

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:)
)
NATIONAL COUNCIL ON COMPENSATION) **No.: 11-114**
INSURANCE, INC. LOSS COSTS AND)
RATING VALUES FILING)

**ORDER MODIFYING WORKERS' COMPENSATION
LOSS COSTS AND RATING VALUES FILING**

This matter was presented for consideration in accordance with Tenn. Code Ann. § 50-6-402(b), which requires the Commissioner of Commerce and Insurance (the "Commissioner") to consult with the Advisory Council on Workers Compensation ("Advisory Council") before approving any workers' compensation loss cost filing made by the designated rate service organization and approve, disapprove or modify the filing within ninety (90) days of receiving the filing.

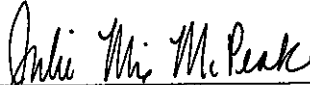
On August 19, 2011, the National Council on Compensation Insurance ("NCCI") submitted to the Commissioner its annual Advisory Prospective Loss Costs and Rating Values filing for the voluntary market ("Loss Costs Filing"), proposing an overall increase of 1.6 percent effective March 1, 2012 from the loss costs that are to become effective November 1, 2011. The Advisory Council met on September 20, 2011 to consider the Loss Costs Filing and, by letter to the Commissioner of October 18, 2011, recommended adoption of a the Loss Costs Filing to become effective for the voluntary market on March 1, 2012, but adjusted for a medical trend factor of 0.5 percent rather than 1.0 percent, and a loss adjustment expense of 19 percent rather than 19.7 percent, resulting in an overall loss cost change of - .3.

After consideration of all the evidence presented, the Commissioner orders that the Loss Costs Filing submitted by NCCI on August 19, 2011 be **MODIFIED** to reflect a medical trend

factor of .5 percent rather than 1.0 percent, resulting in an overall increase of the loss costs and rating values from the loss costs in effect November 1, 2011 for the voluntary market of .4 percent. In making this determination, the Commissioner has taken into consideration the calculation error acknowledged by NCCI at the September 20, 2011 Advisory Council meeting which resulted in an indicated overall increase of 1.8 percent rather than 1.6 percent.

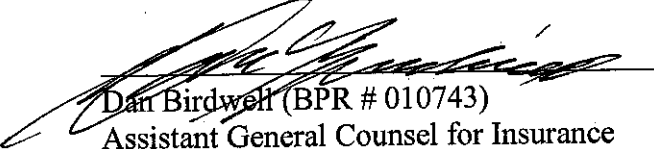
It is so **ORDERED**.

ENTERED this 31st day of October, 2011.



Julie Mix McPeak
Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:


Dan Birdwell (BPR # 010743)
Assistant General Counsel for Insurance
Department of Commerce and Insurance
Davy Crockett Tower, Second Floor
500 James Robertson Parkway
Nashville, Tennessee 37243
615-532-3589