(Policy Number)

(Carrier Representative)

(Policy Period)

Worksheet Effective Date _____

Category	Range of Modification (Credit to Debit)	Credit	Debit	Reason/Basis
Premises	10% to 10%			
Classification Peculiarities	10% to 10%			
Medical Facilities	5% to 5%			
Safety Devices	5% to 5%			
Employees - Selection, Training, Supervision	10% to 10%			
Management - Cooperation With Insurance Carrier	5% to 5%			
Management - Safety Organization	5% to 5%			
	Total			Maximum = 25%

Schedule Rating Plan

Application

Add the following to appendix D-2:

- g. Any modification is to be based on the risk's ability to provide evidence of a loss control program and safety measures. Insurers are required to complete and maintain the Schedule Rating Worksheet as a permanent part of the underwriting file with appropriate underwriting justification, documenting any credits or debits based on the seven risk characteristics available for a range of modification. This worksheet should be updated at renewal if the schedule rating modification changes. The Scheduled Rating Worksheet must be made available to the South Dakota Division of Insurance at any time upon request. The Worksheet is not required if no schedule rating modification is applicable.