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Date: 7/10/2014 11:26:37 AM
Subject: ED LS: Workers Comp rates likely to drop

South Carolina Department of Insurance

NIKKI HALEY
Governor
RAYMOND G. FARMER

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BEFORE THE DIRECTOR OF INSURANCE STATE OF SOUTH CAROLINA

IN THE MATTERS OF:)
Application of the)
)
National Council on Compensation)
Insurance, Inc.) **NOTICE OF A FILING**
)
For a Revision in their Workers')
Compensation Program Loss Costs, and)
)
Corrective Action Order)
)
To Revise Workers' Compensation)
Assigned Risk Rates)
)

The above-captioned rating organization has filed an overall revision of -7.4 percent in its voluntary workers' compensation loss costs. The effective date is September 1, 2014. These are loss costs and not final rates. The workers' compensation policy provides coverage to employers in conjunction with the South Carolina Workers' Compensation laws. The changes in loss costs vary depending on the classifications as follows:

	Average	Maximum Decrease	Maximum Increase
Manufacturing	-8.7%	-34%	+16%
Contracting	-7.0%	-32%	+18%
Office & Clerical	-9.7%	-35%	+15%
Goods & Services	-6.1%	-31%	+19%
Miscellaneous	-6.4%	-31%	+19%

The South Carolina Department of Insurance recently issued a Corrective Action Order that decreased the overall average assigned risk rate level that has been in effect since February 1, 2013. The updated assigned risk rates are effective September 1, 2014. The order has specified that for the industrial classification codes, a loss cost multiplier of

2.169 shall be applied to the September 1, 2014 South Carolina voluntary market loss

costs, subject to the constraint that changes to individual class codes be limited to the applicable industry group change in the voluntary loss cost filing +/- 25%.

Based on the change in the assigned risk loss cost multipliers effective February 1, 2013 and September 1, 2014 and the intermediate voluntary market loss cost level changes, a decrease of 2.6% in the assigned risk rate level change results. After incorporating the +/- 25% constraint, as specified in the Corrective Action Order, the achieved overall assigned risk premium level change is a decrease of 5.1%.

The average changes by industry group are as follows:

	Average	Maximum Decrease	Maximum Increase
Manufacturing	-6.4%	-34%	+16%
Contracting	-4.7%	-32%	+18%
Office & Clerical	-7.5%	-35%	+15%
Goods & Services	-3.8%	-31%	+19%
Miscellaneous	-4.1%	-31%	+19%

Any insured or party affected by this insurance loss cost increase may request in writing by June 30, 2014 a public hearing upon the loss cost increase before the Administrative Law Judge Division. Those requests should be forwarded to: Will Davis, Property & Casualty Actuary, South Carolina Department of Insurance, Post Office Box 100105, Columbia, SC 29202-3105.

At the same time, you must also mail a copy of your request for a hearing with the Clerk of the South Carolina Administrative Law Judge Division together with a \$100.00 filing fee to the following address: South Carolina Administrative Law Judge Division, Post Office Box 11667, Columbia, South Carolina 29211-1667.

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