

August 22, 2016

The Honorable David Altmaier, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: NCCI WC rate filing

Dear Commissioner Altmaier,

Thank you for the opportunity to provide comments on the recent NCCI workers compensation rate filing, the hearing for which was held Aug. 16, 2016. As you are aware, NAMIC is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies representing 39 percent of the total market. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country's largest national insurers.

NAMIC member companies serve more than 170 million policyholders and write more than \$230 billion in annual premiums. Our members account for 54 percent of homeowners, 43 percent of automobile, and 32 percent of the business insurance markets. In Florida, NAMIC members serve more than a quarter of the workers compensation market.

NAMIC supports NCCI's request for an increase in Florida workers compensation rates, based on the uptick of current and future claims cost drivers as a result of recent Supreme Court rulings. We believe the request is reasonable, particularly in light of expert testimony presented by Dr. Mike Helvacian on behalf of the Florida Justice Reform Institute, indicating even higher loss indications.

As always, the rate-making process comes down to this: in order to maintain a fair, solvent marketplace, the rate must match the risk. In the case of workers compensation rates in Florida, the financial risk for insurers and business owners has exploded. While we hope the legislature will address the new environment created by the Supreme Court, we also believe it makes sense to incorporate a new rate structure based on the financial risk profile as we understand it at this time as soon as possible.

NAMIC encourages you to approve the NCCI rate filing request. Thanks very much for your consideration of our concerns.

Regards,



Liz L. Reynolds, CPCU, API, IOM
State Affairs Director – Southeast Region