



Florida

January 1, 2018

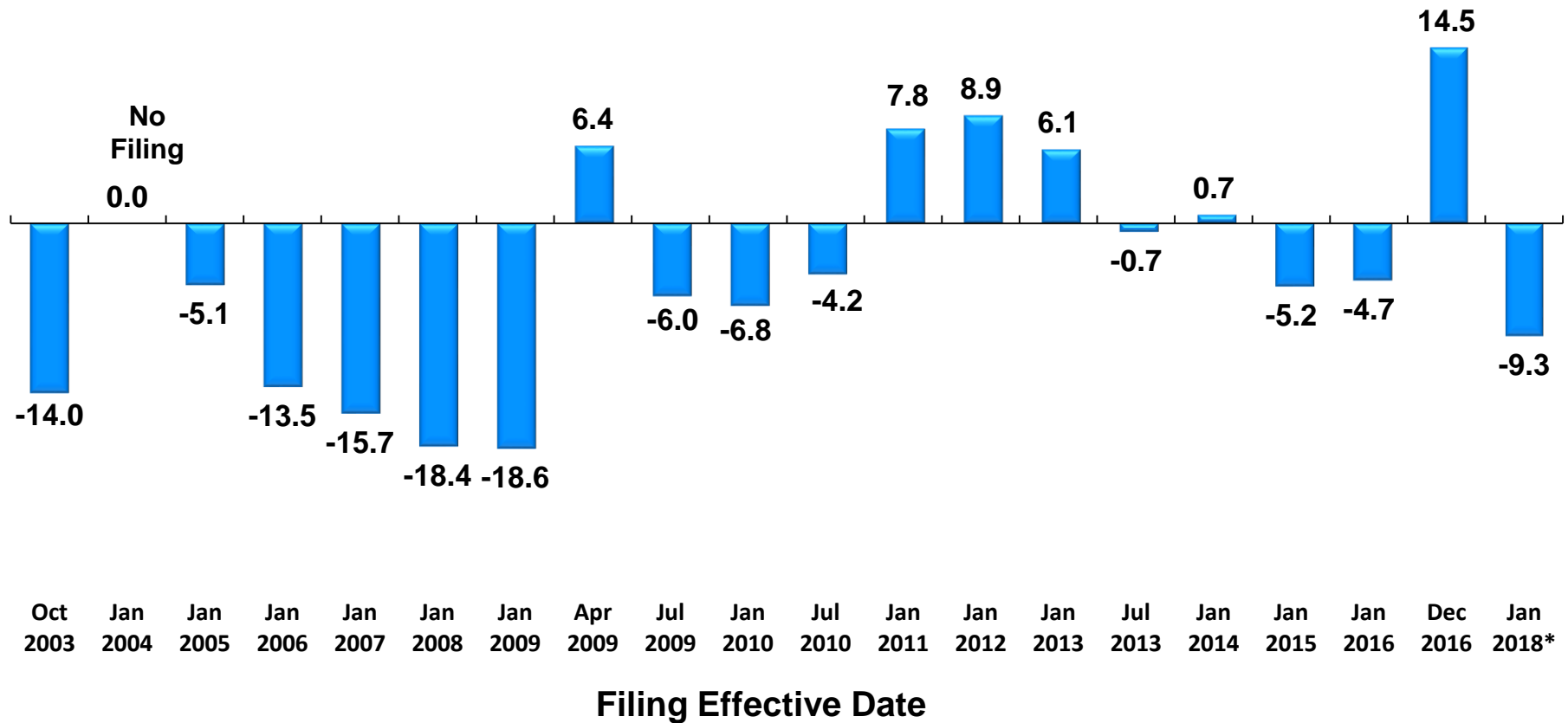
Workers Compensation Rate Filing Overview

Jeff Eddinger, FCAS, MAAA
Senior Division Executive
Regulatory Division

Florida's Historical Rate Level Changes (%)

Cumulative Change: -54.5%

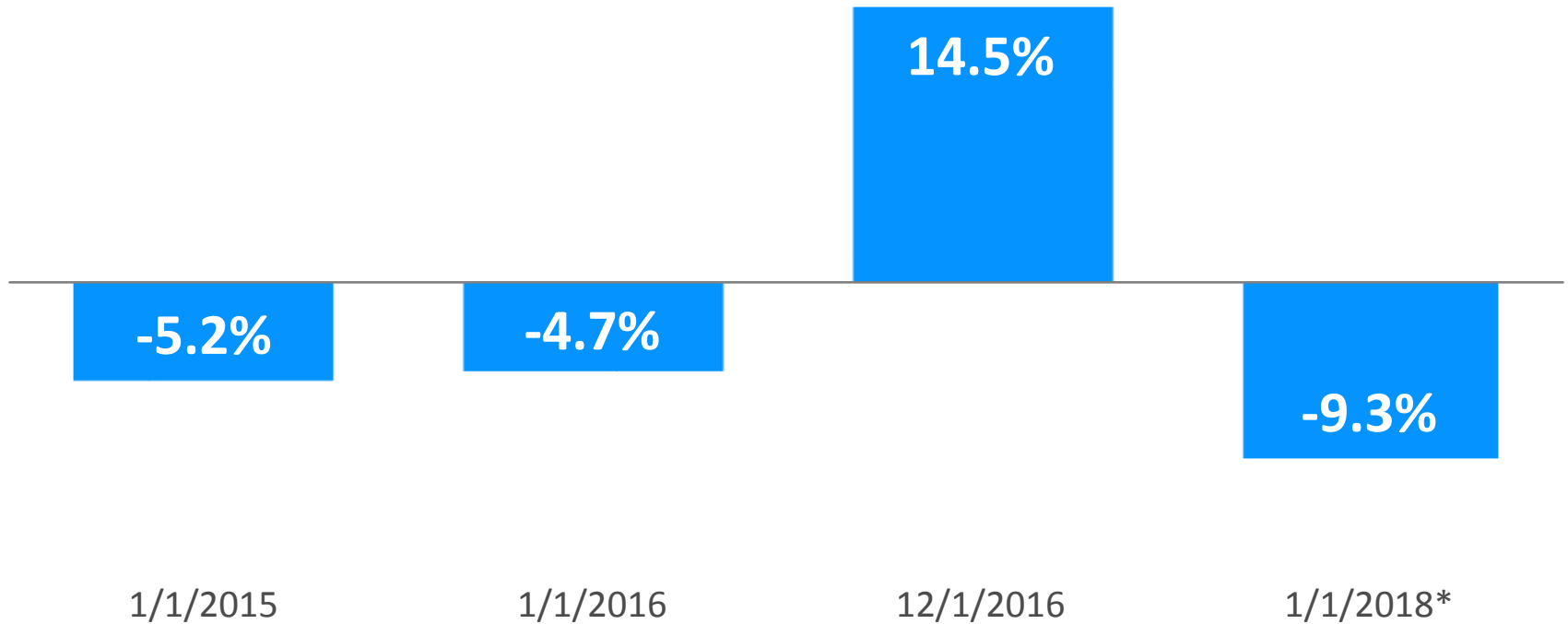
(Oct 2003 to Dec 2016)



* Pending

Florida Filing Activity

Voluntary Rate Changes



*Pending

2016 Filing Recap

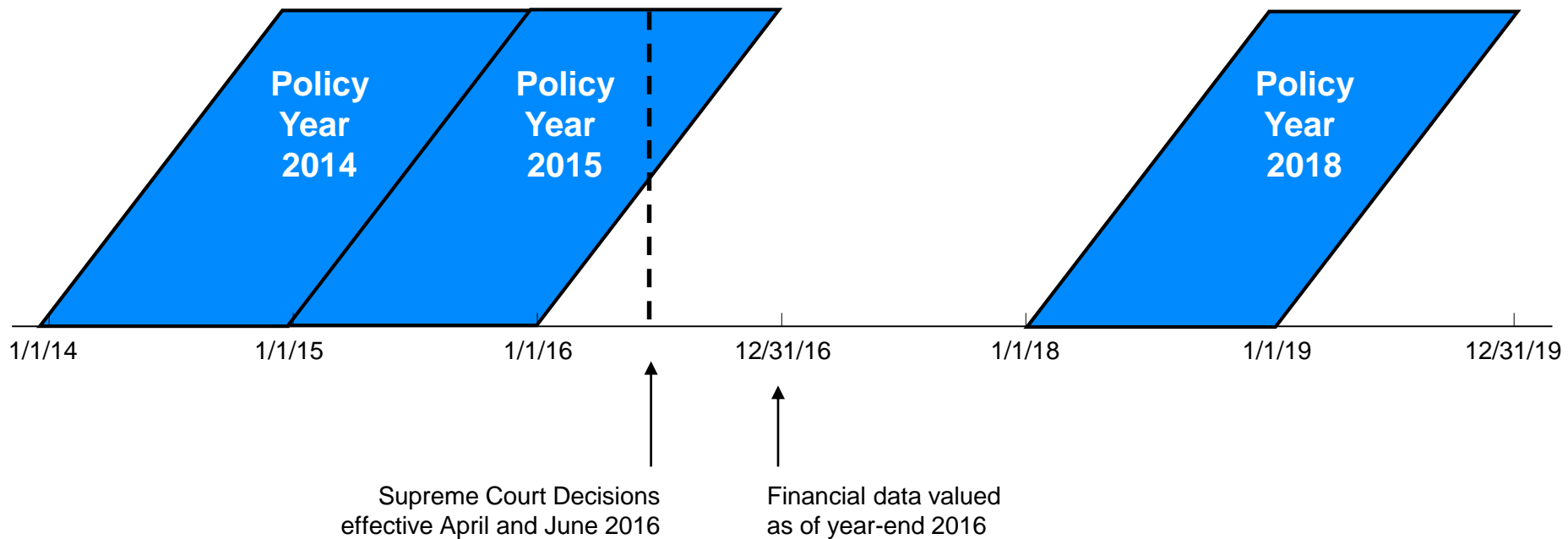
- April, 2016 – *Castellanos* supreme court case decided
- May, 2016 – NCCI makes initial rate filing
- June, 2016 – *Westphal* supreme court case decided
- July, 2016 – NCCI makes amended rate filing
- Court cases made retroactive changes to attorney fee and benefit levels
- “Law-Only” Filing addressed impact of court cases on prospective basis
- December 1, 2016 – 14.5% rate increase becomes effective
- Filing was appropriate and necessary to address the increase in future claim costs

1/1/2018 Proposed Filing

- Includes two new years of financial data experience
 - Policy Years 2014 & 2015
- Most recent data available
- For the most part, data is pre-*Castellanos*, pre-*Westphal*
- Experience shows a continued decrease in claim frequency
- Claim frequency is down more than 8% in last two years
- This is the major driver behind the proposed rate decrease

1/1/2018 Proposed Filing

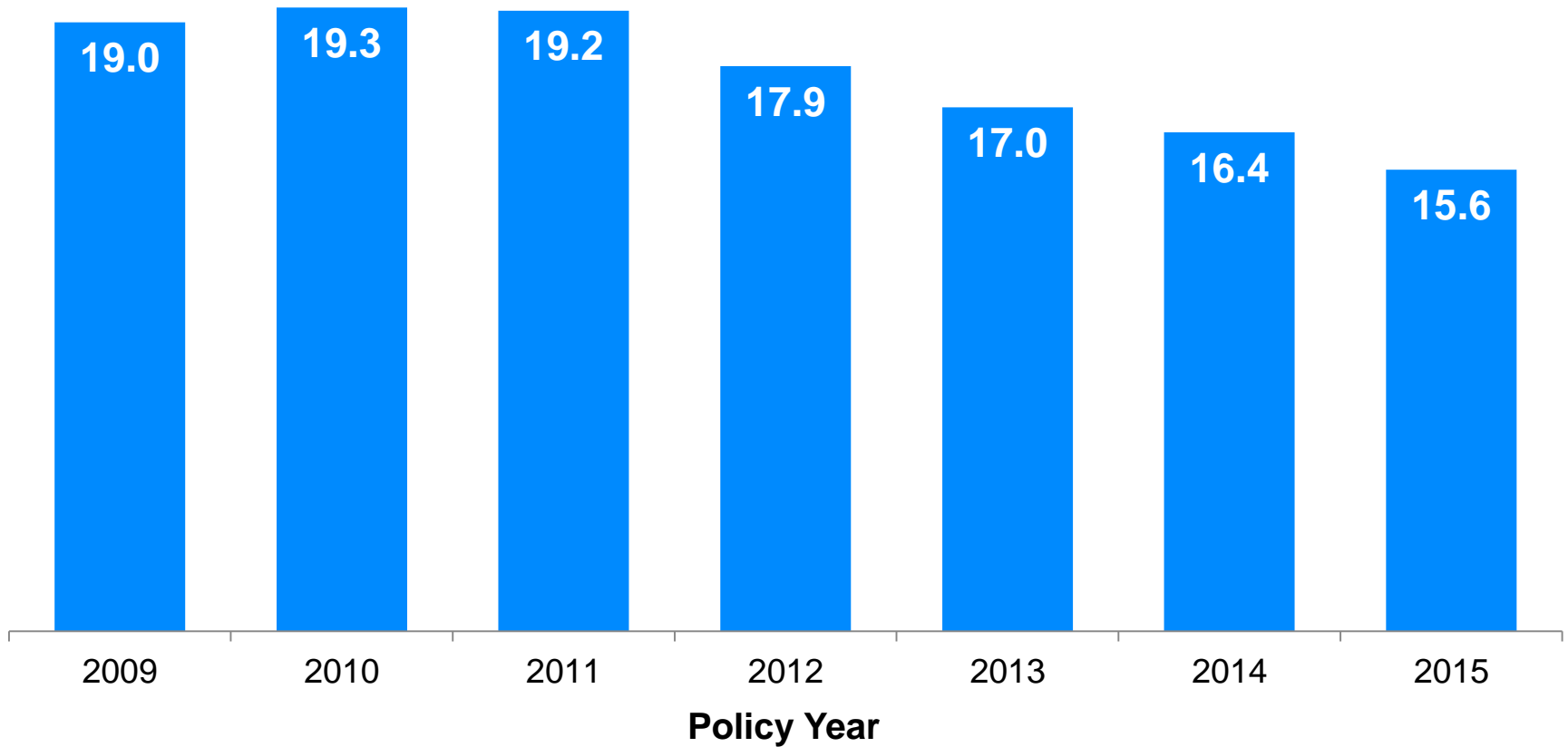
Financial data reflecting the *Castellanos* and *Westphal* decisions will likely emerge in Policy Years 2016 and 2017



Florida

Lost-Time Claim Frequency

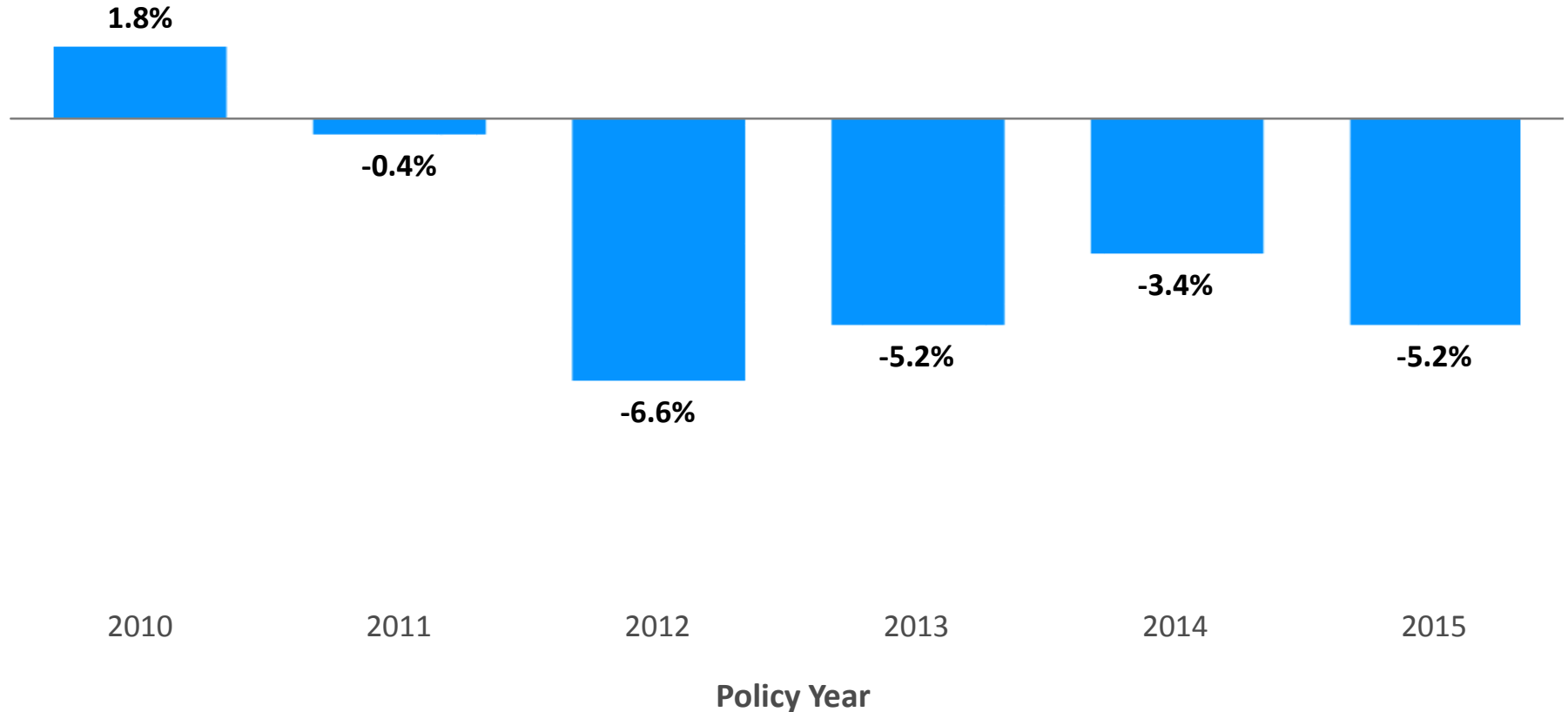
(Frequency per Million on On-Leveled, Wage-Adjusted Premium)



Based on NCCI's financial data

Florida WC Lost-Time Claim Frequency

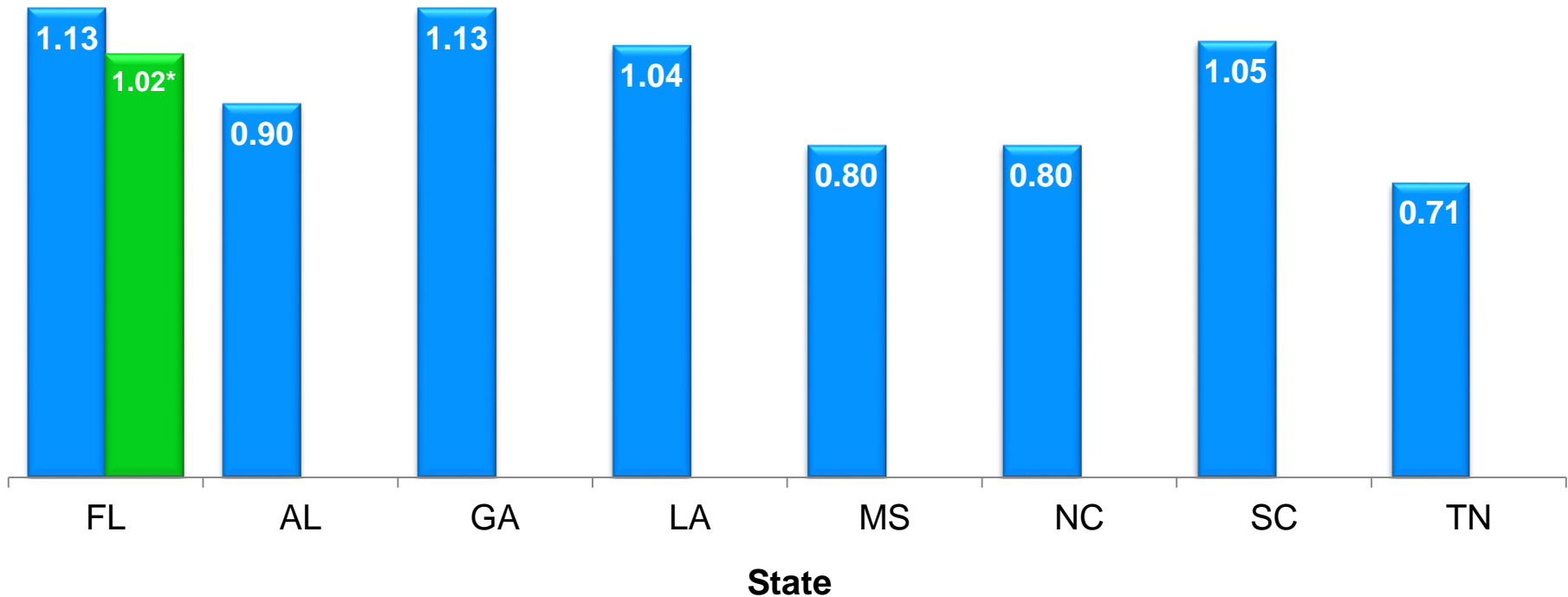
Percentage Change in Lost-Time Claims



Based on data through 12/31/2016, developed to ultimate, premium adjusted to a common wage level

Current Average Voluntary Pure Loss Costs (\$)

Pure Loss Cost Using Florida's Payroll Distribution—All Classes



* Pending

Based on the latest NCCI approved rates and loss costs in the various states

Florida's Oregon Ranking by Year

(1 is Highest Cost, 51 is Lowest Cost)

