

Top writers plan to reduce workers comp in Mass.

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BOSTON — In response to Mass. Commissioner Julianne Bowler's decision to reduce workers compensation rates in the state by an average of four percent, a number of insurers are planning on reducing writings in the state.

InsuranceTimes surveyed the top 20 writers of workers compensation in the state and received a 40 percent response, with most of those writing between \$10 million and \$24 million in the market in the state in 2002, and one writing more than \$100 million.

With 37.5 percent of those surveyed writing workers comp for over 10 years, 62.5 percent said they would reduce writings as a result of the rate decision, while 25 percent said they would continue as they have been in Massachusetts.

More specifically, 87.5 percent said they would tighten underwriting standards and become more selective. When asked further about their plans, 71.4 percent said they would offer fewer credits or other premium reductions, 14.3 percent said they would lay-off employees and 42.9 percent said they would stress more safety and loss control. Multiple responses to this question were permitted.

When asked what developments these companies predicted over the next year or two, 87.5 percent forecasted a major increase in the assigned risk pool population, and 62.5 percent expected an exit from the Mass. market by one or more insurers. One company predicted mergers and acquisitions by Mass. carriers, and another company went as far as to predict insolvency of one or more Mass. workers comp insurers. Multiple responses to this question were permitted.

An overwhelming 87.5 percent of those surveyed supported a move toward competitive rating, and the same number said they saw politics as the reason an increase in rates was not approved. Two of those surveyed said they thought the industry failed to present its strongest case. □

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