

Workers' Compensation Rate Hearing and Proposed Cat Fund

October 19, 2021

The Florida Office of Insurance Regulation conducted a rate hearing last week to discuss the National Council on Compensation Insurance's (NCCI) proposed overall average statewide workers' compensation premium decrease of 4.9%. If approved, it would have an effective date of January 1, 2022, for new and renewal policies. COVID-19-related losses in Florida were excluded from the data used to determine the proposed decrease in order to better reflect conditions that will be in effect during the filing's proposed effective period.

NCCI has also proposed establishing a workers' compensation insurance catastrophe fund, which would provide for an assessment on employers' premiums. The assessment would generate revenue to cover workers' compensation claims costs in the event of a catastrophe event. NCCI notes, "After extensive analysis of how to best reflect pandemics in future rate filings, NCCI determined that a catastrophe provision is the most appropriate way to reflect exposure to future pandemics. Consequently, a separate NCCI item filing was made that proposes a Catastrophe (other than Certified Acts of Terrorism) provision, for any single event or peril resulting in workers compensation losses in excess of \$50 million nationwide."

While Florida Insurance Commissioner David Altmaier has thus far indicated that the cat proposal will not receive a public hearing, it is important to monitor this pending filing.

Key takeaways: The workers' compensation system in Florida is performing well due to better risk management practices, safer workplaces, declining frequency, and other factors. The proposed workers' compensation catastrophe fund should be monitored for potential impact.

Video and presentation materials: <https://bit.ly/2Xd5fUN>

Please contact the author of this article or any member of the Insurance Regulatory Practice for additional information.

Authored By



Erin J. VanSickle

Related Practices

[Financial Services Regulatory](#)
[Government Affairs and Lobbying](#)

Related Industries

[Property & Casualty Insurance](#)

©2024 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.