



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

IN THE MATTER OF:)
)
NATIONAL COUNCIL ON) **No.: 19-147**
COMPENSATION INSURANCE, INC.)
ASSIGNED RISK RATE FILING AND)
LOSS COST MULTIPLIER)

**ORDER APPROVING WORKERS' COMPENSATION
ASSIGNED RISK RATE FILING AND LOSS COST MULTIPLIER**

Pursuant to Tenn. Code Ann. § 56-5-114(c)(6)(B), the Commissioner of the Department of Commerce and Insurance (“Commissioner”) shall annually establish the multiplier to be applied to the advisory prospective loss cost for the assigned risk plan. Additionally, this matter was presented for consideration in accordance with Tenn. Code Ann. § 50-6-402(b), which requires 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 September 16, 2019, the National Council on Compensation Insurance (“NCCI”) submitted its annual Workers’ Compensation Assigned Risk Rates and Rating Values (“Assigned Risk Rate Filing”) with a proposed effective date of March 1, 2020. The filing proposed a decrease in the overall Assigned Risk Rate level of seven and one-tenth percent (7.1%) from the rates in effect March 1, 2019, based on an underlying voluntary loss decrease of nine and five-tenths percent (9.5%) from the loss cost in effect March 1, 2019. The Assigned

Risk Rate Filing included an adjustment in the Loss Cost Multiplier (“LCM”) increasing the LCM from 1.707 to 1.753.

Tenn. Code Ann. § 56-5-114(c)(6)(B) requires the Commissioner to establish the LCM taking into consideration the estimated cost of providing plan services and the level of multipliers in the voluntary market.

Pursuant to Tenn. Code Ann. § 50-6-402(c), the Commissioner provided notice of the intent to increase the LCM from 1.707 to 1.753 to the Advisory Council on October 16, 2019. The Advisory Council did not provide written comments or recommendations to the Commissioner in response to the change in loss cost multiplier.


Upon consideration of the factors set forth in Tenn. Code Ann. § 56-5-114(c), consideration of the multipliers in the voluntary market, and the level of plan utilization compared to the voluntary market, the Commissioner APPROVES an increase of the LCM from 1.707 to 1.753, effective March 1, 2020.

Upon reviewing the data submitted by NCCI and the Commissioner modifying and approving the underlying voluntary loss cost filing to reflect a seven and one-tenth percent (7.1%) decrease, it is the determination of the Commissioner that pursuant to Tenn. Code Ann. § 56-5-114(c), the assigned risk rate change would constitute an overall decrease of four and six-tenths percent (4.6%) from the overall Assigned Risk Rate level that became effective March 1, 2019.

Therefore, pursuant to Tenn. Code Ann. § 56-5-114(c), the Assigned Risk Rate Filing herein is APPROVED as MODIFIED to an overall decrease of four and six-tenths percent (4.6%) for the Tennessee Workers' Compensation Assigned Risk Plan, that became effective March 1, 2019. The approved adjustments shall become effective March 1, 2020.

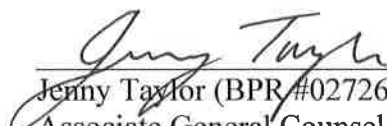
It is so **ORDERED**.

ENTERED this 20 day of November, 2019.



Hodgen Mainda
Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:



Jenny Taylor (BPR #027264)
Associate General Counsel and Supervising Attorney
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243
(615) 741-2325