



## 2013 Annual Issues Symposium

### Regulatory and Legislative Trends Workshop (Slides Presented)

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Practice Leader and Senior Actuary



property/casualty sustainability  
underwriting safety healthcare regulation  
legislation workforce trends profitability  
workers comp networking regulations

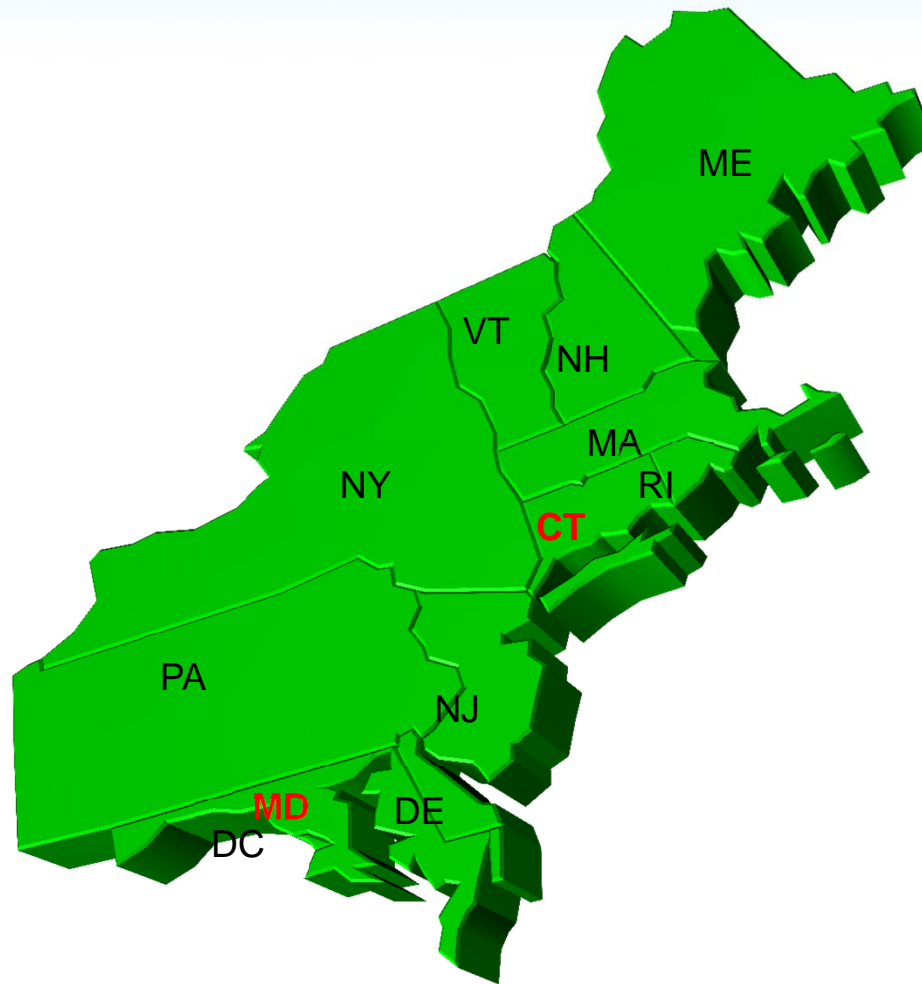
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**AIS**  
Annual Issues Symposium  
**2013**

# Countrywide Overview

- Medical cost containment initiatives predominate; fee schedules, physician-dispensed drug repackaging reimbursement limitations, and opioid drug abuse legislation
- First responder/firefighter/police officer expanded benefit compensability common
- New insurance commissioner appointments have abated
- Current filing cycle has seen considerably more filed loss cost increases than filed loss cost decreases
- New experience rating split point change is now effective with approved loss cost (rate) filings on or after 1/1/2013 and transitioning as proposed
- Initiating second phase of class ratemaking research

# Northeastern Zone



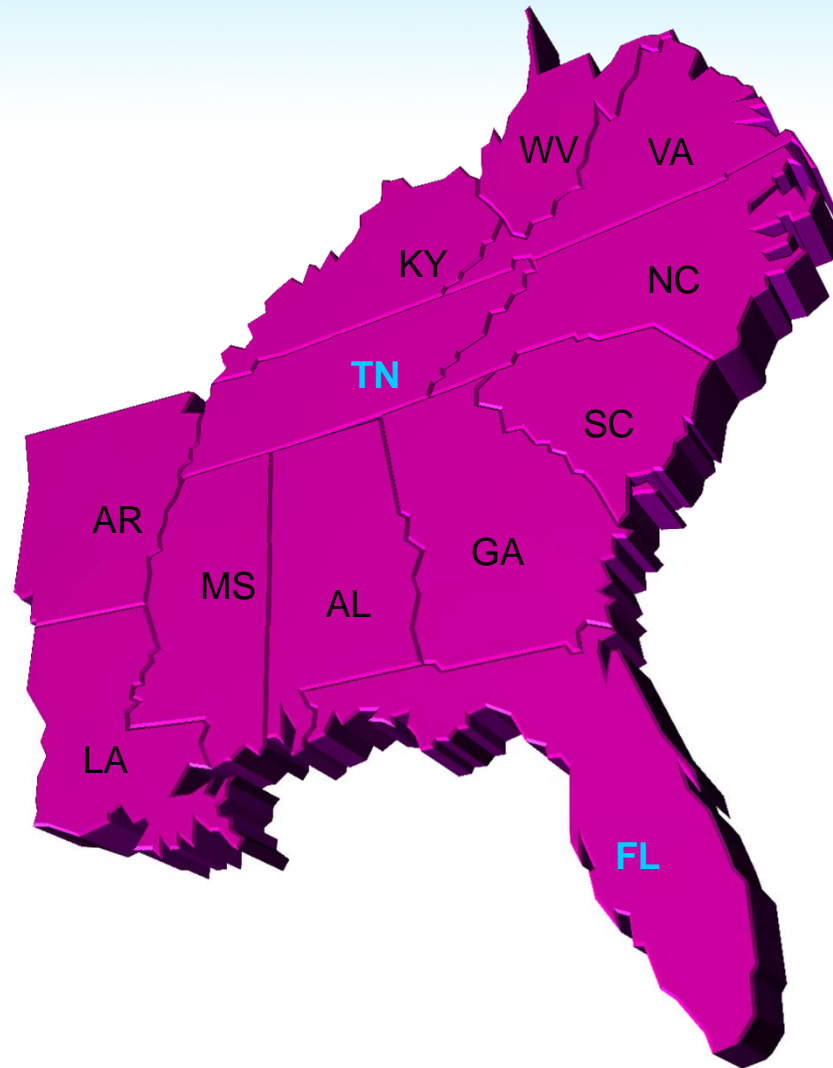
# Connecticut

- Democratic Legislature, Democratic Governor—Dan Malloy
- Insurance Commissioner—Thomas Leonardi
- WC Commission Chairman—John Mastropietro
- Sandy Hook Shootings—Produced legislative initiative to expand compensability for mental injuries—SSB 823
- Loss Costs
  - Filing Process—Administrative review with 30-day public comment period
  - Recent loss cost proposals approved as filed; challenges remain with residual market rates
  - State has experienced four consecutive loss cost increases
- Ranked #2 in the 2012 Oregon WC Premium Rate Ranking Summary

# Maryland

- Democratic Legislature, Democratic Governor—Martin O'Malley
- Insurance Commissioner—Therese Goldsmith
- Workers Compensation Commission Chairman—Karl Aumann
- State Fund privatization—SB 962
  - IWIF converted to private, non-profit mutual insurer
  - Name change—Chesapeake Employers' Insurance Co.
  - Insurance Department Study recommended Chesapeake be subject to MD's rating law and become member of NCCI
  - Legislation formally under consideration required Chesapeake to come under MD's rating law and affiliate with NCCI by 2019—likely to be seen again in 2014 legislative session
- Physician-dispensed repackaged drug reimbursement limitations—SB 914
- Loss costs
  - Filing Process—Administrative review with consulting actuary
  - State has experienced four consecutive loss cost increases
- Ranked #34 in the 2012 Oregon WC Premium Rate Ranking Summary

# Southeastern Zone



# Florida

- Republican Legislature, Republican Governor—Rick Scott
- Insurance Commissioner—Kevin McCarty, immediate past NAIC President
- Workers Compensation Director—Tanner Holloman
- Physician-dispensed repackaged drugs
  - A renewed effort to employ original manufacturers AWP and original national drug code resulted in a compromise bill this session—SB 662
  - System savings projected at -0.7%
- *Bradley Westphal v. The City of St. Petersburg*
  - First District Court of Appeals found 104 TTD cap unconstitutional
  - Revived 260 week limitation
  - City of St. Petersburg, Attorney General, and insurance/business trades requested rehearing of decision by the full District Court of Appeal; rehearing granted
  - System increase projected at +2.6%, if decision upheld
- Rates
  - Filing Process—Public hearing involving Consumer Advocate
  - State has experienced three consecutive rate increases
  - Potential law-only filing representing *Bradley Westphal v. The City of St. Petersburg* (only if decision holds)
- Ranked #29 in the 2012 Oregon WC Premium Rate Ranking Summary

# Impact of Split Point Change on Experience Modifications

Change in the Prior Mod	Typical Annual Mod Change <sup>1</sup>	Mod Change due to Split Point Change <sup>2</sup>	Expected Impact Split Point Change <sup>3</sup>
Decrease more than 15%	4.5%	0.1%	0.0%
Decrease 5% to 15%	8.5%	11.9%	11.5%
Within plus or minus 5%	74.7%	76.0%	75.4%
Increase 5% to 15%	7.2%	11.3%	11.9%
Increase more than 15%	5.1%	0.7%	1.2%
	100%	100%	100%

Based on 31 States

1. The change from one year's mod to the next year's mod due to updated loss experience and rating values.
2. Change from preliminary 2013 mod to actual 2013 mod (loss experience same, split point and rating values updated).
3. Based on rerating pre-2013 policies for the change in split point (keeping loss experience the same).



# Tennessee

- Republican Legislature, Republican Governor—Bill Haslem
- Insurance Commissioner—Julie McPeak
- Labor and Workforce Development Acting Commissioner—Burns Phillips
- Comprehensive Reform Package—SB 200
  - Moves to an independent administrative adjudicatory system
  - Governor appointed administrator
  - Replaces court-based system
  - Accompanying benefit adjustments and changing compensability standard
  - Effective 7/1/14
- Loss Costs
  - Filing Process—Presentation to WC Advisory Council involving multiple actuaries with recommendation provided to the Insurance Commissioner
  - LAE focus of recent loss cost filing reviews
  - Potential law-only filing representing SB 200 reforms
- Ranked #19 in the 2012 Oregon WC Premium Rate Ranking Summary

# Midwestern Zone



# Illinois

- Democratic Legislature, Democratic Governor—Pat Quinn
- Insurance Director—Andrew Boron
- WC Commission Chair—Michael Latz
- Creation of a competitive state fund—HB 2919
- Switch to man-hours as basis of premium—SB 2393
- Competitive bid for residual market plan administration
- Employers supporting strengthened injury causation standard—HB 1073
- Loss costs and advisory rates
  - Filing Process—Administrative review with consulting actuary
  - Recent loss costs and assigned risk filings approved as filed
  - Effect of 2011 reforms emerging
- Ranked 4th in the 2012 Oregon WC Premium Rate Ranking Summary

# Oklahoma

- Republican Legislature, Republican Governor—Mary Fallin
- Insurance Commissioner—John Doak
- WC Court Administrator—Michael Clingman
- Comprehensive reform package—SB 1062
  - Opt-out of WC system
  - Move to an administrative adjudicatory model
  - Benefit adjustments
- Mutualization of state fund (CompSource)—HB 2201
- Loss Costs
  - Filing Process—Administrative review with consulting actuary
  - CompSource data not employed in overall loss cost indication but employed in trend and class ratemaking
  - Potential law-only filing representing SB 1062 reforms
- Ranked 6th in the 2012 Oregon WC Premium Ranking Survey

# Class Ratemaking Research

- One-third of all classes are less than 10% credible\* and make up 0.1% of total payroll
  - On average, these classes have an indicated pure premium based on the experience from less than 3 policies
- Half of all classes are less than 25% credible and make up 1% of total payroll
- Almost 90% of classes limited by swing limits of  $\pm 25\%$  are less than 40% credible
- Research focus:
  - Credibility
  - Improve ratemaking for small classes

\*Credibility defined as the state indicated medical credibility

# Summary

- Current state legislative composition and external events are driving workers compensation legislation
- Medical cost containment issues continue to dominate state legislative agendas
- Split point changes are transitioning as intended and research has begun on small class code changes



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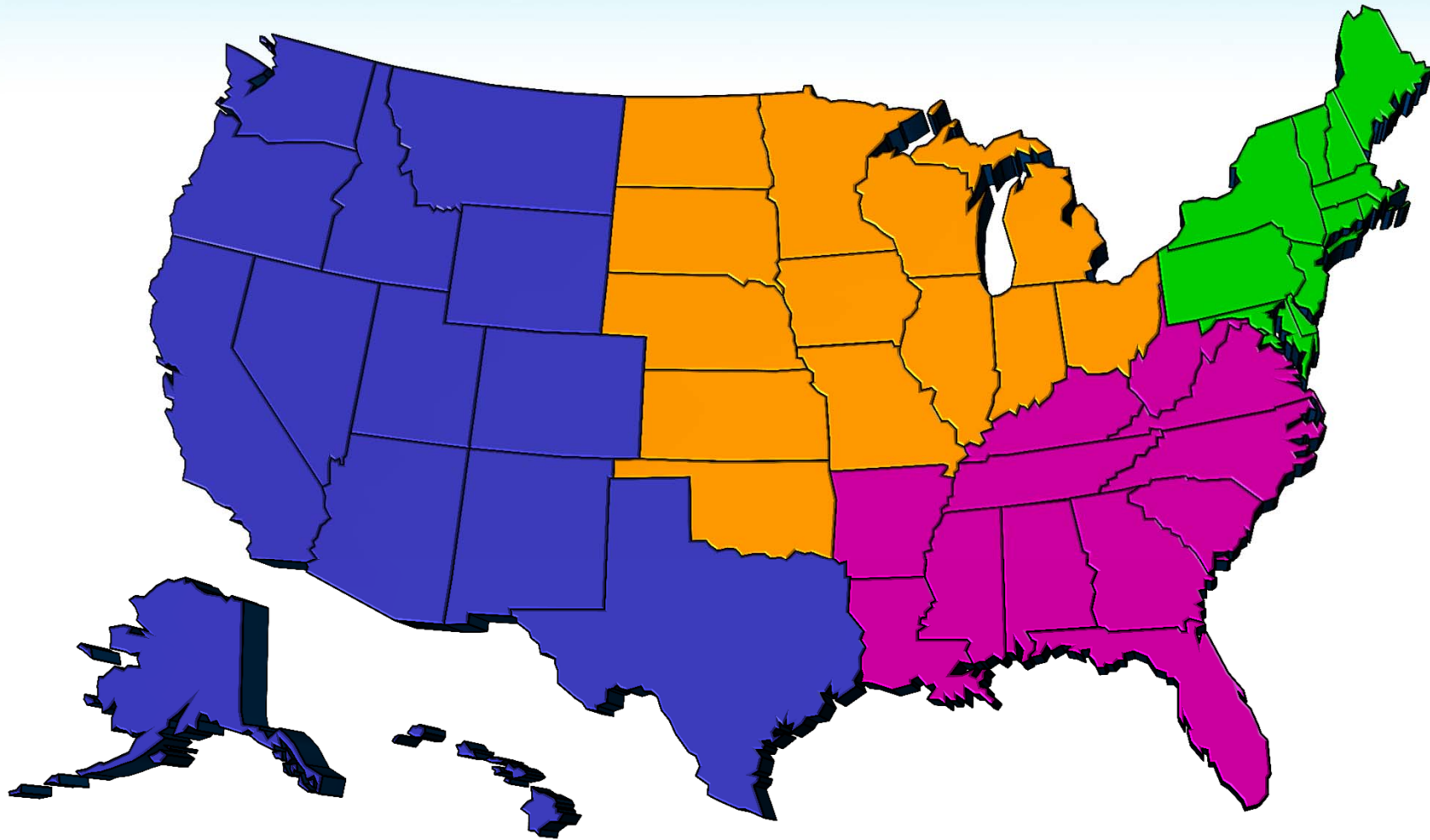
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# Countrywide Overview

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- First responder/firefighter/police officer expanded benefit compensability common
- New insurance commissioner appointments have slowed
- Current filing cycle has seen considerably more filed loss cost increases than filed loss cost decreases
- New experience rating split point change is now effective with approved loss cost (rate) filings on or after 1/1/2013 and transitioning as proposed
- Initiating second phase of class ratemaking research

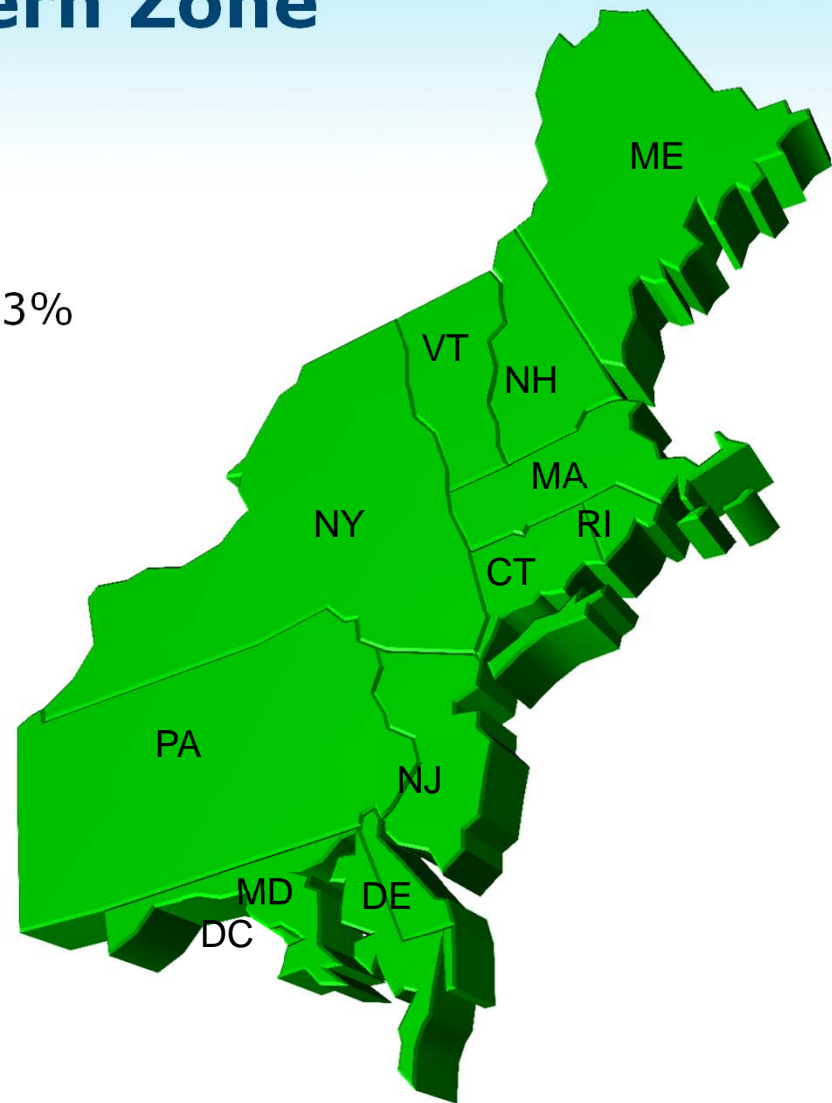


# NAIC Zones



# Northeastern Zone

- New Insurance Commissioners—VT
- New Labor Commissioner—NH
- Average approved loss cost change: +4.3%
- Average filed loss ratio trends:
  - Indemnity: -2%
  - Medical: 0%

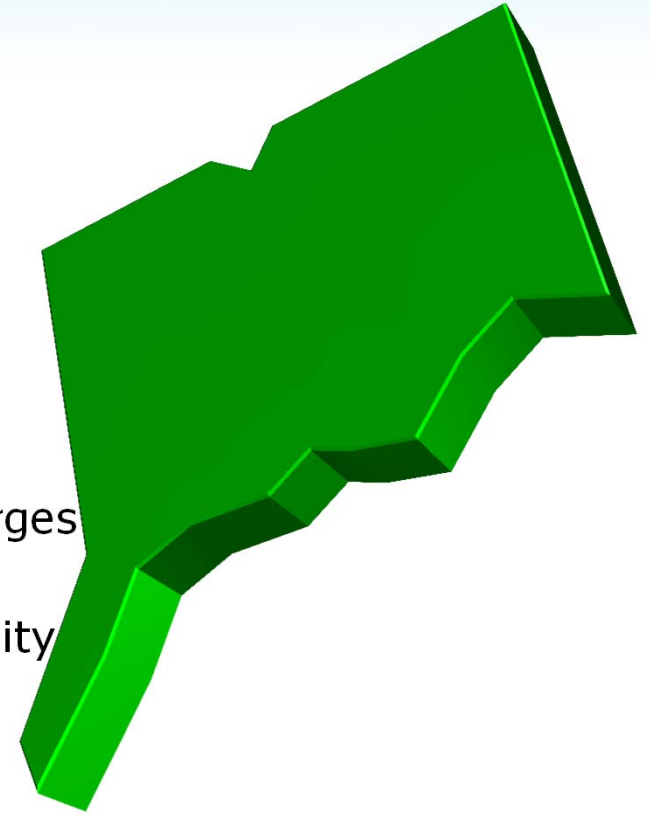


Loss ratio trends are in excess of wage changes  
NCCI states only (excludes DE, MA, NJ, NY, PA)

# Northeastern Zone

## Connecticut

- Loss Costs
- Filing Process—Administrative review with 30-day public comment period
- Democratic Legislature, Democratic Governor—Dan Malloy
- Insurance Commissioner—Thomas Leonardi
- WC Commission Chairman—John Mastropietro
- Regulatory
  - Appellate Court to hear contested hospital charges
- Legislation
  - SSB 823—Expands mental benefit compensability for individuals witnessing a worker death or maiming
  - SB 907—Additional requirements for disputing medical care
  - SB 1074—Determination of hospital charges
  - HB 6599—Sandy Hook Workers Assistance Fund



# Connecticut

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+7.1%	+7.1%	Approved as filed
01/01/12	+4.5%	+4.5%	Approved as filed
01/01/11	+5.8%	+5.8%	Approved as filed
01/01/10	+2.5%	+2.5%	Approved as filed
01/01/09	−1.4%	−1.4%	Approved as filed
01/01/08	+3.4%	+3.4%	Approved as filed
01/01/07	−0.9%	−0.9%	Approved as filed
01/01/06	+0.8%	+0.8%	Approved as filed
01/01/05	−0.3%	−0.3%	Approved as filed
01/01/04	−3.5%	−3.5%	Approved as filed

# Connecticut

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	+0.4%	+0.4%	Approved as filed
01/01/12	+2.9%	+2.4%	Disapproved change in uncollectible premium provision
01/01/11	+12.7%	+7.0%	Approved a lower uncollectible premium provision
01/01/10	+12.1%	+10.1%	Approved lower expense and uncollectible premium provisions
01/01/09	+1.6%	+1.2%	Approved a lower uncollectible premium provision
01/01/08	+1.2%	+1.2%	Approved as filed
01/01/07	-0.1%	-0.1%	Approved as filed
01/01/06	+1.7%	+2.0%	Disapproved full increase in maximum minimum premium

# Connecticut Assigned Risk Market

## Programs

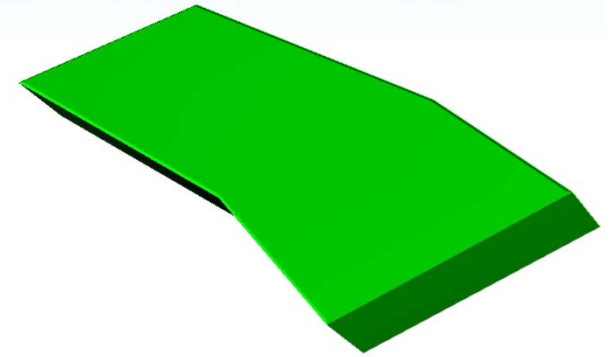
- Differential
- ARAP
- LSRP
- Reduced premium discounts
- Take-out credit

## Connecticut Assigned Risk Market Share

Calendar Year	Percentage
2012p	5.1%
2011	3.8%
2010	3.5%
2009	4.3%
2008	4.7%
2007	7.3%
2006	6.4%
2005	8.4%
2004	10.0%
2003	10.0%

p—preliminary

# Northeastern Zone District of Columbia



- Loss Costs
- Filing Process—Administrative review
- Democratic Council, Democratic Mayor—Vincent Gray
- Insurance Commissioner—William P. White
- Department of Employment Services Director—Lisa Maria Mallory
- Legislation
  - B 19-0616—EMS occupational disease presumptions



# District of Columbia

## History of Voluntary and Assigned Risk Changes

	Voluntary		Assigned Risk	
Effective Date	Filed	Approved	Filed	Approved
11/01/12	+0.4%	+0.4%	+0.1%	+0.1%
11/01/11	+6.2%	+6.2%	+4.3%	+4.3%
11/01/10	-5.3%	-5.3%	+3.1%	+3.1%
11/01/09	-3.3%	-3.3%	+1.1%	+1.1%
11/01/08	-14.4%	-14.4%	-15.8%	-15.8%
11/01/07	-7.6%	-7.6%	-10.6%	-10.6%
11/01/06	-7.9%	-7.9%	-5.8%	-5.8%
11/01/05	-3.6%	-3.6%	-3.6%	-3.6%
11/01/04	-1.8%	-1.8%	-1.7%	-1.7%
11/01/03	+0.8%	+0.8%	-1.5%	-1.5%

# District of Columbia Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Employer Safe Workplace Program

## District of Columbia Assigned Risk Market Share

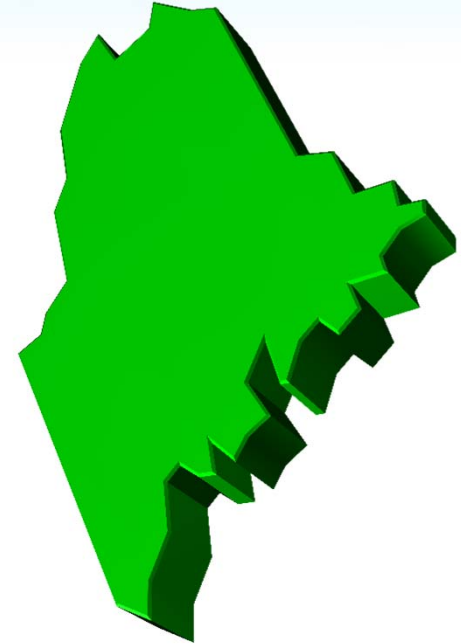
Calendar Year	Market Share
2012p	5.7%
2011	4.1%
2010	4.2%
2009	4.8%
2008	5.9%
2007	8.2%
2006	8.8%
2005	12.4%
2004	10.9%
2003	14.9%

p—preliminary

# Northeastern Zone

## Maine

- Loss Costs
- Filing Process—Administrative review
- Democratic Legislature, Republican Governor—Paul LePage
- Insurance Superintendent—Eric Cioppa
- WC Board Executive Director—Paul Sighinolfi
- Regulatory
  - Medical fee schedule update, effective 1/1/13
- Legislation
  - LD 235—Volunteer firefighter compensability
  - LD 443—Amendments to the WC Act repealing reforms of 2012
  - LD 444—Creates uninsured employers fund
  - LD 1376—Choice of pharmacy for injured employees



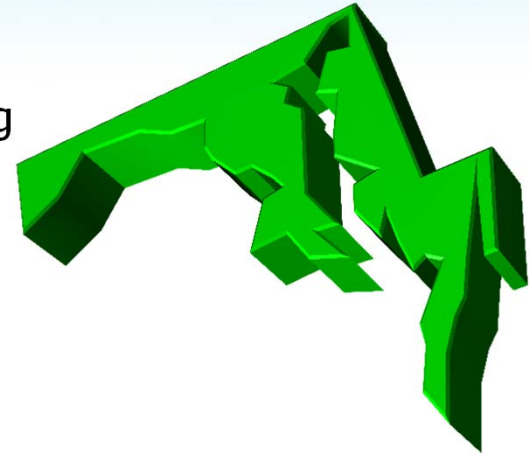
# Maine

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
04/01/13	+ 3.9%	+ 3.9%	Law-only filing originally effective 03/01/13
01/01/13	-1.8%	-1.8%	Approved as filed
01/01/12	-3.2%	-3.2%	Approved as filed
01/01/12	-3.8%	-3.8%	Law-only filing
01/01/11	+0.4%	+0.4%	Approved as filed
01/01/10	-7.0%	-7.0%	Approved as filed
01/01/09	-7.6%	-7.6%	Approved as filed
01/01/08	-2.2%	-2.2%	Approved as filed
01/01/06	+ 1.8%	+ 1.2%	Different tail development factor approved
01/01/05	+ 2.2%	+ 2.2%	Approved as filed

# Northeastern Zone Maryland

- Loss Costs
- Filing Process—Administrative review, with consulting actuary
- Democratic Legislature, Democratic Governor—Martin O'Malley
- Insurance Commissioner—Therese Goldsmith
- Workers Compensation Commission Chairman—Karl Aumann
- Legislation
  - SB 914—Physician-dispensed repackaged drug reimbursement limitations
  - SB 962—Transitioning Chesapeake Employers Insurance Company to a full NCCI affiliate and be subject to MD's rating law. May again be heard in 2014 legislative session.



# Maryland

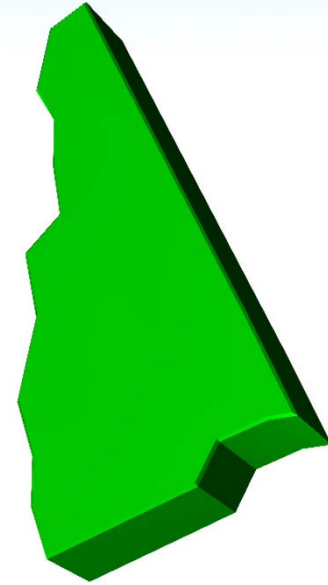
## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+3.8%	+3.8%	Approved as filed
01/01/12	+1.4%	+1.4%	Approved as filed
01/01/11	+5.7%	+5.7%	Approved as filed
01/01/10	+3.2%	+3.2%	Approved as filed
01/01/09	-5.4%	-5.4%	Approved as filed
01/01/08	-1.7%	-1.7%	Approved as filed
01/01/07	-5.2%	-5.2%	Approved as filed
01/01/06	+5.7%	+5.7%	Approved as filed
01/01/05	+3.4%	+3.4%	Approved as filed
01/01/04	-4.7%	-6.1%	Difference due to pricing of legislative change

# Northeastern Zone

## New Hampshire

- Loss Costs
- Filing Process—Informational hearing
- Republican Senate, Democratic House, Democratic Governor—Maggie Hassan
- Insurance Commissioner—Roger Sevigny
- Acting Labor Commissioner—Dave Wihby
- Legislation
  - SB 71—Establishes committee to study WC prescription drug usage
  - SB 95—Pharmacy fee schedule
  - SB 147—Generic drug requirements for pharmacies





# New Hampshire

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+0.6%	+0.6%	Approved as filed
01/01/12	+9.8%	+6.7%	Approved as amended for WC Administration Fund Assessment
01/01/11	-2.9%	-2.9%	Approved as filed
01/01/10	+0.4%	+0.4%	Approved as filed
01/01/09	-1.9%	-1.9%	Approved as filed
01/01/08	-2.8%	-2.8%	Approved as filed
01/01/07	-0.9%	-0.9%	Approved as filed
01/01/06	-3.9%	-3.9%	Approved as filed
01/01/05	+2.5%	+2.5%	Approved as filed
01/01/04	+0.5%	+0.5%	Approved as filed

# New Hampshire

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	−0.4%	−3.0%	SCA changed to reflect new bid result
01/01/12	+3.5%	+3.6%	Approved as amended for WC Administration Fund Assessment
01/01/11	+0.7%	+0.7%	Approved as filed
01/01/10	+2.2%	+0.4%	SCA changed to reflect new bid result. Differential was reduced.
01/01/09	−1.7%	−1.7%	Approved as filed
01/01/08	−3.3%	−3.0%	Expense constant disapproved
01/01/07	−1.4%	−0.6%	SCA changed to reflect new bid result
01/01/06	−5.4%	−4.6%	Allowed producer commissions to be paid on full assigned risk premium (including differential)

# New Hampshire Assigned Risk Market

## Pricing Programs

- Differential
- ARAP
- LSRP
- Premium discounts for risks with ex-mods 1.50 or less
- Take-out credit
- Safety incentive program

## New Hampshire Assigned Risk Market Share

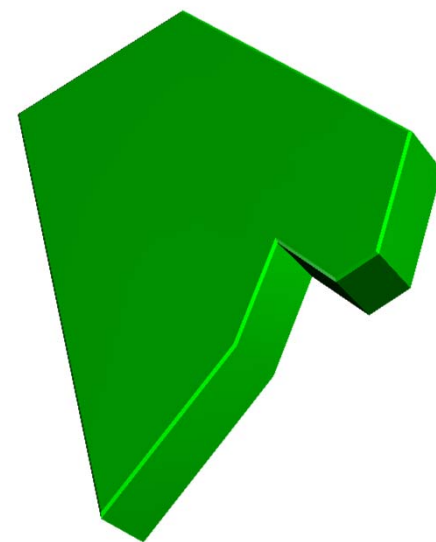
Calendar Year	Written Premium
2012p	8.1%
2011	6.7%
2010	5.1%
2009	5.9%
2008	7.2%
2007	9.6%
2006	12.9%
2005	14.0%
2004	16.9%
2003	16.3%

p—preliminary

# Northeastern Zone

## Rhode Island

- Loss Costs
- Filing Process—Administrative review with Attorney General and actuarial consultants
- Democratic Legislature, Independent Governor—Lincoln Chafee
- Insurance Superintendent—Joe Torti
- Dept. of Labor and Training Director—Charles Fogarty



# Rhode Island

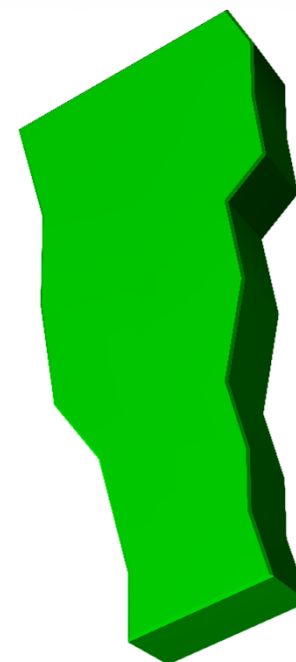
## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
07/01/13	+8.0%		Pending
07/01/12	+6.4%	+5.3%	Approved different LAE provision
06/01/11	+3.9%	+3.6%	Approved different LAE provision
06/01/10	+0.6%	-0.9%	Approved different loss development method
06/01/08	-6.3%	-7.2%	Approved lower medical trend factor
02/01/07	-3.7%	-7.3%	Approved different loss development and trend methods
01/01/06	-2.3%	-4.2%	Approved different loss development method
01/01/05	-18.3%	-20.2%	Approved different loss development and trend methods

# Northeastern Zone

## Vermont

- Loss Costs
- Filing Process—Administrative review with consulting actuary
- Democratic Legislature, Democratic Governor—Peter Shumlin
- Insurance Commissioner—Susan Donegan
- Labor Commissioner—Annie Noonan
- Legislation
  - S 85—Firefighter/rescue worker infectious disease compensability
  - SB 129—Liability for payments for discontinued temporary benefits
  - H 274—Various amendments to WC statutes



# Vermont

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
04/01/13	+5.4%	+4.1%	Approved as amended
04/01/12	+4.1%	+4.1%	Approved as filed
04/01/11	-2.6%	-2.6%	Approved as filed
04/01/10	-4.1%	-4.1%	Approved as filed
04/01/09	-13.0%	-13.0%	Approved as filed
04/01/08	-4.2%	-4.2%	Approved as filed
04/01/07	-0.6%	-0.6%	Approved as filed
04/01/06	+1.4%	+1.4%	Approved as filed
04/01/05	+6.8%	+6.5%	Commissioner's order
04/01/04	+15.1%	+10.3%	Commissioner's order



# Vermont

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
04/01/13	-1.9%	-3.1%	Approved as amended
04/01/12	+1.2%	+1.2%	Approved as filed
04/01/11	-2.3%	-4.3%	Approved a lower assigned risk differential
04/01/10	-1.0%	-2.9%	Approved a lower assigned risk differential
04/01/09	-9.6%	-9.6%	Approved as filed
04/01/08	-2.8%	-4.2%	Approved a lower underwriting contingency provision and increase in expenses
04/01/07	-4.0%	-7.6%	Approved a lower assigned risk differential
04/01/06	+1.0%	-2.6%	Approved a lower assigned risk differential
04/01/05	+9.2%	+8.9%	2.5% U/W contingency approved
04/01/04	+19.2%	+13.4%	Reflects change in merit rating

# Vermont Assigned Risk Market

## Pricing Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Merit rating

# Vermont

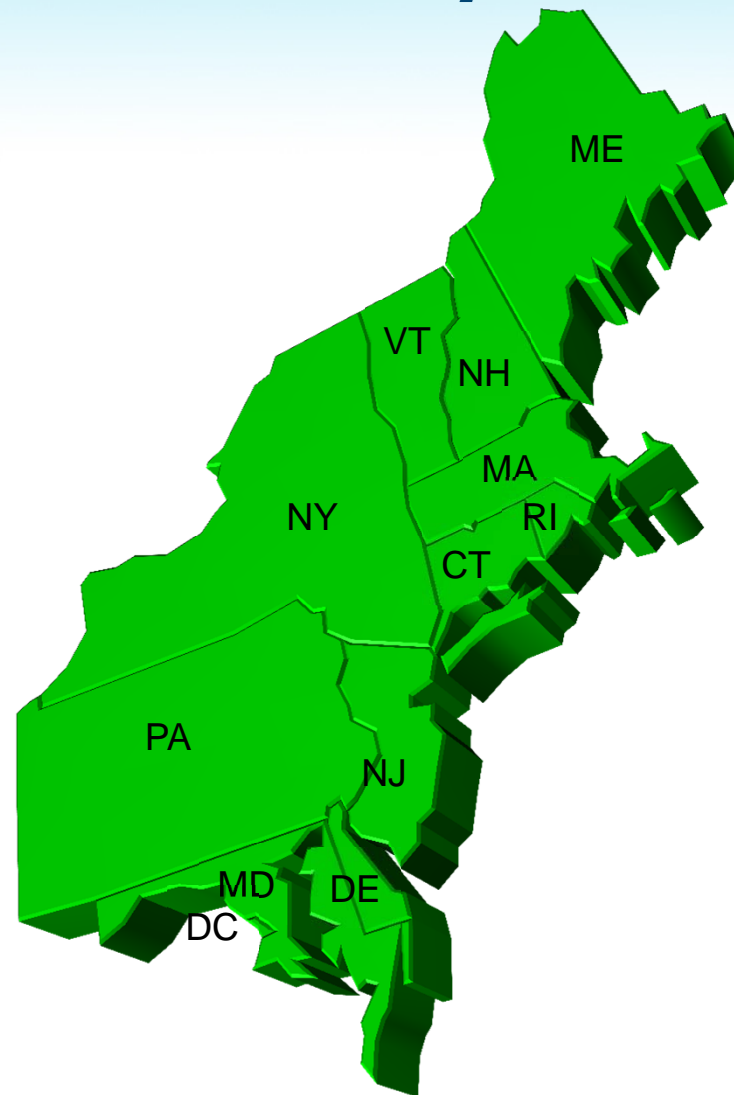
## Assigned Risk Market Share

Calendar Year	Market Share
2012p	8.5%
2011	6.8%
2010	6.1%
2009	5.7%
2008	6.7%
2007	7.8%
2006	8.5%
2005	11.6%
2004	16.8%
2003	18.5%

p—preliminary

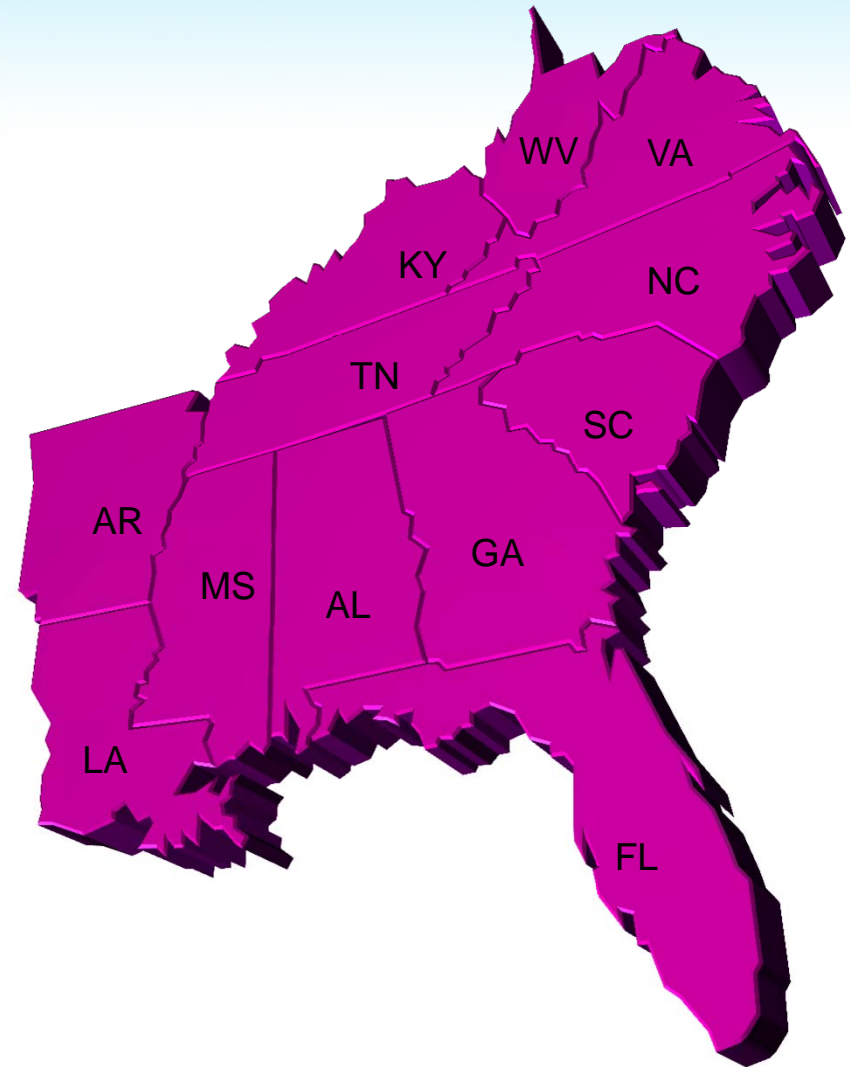
# Northeastern Zone Takeaways

- Zone experienced the highest overall loss cost increase of +4.3%
- Number of new insurance commissioners—VT
- Maine—Repeal of 2012 reforms
- Maryland—Chesapeake Employers' Insurance Co. conversion
- Connecticut—Sandy Hook legislation



# Southeastern Zone

- New Insurance Commissioners—SC
- New Workers Compensation Commissioners—GA, TN
- Average approved loss cost change: -0.3%
- Average filed loss ratio trends:
  - Indemnity: -2%
  - Medical: 0%

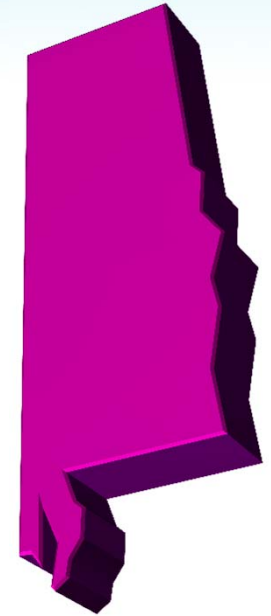


Loss ratio trends are in excess of wage changes

# Southeastern Zone

## Alabama

- Loss Costs
- Filing Process—Public hearing with consulting actuary
- Republican Legislature, Republican Governor—Robert Bentley
- Insurance Commissioner—Jim Ridling
- Labor Commission Director—Thomas Surtees
- Legislation
  - HB 150—Establishes controlled substance database
  - HB 461—Increases burial expense from \$3,000 to \$6,500



# Alabama

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
03/01/13	+4.8%	+4.8%	Approved as filed
03/01/12	−9.3%	−9.3%	Approved as filed
03/01/11	−12.4%	−12.4%	Approved as filed
03/01/10	−5.8%	−5.8%	Approved as filed
03/01/09	−2.3%	−2.3%	Approved as filed
03/01/08	−9.5%	−9.5%	Approved as filed
03/01/07	−5.5%	−5.5%	Approved as filed
03/01/06	+9.1%	+5.0%	Disapproved use of statewide data
03/01/05	−0.7%	−0.7%	Approved as filed
03/01/04	+5.2%	+5.2%	Approved as filed

# Alabama

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
03/01/13	+4.8%	+9.0%	Commissioner's order
03/01/12	-4.6%	0.0%	Commissioner's order
03/01/11	-8.0%	0.0%	Commissioner's order
03/01/10	-2.6%	-2.6%	Approved as filed
03/01/09	-2.3%	-2.3%	Approved as filed
03/01/08	-9.5%	-9.5%	Approved as filed
03/01/07	+1.1%	0.0%	Commissioner's order
03/01/06	+9.0%	+5.0%	Disapproved use of statewide data
03/01/05	-0.9%	-0.9%	Approved as filed
03/01/04	+5.2%	0.0%	SCA bid finalized after filing submitted



# Alabama Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Merit rating
- Drug-free workplace premium credit

# Alabama

## Assigned Risk Market Share

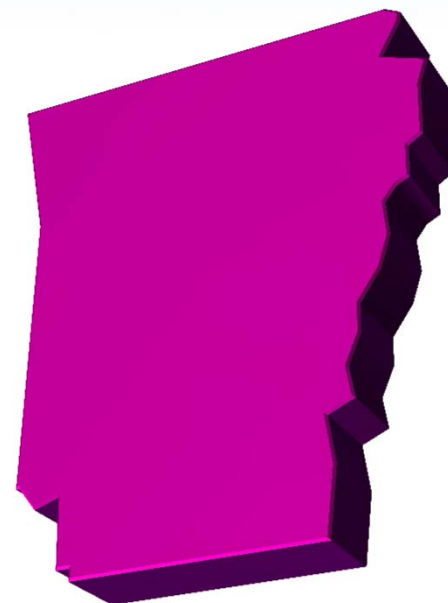
Calendar Year	Market Share
2012p	3.6%
2011	2.9%
2010	1.8%
2009	2.6%
2008	3.6%
2007	5.1%
2006	5.7%
2005	7.1%
2004	8.3%
2003	9.7%

p—preliminary

# Southeastern Zone

## Arkansas

- Loss Costs
- Filing Process—Administrative review
- Republican Legislature, Democratic Governor—Mike Beebe
- Insurance Commissioner—Jay Bradford
- WC Commission CEO—Alan McClain
- Judicial
  - *Lambert v. LQ*—Exclusive remedy
- Regulatory
  - 099.40—allows carrier premium auditing for verification of accurate premium tax
- Legislation
  - SB 515—Compensability; overturns case law, *Tyson Poultry vs. Norvaiz*
  - SB 589—Mental injury compensability for paid/volunteer emergency responders
  - HB 2253—Firefighter cancer presumptions



# Arkansas

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
07/01/13	-7.4%	-7.4%	Approved as filed
07/01/12	-4.1%	-4.1%	Approved as filed
07/01/11	-5.8%	-5.8%	Approved as filed
07/01/10	+1.9%	+1.9%	Approved as filed
07/01/09	-7.0%	-7.0%	Approved as filed
07/01/08	-12.8%	-12.8%	Approved as filed
01/01/08	+2.7%	+2.7%	Law-only filing
07/01/07	-5.4%	-5.4%	Approved as filed
07/01/06	-0.5%	-0.5%	Approved as filed
07/01/05	-1.5%	-1.5%	Approved as filed
07/01/04	+0.5%	+0.5%	Approved as filed

# Arkansas

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
07/01/13	−6.7%	−6.7%	Approved as filed
07/01/12	−4.8%	−4.8%	Approved as filed
07/01/11	−9.7%	−9.7%	Approved as filed
07/01/10	+4.5%	+4.5%	Approved as filed
07/01/09	−6.4%	−6.4%	Approved as filed
07/01/08	−13.8%	−13.8%	Approved as filed
01/01/08	+2.7%	+2.7%	Law-only filing
07/01/07	−6.8%	−6.8%	Approved as filed
07/01/06	−2.0%	−2.0%	Approved as filed
07/01/05	−2.8%	−2.8%	Approved as filed
07/01/04	+5.1%	+5.1%	Implemented 2.5% U/W contingency provision

# Arkansas Assigned Risk Market

## Programs

- Differential
- Removal of premium discounts
- Take-out credit
- Tabular Adjustment Program
- Merit rating
- Alternate preferred plan
- Alcohol- and drug-free workplace credit

# Arkansas

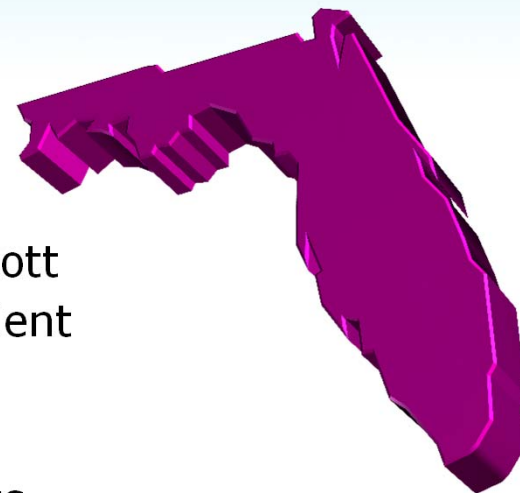
## Assigned Risk Market Share

Calendar Year	Market Share
2012p	8.5%
2011	5.4%
2010	4.8%
2009	4.5%
2008	5.3%
2007	6.6%
2006	8.5%
2005	8.5%
2004	11.5%
2003	11.3%

p—preliminary

# Southeastern Zone

## Florida



- Rates
- Filing Process—Public hearing involving Consumer Advocate
- Republican Legislature, Republican Governor—Rick Scott
- Insurance Commissioner—Kevin McCarty, NAIC President
- Workers Compensation Director—Tanner Holloman
- Judicial
  - *Bradley Westphal vs. City of St. Petersburg* targets total temporary disability benefits cap – +2.6% estimated overall system increase, if decision upheld (not final, rehearing by full District Court of Appeals)
- Legislation
  - SB 662—Physician-dispensed repackaged drug limitations
  - SB 810—Wrap-up policies deductible provisions
  - HB 635—Retrospective Rating Plan negotiation provisions



# Florida

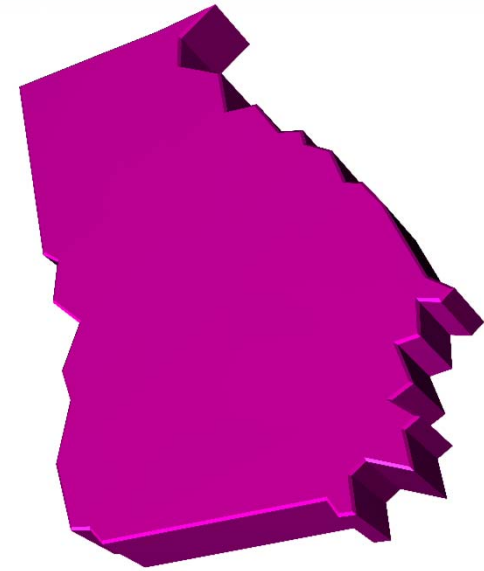
## History of Voluntary Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	+6.1%	+6.1%	Approved as amended
01/01/12	+8.9%	+8.9%	Approved as filed
01/01/11	+8.3%	+7.8%	Approved different trend
07/01/10	-4.2%	-4.2%	Reduction in SDTF assessment
01/01/10	-6.8%	-6.8%	Approved as filed
01/01/09	-14.1%	-18.6%	Approved different trend and U/W contingency provision
01/01/08	-16.5%	-18.4%	Approved different trend and U/W contingency provision
01/01/07	-13.3%	-15.7%	Approved different trend and loss development methods
01/01/06	-7.2%	-13.5%	Approved different trend and loss development methods

# Southeastern Zone

## Georgia

- Loss Costs
- Filing Process—Administrative review
- Insurance Commissioner—Ralph Hudgens
- WC State Board Chairman—Frank R. McKay  
Republican Legislature, Republican Governor—  
Nathan Deal
- Legislation
  - HB 154—Limits medical benefits to 400 week,  
except for catastrophic injuries, increases TTD  
and TPD benefits
  - HB 178—Licensing of pain clinics having  
physician ownership



# Georgia

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
03/01/13	-2.4%	-2.4%	Approved as filed
03/01/12	+2.9%	+2.9%	Approved as filed
03/01/11	-3.7%	-3.7%	Approved as filed
07/01/09	-7.9%	-7.9%	Approved as filed
05/01/08	+11.7%	+3.2%	Original effective date was 3/1/07. Amended per DOI directive.
07/01/07	+4.2%	+4.2%	Law-only filing to reflect impact of HB 424 and medical fee schedule change.
01/01/07	+5.1%	+4.0%	Original effective date was 7/1/06. Law-only filing to reflect impact of HB 200 and HB 1240. Difference due to Commissioner's factor.

# Georgia

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
03/01/13	0.0%	0.0%	Approved as filed
03/01/12	+6.8%	+6.8%	Approved as filed
03/01/11	+5.0%	+5.0%	Approved as filed
07/01/09	0.0%	+1.5%	Commissioner's order
05/01/08	+17.7%	+3.2%	Original effective date was 3/1/07. Amended per DOI directive.
07/01/07	+4.2%	+4.2%	Law-only filing
01/01/07	+3.0%	+1.9%	Original effective date was 7/1/06. Law-only filing to reflect impact of HB 200, HB 1240, and HB 407. Difference due to Commissioner's factor.
07/01/05	+1.9%	+5.4%	Original effective date was 12/1/04. Difference due to impact of HB 327 and the update to the physician fee schedule.

# Georgia Assigned Risk Market

## Programs

- Differential
- LSRP
- Removal of premium discounts
- Take-out credit
- Merit rating
- Drug-free workplace premium credit
- Three-tier rating program
- Put-in debit program

# Georgia

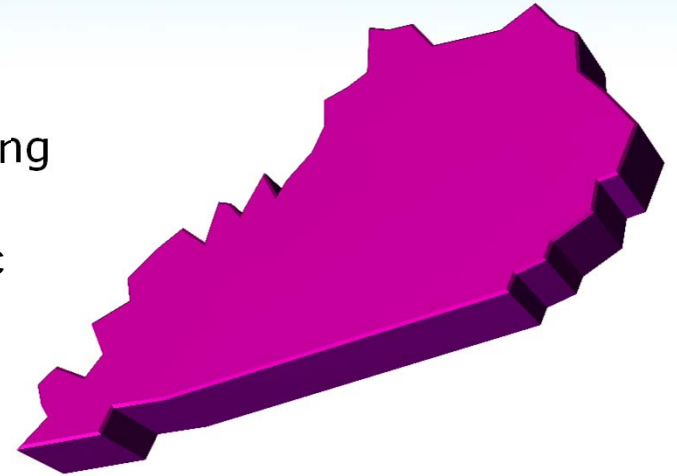
## Assigned Risk Market Shares

Calendar Year	Market Share
2012p	5.0%
2011	5.1%
2010	3.5%
2009	3.4%
2008	4.5%
2007	6.1%
2006	6.5%
2005	7.7%
2004	8.7%
2003	8.7%

p—preliminary

# Southeastern Zone Kentucky

- Loss Costs
- Filing Process—Administrative review with consulting actuary
- Republican Senate, Democratic House, Democratic Governor—Steve Beshear
- Insurance Commissioner—Sharon Clark
- Workers' Claims Commissioner—Dwight Lovan
- Regulatory
  - KY 1.10.2013 establishes system for Schedule II, III, and IV controlled substances monitoring



# Kentucky

## History of Voluntary Loss Cost Changes

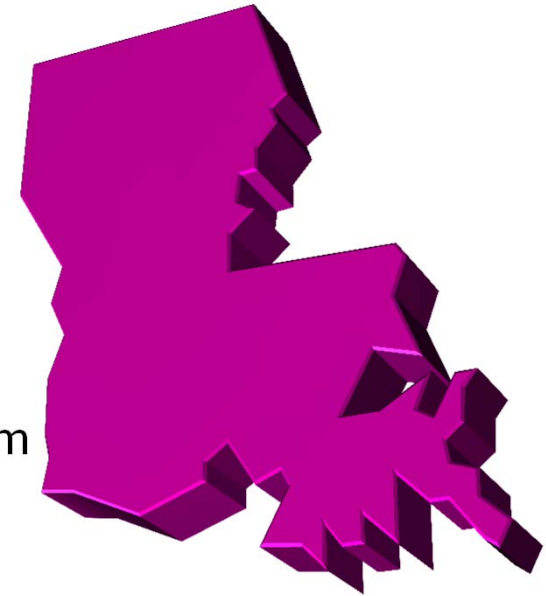
Effective Date	Filed	Approved	Comments
10/01/12	-7.9%	-7.9%	Approved as filed
10/01/11	-7.5%	-7.5%	Approved as filed
10/01/10	-10.3%	-10.3%	Approved as filed
07/01/10	+0.6%	+0.6%	Filing only impacts coal mine classifications
10/01/09	-6.4%	-6.4%	Approved as filed
10/01/08	-5.1%	-5.1%	Approved as filed
10/01/07	-6.1%	-6.1%	Approved as filed
10/01/06	-9.3%	-9.3%	Approved as filed
02/15/06	+2.6%	+2.6%	Law-only medical fee schedule
10/01/05	+3.7%	+3.7%	Approved as filed



# Southeastern Zone

## Louisiana

- Loss Costs
- Filing Process—Administrative review
- Republican Legislature, Republican Governor—Bobby Jindal
- Insurance Commissioner—Jim Donelon
- WC Commissioner—Wes Hataway
- Regulatory
  - Updates to medical fee schedule
- Legislation
  - HB 355—Amends prescription monitoring system
  - HB 410—Amends SIF sunset from 12/31/14 to 12/31/19



# Louisiana

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
05/01/13	+2.5%	+2.5%	Approved as filed
05/01/12	+6.0%	+6.0%	Approved as filed
05/01/11	+4.2%	+4.2%	Approved as filed
05/01/10	−4.3%	−4.3%	Approved as filed
05/01/09	−17.4%	−17.4%	Approved as filed
05/01/08	−8.6%	−8.6%	Approved as filed
05/01/07	−13.8%	−15.8%	Commissioner's order
05/01/06	−0.6%	−0.6%	Approved as filed
05/01/05	+2.3%	+2.3%	Approved as filed
05/01/04	−1.9%	−1.9%	Approved as filed

# Southeastern Zone Mississippi

- Loss Costs
- Filing Process—Administrative review with consulting actuary
- Republican Legislature, Republican Governor—Phil Bryant
- Insurance Commissioner—Mike Chaney
- WC Commission Chairman—Liles Williams
- Legislation
  - SB 2873—Provides additional funding for SIF



# Mississippi

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
03/01/13	+4.1%	+4.1%	Approved as filed
03/01/12	+9.9%	+9.9%	Approved as filed
03/01/11	-9.8%	-9.8%	Approved as filed
03/01/10	-9.2%	-9.2%	Approved as filed
03/01/09	-13.0%	-13.0%	Approved as filed
03/01/08	-4.7%	-4.7%	Approved as filed
03/01/07	-1.5%	-1.5%	Approved as filed
03/01/06	-1.9%	-1.9%	Approved as filed
03/01/05	+0.6%	+0.6%	Approved as filed
03/01/04	+7.2%	+7.2%	Approved as filed

# Mississippi

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
03/01/13	+4.1%	+4.1%	Approved as filed
03/01/12	+9.9%	+9.9%	Approved as filed
03/01/11	-7.8%	-7.8%	Approved as filed
03/01/10	+1.2%	+1.2%	Approved as filed
03/01/09	-13.0%	-13.0%	Approved as filed
03/01/08	-4.7%	-4.7%	Approved as filed
03/01/07	-1.2%	-1.2%	Approved as filed
03/01/06	-2.7%	-2.7%	Approved as filed
03/01/05	+3.8%	+1.0%	Assigned risk differential reduced from 66.5% to 62%
03/01/04	+4.7%	+4.7%	Approved as filed

# Mississippi Assigned Risk Market

## Programs

- Differential
- LSRP
- Removal of premium discounts
- Take-out credit
- Small employer loss-free credit

## Mississippi Assigned Risk Market Share\*

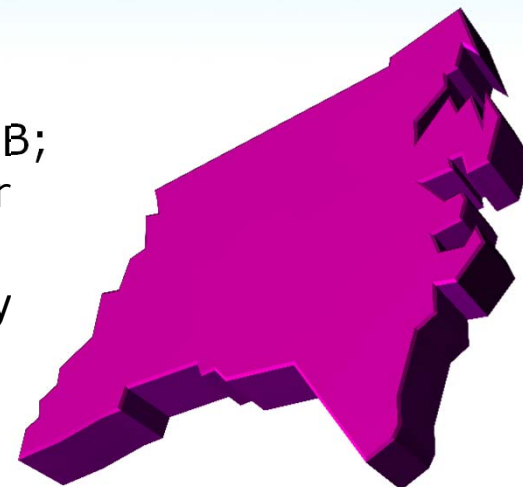
Calendar Year	Market Share
2012p	4.7%
2011	2.6%
2010	2.9%
2009	2.6%
2008	3.7%
2007	4.2%
2006	7.7%
2005	10.3%
2004	9.9%
2003	11.6%

\*Effective 1/1/93, reinsurance is no longer provided through the National Workers Compensation Reinsurance Pool/Association administered by NCCI.

# Southeastern Zone

## North Carolina

- Loss Costs
- Filing Process—NCCI prepares loss cost indication for NCRB; NCRB makes final loss cost decision and forwards filing for administrative review and/or hearing
- Republican Legislature, Republican Governor—Pat McCrory
- Insurance Commissioner—Wayne Goodwin
- Industrial Commission Chair—Pamela Thorpe-Young
- Regulatory
  - Medical fee updates for several CPT codes
  - Hospital fee schedule updates, effective 2/1/13
- Legislation
  - S 44/S 51—Sharing of workers compensation statistical information with Industrial Commission and GBICC





# North Carolina

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved
04/01/13	-0.5%	-0.5%
04/01/12	No filing	No filing
04/01/11	+1.2%	+0.6%
04/01/10	-9.6%	-9.6%
04/01/09	-4.4%	-4.4%
04/01/08	+5.9%	+1.6%
04/01/07	+12.4%	+7.3%
04/01/06	+16.6%	+9.4%
04/01/05	+8.7%	+2.0%
04/01/04	+8.2%	-1.0%

# North Carolina

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved
04/01/13	+11.7%	+6.7%
04/01/12	No filing	No filing
04/01/11	+5.5%	+4.1%
04/01/10	+2.2%	+0.9%
04/01/09	-3.8%	-3.8%
04/01/08	+5.9%	+4.1%
04/01/07	+9.7%	+7.6%
04/01/06	+11.4%	+8.7%
04/01/05	+8.7%	+4.0%
04/01/04	+19.5%	+5.0%

# North Carolina Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit

# North Carolina Assigned Risk Market Shares

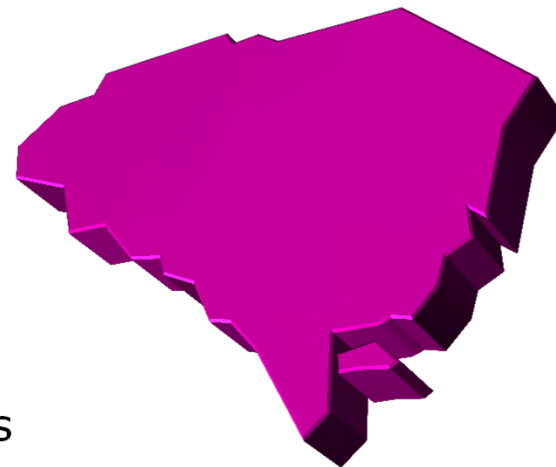
Calendar Year	Market Share
2012p	4.3%
2011	3.5%
2010	3.9%
2009	4.3%
2008	6.6%
2007	7.9%
2006	8.4%
2005	10.0%
2004	11.5%
2003	11.3%

p—preliminary

# Southeastern Zone

## South Carolina

- Loss costs
- Filing Process—Initial administrative review, contested hearing involving Consumer Advocate and multiple interveners may follow
- Republican Legislature, Republican Governor—Nikki Haley
- Insurance Director—Ray Farmer
- WC Commission Executive Director—Gary Cannon
- Regulatory
  - SIF closure 6/30/13, with \$255M in unpaid claims
  - R 4286—Requires mandatory mediation for PTD, occupational disease and mental/mental claims
- Legislation
  - S 350—Establishes screening committee for future insurance directors
  - HB 3147—Expands mental injury compensability for first responders and EMTs



# South Carolina

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
09/01/13	+1.1%	+1.1%	Approved as filed
09/01/12	+7.3%	+3.0%	Consent agreement
07/01/11	-3.7%	-3.7%	Approved as filed
07/01/10	-9.8%	-9.8%	Approved as filed
07/01/09	-0.3%	-0.3%	Approved as filed
07/01/08	+23.7%	+9.8%	Consent agreement
12/01/06	+32.9%	+18.4%	Difference due to judge's decision
07/01/04	+17.6%	+11.4%	Consent agreement
04/01/03	+20.3%	+17.5%	Consent agreement

# South Carolina

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
02/01/13		-10.1%	DOI issued rate order
07/01/08		+4.3%	DOI issued rate order
12/01/06		+18.4%	DOI issued rate order
02/15/05		+32.8%	DOI issued rate order
12/01/01	+0.5%	0.0%	Judge ordered no change

# South Carolina Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Drug- and alcohol-free workplace credit



## South Carolina Assigned Risk Market Shares

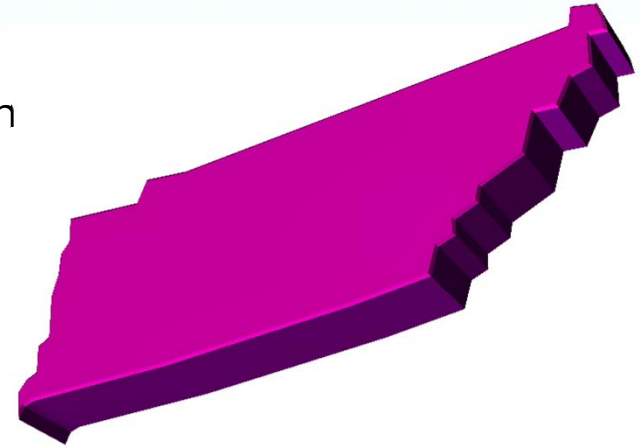
Calendar Year	Market Share
2012p	4.4%
2011	3.4%
2010	3.5%
2009	3.9%
2008	4.9%
2007	7.7%
2006	9.7%
2005	12.1%
2004	14.6%

p—preliminary

# Southeastern Zone

## Tennessee

- Loss Costs
- Filing Process—Presentation to Advisory Council involving multiple actuaries with recommendation provided to the Insurance Department
- Republican Legislature, Republican Governor—Bill Haslam
- Insurance Commissioner—Julie McPeak
- Labor and Workforce Development Acting Commissioner—Burns Phillips
- Regulatory
  - Electronic filing of injury reports
- Legislation
  - SB 200/HB 194—Comprehensive reform—moves to an administrative adjudicatory system, changes compensability standard, with benefit adjustments
  - SB 833/HB 551—Creates civil penalties and fines for construction firms misclassifying employees



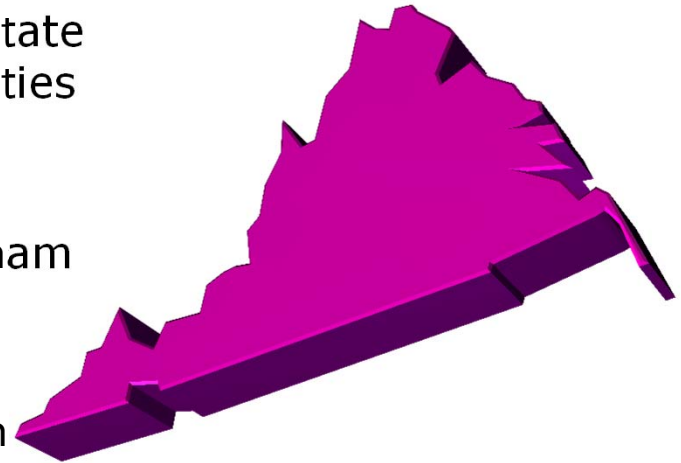
# Tennessee

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
03/01/13	+2.3%	+2.3%	Approved as filed
08/09/12	-5.1%	-5.1%	Law-only medical fee schedule
03/01/12	+1.6%	+0.4%	Commissioner's order
11/01/11	+6.3%	+6.3%	Law-only medical fee schedule
03/01/11	-5.1%	-5.1%	Approved as filed
03/01/10	-0.1%	-0.1%	Approved as filed
03/01/09	-3.1%	-3.1%	Approved as filed
07/01/08	-3.1%	-3.1%	Law-only medical fee schedule
03/01/08	-7.2%	-7.2%	Approved as filed
07/01/07	+2.4%	+2.4%	Law-only medical fee schedule
03/01/07	+1.4%	+1.4%	Approved as filed

# Southeastern Zone Virginia

- Loss Costs
- Filing Process—Contested hearing before the State Corporation Commission involving multiple parties
- Tied Senate, Republican House, Republic Governor—Bob McDonnell
- Insurance Commissioner—Jacqueline Cunningham
- Commission Chairman—Roger L. Williams
- Legislation
  - SB 896—Public safety officer compensation during certain weather conditions
  - HB 2174—Amends compensation awards



# Virginia

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
04/01/13	-5.7%	-5.7%	Approved as filed
04/01/12	+10.5%	+10.5%	Approved as filed
04/01/11	-12.4%	-12.4%	Approved as filed
07/15/10	+0.2%	+0.1%	Commissioner's order. Filing only impacts coal mine classifications.
04/01/10	+3.0%	+3.0%	Approved as filed
04/01/09	-1.4%	-1.4%	Approved as filed
04/01/08	+3.3%	+2.5%	Commissioner's order
04/01/07	-7.9%	-7.9%	Approved as filed
04/01/06	+8.7%	+9.9%	Approved alternative large loss procedure
04/01/05	+4.9%	+4.9%	Approved as filed

# Virginia

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
04/01/13	+7.3%	+7.3%	Approved as filed
04/01/12	+8.8%	+11.4%	Revised P&C provision
04/01/11	-14.1%	-15.1%	Revised P&C provision
07/15/10	+0.1%	+0.1%	Filing only impacts coal mine classifications
04/01/10	+1.1%	+3.5%	Commissioner's order
04/01/09	-5.0%	-5.0%	Approved as filed
04/01/08	+7.7%	+9.9%	Commissioner's order
04/01/07	-8.2%	-8.2%	Approved as filed
04/01/06	+1.5%	-2.9%	Approved alternative large loss procedure
04/01/05	+10.2%	+10.2%	Approved as filed

# Virginia Assigned Risk Market

## Programs

- Differential
- ARAP
- Removal of premium discounts
- Take-out credit
- Drug-free workplace premium credit

# Virginia

## Assigned Risk Market Share

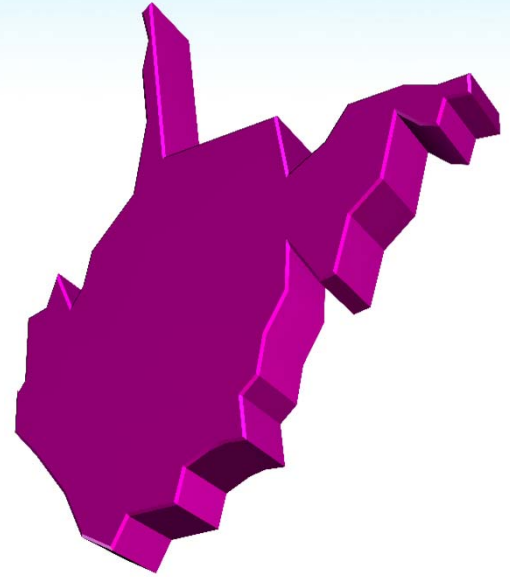
Calendar Year	Market Share
2012p	6.0%
2011	4.7%
2010	4.1%
2009	5.3%
2008	7.1%
2007	9.5%
2006	10.8%
2005	13.5%
2004	15.5%
2003	15.9%

p—preliminary



# Southeastern Zone West Virginia

- Loss Costs
- Filing Process—Administrative review
- Democratic Legislature, Democratic Governor—  
Earl Ray Tomblin
- Commissioner of the Offices of the Insurance  
Commissioner (includes workers compensation)—  
Michael D. Riley
- Legislation
  - SB 606/HB 3069—Attorney fees for certain medical  
treatment plans
  - HB 2543/2495—Clarifies special subsidy fund for  
volunteer fire company premiums—sent to interim  
study



# West Virginia

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
11/01/12	-7.6%	-7.6%	Approved as filed
11/01/11	-7.6%	-7.6%	Approved as filed
11/01/10	-5.8%	-5.8%	Approved as filed
11/01/09	-3.0%	-3.0%	Approved as filed
07/01/08	-1.2%	-1.2%	Approved as filed
07/01/07	-8.1%	-8.1%	Approved as filed
07/01/06	-16.2%	-13.9%	Tempered due to uncertainty in estimated class payroll distribution

Displayed voluntary loss cost changes for West Virginia for effective dates on or after 11/1/2009 exclude both underground coal mine and coal mine occupational pneumoconiosis.

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# West Virginia

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
11/01/12	-12.9%	-12.9%	Approved as filed
11/01/11	-11.4%	-11.4%	Approved as filed
11/01/10	+0.5%	+0.5%	Approved as filed
11/01/09	+3.7%	+3.7%	Approved as filed

All displayed assigned risk rate level changes for West Virginia exclude both underground coal mine and coal mine occupational pneumoconiosis.

# West Virginia Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit

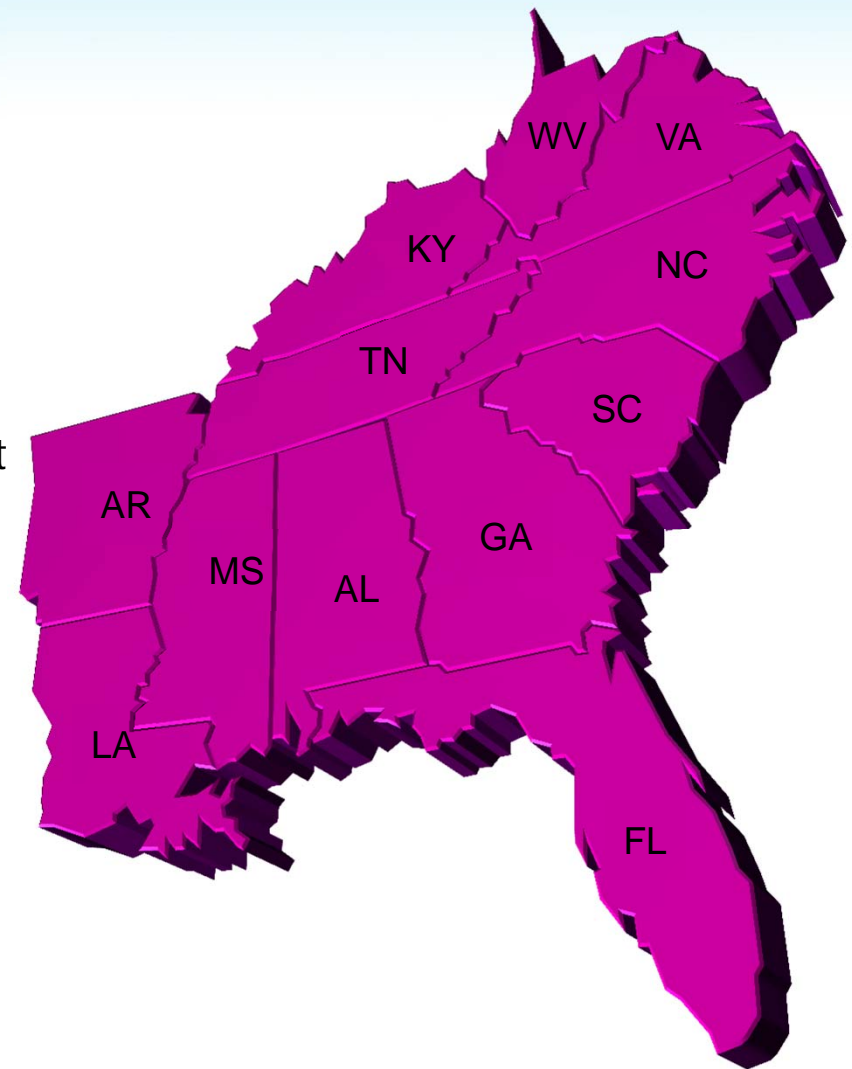
## West Virginia Assigned Risk Market Share

Calendar Year	Market Share
2012p	4.2%
2011	2.7%
2010	2.0%
2009	0.8%

p—preliminary

# Southeastern Zone Takeaways

- Zone experienced the lowest overall loss cost decrease of  $-0.3\%$
- FL—*Bradley Westphal vs. City of St. Petersburg* (pending rehearing)
- TN—SB 200 comprehensive reform
- GA—Limitation on medical treatment at 400 weeks



# Midwestern Zone

- New Commissioners—IA
- New Benefit Administrators—MO
- Average approved loss cost change: +0.3%
- Average filed loss ratio trends:
  - Indemnity: -1%
  - Medical: +1%



Loss ratio trends are in excess of wage changes  
NCCI states only (excludes MI, MN, ND, OH, WI)

# Midwestern Zone

## Illinois

- Loss Costs and Advisory Rates
- Filing Process—Administrative review with consulting actuary
- Democratic Legislature, Democratic Governor—Pat Quinn
- Insurance Director—Andrew Boron
- WC Commission Chair—Michael Latz
- Regulatory
  - Medical fee schedule update
- Legislation
  - SB 1873—Prohibits creation of new self-insured pools
  - SB 2339—Actuarial reporting by risk pools to DOI
  - SB 2393—Establishes work-hours vs. payroll as the basis of premium
  - HB 107—Amends causation standard
  - HB 2919—Creates a WC state fund





# Illinois

## History of Voluntary and Assigned Risk Changes

	Voluntary Filed and Approved		Assigned Risk Filed and Approved
Effective Date	Loss Costs	Rates	Rates
01/01/13	-3.5%	-3.8%	0.0%
01/01/12	+3.7%	+3.5%	+3.5%
09/01/11*	-8.8%	-8.8%	-8.8%
01/01/11	+0.4%	+1.5%	+4.1%
01/01/10	-0.1%	0.0%	+5.0%
04/01/09*	+2.5%	+2.5%	+2.5%
01/01/09	+3.8%	+3.5%	+3.5%
01/01/08	+1.6%	+4.0%	+4.0%
01/01/07	+2.0%	0.0%	0.0%

\*Law-only filing

# Illinois Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit

# Illinois

## Assigned Risk Market Share

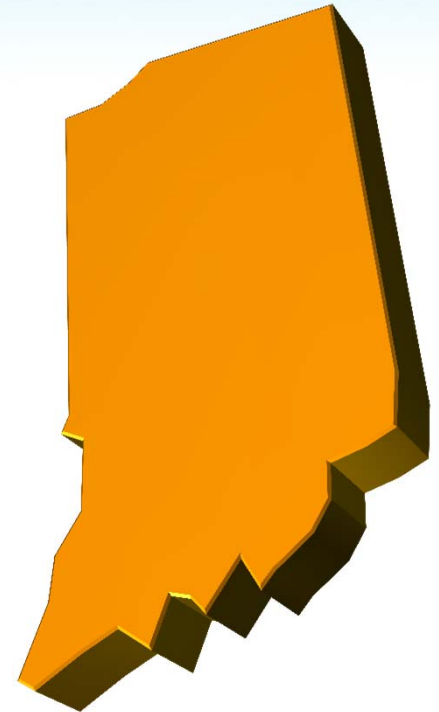
Calendar Year	Market Share
2012p	4.3%
2011	2.7%
2010	2.7%
2009	2.7%
2008	3.7%
2007	4.7%
2006	5.4%
2005	7.6%
2004	9.5%
2003	11.6%

p—preliminary

# Midwestern Zone

## Indiana

- Loss Costs and Advisory Rates
- Filing Process—NCCI prepares filing for ICRB, and ICRB submits to DOI for administrative review
- Republican Legislature, Republican Governor—Mike Pence
- Insurance Commissioner—Stephen Robertson
- WC Board Chair—Linda Hamilton
- Legislation
  - SB 246—Pain-management clinical ownership
  - HB 1320—Implements medical fee schedule and increases maximum weekly benefits—7/1/14



# Indiana

## History of Voluntary and Assigned Risk Changes

	Voluntary Filed and Approved		Assigned Risk Filed and Approved
Effective Date	Loss Costs	Rates	Rates
01/01/13	+4.3%	+5.0%	+5.0%
01/01/12	+2.3%	+2.6%	+2.6%
01/01/11	+1.2%	+1.7%	+1.7%
01/01/10	-0.8%	-1.7%	-1.7%
01/01/09	-2.4%	-3.4%	-3.4%
01/01/08	-0.2%	+0.4%	+0.4%
01/01/07	-3.4%	-3.1%	-3.1%
01/01/06	+2.1%	+1.9%	+1.9%
01/01/05	+2.4%	+3.2%	+3.2%

# Indiana Assigned Risk Market

## Programs

- Differential for portion of policies exceeding \$2,500
- LSRP
- Removal of premium discounts
- Take-out credit

# Indiana

## Assigned Risk Market Shares

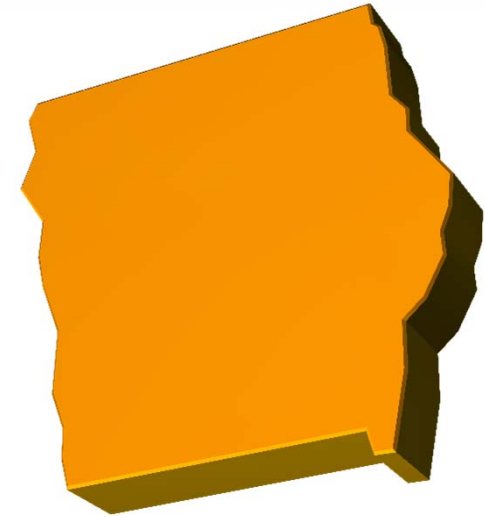
Calendar Year	Market Share
2012p*	6.3%
2011*	4.7%
2010*	4.0%
2009*	4.4%
2008*	4.6%
2007*	5.6%
2006*	6.4%
2005*	7.9%
2004	8.6%
2003	9.2%

\* Effective 1/1/05, reinsurance is no longer provided through the National Workers Compensation Reinsurance Pool/Association administered by NCCI.

# Midwestern Zone

## Iowa

- Rates
- Filing Process—Administrative review
- Democratic Senate, Republican House, Republican Governor—Terry Branstad
- Insurance Commissioner—Nick Gerhart
- WC Commissioner—Christopher Godfrey





# Iowa

## History of Voluntary Rate Changes

Effective Date	Filed	Approved	Comments
07/01/13	—	+3.8%	Remainder 01/01/13 approval
01/01/13	+7.9%	+3.9%	Approval split between 01/01/13 and 07/01/13
01/01/12	+4.4%	+4.4%	Approved as filed
01/01/11	+4.7%	+4.7%	Approved as filed
01/01/10	+2.3%	+2.3%	Approved as filed
01/01/09	−3.8%	−3.8%	Approved as filed
01/01/08	−0.3%	−0.3%	Approved as filed
01/01/07	+6.7%	+6.7%	Approved as filed
01/01/06	+1.8%	+1.8%	Approved as filed
01/01/05	−3.7%	−3.7%	Approved as filed

# Iowa

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
07/01/13	—	+3.8%	Remainder 01/01/13 approval
01/01/13	+7.9%	+3.9%	Approval split between 01/01/13 and 07/01/13
01/01/12	+4.4%	+4.4%	Approved as filed
01/01/11	+9.1%	+9.1%	Approved as filed
01/01/10	+2.3%	+2.3%	Approved as filed
01/01/09	−3.8%	−3.8%	Approved as filed
01/01/08	−0.3%	−0.3%	Approved as filed
01/01/07	+6.7%	+6.7%	Approved as filed
01/01/06	+1.8%	+1.8%	Approved as filed
01/01/05	−3.7%	−3.7%	Approved as filed

# Iowa Assigned Risk Market

## Programs

- Differential
- ARAP
- Removal of premium discounts
- Take-out credit

# Iowa

## Assigned Risk Market Share

Calendar Year	Market Share
2012p	5.0%
2011	4.1%
2010	3.3%
2009	4.4%
2008	5.4%
2007	4.9%
2006	6.2%
2005	8.4%
2004	10.7%
2003	11.2%

p—preliminary

# Midwestern Zone

## Kansas

- Loss Costs
- Filing process—Administrative review with consulting actuary
- Republican Legislature, Republican Governor—Sam Brownback
- Insurance Commissioner—Sandy Praeger
- WC Director—Larry Karnes
- Legislation
  - SB 187—Creates new committee charged with making ALJ nominations to the WC Division, moves *AMA Guides* for impairment from 4th to 6th Edition (1/1/2015) and changes notice of injury from 30 to 20 days



# Kansas

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+2.3%	+2.3%	Approved as filed
01/01/12	+1.7%	-0.5%	Commissioner's order
01/01/11	-2.6%	-2.6%	Approved as filed
01/01/10	-6.1%	-6.1%	Approved as filed
01/01/09	+0.4%	+0.4%	Approved as filed
01/01/08	+5.6%	+5.6%	Approved as filed
01/01/07	+2.8%	+1.5%	Voluntary-only calculation considered
01/01/06	-1.1%	-2.0%	Approved as amended
01/01/05	+1.7%	+1.7%	Approved as filed
01/01/04	+4.1%	+1.0%	Disapproved use of statewide data

# Kansas

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	+1.9%	+1.9%	Approved as filed
01/01/12	+5.3%*	+3.0%*	Surcharge replaced with differential
01/01/11	-0.3%	-0.3%	Approved as filed
01/01/10	-7.8%	-7.8%	Approved as filed
01/01/09	+0.0%	+0.0%	Approved as filed
01/01/08	+4.9%	+4.9%	Approved as filed
01/01/07	+0.9%	+1.1%	Approved as amended
01/01/06	+5.4%	+5.4%	Approved as filed
01/01/05	+0.4%	+0.4%	Approved as filed
01/01/04	+9.1%	+5.9%	Disapproved use of statewide data

\*These represent premium level changes.

# Kansas Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Loss-free policy premium credit
- Assigned risk safety seminar premium credit
- Assigned Risk Retro Rating Plan



# Kansas

## Assigned Risk Market Share

Calendar Year	Market Share
2012p	9.0%
2011	6.9%
2010	6.3%
2009	8.4%
2008	11.0%
2007	13.9%
2006	17.1%
2005	16.9%
2004	20.7%
2003	20.1%

p—preliminary

# Midwestern Zone

## Missouri

- Loss Costs
- Filing Process
  - NCCI proposes two sets of loss costs;  
DIFP performs independent actuarial review
- Republican Legislature, Democratic Governor—  
Jay Nixon
- Insurance Director—John Huff
- Acting Labor Commissioner—Julie Gibson
- Legislation
  - SB 1—Increases funding for Second Injury Fund,  
returns OD claims under the Workers Compensation  
Act, and provides rating flexibility
  - HB 404—Recognizes compensability for psychological  
stress for police officers
  - HB 430—Adjusts the amount of medical dollars to be  
used in experience modifications based on a percent of  
split point



# Missouri

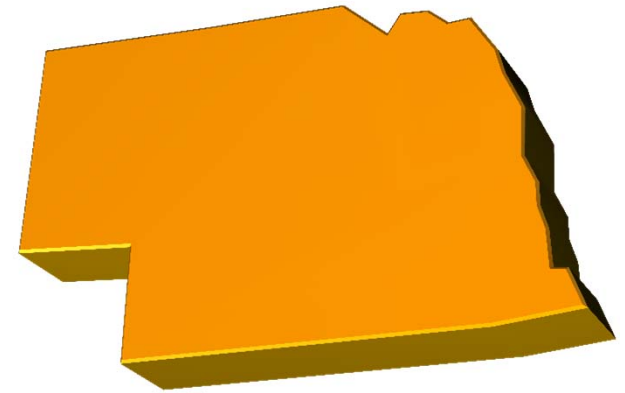
## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+2.1%	+2.1%	Available for use
01/01/12	-3.0%	-3.0%	Available for use
01/01/11	-4.4%	-4.4%	Available for use
01/01/10	-1.9%	-1.9%	Available for use
01/01/09	-7.7%	-7.7%	Available for use
01/01/08	-10.1%	-10.1%	Available for use
01/01/07	-0.7%	-0.7%	Available for use
01/01/06	0.0%	0.0%	Available for use
01/01/05	-1.3%	-1.3%	Available for use
01/01/04	-1.4%	-1.4%	Available for use

# Midwestern Zone

## Nebraska

- Loss Costs
- Filing Process—Administrative review
- Unicameral, Republican Governor—Dave Heineman
- Insurance Commissioner—Bruce Ramage
- WC Court Administrator—Glenn Morton
- Legislation
  - LB 297—Mental illness compensability for coroners
  - LB 302—Establishes annual adjustments for total disability injuries
  - LB 310—Redefines PTD awards for shoulder injuries



# Nebraska

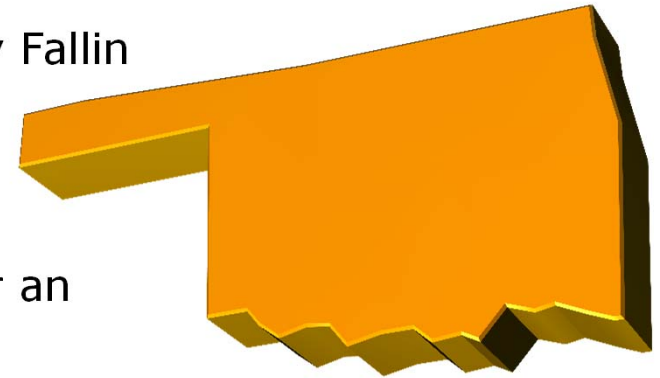
## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
02/01/13	+0.3%	+0.3%	Approved as filed
02/01/12	+4.9%	+4.9%	Approved as filed
02/01/11	-4.5%	-4.5%	Approved as filed
02/01/10	-3.2%	-3.2%	Approved as filed
02/01/09	-4.4%	-4.4%	Approved as filed
02/01/08	-3.9%	-4.0%	Revision of class codes
02/01/07	-3.8%	-3.8%	Approved as filed
02/01/06	+4.4%	+4.4%	Approved as filed
02/01/05	+4.9%	+4.9%	Approved as filed
02/01/04	+9.1%	+7.0%	Disapproved use of statewide data

# Midwestern Zone

## Oklahoma

- Loss Costs
- Filing process—Administrative review with consulting actuary
- Republican Legislature, Republican Governor—Mary Fallin
- Insurance Commissioner—John Doak
- WC Court Administrator—Michael Clingman
- Legislation
  - SB 598—Amends state constitution allowing for an appointed insurance commissioner
  - SB 1062—Comprehensive reform package; creates Workers Compensation Commission, allows eligible employers to opt out and amends benefits
  - HB 2201—Mutualization of competitive state fund (CompSource), creates CompSource Mutual



# Oklahoma

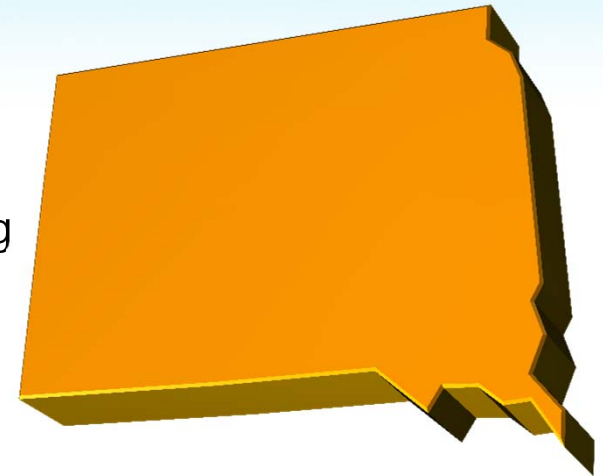
## History of Voluntary Loss Cost Changes\*

Effective Date	Filed	Approved	Comments
01/01/13	+0.4%	+0.4%	Amended swing limits
01/01/12	-1.7%	-1.7%	Approved as filed
01/01/11	+1.7%	+1.7%	Approved as filed
09/01/10	-4.5%	-4.5%	Law-only filing
01/01/10	+7.0%	+7.0%	Approved as filed
01/01/09	+9.1%	+9.1%	Approved as filed
01/01/08	+7.2%	+7.2%	Approved as filed
01/01/07	-1.4%	-1.4%	Approved as filed
07/01/05	-10.5%	-10.5%	Law-only filing
01/01/05	+11.5%	+5.5%	Consent agreement
01/01/04	+6.4%	+0.0%	P&C Board approval

\* Based on private carrier data only.

# Midwestern Zone

## South Dakota



- Loss Costs
- Filing Process—Informational hearing with consulting actuary
- Republican Legislature, Republican Governor—Dennis Daugaard
- Insurance Director—Merle Scheiber, Chair of NAIC WC (C) Task Force
- Labor Department Secretary—Pamela S. Roberts
- Regulatory
  - Rulemaking for medical fee schedule revisions
- Legislation
  - HB 1097—Denial of compensability considered for non-work related insurance purposes



# South Dakota

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
07/01/13	-3.2%	-3.2%	Approved as filed
07/01/12	+1.5%	-0.3%	Disapproved use of 5 year large loss threshold
07/01/11	+1.2%	+1.2%	Approved as filed
07/01/10	+5.3%	+4.4%	Commissioner's order
07/01/09	+3.5%	+3.5%	Approved as filed
07/01/08	-0.5%	-0.5%	Approved as filed
07/01/07	-0.4%	-1.0%	Commissioner's order
07/01/06	+4.3%	+4.3%	Approved as filed
07/01/05	-1.3%	-1.3%	Approved as filed
07/01/04	-0.5%	-2.0%	Commissioner's order

# South Dakota

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
07/01/13	+0.3%	+0.3%	Approved as filed
07/01/12	+3.6%	+1.8%	Disapproved use of 5 year large loss threshold
07/01/11	-0.4%	-0.4%	Approved as filed
07/01/10	+8.3%	+5.8%	Commissioner's order
07/01/09	+0.3%	+0.0%	Commissioner's order
07/01/08	-3.3%	+0.6%	Change in SIF assessment amount after filing was made
07/01/07	+7.7%	+4.9%	Commissioner's order
07/01/06	+3.3%	+2.0%	Commissioner's order
07/01/05	+9.0%	+6.1%	Commissioner's order
07/01/04	+10.0%	+6.5%	Commissioner's order

# South Dakota Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Merit rating

## South Dakota Assigned Risk Market Shares

Calendar Year	Market Share
2012p	5.4%
2011	4.8%
2010	4.4%
2009	5.1%
2008	5.6%
2007	6.7%
2006	9.9%
2005	13.5%
2004	14.8%
2003	13.8%
2002	12.3%

p—preliminary

# Midwestern Zone Takeaways

- Zone experienced the second highest loss cost increase of +0.3%
- Illinois—Several insurer challenges this legislative session—man-hours and competitive state fund
- Oklahoma—Opt-out and move from a court-based system to an administrative model for claim adjudication and benefit adjustments
- Missouri—SIF funding improvements and return of OD claims to the Workers Compensation Act



# Western Zone

- New Insurance Commissioners—UT
- New Labor Commissioner—MT
- Average approved loss cost change:  $-0.1\%$
- Average filed loss ratio trends:
  - Indemnity:  $-3\%$
  - Medical:  $-1\%$



Loss ratio trends are in excess of wage changes  
NCCI states only (excludes CA, WA, WY)

# Western Zone Alaska

- Loss Costs
- Filing Process—Public hearing
- Republican Legislature, Republican Governor—Sean Parnell
- Insurance Director—Brett Kolb
- WC Director—Michael Monagle



# Alaska

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	-3.6%	-3.6%	Approved as filed
01/01/12	+2.7%	+2.7%	Approved as filed
01/01/11	-2.5%	-2.5%	Approved as filed
01/01/10	-10.3%	-10.3%	Approved as filed
05/01/09	-2.9%	-2.9%	Law-only filing
01/01/09	-4.8%	-4.8%	Approved as filed
01/01/08	-10.9%	-10.9%	Approved as filed
01/01/07	-10.5%	-10.5%	Approved as filed
01/01/06	+7.9%	+7.0%	Disapproved use of statewide data
01/01/05	+9.5%	+12.0%	Different trend factor approved



# Alaska

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	−4.2%	−4.2%	Approved as filed
01/01/12	+2.9%	+2.9%	Approved as filed
01/01/11	−0.4%	−0.4%	Approved as filed
01/01/10	−9.9%	−9.9%	Approved as filed
05/01/09	−2.9%	−2.9%	Law-only filing
01/01/09	−4.8%	−5.2%	Revised Servicing Carrier Allowance
01/01/08	−13.7%	−13.7%	Approved as filed
01/01/07	−10.5%	−10.5%	Approved as filed
01/01/06	+3.6%	+0.5%	Revised Servicing Carrier Allowance. Disapproved use of statewide data.

# Alaska

## Assigned Risk Market

### Programs

- Surcharge on premium above \$3,000
- Removal of premium discounts
- Take-out credit
- Safe workplace incentive

# Alaska

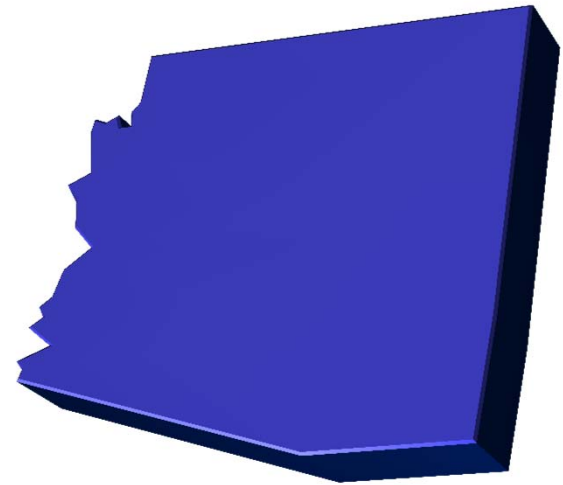
## Assigned Risk Market Share

Calendar Year	Market Share
2012p	13.7%
2011	12.7%
2010	12.1%
2009	11.9%
2008	13.5%
2007	13.8%
2006	15.8%
2005	18.0%
2004	20.2%
2003	20.4%

p—preliminary

# Western Zone Arizona

- Rates
- Filing Process—Administrative review with consulting actuary
- Republican Legislature, Republican Governor—Jan Brewer
- Insurance Director—Gerrie Marks
- Industrial Commission of Arizona Director—Laura McGrory
- Regulatory
  - Medical fee schedule increases for surgical and physician medicine codes, proposed effective 10/1/13
- Legislation
  - SB 1148—Prohibits professional athletes for filing WC claims for temporary work outside of state



# Arizona

## History of Voluntary Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	+4.0%	+4.0%	Approved as filed
01/01/12	+6.4%	+5.2%	Approved as amended
01/01/11	-2.8%	-2.8%	Approved as filed
01/01/10	-5.1%	-4.2%	Approved as amended
10/01/08	+7.9%	+7.9%	Approved as filed
01/01/08	+4.1%	+4.1%	Law-only filing
10/01/07	+4.5%	+4.5%	Approved as filed
10/01/06	-3.1%	-3.1%	Approved as filed
10/01/05	+12.1%	+8.4%	Approved different loss development and expense provisions
10/01/04	+2.4%	+2.4%	Approved as filed

# Arizona

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	+4.0%	+4.0%	Approved as filed
01/01/12	+6.4%	+5.2%	Approved as amended
01/01/11	+0.9%	+0.9%	Approved as filed
01/01/10	-5.1%	-4.2%	Approved as amended
10/01/08	+7.9%	+7.9%	Approved as filed
01/01/08	+4.1%	+4.1%	Law-only filing
10/01/07	+4.5%	+4.5%	Approved as filed
10/01/06	-3.1%	-3.1%	Approved as filed
10/01/05	+12.1%	+8.4%	Approved different loss development and expense provisions
10/01/04	+2.4%	+2.4%	Approved as filed

# Arizona Assigned Risk Market

## Programs

- Differential
- Alcohol- and drug-free workplace premium credit
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit program

# Arizona

## Assigned Risk Market Share

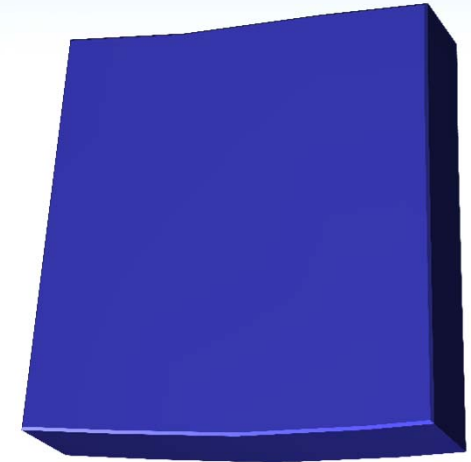
Calendar Year	Market Share
2012p	4.3%
2011	2.2%
2010	1.8%
2009	0.7%
2008	0.7%
2007	0.7%
2006	1.1%
2005	1.2%
2004	0.9%
2003	0.7%

p—preliminary



# Western Zone Colorado

- Loss Costs
- Filing Process—Public hearing with consulting actuary
- Democratic Legislature, Democratic Governor—  
John Hickenlooper
- Insurance Commissioner—Jim Riesberg
- WC Director—Paul Tauriello
- Legislation
  - SB 285—Benefit adjustments
  - HB 1025—Increases the amount of an authorized deductible employed in the experience rating calculation

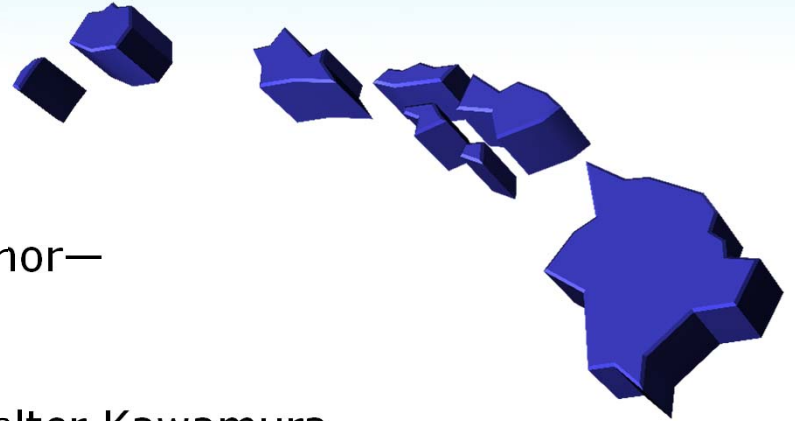


# Colorado

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+6.1%	+5.2%	Targeted a higher off-balance
01/01/12	+3.7%	+3.7%	Approved as filed
01/01/11	+3.3%	+3.3%	Approved as filed
01/01/10	-9.3%	-9.7%	Commissioner's order
01/01/09	-9.6%	-15.9%	Commissioner's order
01/01/08	-0.6%	-8.8%	Commissioner's order
01/01/06	+4.3%	-1.8%	Difference is weight given to Paid + Case experience and rejection of large loss procedure
01/01/05	-4.5%	-6.5%	Difference is trend factor and rejection of large loss procedure
01/01/04	-6.1%	-6.1%	Approved as filed

# Western Zone Hawaii



- Loss Costs
- Filing Process—Administrative review with consulting actuary
- Democratic Legislature, Democratic Governor—Neil Abercrombie
- Insurance Commissioner—Gordon Ito
- Disability Compensation Administrator—Walter Kawamura
- Legislation
  - SB 510/HB 144—Establishes registration requirements for PEOs
  - HB 152—State auditor/DLIR to develop process for reviewing medical fee schedule adequacy
  - HB 632—Requires all executive departments to make data available to the public

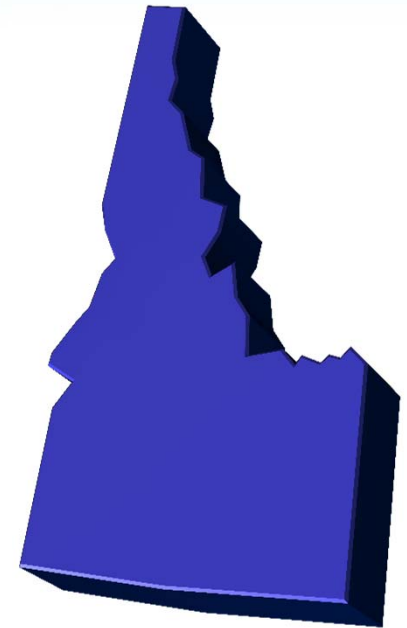
# Hawaii

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+5.2%	+5.2%	Approved as filed
01/01/12	+5.2%	+3.6%	Difference is weight given to paid experience
01/01/11	0.0%	0.0%	Approved as filed
01/01/10	-4.1%	-4.1%	Approved as filed
01/01/09	-11.6%	-11.6%	Approved as filed
01/01/08	-16.8%	-19.3%	Revised loss adjustment expense methodology
01/01/07	+3.9%	+3.9%	Law-only filing
01/01/07	-12.3%	-12.3%	Approved as filed
01/01/06	-18.2%	-18.2%	Approved as filed
01/01/05	-3.0%	-3.0%	Approved as filed

# Western Zone Idaho

- Rates
- Filing Process—Administrative review
- Republican Legislature, Republican Governor—Butch Otter
- Insurance Commissioner—William Deal
- Industrial Commission Director—Mindy Montgomery
- Regulatory
  - Rule 17.02.04—Expands peace officer benefits and new Medicare conversion factors
  - Advisory Council review of firefighter occupational diseases
- Legislation
  - SB 1145—Extends reduced Industrial Commission assessment of 2.0% through 12/31/15



# Idaho

## History of Voluntary and Assigned Risk Changes

Voluntary and Assigned Risk*			
Effective Date	Filed	Approved	Comments
01/01/13	+3.9%	+3.9%	Approved as filed
01/01/12	+2.9%	+2.9%	Approved as filed
01/01/11	+3.7%	+3.7%	Approved as filed
01/01/10	-2.6%	-2.6%	Approved as filed
01/01/09	-3.8%	-3.8%	Approved as filed
01/01/08	-3.7%	-3.7%	Approved as filed
01/01/07	-5.7%	-5.7%	Approved as filed
01/01/05	+5.3%	+5.3%	Approved as filed
01/01/04	+7.2%	+7.2%	Approved as filed

\*Voluntary and assigned risk rates are the same. A flat surcharge applies to assigned risk premium.

# Idaho

## Assigned Risk Market

### Programs

- Surcharge
- ARAP
- LSRP
- Removal of premium discount
- Alcohol and drug-free workplace credit

# Idaho

## Assigned Risk Market Share

Calendar Year	Market Share
2012p	0.7%
2011	0.6%
2010	0.5%
2009	0.7%
2008	0.8%
2007	0.9%
2006	1.0%
2005	1.1%
2004	1.4%
2003	1.0%

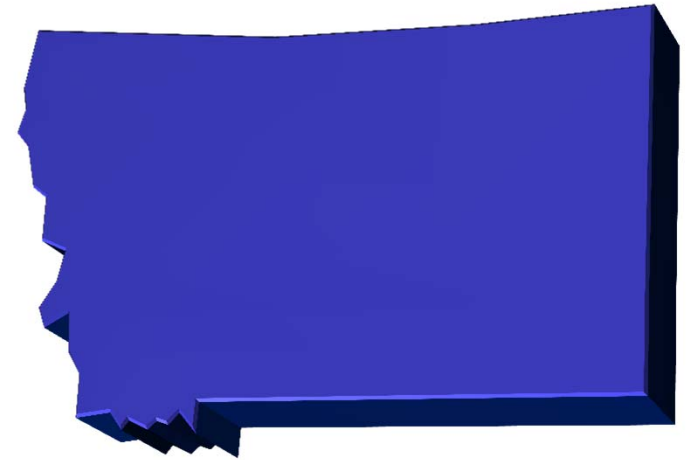
p—preliminary



# Western Zone

## Montana

- Loss Costs
- Filing Process—Administrative review
- Republican Legislature, Democratic Governor—Steve Bullock
- Insurance Commissioner—Monica Lindeen
- Labor Commissioner—Pam Bucy
- Legislation
  - SB 323—Physician guidance on prescribing Schedule II and III drugs
  - HB 82—Amends/clarifies extra territorial law
  - HB 232—Strengthens exclusive remedy provision
  - HJR 25—Interim WC Study on state fund privatization, subrogation, and 2011 reforms



# Montana

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
07/01/13	-5.4%	-5.4%	Approved as filed
07/01/12	No change	No change	Relativities update only
07/01/11	-22.4%	-22.4%	Law-only filing
07/01/11	-5.6%	-5.6%	Approved as filed
07/01/10	-6.4%	-6.4%	Approved as filed
07/01/09	-2.2%	-2.2%	Approved as filed
07/01/08	-1.8%	-1.8%	Approved as filed
02/01/08	-2.9%	-2.9%	Law-only filing
07/01/07	-1.3%	-1.3%	Approved as filed
07/01/06	+2.4%	+2.4%	Approved as filed
07/01/05	+12.1%	+12.1%	Approved as filed

# Western Zone

## Nevada

- Loss Costs
- Filing Process—Administrative review
- Democratic Legislature, Republican Governor—Brian Sandoval
- Insurance Commissioner—Scott Kipper
- Industrial Relations Administrator—Donald Jayne
- Legislation
  - SB 96—Penalties for employers misclassifying employees



# Nevada

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
03/01/13	+2.6%	+2.6%	Approved as filed
03/01/12	+1.0%	+1.0%	Approved as filed
03/01/11	-3.9%	-3.9%	Approved as filed
03/01/10	-7.6%	-7.6%	Approved as filed
03/01/09	-4.9%	-4.9%	Approved as filed
03/01/08	-10.5%	-10.5%	Approved as filed
03/01/07	+3.4%	+3.4%	Approved as filed
03/01/06	+2.5%	-0.3%	Disapproved use of statewide data
01/01/05	-6.5%	-6.5%	Approved as filed
01/01/04	-16.4%	-12.3%	Commissioner's factor

# Nevada

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
03/01/13	+2.5%	+2.5%	Approved as filed
03/01/12	-5.2%	-5.2%	Approved as filed
03/01/11	-2.2%	-2.2%	Approved as filed
03/01/10	-3.7%	-3.7%	Approved as filed
03/01/09	-6.0%	-6.0%	Approved as filed
03/01/08	-10.1%	-10.1%	Approved as filed
03/01/07	+5.0%	+5.0%	Approved as filed
03/01/06	+0.2%	-2.6%	Disapproved use of statewide data
01/01/05	-1.9%	-6.9%	The Department of Insurance chose to retain the current assigned risk differential of 1.30

# Nevada Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts

# Nevada

## Assigned Risk Market Share

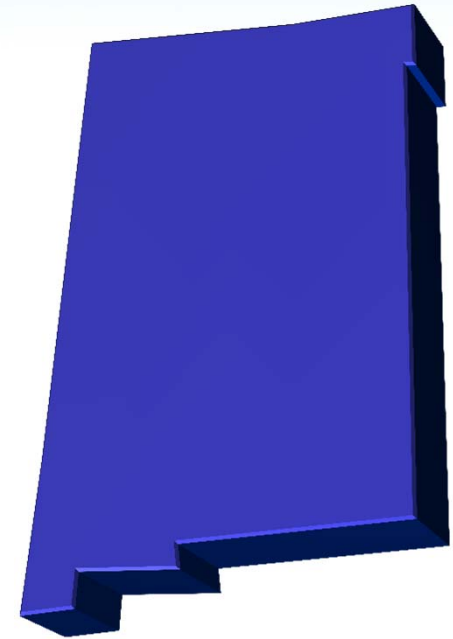
Calendar Year	Market Share
2012p	7.4%
2011	5.8%
2010	4.7%
2009	4.6%
2008	6.6%
2007	7.3%
2006	8.7%
2005	11.3%
2004	12.7%
2003	11.8%

p—preliminary

# Western Zone

## New Mexico

- Loss Costs
- Filing Process—Administrative review
- Democratic Legislature, Republican Governor—Susana Martinez
- Insurance Commissioner—John Franchini
- WC Director—Ned Fuller
- Legislation
  - SB 233—Increases WC attorney fees
  - SB 275—Eliminates location requirements for WC hearings





# New Mexico

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
01/01/13	+5.1%	+5.1%	Approved as filed
01/01/12	+7.4%	+7.4%	Approved as filed
01/01/11	+4.2%	+4.2%	Approved as filed
01/01/10	-4.5%	-4.5%	Approved as filed
01/01/09	-6.7%	-6.7%	Approved as filed
01/01/08	-4.9%	-4.9%	Approved as filed
01/01/07	-4.2%	-4.2%	Approved as filed
01/01/06	+4.0%	+4.0%	Approved as filed
01/01/05	+8.8%	+8.8%	Approved as filed
01/01/04	+7.9%	+7.9%	Approved as filed
07/01/03	+6.1%	+6.1%	Law-only filing

# New Mexico

## History of Assigned Risk Rate Changes

Effective Date	Filed	Approved	Comments
01/01/13	0.0%	0.0%	Approved as filed
01/01/12	-5.0%	-5.0%	Approved as filed
01/01/11	N/A	N/A	No filing
01/01/10	-0.9%	-0.9%	Approved as filed
01/01/09	-1.3%	-1.3%	Approved as filed
01/01/08	-11.1%	-11.1%	Approved as filed
01/01/07	-1.3%	-1.3%	Approved as filed
01/01/06	+12.2%	+7.7%	Amended due to: <ul style="list-style-type: none"> <li>• LAE included in SCA</li> <li>• Guaranty Fund assessment from 2% to 1%</li> <li>• Added contingency provision of 2%</li> <li>• Revised assigned risk differential</li> </ul>

# New Mexico Assigned Risk Market

## Programs

- Differential
- Surcharge
- ARAP
- Reduced premium discounts
- Take-out credit

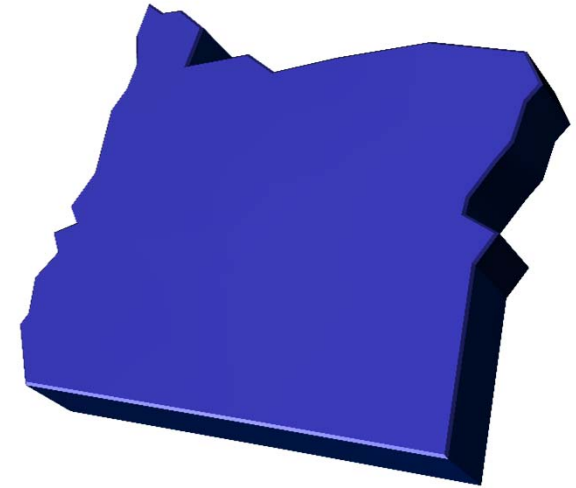
## New Mexico Assigned Risk Market Share

Calendar Year	Market Share
2012p	3.6%
2011	3.0%
2010	2.6%
2009	2.9%
2008	4.1%
2007	6.5%
2006	9.7%
2005	12.5%
2004	12.8%
2003	13.5%

p—preliminary

# Western Zone Oregon

- Loss Costs
- Filing Process—Administrative review
- Democratic Legislature, Democratic Governor—John Kitzhaber
- Insurance Administrator—Lou Savage
- WC Administrator—John Shilts
- Regulatory
  - Hospital fee adjustments
- Legislation
  - SB 533—Nurse practitioner and chiropractic medical treatments
  - SB 678/HB 2923—Extends exclusive remedy protections for limited liability company partners



# Oregon

## History of Voluntary and Assigned Risk Changes

	Voluntary		Assigned Risk	
Effective Date	Filed	Approved	Filed	Approved
01/01/13	+1.7%	+1.7%	+3.7%	+3.7%
01/01/12	+1.9%	+1.9%	+1.9%	+1.9%
01/01/11	-1.8%	-1.8%	+0.2%	+0.2%
01/01/10	-1.3%	-1.3%	0.0%	0.0%
01/01/09	-5.9%	-5.9%	0.0%	0.0%
01/01/08	-2.3%	-2.3%	0.0%	0.0%
01/01/07	-2.1%	-2.1%	0.0%	0.0%
01/01/06	0.0%	0.0%	0.0%	0.0%
01/01/05	0.0%	0.0%	0.0%	0.0%
01/01/04	0.0%	0.0%	0.0%	0.0%

# Oregon Assigned Risk Market

## Programs

- Differential
- ARAP
- LSRP
- Removal of premium discounts
- Take-out credit
- Merit rating
- Non-experience rated premium credit
- New small employer credit

# Oregon

## Assigned Risk Market Share

Calendar Year	Market Share
2012p	5.0%
2011	3.7%
2010	4.2%
2009	4.5%
2008	5.4%
2007	5.9%
2006	7.9%
2005	8.3%
2004	8.5%
2003	9.5%

p—preliminary



# Western Zone

## Texas

- Filing Process—TDI sets relativities also conducts administrative review of NCCI loss cost proposals
- Republican Legislature, Republican Governor—Rick Perry
- Insurance Commissioner—Eleanor Kitzman
- WC Commissioner—Rod Bordelon
- Regulatory
  - Reduces reporting and inspection requirements for carrier accident prevention programs
- Legislation
  - SB 850/HB 1833—Establishes a workers compensation assigned risk program and the privatization of Texas Mutual



# Texas

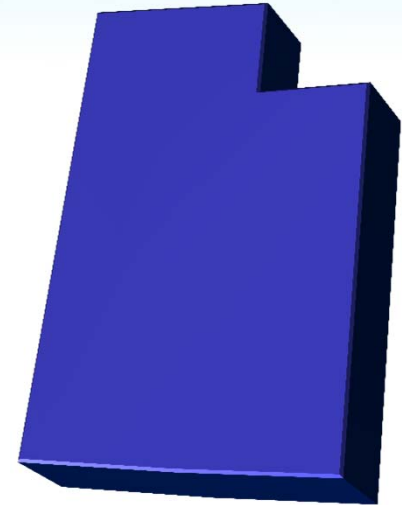
## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
06/01/13	−3.8%	−3.8%	Accepted as filed
06/01/12	−0.3%	−0.3%	Accepted as filed

# Western Zone

## Utah

- Loss Costs
- Filing Process—Administrative review
- Republican Legislature, Republican Governor—Gary Herbert
- Insurance Commissioner—Todd E. Kiser
- Labor Commissioner—Sherrie Hayashi
- Regulatory
  - Medical fee schedule updates, effective 12/1/13
- Legislation
  - SB 45—Exclusion requirements for corporation officers or directors



# Utah

## History of Voluntary Loss Cost Changes

Effective Date	Filed	Approved	Comments
12/01/12	-1.6%	-1.6%	Approved as filed
12/01/11	+1.5%	+1.5%	Approved as filed
12/01/10	-0.2%	-0.2%	Approved as filed
12/01/09	-2.8%	-2.8%	Approved as filed
12/01/08	-7.8%	-7.8%	Approved as filed
12/01/07	-8.2%	-8.2%	Approved as filed
12/01/06	-6.0%	-6.0%	Approved as filed
12/01/05	+4.2%	+4.2%	Approved as filed
12/01/04	+11.2%	+11.2%	Approved as filed
12/01/03	+5.9%	+5.9%	Approved as filed

# Western Zone Takeaways

- Zone experienced the second lowest overall loss cost decrease of  $-0.1\%$
- Most quiet zone

