



NCCI WCIP STATE INSTRUCTIONS

Use the state chart below along with the ACORD® Forms Instruction Guide for completing the ACORD® 133 Workers Compensation Insurance Plan Assigned Risk section and ACORD® 130 Workers Compensation Application. For questions relating to the Plan, please refer to

- NCCI's **Residual Market Manual for Workers Compensation and Employers Liability Insurance** for Alabama (**Residual Market Manual** for Alabama)
- NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance** for Alabama (**Basic Manual** for Alabama)
- NCCI's **Basic Manual User's Guide**, and
- NCCI's **Assigned Risk Supplement**.

You may also contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123).

| ALABAMA (as of 1/20/2025) | | | | |
|---|---------------------------|-------------------|---------------------------------|--|
| Estimated Annual Premium | Premium Installment Basis | Minimum Deposit % | Additional Payments During Year | Number of Refusers: Two—one must be the current carrier, if applicable. |
| Under \$5,000 | Annual | 100% | None | Effective Date: The later of the following options: <ul style="list-style-type: none"> • 12:01 a.m. on the date following receipt by Plan Administrator of a complete and eligible application • The date of expiration of existing coverage • A date the applicant requests If an eligible application and check are sent via US mail, coverage will be bound at 12:01 a.m. on the day following the postmark on the envelope or the expiration of existing coverage. For effective date determination, a private postage meter mark will not be accepted, and only a US Postal Service postmark affixed to the envelope will be accepted by the Plan Administrator as a valid postmark. |
| At least \$5,000 | Semiannual | 75% | One | |
| At least \$10,000 | Quarterly | 50% | Three | |
| At least \$50,000 | Monthly | 25% | Nine | |
| <p>Additional premium installments must be made in equal amounts, the sum of which, when added to the deposit premium, must equal 100% of the estimated annual premium. Estimated annual premium and the premium installment schedule are subject to adjustment at preliminary, interim, and/or final audit(s) or when an endorsement is issued. At policy inception, the employer may request a higher minimum deposit percentage, but may not select a deposit percentage lower than the otherwise applicable minimum stated in the deposit and premium installment table.</p> <p>The deposit and premium installment table is followed by all assigned carriers. However, the assigned carrier, based on sound underwriting practices, may make appropriate changes to the governing state's premium installment basis that the employer selected. The assigned carrier must provide the reason(s) for such change(s) to the employer and will appropriately document the file.</p> <p>Minimum Premium Policies</p> <p>The deposit premium for a minimum premium policy is 100% of the estimated annual premium. Minimum premium policies must be paid in full and are not eligible for premium installments.</p> <p>Short-Term Policies</p> <p>The deposit premium for short-term policies with a duration of six months or less is 100% of the estimated premium. The estimated premium is based on the estimated payroll for the policy period, unless otherwise approved by the Plan Administrator.</p> <p>For any dispute concerning the change of an employer's payment basis, refer to NCCI's Residual Market Manual for Alabama rule, Dispute resolution procedure.</p> | | | | |
| <p>Application Submission Options:</p> <ul style="list-style-type: none"> • Online—Applications may be submitted via NCCI's website at ncci.com. To enroll for access to this free service, contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123) or at customer_service@ncci.com. • Telephone—Applications may be submitted by contacting NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123). • Mail—Applications may be submitted via the US Postal Service or private overnight delivery service to the address provided below. <p>Note: Under Alabama law, an out-of-state agent/producer is required to have an Alabama resident or nonresident license to submit an application to NCCI for primary coverage. Additionally, when an agency submits an application, the agency's employee who submits the application must have an Alabama producer license, and the agency must also have an Alabama producer license. Further, an employer must submit an application through a properly licensed agent/producer.</p> | | | | |
| <p>Voluntary Coverage Assistance Program (VCAP® Service):</p> <p>NCCI's VCAP® Service applies to all employers seeking coverage through the residual market in which NCCI is the Plan Administrator, and is offered through NCCI's Residual Market Application Processing System (RMAPS® Online Application Service). Through this free, Internet-based application, voluntary coverage providers have the opportunity to evaluate potential employers that submit applications through the residual market. All assigned risk applications (electronic, phone-in, or mail-in) submitted to NCCI as Plan Administrator are processed through VCAP® Service to determine if they match the preselected criteria specified by a participating voluntary coverage provider.</p> <p>Refer to NCCI's Residual Market Manual for Alabama rule, Voluntary Coverage Assistance Program (VCAP® Service) for more information.</p> | | | | |
| <p>Loss Sensitive Rating Plan:</p> <p>The Loss Sensitive Rating Plan (LSRP) is a mandatory assigned risk retrospective rating plan for those employers that have a workers compensation and employers liability insurance policy(ies) with an LSRP standard premium that equals or exceeds \$250,000 (effective 1/1/12).</p> | | | | |



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In addition to the WCIP initial or deposit premium, employers qualifying for the LSRP are required to submit an LSRP contingency deposit to the assigned carrier. The LSRP contingency deposit is calculated by multiplying the LSRP standard premium by 20%. Subject to certain conditions, the LSRP contingency deposit may be paid by Automated Clearing House/Electronic Funds Transfer (ACH/EFT), credit card, personal or business check, or an Irrevocable Letter of Credit (ILOC).

Refer to NCCI's **Residual Market Manual** for Alabama rule, Loss Sensitive Rating Plan (LSRP) for more information.

Guide to Premium Calculation:

- Experience rating modification, if applicable
- Alabama Merit rating, if applicable
- Assigned Risk Adjustment Program (ARAP) factor, if applicable, applies to modified premium with a maximum surcharge of 1.20
- Alabama Deductible Insurance, if applicable
- Alabama Drug-Free Workplace Premium Credit factor, if applicable

Election/Rejection Under State Law:

Sole proprietors and partners are not automatically covered under Alabama law but may elect to have themselves come under the provisions of the Act regardless of the number of employees. At the direction of the Alabama Department of Labor, to elect coverage, sole proprietors and partners must file the notice with the carrier assigned to the policy. Payroll must be included for any sole proprietor or partners electing coverage.

Corporate officers and members of limited liability companies are automatically covered under the Act. They may elect to be exempt from coverage by filing written certification of the election with the employer's carrier. The exemption will remain in effect unless properly revoked. Payroll must be excluded for any corporate officers or members of limited liability companies rejecting coverage.

A corporate officer or member of limited liability companies revoking an existing exemption, at any time other than the end of the calendar year, must provide an affidavit verifying that the officer or member has not suffered an employment accident, exposure, or injury from the date of exemption until the date of the written certification of the election to accept coverage. Any corporate officer or limited liability member who fails to execute an affidavit or comply with other terms and conditions of the employer's carrier will not be permitted to revoke a previous exemption until the end of the calendar year.

The revocation of exemption and election of coverage will become effective on the first day of the calendar month following written acceptance of certification of exemption or election of coverage by the carrier.

Note: Members of limited liability companies are treated as corporate officers for premium determination purposes in Alabama.

Failure to file the appropriate notices for election or rejection of coverage in accordance with state laws may result in additional premium being charged and collected by the Plan Administrator or the assigned carrier.

Volunteers

No volunteers are automatically covered under the Act. Volunteer fire departments and rescue squads are not automatically covered under the Act but may elect coverage.

Refer to the Workers' Compensation Division at www.labor.alabama.gov/wc/ for the most current rules, regulations, and forms.

Note: This information applies only to Alabama law. If additional states are to be covered, additional action may be necessary under the applicable state law.

Employee Leasing:

IMPORTANT: Before completing Professional Employer Organization (PEO) Arrangement applications, refer to NCCI's Residual Market Manual for Alabama rule, Professional Employer Organization (PEO) arrangements for more information. Obtain forms from NCCI.

PEO registration/license requirement: The state of Alabama requires the PEO to be registered with the state. PEO applicants will be asked to provide proof of PEO registration.

- All of the PEO's leased workers to clients under the state's WCIP must be secured under an MCP basis
- The client's policy covering its leased workers will be issued in the name and FEIN of the client in accordance with this rule and all other rules governing the issuance of a standard policy for assigned risk business
 - Direct workers of a client will not be included on the client's policy for its leased workers
- The PEO's policy covering its direct workers will be issued in the name and FEIN of the PEO in accordance with this rule and all other rules governing the issuance of a standard policy for assigned risk business under the WCIP
 - If the PEO has no direct workers in the state where its clients' coverage is being obtained, the PEO's policy will be issued with premium based on the use of Code 8810—Clerical Office Employees NOC on an "if any" basis

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| Submit Application via Regular Mail to: | NCCI Attn: Treasury Department PO Box 3045 Boca Raton, FL 33431 | Send Correspondence to: | NCCI Customer Service Center 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362 Phone: 800-622-4123 Fax: 561-893-1191 |
| Submit Application via Overnight Delivery to: | NCCI Attn: Treasury Department 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362 | | |