



# Florida

## Voluntary Market Rates and Rating Values Filing

Proposed Effective January 1, 2024



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August 24, 2023

The Honorable Michael Yaworsky, Commissioner  
Office of Insurance Regulation  
Property & Casualty Product Review  
200 East Gaines Street  
Tallahassee, FL 32399-0330

Re: **Florida Workers Compensation Voluntary Rates and Rating Values Filing  
Proposed Effective January 1, 2024**

Dear Commissioner Yaworsky:

In accordance with the applicable statutes and regulations of the state of Florida, we are filing for your consideration and approval revised workers compensation rates and rating values for the Florida voluntary market to become effective January 1, 2024.

This filing proposes an overall average decrease of 15.1% to the current voluntary rate level for the industrial classes. This change is applicable to new and renewal business only. Reported COVID-19-related claims have been excluded from the data on which this filing is based to better reflect the conditions likely to prevail during the proposed effective period.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate or pure premium filing requirements and other private use of this information. In the enclosed is a list of companies, which as of the time this filing is submitted, are eligible to reference this information. The inclusion of a company on this list merely indicates that the company, or the group to which it belongs, is affiliated with NCCI in this state, or has licensed this information as a non-affiliate, and is not intended to indicate whether the company is currently writing business or is even licensed to write business in this state.

Please contact me if you have any questions or need any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Ingham", is written over a light blue horizontal line.

Dawn Ingham  
State Relations Executive



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**Florida**

**Workers Compensation Rate Filing – January 1, 2024**

**Actuarial Certification**

I, Brett Foster, am an Executive Director and Actuary for the National Council on Compensation Insurance, Inc. I am a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

The information contained in this report has been prepared under my direction in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

A handwritten signature in black ink, appearing to read "Brett Foster". The signature is fluid and cursive, with the first and last names being clearly legible.

Brett Foster, FCAS, MAAA  
Executive Director and Actuary  
Actuarial and Economic Services





## Florida

# Workers Compensation Rate Filing – January 1, 2024

## Disclosures

### Purpose of the Report

The purpose of this report is to provide proposed voluntary rates for workers compensation policies in Florida to be effective January 1, 2024. The intended users of this report are:

- The Florida Office of Insurance Regulation (OIR)
- Affiliated insurance companies

### Scope

The prospective rates for the voluntary market are intended to cover the indemnity and medical benefits provided under the system, the expenses associated with providing these benefits (loss adjustment expenses), and any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Each insurance company offering workers compensation insurance in Florida may decide to use the rates approved by the OIR or file an application to deviate from the OIR-approved rates.

NCCI utilizes widely accepted general ratemaking methodologies in the calculation of voluntary market rates, including (i) experience base determination, (ii) chain ladder development method, (iii) trending procedure, (iv) expense calculation, and (v) application of indemnity and medical benefit changes. Since the onset of the COVID-19 pandemic, NCCI has conducted in-depth reviews and analyses and has determined that the continued use of data from the pandemic-impacted time-period remains appropriate for use in its ratemaking methodologies.

### Data Sources and Key Dates

Financial Call Data Valuation Date	December 31, 2022
Financial Call Data Cutoff Date	June 27, 2023
Unit Statistical Plan Data Cutoff Date	May 5, 2023
Filing Preparation Date	July 17, 2023

The overall average rate level change is based on a review of Financial Call Data, which is an aggregation of workers compensation data annually reported to NCCI. In this filing, Financial Call Data submissions received after the Financial Call Data Cutoff Date were not considered for inclusion in the analysis.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Disclosures

Rate level changes at the classification code level are based on Unit Statistical Plan Data, which is the audited exposure, premium, and loss information reported to NCCI on a policy level. In this filing, Unit Statistical Plan Data submissions received after the Unit Statistical Plan Data Cutoff Date were not considered for inclusion in the analysis.

In some areas, NCCI's analysis also relies on other data sources, which are reviewed for reasonableness and are referenced in the filing where applicable. Events that have occurred after the Filing Preparation Date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.

#### Data Exclusions

NCCI maintains several data reporting initiatives and programs to assist carriers to report data and to ensure that the data that is reported to NCCI is complete, accurate, and reported in a timely fashion. Occasionally, a carrier's data submission is not available for use in an NCCI filing either because the data was not reported prior to the filing, had quality issues, or NCCI determined that the data that was reported should not be included in the filing based on NCCI's actuarial judgment. In this year's filing, data for all carriers writing at least one-tenth of one percent of the Florida workers compensation written premium volume have been included in the experience period on which this filing is based.

NCCI categorizes catastrophic events as those that incur aggregate workers compensation losses of more than \$50 million per occurrence. NCCI's ratemaking methodology excludes catastrophe-related losses from the calculation of rates since these events are not considered to be predictive of future experience. NCCI is proposing to treat the COVID-19 pandemic as a catastrophic event and, therefore, the losses from reported COVID-19-related claims with accident dates between December 1, 2019 and December 31, 2022 have been excluded from the data underlying this year's analyses (including reviews of the experience period, trend, and loss adjustment expense) to better reflect the conditions expected to prevail during this filing's proposed effective period.

Note: Consistent with historical direction from the Florida Office of Insurance Regulation, catastrophic exposure for potential occurrences in excess of \$50 million is not contemplated in the Florida rates.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Disclosures

Below is a summary of COVID-19-related lost-time claim counts and indemnity and medical combined paid plus case losses, as reported in NCCI's Financial Call 31 as of year-end 2022.

<u>Year</u>	<u>COVID-19 Lost-Time Claim Counts</u>	<u>COVID-19 Paid+Case Losses</u>
PY 2019	313	\$8,043,223
PY 2020	636	\$5,514,565
PY 2021	253	\$885,499
AY 2020	831	\$12,960,671
AY 2021	307	\$1,273,001
AY 2022	84	\$262,019

*Excludes large deductible and expense-only claims.*

Reported COVID-19-related losses would have represented an approximate 0.3% share of the reported paid plus case losses in Florida's experience period.

#### Risks and Uncertainty

This filing includes assumptions and projections concerning the future. As with any prospective analysis, there exists estimation uncertainty in these assumptions and projections. Areas of this analysis subject to estimation uncertainty that could have a material impact on the results include the following:

- Projection of future loss development
- Selection of loss ratio trends
- Unanticipated changes to wage or medical inflation
- Potential impact of changes to laws and/or regulations

In addition, any future changes to workers compensation law or regulations that apply retroactively to policies or benefit claims on policies in the proposed effective period may have a significant impact on the adequacy of the rates proposed in this filing.

The course of the COVID-19 pandemic and related considerations, such as future economic conditions and the labor market, contribute additional uncertainty when estimating future costs.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

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## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### **Part 1    Filing Overview**

- Executive Summary
- Overview of Methodology
- Summary of Selections
- Summary of Proposed Changes
- Additional Proposed Changes



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Executive Summary

Based on its review of the most recently available data, NCCI has proposed the following overall average workers compensation voluntary rate level change in Florida to become effective January 1, 2024

#### Voluntary Rate Filing Components

Change in Experience and Development	–8.5%
Change in Trend	–2.3%
Change in Benefits	–3.4%
Change in Production and General Expenses	+0.1%
Change in Taxes and Assessments	–0.1%
Change in the Profit and Contingency Provision	–2.0%
<u>Change in Loss-Based Expenses</u>	<u>+0.2%</u>
<b>Proposed Overall Average Voluntary Premium and Rate Level Change*</b>	<b>–15.1%</b>

*\*The voluntary rate change varies by classification code, each of which belongs to one of five industry groups.*

For the federal classifications, NCCI has proposed an overall average workers compensation voluntary premium and rate level change of –12.6% to become effective January 1, 2024.

#### Items of Note

##### Experience and Development:

- The filing is based on premium and loss experience for Policy Years 2020 and 2021 evaluated as of December 31, 2022. The financial data experience period evaluated as of December 31, 2022, shows continued improvement when compared to the data evaluated as of December 31, 2021. Refer to Exhibit I for the considerations underlying the Experience Period and Loss Base selections.
  - A combination of both paid and paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period.
  - Reported COVID-19-related claims have been excluded from the data on which this filing is based.
- Similar to previous Florida filings, the reported loss amounts are projected to an ultimate basis using a 3-year average for both paid losses and paid plus case losses. The most recent valuation of development factors shows no clear deviation from historical values. Refer to Appendix A-II for considerations underlying the Development selection.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Executive Summary

##### Trend:

- After adjusting to a common wage level, Florida's lost-time claim frequency has generally declined over the most recent ten years.
- The average indemnity cost per case figures have been relatively consistent over time, while those for medical have shown a more distinct decreasing pattern over the last several years.
- This year's trend analysis included consideration of potential upward pressure on medical costs resulting from the Amended Final Order dated May 23, 2023, in the case of *Zenith Insurance Company vs. Department of Financial Services, Division of Workers Compensation, Medical Services*. Refer to Appendix A-III for more details on considerations underlying the Trend selections.

##### Other Items of Note:

- The primary driver of the proposed change is improved experience. The decrease in the experience and trend components include changes in loss experience, as well as changes in loss development and trend factor selections.
- The benefit change reflects the impact of four recent updates to the Florida medical fee schedule.
- This filing proposes a decrease to the profit and contingency provision from 1.5% to 0.0%, which reflects the higher investment returns expected in the current interest rate environment compared to prior years.
- Additional proposed methodology changes in this filing include changes to experience rating values, occupational disease provisions, and calendar year wage adjustments. Please refer to the Additional Proposed Changes section for additional information.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Overview of Methodology

The following methodologies and assumptions used in this filing may not be applicable to or relevant for another purpose, including but not limited to NCCI filings in other jurisdictions.

#### Aggregate Ratemaking

NCCI's approach to determining the proposed overall average rate level change utilizes widely accepted ratemaking methodologies. The approach employed in this filing includes the following steps:

- The reported historical premium totals are projected to an ultimate basis and adjusted to the current rate level
- The reported historical indemnity and medical loss totals are projected to an ultimate basis and adjusted to the current benefit level
- Ratios of losses to premium are projected to the cost levels expected in the rate effective period
- Proposed benefit level and/or expense changes are applied to the projected cost ratios

The indicated average rate level change is calculated for the years in the filing's experience period. If the final projected cost ratios are greater (less) than 1.000, then an increase (decrease) in the average rate level is indicated.

#### Class Ratemaking

Once the proposed overall average voluntary rate level change has been determined, NCCI separately determines rates per \$100 of payroll for each workers compensation job classification (class); the rates and year-over-year changes vary by class. Three sets of pure premiums are combined as part of each class code's rate calculation based on the volume of available data for that job classification. The three sets of pure premiums are:

- State-specific payroll and loss experience ("indicated")
- Currently approved pure premium adjusted to the proposed level ("present on rate level")
- Countrywide experience adjusted to state conditions ("national")





## FLORIDA

### Workers Compensation Rate Filing – January 1, 2024

#### Summary of Selections

The following is a summary of selections underlying the voluntary rates proposed to be effective January 1, 2024, along with the selections underlying the currently approved filing effective January 1, 2023.

<b><u>Rates</u></b>	<b><u>Currently Approved January 1, 2023</u></b>	<b><u>Proposed Effective January 1, 2024</u></b>
Experience Period	Policy Years 2019 and 2020	Policy Years 2020 and 2021
Premium Development	3-yr avg	3-yr avg
Loss Experience Base	Avg Paid and P+C	Avg Paid and P+C
Loss Development - Paid	3-yr avg	3-yr avg
Loss Development - Paid+Case	3-yr avg	3-yr avg
Tail Factor – Indemnity	1.013	1.013
Tail Factor – Medical	1.029	1.025
Trend Factor – Indemnity Loss Ratio	0.970	0.970
Trend Factor – Medical Loss Ratio	0.970	0.960
Loss-based Expense Provision	22.6%	22.8%
Production and General Expenses	24.3%	24.4%
Premium Taxes and Assessments	2.5%	2.4%
Profit and Contingencies Provision	1.5%	0.0%
Maximum Minimum Premium	\$1,200	\$1,200
Minimum Premium Multiplier	100	100
Expense Constant	\$160	\$160
Classification Swing Limits (applied by Industry Group)	+/-15%	+/-15%



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Summary of Proposed Changes

The following changes are proposed in this year's filing:

##### Miscellaneous Values

	<u>Current</u>	<u>Proposed</u>
USL&HW Percentage	58%	56%
Basis of premium applicable in accordance with the notes for Code 7370:		
Employee operated vehicle	\$85,700	\$93,400
Leased or rented vehicle	\$57,100	\$62,200
Premium Determination for Partners and Sole Proprietors	\$57,100	\$62,200
Maximum Weekly Payroll – Executive Officers, 9178/9179	\$3,300	\$3,600
Minimum Weekly Payroll – Executive Officers in Construction	\$550	\$600
Minimum Weekly Payroll – all other Executive Officers	\$1,100	\$1,200

The deductible premium reduction percentages were updated.

##### Experience Rating Values

	<u>Current</u>	<u>Proposed</u>
G	11.85	9.40
State Per Claim Accident Limitation	\$296,500	\$153,500
State Multiple Claim Accident Limitation	\$593,000	\$307,000
USL&HW Per Claim Accident Limitation	\$574,500	\$286,500
USL&HW Multiple Claim Accident Limitation	\$1,149,000	\$573,000
Primary/Excess Loss Split Point	\$18,500	\$18,000
USL&HW Act - Expected Loss Factor - Non-F Classes	1.50	1.50

The proposed experience rating plan parameters reflect enhancements to NCCI's methodology.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Summary of Proposed Changes

##### Retrospective Rating Values

Changes to the retrospective rating values consist of:

- Average Cost per Case
- Excess Loss Factors
- Excess Loss and Allocated Expense Factors
- Retrospective Development Factors

	<u>Current</u>	<u>Proposed</u>
CW Expected Loss Ratio	0.586	0.585
CW Expected Loss and Allocated Expense Ratio	0.649	0.649
FL Expected Loss Ratio	0.585	0.596
FL Expected Loss and Allocated Expense Ratio	0.662	0.676
Type A	2022-01	2023-01
Type B	2022-01	2023-01
Type FL - A	2022-01	2023-01
Type FL - B	2022-01	2023-01
Tax Multipliers:		
State (other than F-Classes)	1.025	1.025
F-Classes	1.055	1.049

##### Disease Loadings

Proposed rates for applicable class codes no longer include disease loadings. A supplemental disease loading may be added, as described in the **Basic Manual** rule, Supplemental disease exposure.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Additional Proposed Changes

##### Changes to Experience Rating Values

The experience rating values in this filing reflect enhancements to the methodology for determining certain underlying components used in NCCI's Experience Rating Plan (Plan):

- The primary/excess loss split point (split point) now differs by jurisdiction to better reflect state cost differences.
- The State per claim accident limitation (SAL) and United States Longshore and Harbor Workers' Compensation (USL&HW) per claim accident limitation is now based on the 95th percentile of lost time claims and is generally lower in magnitude than the limitations under the prior methodology.
- The credibility parameters underlying the calculation of the weight (W) and ballast (B) values have been recalibrated with more recently available data to improve equity within the Experience Rating Plan. See Appendix D for updated W and B formulas.
- The G value has been adjusted to enhance consistency with other Plan parameters.
- The Discount ratios (D-ratios) no longer differ for class codes in the same hazard group.

The benefits of these updates include:

- A more accurate and predictive experience rating modification.
- More comparable Plan performance in states with claim costs that vary significantly from the countrywide average.
- Reduced sensitivity to large outlier claims without sacrificing predictive accuracy.
- The elimination of complex calculations where no value is added.

As described above, the split point is now a state-specific value reflecting Florida costs.

No statewide premium impact is anticipated from these experience rating plan updates.

##### Changes to Occupational Disease Provisions

NCCI recently completed a comprehensive review of Occupational Diseases (OD), excluding coal worker's pneumoconiosis. The review found that the vast majority of loss experience for OD-related conditions is reported within 10 years of policy expiration and thus captured by our Unit Statistical Plan Data. As this data is included in our ratemaking analysis each year, it was determined that there is no need for separate ratemaking handling. Based on this research, NCCI is proposing to remove all disease loadings specific to any classification that is not related to coal mining. This includes supplementary disease rates, where applicable.



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### Workers Compensation Rate Filing – January 1, 2024

#### Additional Proposed Changes

The premium generated from disease provisions is negligible, accounting for less than 0.1% of the total premium in the state. Therefore, no offset is being proposed due to the removal of OD provisions. The losses associated with OD claims will continue to be included in the ratemaking data underlying the annual rate filings.

As stated in the **Basic Manual** rule, Supplemental disease exposure, carriers will continue to have the option to include a load for supplemental OD exposure. The supplemental disease loading proposed must be based on the carrier's judgment after an evaluation of the operation.

#### Calendar Year Wage Adjustments

NCCI's standard methodology is to adjust frequency and severity values included in its rate filings to a common wage level before analyzing trends that may be present in those values. This practice allows NCCI to analyze trends over and above changes that may be due solely to wage inflation. In this year's filing, the frequency and severity values have been adjusted to the Policy Year 2021 average weekly wage (AWW) level using data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW).

In addition to the traditional growth in wages/salaries that may be expected to occur each year, the observed 2019-to-2020 and 2020-to-2021 AWW changes were also impacted by COVID-19 pandemic-related shifts in employment across industry sectors. While a change in industry-sector mix occurs to a small degree each year, its impact on the 2020 and 2021 AWW changes was unusually large, due to pandemic-related job losses, followed by wage growth in relatively low-wage industries. Therefore, the 2020 and 2021 AWW values were adjusted to exclude the estimated impact of the pandemic-related, industry-sector mix change.

The impact of industry-sector mix changes on the 2022 AWW change was less atypical than what was observed in 2020 and 2021. As such, the 2022 AWW value has not been modified to exclude the impact of industry-sector mix changes.

The adjustment made to the 2020 and 2021 AWW is reflected in the frequency and severity values shown in Appendix A-III Trend Factors. The overall impact of the 2020 and 2021 AWW adjustment, and the return to an unadjusted 2022 AWW, is expected to be immaterial.



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### Workers Compensation Rate Filing – January 1, 2024

#### Additional Proposed Changes

##### Expense-Related Provisions

This filing proposes changes to several expense-related provisions as described below. Please see Exhibit II for additional detail.

**Production and General Expenses:** The proposed rates include a provision for production and general expenses. This expense component is based on Insurance Expense Exhibit data, reported annually by insurers to state insurance departments. In this filing, NCCI is proposing to change the currently approved production and general expense provision by +0.1%.

**Premium Taxes and Assessments:** This filing proposes to change the current provision for taxes and assessments by -0.1%.

**Profit and Contingency Provision:** By law, Florida workers compensation rates must be determined so that insurers can be expected to earn a reasonable rate of return. Analysis and determination of a profit and contingency (P&C) provision is necessary to ensure this premise is maintained. In this filing, NCCI is proposing to change the current P&C provision from 1.5% to 0.0%.

**Loss-Based Expenses:** The proposed rates include a provision for loss adjustment expenses (LAE). These are expenses associated with the handling of workers compensation claims. LAE is included in the rates by using a ratio of loss adjustment expense dollars to loss dollars (called the LAE provision). In this filing, NCCI is proposing to change the currently approved LAE provision from 22.6% to 22.8% of losses.



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### Workers Compensation Rate Filing – January 1, 2024

#### Part 2 Proposed Values

- Proposed Rates for Inclusion in the Basic Manual
- Proposed Values for Inclusion in the Experience Rating Plan Manual
- Proposed Values for Inclusion in the Retrospective Rating Plan Manual

Please note the following in connection with this filing:

- The updated experience rating plan parameters reflect enhancements to NCCI's methodology.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Proposed Rates for Inclusion in the Basic Manual

The following pages include proposed:

- Voluntary rates and minimum premiums by class code, along with associated footnotes
- Miscellaneous values, such as:
  - Expense constant and minimum premium parameters
  - Maximum and minimum weekly payroll applicable for select class codes
  - Premium determination for Partners and Sole Proprietors
  - Terrorism rate
  - United States Longshore and Harbor Workers' Compensation Coverage Percentage



# WORKERS COMPENSATION AND EMPLOYERS LIABILITY

FLORIDA

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Effective January 1, 2024

Original Printing

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	2.88	448	2003	2.82	442	2731	2.95	455	3270	1.60	320	4062	2.02	362
0008	2.73	433	2014	3.24	484	2735	3.93	553	3300	3.42	502	4101	2.46	406
0016	4.25	585	2016	1.96	356	2759	4.65	625	3303	2.05	365	4109	0.37	197
0030	3.10	470	2021	2.70	430	2790	1.65	325	3307	1.88	348	4110	0.83	243
0034	3.53	513	2039	2.29	389	2797	4.29	589	3315	2.52	412	4111	1.41	301
0035	2.12	372	2041	2.38	398	2799	4.71	631	3334	1.83	343	4113	1.99	359
0036	4.26	586	2065	2.33	393	2802	4.01	561	3336	1.85	345	4114	2.24	384
0037	3.51	511	2070	3.29	489	2835	2.04	364	3365	4.16	576	4130	3.32	492
0042	4.81	641	2081	3.24	484	2836	2.08	368	3372	2.07	367	4131	4.03	563
0050	3.78	538	2089	2.62	422	2841	2.84	444	3373	3.49	509	4133	2.16	376
0052	3.19	479	2095	3.46	506	2881	2.48	408	3383	1.11	271	4149	0.50	210
0059D	—	—	2105	3.45	505	2883	2.91	451	3385	0.75	235	4206	3.23	483
0065D	—	—	2110	2.42	402	2915	2.02	362	3400	2.63	423	4207	1.85	345
0066D	—	—	2111	1.97	357	2916	3.01	461	3507	2.27	387	4239	1.43	303
0067D	—	—	2112	3.57	517	2923	1.35	295	3515	1.33	293	4240	2.23	383
0079	2.27	387	2114	1.74	334	2960	4.07	567	3548	1.21	281	4243	1.58	318
0083	4.56	616	2119	2.02	362	3004	1.10	270	3559	1.77	337	4244	1.71	331
0106	6.52	812	2121	0.96	256	3018	2.70	430	3574	0.64	224	4250	1.91	351
0113	3.19	479	2130	1.71	331	3022	2.46	406	3581	0.91	251	4251	2.82	442
0153	3.08	468	2131	1.43	303	3027	2.30	390	3612	1.50	310	4263	2.52	412
0170	1.87	347	2157	2.38	398	3028	2.96	456	3620	2.18	378	4273	2.32	392
0173	0.72	232	2172	1.22	282	3030	4.18	578	3629	1.16	276	4279	2.82	442
0251	3.08	468	2174	2.35	395	3040	4.18	578	3632	2.27	387	4282	0.96	256
0401	7.54	A	2211	6.33	793	3041	2.73	433	3634	1.10	270	4283	1.55	315
0771N	0.29	—	2220	2.41	401	3042	3.09	469	3635	1.25	285	4299	1.55	315
0908P	179.00	339	2286	1.35	295	3064	2.76	436	3638	1.39	299	4304	3.84	544
0913P	487.00	647	2288	3.37	497	3076	2.93	453	3642	1.39	299	4307	1.44	304
0917	3.23	483	2302	1.57	317	3081D	3.38	498	3643	1.72	332	4351	0.89	249
1005	4.10	570	2305	1.90	350	3082D	3.09	469	3647	1.61	321	4352	1.25	285
1164D	2.27	387	2361	1.55	315	3085D	3.48	508	3648	1.27	287	4361	0.82	242
1165D	1.72	332	2362	2.16	376	3110	2.96	456	3681	0.63	223	4410	2.27	387
1218	1.37	297	2380	1.97	357	3111	1.46	306	3685	0.67	227	4420	2.41	401
1320	1.45	305	2388	1.14	274	3113	1.61	321	3719	0.77	237	4431	0.94	254
1322	7.83	943	2402	1.96	356	3114	2.33	393	3724	2.88	448	4432	0.94	254
1430	2.19	379	2413	1.90	350	3118	1.36	296	3726	2.69	429	4452	2.35	395
1438	3.15	475	2416	2.04	364	3119	0.66	226	3803	2.37	397	4459	2.04	364
1452	2.32	392	2417	1.46	306	3122	1.27	287	3807	1.38	298	4470	1.91	351
1463	9.20	1080	2501	1.83	343	3126	1.72	332	3808	1.97	357	4484	2.10	370
1472	2.60	420	2503	0.72	232	3131	2.29	389	3821	5.65	725	4493	1.65	325
1473	0.77	237	2534	1.49	309	3132	1.97	357	3822	3.85	545	4511	0.56	216
1624D	2.15	375	2570	2.84	444	3145	1.55	315	3824	2.79	439	4557	1.94	354
1642	2.02	362	2585	2.62	422	3146	1.75	335	3826	0.63	223	4558	1.38	298
1654	2.56	416	2586	3.31	491	3169	1.69	329	3827	1.38	298	4568	1.75	335
1655	2.06	366	2587	2.36	396	3175	2.46	406	3830	1.02	262	4581	0.71	231
1699	2.19	379	2589	2.15	375	3179	1.50	310	3851	1.60	320	4583	3.74	534
1701	2.51	411	2600	3.34	494	3180	2.70	430	3865	1.99	359	4611	0.94	254
1710D	3.20	480	2623	3.85	545	3188	1.82	342	3881	2.68	428	4635	2.46	406
1741D	2.12	372	2651	1.65	325	3220	1.07	267	4000	3.75	535	4653	1.66	326
1747	1.81	341	2660	1.65	325	3223	1.93	353	4021	3.02	462	4665	4.94	654
1748	3.78	538	2670	1.33	293	3224	2.57	417	4024D	2.68	428	4670	4.51	611
1803D*	5.36	696	2683	1.72	332	3227	2.54	414	4034	5.34	694	4683	2.49	409
1853	1.57	317	2688	1.49	309	3240	2.77	437	4036	1.91	351	4686	2.26	386
1860	1.54	314	2702*	6.37	797	3241	2.07	367	4038	2.01	361	4692	0.58	218
1924	1.82	342	2710	7.27	887	3255	1.83	343	4053	1.54	314	4693	0.81	241
1925	2.48	408	2714	4.47	607	3257	2.32	392	4061	1.97	357	4703	1.14	274

## REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the **Basic Manual** for any state specific classification phraseology.

\* Refer to the Footnotes Page for additional information on this class code.

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## WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4710	2.08	368	5610	4.01	561	7090M	3.56	516	7720	2.63	423	8393	1.37	297
4717	1.60	320	5613	5.89	749	7098M	4.60	620	7855	2.72	432	8500	4.74	634
4720	1.72	332	5645	9.38	1098	7099M	6.56	816	8001	2.42	402	8601	0.33	193
4740	1.41	301	5651	5.87	747	7133	1.81	341	8002	1.79	339	8602	1.34	294
4741	2.43	403	5703	7.25	885	7151M	2.20	380	8006	1.59	319	8603	0.08	168
4751	2.13	373	5705	9.33	1093	7152M	3.48	508	8008	1.09	269	8606	1.25	285
4771N	1.66	355	5951	0.42	202	7153M	2.44	404	8010	1.42	302	8709F	4.77	637
4777	3.31	491	6004	5.71	731	7201	6.67	827	8013	0.31	191	8719	2.73	433
4825	0.93	253	6006F	8.35	995	7204	1.12	272	8015	0.66	226	8720	1.17	277
4828	2.85	445	6017	2.46	406	7205	7.94	954	8017	1.20	280	8721	0.22	182
4829	1.03	263	6018	2.26	386	7219	4.90	650	8018	2.73	433	8723	0.09	169
4902	1.68	328	6045	3.54	514	7222	4.95	655	8021	2.36	396	8725	0.35	195
4923	1.28	288	6204	5.63	723	7230	5.62	722	8031	1.87	347	8726F	1.54	314
5020	5.43	703	6206	2.46	406	7231	6.68	828	8032	1.80	340	8728	0.47	207
5022	6.47	807	6213	1.65	325	7232	8.19	979	8033	1.20	280	8734M	0.34	194
5037	7.89	949	6214	1.43	303	7309F	7.16	876	8037	2.54	414	8737M	0.30	190
5040	7.22	882	6216	4.46	606	7313F	2.54	414	8039	1.43	303	8738M	0.48	208
5057	3.29	489	6217	3.29	489	7317F	9.02	1062	8044	1.96	356	8742	0.25	185
5059	11.91	1200	6229	4.01	561	7327F	14.38	1200	8045	0.78	238	8745	2.94	454
5069	18.18	1200	6233	1.67	327	7333M	4.49	609	8046	2.63	423	8748	0.43	203
5102	5.52	712	6235	4.22	582	7335M	4.99	659	8047	0.72	232	8755	0.30	190
5146	4.05	565	6236	4.63	623	7337M	7.12	872	8058	2.86	446	8799	0.44	204
5160	1.59	319	6237	2.08	368	7350F	7.31	891	8061	1.73	333	8800	1.41	301
5183	2.97	457	6251D	4.63	623	7360	3.27	487	8072	0.68	228	8803	0.04	164
5188	3.29	489	6252D	2.91	451	7370	3.65	525	8102	1.62	322	8805M	0.18	178
5190	3.23	483	6306	3.86	546	7380	4.17	577	8103	2.42	402	8810	0.13	173
5191	0.83	243	6319	3.29	489	7382	4.07	567	8106	3.84	544	8814M	0.16	176
5192	2.40	400	6325	4.05	565	7383	3.20	480	8107	2.57	417	8815M	0.25	185
5213	6.44	804	6400	3.98	558	7390	2.94	454	8111	1.81	341	8820	0.09	169
5215	5.15	675	6503	1.83	343	7394M	2.22	382	8116	2.23	383	8824	2.39	399
5221	4.25	585	6504	2.80	440	7395M	2.47	407	8203	5.64	724	8825	1.43	303
5222	6.30	790	6702M*	3.30	490	7398M	3.52	512	8204	3.45	505	8826	2.05	365
5223	3.13	473	6703M*	5.24	684	7402	0.11	171	8209	3.60	520	8829	1.68	328
5348	2.97	457	6704M*	3.67	527	7403	2.82	442	8215	3.47	507	8831	1.12	272
5402	5.19	679	6801F	4.39	599	7405N	0.72	271	8227	3.95	555	8832	0.25	185
5403	4.54	614	6811	3.06	466	7420	5.80	740	8232	4.01	561	8833	0.82	242
5437	4.48	608	6824F	6.15	775	7421	0.54	214	8233	2.61	421	8835	1.53	313
5443	2.70	430	6826F	3.30	490	7422	0.97	257	8235	3.70	530	8841	1.21	281
5445	4.92	652	6828F	4.95	655	7425	1.00	260	8263	5.34	694	8842	1.76	336
5462	4.81	641	6834	2.02	362	7431N	0.57	248	8264	3.85	545	8855	0.09	169
5472	4.54	614	6836	2.21	381	7445N	0.39	—	8265	3.76	536	8856	0.36	196
5473	6.74	834	6838	2.02	362	7453N	0.31	—	8273	3.07	467	8864	1.11	271
5474	5.13	673	6843F	7.14	874	7502	1.66	326	8274	3.94	554	8868	0.35	195
5478	2.46	406	6845F	3.61	521	7515	0.87	247	8279	6.49	809	8869	1.00	260
5479	5.59	719	6854	4.44	604	7520	1.88	348	8288	7.63	923	8871	0.05	165
5480	6.15	775	6872F	6.45	805	7538	2.37	397	8291	3.05	465	8901	0.13	173
5491	2.66	426	6874F	9.68	1128	7539	1.12	272	8292	2.94	454	9012	0.68	228
5506	4.07	567	6882	1.87	347	7540	1.67	327	8293	5.75	735	9014	2.61	421
5507	4.02	562	6884	2.29	389	7580	1.81	341	8304	4.43	603	9015	2.74	434
5508D	5.65	725	7016M	2.45	405	7590	3.36	496	8350	4.34	594	9016	1.77	337
5509	7.53	913	7024M	2.72	432	7600	3.86	546	8353	5.03	663	9019	2.51	411
5535	5.62	722	7038M	3.20	480	7605	2.05	365	8380	1.76	336	9033	1.71	331
5537	3.40	500	7046M	4.14	574	7610	0.38	198	8381	1.55	315	9040	2.38	398
5551	8.24	984	7047M	3.88	548	7704	3.96	556	8385	2.07	367	9047	2.20	380
5606	0.83	243	7050M	5.08	668	7705	3.18	478	8392	1.65	325	9052	1.84	344

## REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

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\* Refer to the Footnotes Page for additional information on this class code.

# WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9058	1.30	290									
9060	1.22	282									
9061	1.40	300									
9063	0.74	234									
9077F	5.03	663									
9082	1.22	282									
9083	1.24	284									
9084	1.12	272									
9088a	a	a									
9089	0.72	232									
9093	1.14	274									
9101	2.71	431									
9102	2.81	441									
9154	1.29	289									
9156	2.54	414									
9170	7.27	887									
9178	3.62	522									
9179	6.10	770									
9180	2.78	438									
9182	1.51	311									
9186	12.14	1200									
9220	5.16	676									
9402	4.48	608									
9403	5.01	661									
9410	1.99	359									
9501	2.21	381									
9505	2.37	397									
9516	1.74	334									
9519	3.61	521									
9521	2.98	458									
9522	1.91	351									
9534	4.26	586									
9554	5.71	731									
9586	0.47	207									
9600	1.91	351									
9620	1.36	296									

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\* Refer to the Footnotes Page for additional information on this class code.

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FOOTNOTES

- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Rate for classification no longer includes disease loading. A supplemental disease loading may be added, as described in the **Basic Manual** rule, Supplemental disease exposure.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rates include a provision for the USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.

**\* Class Codes with Specific Footnotes**

- 1803 See the Florida **Basic Manual** rule, Disease loading.
- 2702 An upset payroll of \$10.00 per cord has been established for use only when payroll records are not available and shall be used for premium computation purposes in accordance with the classification footnote.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 1.925 and elr x 1.863.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

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## MISCELLANEOUS VALUES

<b>Average Weekly Wage</b> applicable only in connection with the <b>Basic Manual</b> rule, Payroll exclusions.....	\$30
<b>Basis of premium</b> applicable in accordance with the <b>Basic Manual</b> notes for Code 7370 -- "Taxicab Co.":	
Employee operated vehicle.....	\$93,400
Leased or rented vehicle.....	\$62,200
<b>Expense Constant</b> applicable in accordance with the <b>Basic Manual</b> rule.....	\$160
<b>Maximum Minimum Premium</b> .....	\$1,200
<b>Maximum Weekly Payroll</b> applicable in accordance with the <b>Basic Manual</b> rule, Rule for premium determination of executive officers and the <b>Basic Manual</b> notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports".....	\$3,600
<b>Minimum Premium Multiplier</b> .....	100
<b>Minimum Weekly Payroll</b> applicable in accordance with the <b>Basic Manual</b> rule, Rule for premium determination of executive officers:	
Executive officers in the construction industry.....	\$600
All other executive officers.....	\$1,200
<b>Premium Determination for Partners and Sole Proprietors</b> in accordance with the <b>Basic Manual</b> rule, Rule for premium determination for partners or sole proprietors (Annual Payroll).....	\$62,200

**Note:** If the actual remuneration received by the partner or sole proprietor as evidenced by IRS Schedule C forms is less than the amount shown above, the actual amount may be used.

**Premium Discount Percentages** - (See the **Basic Manual** rule, Premium discount.) The following premium discounts are applicable to Standard Premiums:

		Table A	Table B
First	\$10,000	-	-
Next	190,000	9.1%	5.1%
Next	1,550,000	11.3%	6.5%
Over	1,750,000	12.3%	7.5%

**Premium Reduction Percentages** - The following percentages are applicable by deductible and/or coinsurance amount and hazard group for total losses on a per claim basis. They do include a safety factor.

Coinsurance Amount	Coinsurance Program Premium Reduction Percentages						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$5,000	3.0%	2.6%	2.1%	1.8%	1.4%	1.1%	0.9%
\$10,000	4.3%	3.8%	3.1%	2.8%	2.2%	1.8%	1.5%
\$15,000	5.2%	4.7%	3.9%	3.5%	2.8%	2.4%	2.0%
\$20,000	6.0%	5.4%	4.6%	4.1%	3.4%	2.8%	2.4%
\$21,000	6.1%	5.5%	4.7%	4.2%	3.5%	2.9%	2.5%

Deductible Amount	Deductible Program Premium Reduction Percentages						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$500	3.4%	2.9%	2.1%	1.8%	1.3%	1.0%	0.7%
\$1,000	5.7%	4.9%	3.7%	3.1%	2.3%	1.7%	1.4%
\$1,500	7.5%	6.4%	5.0%	4.1%	3.1%	2.4%	1.9%
\$2,000	9.0%	7.8%	6.1%	5.1%	3.9%	3.0%	2.4%
\$2,500	10.3%	8.9%	7.0%	5.9%	4.5%	3.5%	2.8%

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MISCELLANEOUS VALUES (cont.)

Deductible Amount	Deductible with Coinsurance Program Premium Reduction Percentages						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$500	8.8%	7.8%	6.4%	5.7%	4.5%	3.7%	3.1%
\$1,000	10.7%	9.4%	7.7%	6.7%	5.3%	4.3%	3.6%
\$1,500	12.1%	10.7%	8.7%	7.6%	5.9%	4.9%	4.0%
\$2,000	13.3%	11.8%	9.6%	8.3%	6.5%	5.3%	4.4%
\$2,500	14.3%	12.7%	10.3%	9.0%	7.1%	5.7%	4.7%

Deductible Amount	Intermediate Deductible Program+ Premium Reduction Percentages						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$5,000	15.0%	13.2%	10.6%	9.1%	7.1%	5.7%	4.7%
\$10,000	21.4%	19.1%	15.7%	13.9%	11.0%	9.1%	7.6%
\$15,000	26.1%	23.4%	19.6%	17.6%	14.1%	11.8%	10.1%
\$20,000	29.8%	27.0%	22.9%	20.6%	16.8%	14.2%	12.2%
\$25,000	33.0%	30.0%	25.7%	23.3%	19.1%	16.3%	14.1%
\$50,000	43.4%	40.3%	35.6%	33.1%	27.8%	24.4%	21.6%
\$75,000	49.3%	46.2%	41.5%	39.1%	33.5%	30.0%	26.8%

+ Identifies a premium reduction percentage provided on an advisory basis. An insurer may deviate from such percentage reductions by filing with and obtaining approval from the Office of Insurance Regulation.

**Terrorism (Voluntary Rates)** ..... 0.01

**United States Longshore and Harbor Workers' Compensation Coverage Percentage** applicable only  
in connection with the **Basic Manual** rule, Federal coverages..... 56%

(Multiply a Non-F classification rate by a factor of 1.56 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.50) and the adjustment for differences in loss-based expenses (1.039).)

**Experience Rating Eligibility**

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state and by effective date.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Proposed Values for Inclusion in the Experience Rating Plan Manual

The following pages include proposed values for inclusion in the Experience Rating Plan Manual:

- Description of Expected Loss Rates and D-ratios
- Description of the Weighting and Ballast values
- Expected Loss Rates and D-ratios by class code
- Table of Weighting Values
- Table of Ballast Values



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Proposed Rating Values

##### Description of Expected Loss Rates and D-ratios

An expected loss rate for a classification is used to estimate the expected losses per \$100 of payroll during the experience rating period for risks within that classification. These expected losses are then compared with the actual losses of a risk during the experience rating period to determine the experience modification (mod).

The actual losses reflect the loss data during the experience rating period. Expected losses and actual losses must be at the same level to enable an appropriate comparison for purposes of the experience mod calculation. As such, the proposed rates are adjusted to reflect the average loss levels of the experience rating period. This is accomplished through the application of ELR factors to the proposed underlying pure premiums. These ELR factors, calculated by hazard group (HG), remove the effects of the following: loss development, expected losses in excess of the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and assigned risk programs.

In experience rating, losses are divided into primary and excess portions. For each claim, losses below the split point are primary losses, while losses above the split point are excess losses. The D-ratio represents the estimated ratio of expected primary losses to expected total losses for a classification. The D-ratio is used to determine the expected excess losses to be used in the experience mod calculation.

D-ratios are calculated by hazard group and are based on the latest three years of Unit Statistical Data trended to the midpoint of the proposed experience rating period. A comparison of the resulting D-ratios across hazard groups is done to ensure that they monotonically decrease from hazard group A to hazard group G. If they do not, an adjustment is made by averaging the D-ratios over adjacent hazard groups. The final D-ratio for each classification is the hazard group D-ratio.

An adjustment to the ELR factors is necessary so that the resulting ELRs produce an expected intrastate experience rating off-balance that equals the targeted intrastate experience rating off-balance used in the calculation of the overall rate level change for the state. Preliminary ELR factors are calculated by class code utilizing the appropriate hazard group factors and underlying pure premiums. Intrastate experience rating modifications for the most recent year of rating effective dates available at the time of the production of the filing are calculated based on the preliminary ELRs and D-ratios, and the losses underlying the mod calculations are adjusted for trend and to the appropriate benefit level of the data that will be used for experience ratings in the proposed effective period. The trend is applied separately by frequency and severity using selected values that are appropriate for the time period covered. It should be noted that the loss ratio trends used in other parts of the filing may not match the ELR trends due to possible differences between the experience rating trend periods and the ratemaking trend periods. An average of these intrastate experience modifications is calculated, and an iterative process follows where the ELR factors are adjusted up or down, class ELRs are recalculated, and experience rating modifications are restated until the target average intrastate experience mod is achieved.





## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Proposed Rating Values

For the calculation of experience mods, the experience rating plan for Florida uses actual losses net of the deductible reimbursement amount reported for the calculation of experience mods. As a result, the ELR adjustment mentioned above is calculated using actual losses net of the deductible reimbursement to target the average intrastate experience mod.

The final ELR for each classification is calculated as follows:

$$\text{ELR} = \{(\text{HG indemnity ELR factor}) \times (\text{indemnity pure premium}) + (\text{HG medical ELR factor}) \times (\text{medical pure premium})\} \times \text{Manual/Standard Ratio}$$

#### Description of the Weighting and Ballast Values

The weighting value (W) and ballast value (B) influence the degree to which an employer's actual losses impact the experience rating modification for employers of various sizes - generally described as excess loss credibility.

One element of the formulas underlying the Weight and Ballast calculations is the G-value, which represents the state average claim severity in thousands of dollars and reflects the state accident limitation and the reduction of medical only losses. The state accident limit is used to curtail the impact of large claims on the experience modification and is based on a state-level 95th percentile of lost-time claims so that the limitation is expected to impact the largest 5% of lost-time claims.

The values for W and B are such that larger employers receive higher excess loss credibility in their experience modification calculation than smaller employers.

The ballast value is a stabilizing value designed to control the effect of actual loss experience on the experience rating modification. It is added to both the numerator and denominator in the experience modification calculation and increases as expected losses increase.

The weighting value for various levels of expected losses is provided in the Table of Weighting Values.

The ballast value for various levels of expected losses is provided in the Table of Ballast Values.

Effective January 1, 2024

**TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS  
APPLICABLE TO ALL POLICIES**

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
0005	1.54	0.42	2003	1.45	0.40	2731	1.57	0.42	3270	0.86	0.42	4062	1.04	0.40
0008	1.47	0.42	2014	1.49	0.37	2735	2.12	0.42	3300	1.96	0.45	4101	1.27	0.40
0016	1.96	0.37	2016	1.04	0.42	2759	2.49	0.42	3303	1.09	0.42	4109	0.20	0.42
0030	1.42	0.37	2021	1.39	0.40	2790	0.95	0.45	3307	0.97	0.40	4110	0.44	0.42
0034	1.82	0.40	2039	1.22	0.42	2797	2.48	0.45	3315	1.34	0.42	4111	0.75	0.42
0035	1.10	0.40	2041	1.27	0.42	2799	2.41	0.40	3334	0.93	0.40	4113	1.04	0.42
0036	2.27	0.42	2065	1.20	0.40	2802	2.07	0.40	3336	0.95	0.40	4114	1.15	0.40
0037	1.62	0.37	2070	1.68	0.40	2835	1.16	0.45	3365	1.75	0.35	4130	1.77	0.42
0042	2.48	0.40	2081	1.86	0.45	2836	1.19	0.45	3372	1.06	0.40	4131	2.14	0.42
0050	1.73	0.37	2089	1.39	0.42	2841	1.52	0.42	3373	1.85	0.42	4133	1.25	0.45
0052	1.64	0.40	2095	1.79	0.40	2881	1.42	0.45	3383	0.59	0.42	4149	0.29	0.45
0059	—	—	2105	1.97	0.45	2883	1.56	0.42	3385	0.40	0.42	4206	1.72	0.42
0065	—	—	2110	1.29	0.42	2915	0.93	0.37	3400	1.41	0.42	4207	0.78	0.35
0066	—	—	2111	1.05	0.42	2916	1.39	0.37	3507	1.17	0.40	4239	0.60	0.35
0067	—	—	2112	1.90	0.42	2923	0.77	0.45	3515	0.69	0.40	4240	1.28	0.45
0079	1.18	0.40	2114	1.00	0.45	2960	2.08	0.40	3548	0.64	0.42	4243	0.81	0.40
0083	2.36	0.40	2119	1.04	0.40	3004	0.46	0.35	3559	0.91	0.40	4244	0.78	0.37
0106	2.75	0.35	2121	0.55	0.45	3018	1.14	0.35	3574	0.34	0.42	4250	0.98	0.40
0113	1.70	0.42	2130	0.88	0.40	3022	1.31	0.42	3581	0.49	0.42	4251	1.50	0.42
0153	1.59	0.40	2131	0.76	0.42	3027	1.06	0.37	3612	0.77	0.40	4263	1.30	0.40
0170	0.99	0.42	2157	1.25	0.42	3028	1.36	0.37	3620	0.99	0.37	4273	1.19	0.40
0173	0.39	0.42	2172	0.56	0.37	3030	1.92	0.37	3629	0.60	0.40	4279	1.29	0.37
0251	1.59	0.40	2174	1.26	0.42	3040	2.15	0.40	3632	1.17	0.40	4282	0.54	0.45
0401	3.21	0.35	2211	2.90	0.37	3041	1.40	0.40	3634	0.56	0.40	4283	0.82	0.42
0771	—	—	2220	1.25	0.40	3042	1.59	0.40	3635	0.64	0.40	4299	0.80	0.40
0908	91.47	0.40	2286	0.77	0.45	3064	1.42	0.40	3638	0.74	0.42	4304	1.98	0.40
0913	249.52	0.40	2288	1.80	0.42	3076	1.57	0.42	3642	0.75	0.42	4307	0.83	0.45
0917	1.85	0.45	2302	0.81	0.40	3081	1.74	0.40	3643	0.79	0.37	4351	0.48	0.42
1005	1.57	0.31	2305	0.87	0.37	3082	1.42	0.37	3647	0.83	0.40	4352	0.67	0.42
1164	0.88	0.31	2361	0.80	0.40	3085	1.79	0.40	3648	0.73	0.45	4361	0.44	0.42
1165	0.67	0.31	2362	1.16	0.42	3110	1.53	0.40	3681	0.33	0.42	4410	1.21	0.42
1218	0.63	0.37	2380	1.06	0.42	3111	0.77	0.42	3685	0.36	0.42	4420	1.01	0.35
1320	0.62	0.35	2388	0.66	0.45	3113	0.83	0.40	3719	0.30	0.31	4431	0.54	0.45
1322	3.05	0.31	2402	0.90	0.37	3114	1.21	0.40	3724	1.13	0.31	4432	0.54	0.45
1430	1.00	0.37	2413	0.98	0.40	3118	0.78	0.45	3726	1.05	0.31	4452	1.21	0.40
1438	1.44	0.37	2416	1.09	0.42	3119	0.39	0.49	3803	1.26	0.42	4459	0.93	0.37
1452	1.06	0.37	2417	0.78	0.42	3122	0.73	0.45	3807	0.73	0.42	4470	0.98	0.40
1463	3.62	0.31	2501	0.98	0.42	3126	0.89	0.40	3808	1.01	0.40	4484	1.12	0.42
1472	1.19	0.37	2503	0.38	0.42	3131	1.19	0.40	3821	2.59	0.37	4493	0.85	0.40
1473	0.35	0.37	2534	0.86	0.45	3132	1.06	0.42	3822	2.07	0.42	4511	0.29	0.40
1624	0.91	0.35	2570	1.51	0.42	3145	0.80	0.40	3824	1.49	0.42	4557	0.89	0.37
1642	0.93	0.37	2585	1.34	0.40	3146	0.91	0.40	3826	0.32	0.40	4558	0.71	0.40
1654	1.17	0.37	2586	1.78	0.42	3169	0.91	0.42	3827	0.73	0.42	4568	0.80	0.37
1655	0.94	0.37	2587	1.25	0.42	3175	1.32	0.42	3830	0.52	0.40	4581	0.30	0.35
1699	1.01	0.37	2589	1.11	0.40	3179	0.80	0.42	3851	0.85	0.42	4583	1.59	0.35
1701	1.06	0.35	2600	1.77	0.42	3180	1.44	0.42	3865	1.14	0.45	4611	0.50	0.42
1710	1.47	0.37	2623	1.77	0.37	3188	0.93	0.40	3881	1.37	0.40	4635	1.03	0.35
1741	0.83	0.31	2651	0.88	0.42	3220	0.55	0.40	4000	1.58	0.35	4653	0.89	0.42
1747	0.83	0.37	2660	0.94	0.45	3223	1.16	0.49	4021	1.55	0.40	4665	2.26	0.37
1748	1.74	0.37	2670	0.80	0.49	3224	1.46	0.45	4024	1.22	0.37	4670	2.08	0.37
1803	2.46	0.37	2683	1.00	0.45	3227	1.35	0.42	4034	2.46	0.37	4683	1.28	0.40
1853	0.81	0.40	2688	0.80	0.42	3240	1.59	0.45	4036	0.87	0.37	4686	1.03	0.37
1860	0.88	0.45	2702	2.47	0.31	3241	1.10	0.42	4038	1.15	0.45	4692	0.31	0.42
1924	0.97	0.42	2710	3.33	0.37	3255	1.05	0.45	4053	0.82	0.42	4693	0.43	0.42
1925	1.27	0.40	2714	2.40	0.42	3257	1.24	0.42	4061	1.12	0.45	4703	0.58	0.40

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CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
4710	1.19	0.45	5610	1.83	0.37	7090	1.41	0.31	7720	1.21	0.37	8393	0.62	0.37
4717	0.92	0.45	5613	3.14	0.42	7098	1.80	0.31	7855	1.24	0.37	8500	2.17	0.37
4720	0.89	0.40	5645	3.67	0.31	7099	2.48	0.31	8001	1.30	0.42	8601	0.14	0.35
4740	0.55	0.31	5651	2.47	0.35	7133	0.76	0.35	8002	0.95	0.42	8602	0.62	0.37
4741	1.24	0.40	5703	3.32	0.37	7151	0.93	0.35	8006	0.91	0.45	8603	0.04	0.42
4751	0.98	0.37	5705	4.26	0.37	7152	1.42	0.35	8008	0.63	0.45	8606	0.53	0.35
4771	0.70	0.35	5951	0.23	0.42	7153	1.03	0.35	8010	0.76	0.42	8709F	1.51	0.26
4777	1.37	0.35	6004	2.60	0.37	7201	3.45	0.40	8013	0.16	0.40	8719	1.16	0.35
4825	0.42	0.37	6006F	2.82	0.30	7204	0.59	0.42	8015	0.34	0.40	8720	0.49	0.35
4828	1.22	0.35	6017	1.12	0.37	7205	4.11	0.40	8017	0.68	0.45	8721	0.10	0.37
4829	0.44	0.35	6018	1.03	0.37	7219	2.05	0.35	8018	1.44	0.42	8723	0.05	0.40
4902	0.90	0.42	6045	1.61	0.37	7222	2.06	0.35	8021	1.26	0.42	8725	0.16	0.37
4923	0.66	0.40	6204	2.38	0.35	7230	2.85	0.40	8031	1.00	0.42	8726F	0.55	0.33
5020	2.30	0.35	6206	0.96	0.31	7231	3.37	0.40	8032	0.96	0.42	8728	0.22	0.37
5022	2.52	0.31	6213	0.64	0.31	7232	3.40	0.35	8033	0.68	0.45	8734	0.16	0.37
5037	3.06	0.31	6214	0.60	0.35	7309F	2.27	0.26	8037	1.52	0.49	8737	0.14	0.37
5040	2.82	0.31	6216	1.73	0.31	7313F	0.80	0.26	8039	0.83	0.45	8738	0.22	0.37
5057	1.28	0.31	6217	1.29	0.31	7317F	2.85	0.26	8044	1.04	0.42	8742	0.12	0.37
5059	4.66	0.31	6229	1.84	0.37	7327F	4.55	0.26	8045	0.41	0.42	8745	1.51	0.40
5069	7.12	0.31	6233	0.65	0.31	7333	1.75	0.31	8046	1.40	0.42	8748	0.18	0.35
5102	2.34	0.35	6235	1.64	0.31	7335	1.95	0.31	8047	0.38	0.42	8755	0.14	0.37
5146	1.84	0.37	6236	2.10	0.37	7337	2.69	0.31	8058	1.53	0.42	8799	0.24	0.42
5160	0.62	0.31	6237	0.87	0.35	7350F	2.47	0.30	8061	0.92	0.42	8800	0.75	0.42
5183	1.26	0.35	6251	1.94	0.35	7360	1.50	0.37	8072	0.39	0.45	8803	0.02	0.37
5188	1.40	0.35	6252	1.13	0.31	7370	1.93	0.42	8102	0.87	0.42	8805	0.10	0.42
5190	1.37	0.35	6306	1.63	0.35	7380	1.90	0.37	8103	1.24	0.40	8810	0.07	0.42
5191	0.38	0.37	6319	1.29	0.31	7382	2.07	0.40	8106	1.76	0.37	8814	0.09	0.42
5192	1.23	0.40	6325	1.58	0.31	7383	1.48	0.37	8107	1.09	0.35	8815	0.13	0.42
5213	2.51	0.31	6400	1.82	0.37	7390	1.55	0.42	8111	0.93	0.40	8820	0.04	0.37
5215	2.35	0.37	6503	0.97	0.42	7394	0.86	0.31	8116	1.15	0.40	8824	1.42	0.49
5221	1.80	0.35	6504	1.50	0.42	7395	0.95	0.31	8203	2.89	0.40	8825	0.86	0.49
5222	2.46	0.31	6702	1.50	0.37	7398	1.31	0.31	8204	1.78	0.40	8826	1.18	0.45
5223	1.43	0.37	6703	2.31	0.37	7402	0.06	0.42	8209	1.92	0.42	8829	0.96	0.45
5348	1.36	0.37	6704	1.67	0.37	7403	1.49	0.42	8215	1.59	0.37	8831	0.68	0.49
5402	2.77	0.42	6801F	1.57	0.33	7405	0.37	0.42	8227	1.68	0.35	8832	0.13	0.42
5403	1.92	0.35	6811	1.41	0.37	7420	2.24	0.31	8232	1.84	0.37	8833	0.44	0.42
5437	1.89	0.35	6824F	2.21	0.33	7421	0.24	0.37	8233	1.17	0.37	8835	0.81	0.42
5443	1.39	0.40	6826F	1.19	0.33	7422	0.41	0.35	8235	1.90	0.40	8841	0.62	0.40
5445	1.92	0.31	6828F	1.78	0.33	7425	0.42	0.35	8263	2.75	0.40	8842	1.04	0.49
5462	2.20	0.37	6834	1.07	0.42	7431	0.23	0.35	8264	1.76	0.37	8855	0.05	0.42
5472	1.76	0.31	6836	1.14	0.40	7445	—	—	8265	1.59	0.35	8856	0.19	0.42
5473	2.61	0.31	6838	0.92	0.37	7453	—	—	8273	1.63	0.42	8864	0.63	0.45
5474	2.01	0.31	6843F	2.26	0.26	7502	0.76	0.37	8274	2.12	0.42	8868	0.20	0.45
5478	1.03	0.35	6845F	1.14	0.26	7515	0.34	0.31	8279	2.77	0.35	8869	0.57	0.45
5479	2.57	0.37	6854	1.86	0.35	7520	0.97	0.40	8288	3.97	0.40	8871	0.03	0.42
5480	2.60	0.35	6872F	2.04	0.26	7538	0.92	0.31	8291	1.58	0.40	8901	0.06	0.37
5491	1.13	0.35	6874F	3.07	0.26	7539	0.47	0.35	8292	1.56	0.42	9012	0.31	0.37
5506	1.72	0.35	6882	0.79	0.35	7540	0.65	0.31	8293	3.05	0.42	9014	1.39	0.42
5507	1.70	0.35	6884	0.96	0.35	7580	0.83	0.37	8304	1.87	0.35	9015	1.41	0.40
5508	2.55	0.37	7016	0.94	0.31	7590	1.55	0.37	8350	1.82	0.35	9016	0.95	0.42
5509	3.23	0.35	7024	1.05	0.31	7600	1.74	0.37	8353	2.30	0.37	9019	1.16	0.37
5535	2.20	0.31	7038	1.27	0.31	7605	0.87	0.35	8380	0.90	0.40	9033	0.88	0.40
5537	1.56	0.37	7046	1.62	0.31	7610	0.17	0.37	8381	0.80	0.40	9040	1.36	0.45
5551	3.24	0.31	7047	1.45	0.31	7704	1.69	0.35	8385	1.06	0.40	9047	1.17	0.42
5606	0.33	0.31	7050	1.95	0.31	7705	1.63	0.40	8392	0.95	0.45	9052	1.05	0.45

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TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS  
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
9058	0.77	0.49												
9060	0.70	0.45												
9061	0.80	0.45												
9063	0.43	0.45												
9077F	1.99	0.39												
9082	0.73	0.49												
9083	0.74	0.49												
9084	0.64	0.45												
9088	a	a												
9089	0.42	0.45												
9093	0.65	0.45												
9101	1.56	0.45												
9102	1.45	0.40												
9154	0.69	0.42												
9156	1.46	0.45												
9170	3.08	0.35												
9178	2.20	0.49												
9179	3.66	0.49												
9180	1.44	0.40												
9182	0.81	0.42												
9186	5.15	0.35												
9220	2.66	0.40												
9402	1.90	0.35												
9403	2.11	0.35												
9410	1.06	0.42												
9501	1.01	0.37												
9505	1.22	0.40												
9516	0.89	0.40												
9519	1.64	0.37												
9521	1.36	0.37												
9522	1.09	0.45												
9534	1.66	0.31												
9554	2.42	0.35												
9586	0.27	0.45												
9600	1.02	0.42												
9620	0.62	0.37												

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Effective January 1, 2024  
**TABLE OF WEIGHTING VALUES**  
**APPLICABLE TO ALL POLICIES**

Expected Losses		Weighting Values		Expected Losses		Weighting Values	
0	--	2,033	0.14	1,146,410	--	1,204,073	0.49
2,034	--	5,728	0.15	1,204,074	--	1,264,840	0.50
5,729	--	9,512	0.16	1,264,841	--	1,328,965	0.51
9,513	--	13,387	0.17	1,328,966	--	1,396,737	0.52
13,388	--	14,740	0.18	1,396,738	--	1,468,476	0.53
14,741	--	16,671	0.17	1,468,477	--	1,544,542	0.54
16,672	--	19,308	0.16	1,544,543	--	1,625,338	0.55
19,309	--	23,278	0.15	1,625,339	--	1,711,322	0.56
23,279	--	30,831	0.14	1,711,323	--	1,803,008	0.57
30,832	--	70,850	0.13	1,803,009	--	1,900,985	0.58
70,851	--	95,207	0.14	1,900,986	--	2,005,924	0.59
95,208	--	116,478	0.15	2,005,925	--	2,118,595	0.60
116,479	--	136,939	0.16	2,118,596	--	2,239,886	0.61
136,940	--	157,237	0.17	2,239,887	--	2,370,824	0.62
157,238	--	177,667	0.18	2,370,825	--	2,512,610	0.63
177,668	--	198,397	0.19	2,512,611	--	2,666,650	0.64
198,398	--	219,543	0.20	2,666,651	--	2,834,607	0.65
219,544	--	241,186	0.21	2,834,608	--	3,018,454	0.66
241,187	--	263,396	0.22	3,018,455	--	3,220,559	0.67
263,397	--	286,235	0.23	3,220,560	--	3,443,787	0.68
286,236	--	308,755	0.24	3,443,788	--	3,691,629	0.69
308,756	--	330,887	0.25	3,691,630	--	3,968,398	0.70
330,888	--	353,716	0.26	3,968,399	--	4,279,471	0.71
353,717	--	377,280	0.27	4,279,472	--	4,631,648	0.72
377,281	--	401,620	0.28	4,631,649	--	5,033,652	0.73
401,621	--	426,779	0.29	5,033,653	--	5,496,865	0.74
426,780	--	452,801	0.30	5,496,866	--	6,036,420	0.75
452,802	--	479,736	0.31	6,036,421	--	6,672,883	0.76
479,737	--	507,634	0.32	6,672,884	--	7,434,942	0.77
507,635	--	536,550	0.33	7,434,943	--	8,363,844	0.78
536,551	--	566,544	0.34	8,363,845	--	9,521,116	0.79
566,545	--	597,678	0.35	9,521,117	--	11,002,785	0.80
597,679	--	630,021	0.36	11,002,786	--	12,967,482	0.81
630,022	--	663,645	0.37	12,967,483	--	15,697,412	0.82
663,646	--	698,629	0.38	15,697,413	--	19,747,784	0.83
698,630	--	735,059	0.39	19,747,785	--	26,382,235	0.84
735,060	--	773,030	0.40	26,382,236	--	39,232,041	0.85
773,031	--	812,638	0.41	39,232,042	--	74,727,551	0.86
812,639	--	853,997	0.42	74,727,552	--	636,648,604	0.87
853,998	--	897,222	0.43	636,648,605	--	AND OVER	0.88
897,223	--	942,448	0.44				
942,449	--	989,814	0.45				
989,815	--	1,039,479	0.46				
1,039,480	--	1,091,614	0.47				
1,091,615	--	1,146,409	0.48				

(a) G	9.40
(b) State Per Claim Accident Limitation	\$153,500
(c) State Multiple Claim Accident Limitation	\$307,000
(d) USL&HW Per Claim Accident Limitation	\$286,500
(e) USL&HW Multiple Claim Accident Limitation	\$573,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$18,000
(h) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.50
<i>(Multiply a Non-F classification ELR by the USL&amp;HW Act - Expected Loss Factor of 1.50.)</i>	

Effective January 1, 2024  
TABLE OF BALLAST VALUES  
APPLICABLE TO ALL POLICIES

Expected Losses				Ballast Values		Expected Losses				Ballast Values		Expected Losses				Ballast Values	
0 --		339,180		43,240		3,185,708 --		3,269,614		207,740		6,122,799 --		6,206,721		372,240	
339,181 --		421,585		47,940		3,269,615 --		3,353,522		212,440		6,206,722 --		6,290,643		376,940	
421,586 --		504,478		52,640		3,353,523 --		3,437,430		217,140		6,290,644 --		6,374,566		381,640	
504,479 --		587,658		57,340		3,437,431 --		3,521,340		221,840		6,374,567 --		6,458,489		386,340	
587,659 --		671,021		62,040		3,521,341 --		3,605,251		226,540		6,458,490 --		6,542,413		391,040	
671,022 --		754,508		66,740		3,605,252 --		3,689,162		231,240		6,542,414 --		6,626,336		395,740	
754,509 --		838,081		71,440		3,689,163 --		3,773,074		235,940		6,626,337 --		6,710,259		400,440	
838,082 --		921,719		76,140		3,773,075 --		3,856,987		240,640		6,710,260 --		6,794,183		405,140	
921,720 --		1,005,404		80,840		3,856,988 --		3,940,901		245,340		6,794,184 --		6,878,107		409,840	
1,005,405 --		1,089,127		85,540		3,940,902 --		4,024,815		250,040		6,878,108 --		6,962,030		414,540	
1,089,128 --		1,172,879		90,240		4,024,816 --		4,108,730		254,740		6,962,031 --		7,045,954		419,240	
1,172,880 --		1,256,654		94,940		4,108,731 --		4,192,645		259,440		7,045,955 --		7,129,878		423,940	
1,256,655 --		1,340,448		99,640		4,192,646 --		4,276,561		264,140		7,129,879 --		7,213,802		428,640	
1,340,449 --		1,424,258		104,340		4,276,562 --		4,360,477		268,840		7,213,803 --		7,297,727		433,340	
1,424,259 --		1,508,081		109,040		4,360,478 --		4,444,394		273,540		7,297,728 --		7,381,651		438,040	
1,508,082 --		1,591,915		113,740		4,444,395 --		4,528,312		278,240		7,381,652 --		7,465,575		442,740	
1,591,916 --		1,675,759		118,440		4,528,313 --		4,612,229		282,940		7,465,576 --		7,549,500		447,440	
1,675,760 --		1,759,611		123,140		4,612,230 --		4,696,147		287,640		7,549,501 --		7,633,425		452,140	
1,759,612 --		1,843,469		127,840		4,696,148 --		4,780,066		292,340		7,633,426 --		7,717,349		456,840	
1,843,470 --		1,927,334		132,540		4,780,067 --		4,863,984		297,040		7,717,350 --		7,801,274		461,540	
1,927,335 --		2,011,204		137,240		4,863,985 --		4,947,904		301,740		7,801,275 --		7,885,199		466,240	
2,011,205 --		2,095,079		141,940		4,947,905 --		5,031,823		306,440		7,885,200 --		7,969,124		470,940	
2,095,080 --		2,178,957		146,640		5,031,824 --		5,115,743		311,140		7,969,125 --		8,053,049		475,640	
2,178,958 --		2,262,840		151,340		5,115,744 --		5,199,663		315,840		8,053,050 --		8,136,974		480,340	
2,262,841 --		2,346,726		156,040		5,199,664 --		5,283,583		320,540		8,136,975 --		8,220,899		485,040	
2,346,727 --		2,430,614		160,740		5,283,584 --		5,367,503		325,240		8,220,900 --		8,303,960		489,740	
2,430,615 --		2,514,506		165,440		5,367,504 --		5,451,424		329,940							
2,514,507 --		2,598,400		170,140		5,451,425 --		5,535,345		334,640							
2,598,401 --		2,682,295		174,840		5,535,346 --		5,619,266		339,340							
2,682,296 --		2,766,193		179,540		5,619,267 --		5,703,188		344,040							
2,766,194 --		2,850,093		184,240		5,703,189 --		5,787,110		348,740							
2,850,094 --		2,933,994		188,940		5,787,111 --		5,871,031		353,440							
2,933,995 --		3,017,897		193,640		5,871,032 --		5,954,953		358,140							
3,017,898 --		3,101,802		198,340		5,954,954 --		6,038,876		362,840							
3,101,803 --		3,185,707		203,040		6,038,877 --		6,122,798		367,540							

For Expected Losses greater than \$8,303,960, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.056)(\text{Expected Losses}) + 2876.4(\text{Expected Losses})(9.40) / (\text{Expected Losses} + (600)(9.40))$$

$$G = 9.40$$

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Proposed Values for Inclusion in the Retrospective Rating Plan Manual

The following pages include proposed values for inclusion in the Retrospective Rating Plan Manual, such as:

- Average Cost per Case
- Excess Loss Factors
- Expected Loss Ratios
- Retrospective Development Factors
- Tables of Expense Ratios
- Tax Multipliers

**RETROSPECTIVE RATING PLAN MANUAL  
STATE SPECIAL RATING VALUES**

**FLORIDA  
RR 1**

*Effective January 1, 2024*

**Original Printing**

**1. Average Cost per Case by Hazard Group**

A	B	C	D	E	F	G
9,033	10,741	14,672	17,813	25,329	33,932	47,393

**Average Cost per Case including ALAE by Hazard Group**

A	B	C	D	E	F	G
10,339	12,278	16,736	20,305	28,771	38,494	53,746

**2. Tax Multipliers**

- a. State (non-F Classes) 1.025
- b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage 1.049

**3. Expected Loss Ratio**

**Expected Loss and  
Allocated Expense Ratio**  
Countrywide: 0.649

**4. Table of Expense Ratios**

Countrywide: 0.585	Type A: 2023-01 Type B: 2023-01
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Florida: 0.596*	Florida: 0.676* Type FL - A: 2023-01 Type FL - B: 2023-01
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\* The FL-specific Expected Loss Ratio (ELR) and Expected Loss and Allocated Loss and Allocated Expense Ratio (ELAER) are provided for optional use. If these options are chosen, the FL-specific expense ratio tables should also be used. If the countrywide ELR or ELAER are used, then the standard Type A and Type B tables should be used.

**5.**

**Excess Loss Factors**

(Applicable to New and Renewal Policies)

**Per Accident  
Limitation**

**Hazard Groups**

	A	B	C	D	E	F	G
\$10,000	0.418	0.438	0.465	0.481	0.505	0.521	0.533
\$15,000	0.380	0.402	0.433	0.450	0.479	0.498	0.512
\$20,000	0.348	0.372	0.406	0.425	0.457	0.478	0.495
\$25,000	0.322	0.347	0.383	0.402	0.437	0.461	0.479
\$30,000	0.300	0.325	0.362	0.383	0.420	0.445	0.465
\$35,000	0.281	0.307	0.345	0.365	0.405	0.430	0.451
\$40,000	0.264	0.290	0.329	0.349	0.390	0.417	0.439
\$50,000	0.236	0.262	0.301	0.322	0.366	0.393	0.417
\$75,000	0.188	0.214	0.252	0.272	0.319	0.348	0.373
\$100,000	0.157	0.182	0.219	0.237	0.285	0.314	0.340
\$125,000	0.136	0.159	0.195	0.212	0.260	0.288	0.314
\$150,000	0.119	0.141	0.176	0.192	0.240	0.268	0.293
\$175,000	0.106	0.128	0.161	0.176	0.224	0.251	0.275
\$200,000	0.096	0.117	0.149	0.163	0.211	0.237	0.261
\$225,000	0.088	0.107	0.139	0.152	0.199	0.225	0.248
\$250,000	0.081	0.100	0.130	0.143	0.189	0.214	0.237
\$275,000	0.075	0.093	0.123	0.135	0.181	0.205	0.227
\$300,000	0.070	0.087	0.116	0.128	0.173	0.197	0.218
\$325,000	0.065	0.083	0.111	0.122	0.166	0.190	0.210
\$350,000	0.061	0.078	0.106	0.116	0.160	0.183	0.203
\$375,000	0.058	0.074	0.101	0.111	0.154	0.177	0.196
\$400,000	0.055	0.071	0.097	0.107	0.149	0.171	0.190
\$425,000	0.052	0.068	0.093	0.103	0.145	0.166	0.185
\$450,000	0.050	0.065	0.090	0.099	0.140	0.161	0.179
\$475,000	0.048	0.062	0.087	0.096	0.136	0.157	0.175
\$500,000	0.046	0.060	0.084	0.093	0.133	0.153	0.170
\$600,000	0.039	0.053	0.075	0.082	0.120	0.139	0.155
\$700,000	0.035	0.047	0.067	0.074	0.110	0.128	0.143
\$800,000	0.031	0.042	0.062	0.068	0.102	0.119	0.133
\$900,000	0.028	0.039	0.057	0.063	0.095	0.112	0.124
\$1,000,000	0.026	0.036	0.053	0.058	0.089	0.105	0.117
\$2,000,000	0.014	0.020	0.031	0.035	0.056	0.067	0.076
\$3,000,000	0.009	0.013	0.021	0.024	0.040	0.049	0.056
\$4,000,000	0.006	0.010	0.016	0.018	0.030	0.038	0.043
\$5,000,000	0.005	0.007	0.012	0.014	0.023	0.030	0.035
\$6,000,000	0.003	0.005	0.009	0.011	0.019	0.024	0.029
\$7,000,000	0.003	0.004	0.007	0.009	0.015	0.020	0.024
\$8,000,000	0.002	0.003	0.006	0.007	0.012	0.016	0.020
\$9,000,000	0.002	0.003	0.005	0.006	0.010	0.014	0.017
\$10,000,000	0.001	0.002	0.004	0.005	0.008	0.011	0.014



Effective January 1, 2024

**Excess Loss and  
Allocated Expense Factors**  
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.489	0.510	0.539	0.556	0.581	0.598	0.610
\$15,000	0.447	0.471	0.504	0.523	0.554	0.574	0.589
\$20,000	0.412	0.438	0.475	0.496	0.530	0.553	0.571
\$25,000	0.384	0.411	0.450	0.471	0.509	0.534	0.554
\$30,000	0.359	0.387	0.427	0.450	0.490	0.517	0.538
\$35,000	0.337	0.366	0.407	0.430	0.473	0.501	0.524
\$40,000	0.318	0.347	0.390	0.413	0.457	0.486	0.511
\$50,000	0.287	0.316	0.359	0.382	0.430	0.460	0.487
\$75,000	0.231	0.259	0.303	0.325	0.376	0.409	0.438
\$100,000	0.195	0.222	0.264	0.285	0.338	0.371	0.400
\$125,000	0.169	0.195	0.236	0.256	0.309	0.341	0.371
\$150,000	0.149	0.174	0.214	0.233	0.286	0.318	0.346
\$175,000	0.134	0.158	0.196	0.214	0.267	0.298	0.326
\$200,000	0.122	0.145	0.182	0.199	0.251	0.282	0.309
\$225,000	0.111	0.134	0.170	0.186	0.238	0.267	0.294
\$250,000	0.103	0.125	0.160	0.175	0.226	0.255	0.281
\$275,000	0.095	0.117	0.151	0.165	0.216	0.244	0.269
\$300,000	0.089	0.110	0.143	0.157	0.207	0.235	0.259
\$325,000	0.084	0.104	0.136	0.149	0.199	0.226	0.250
\$350,000	0.079	0.098	0.130	0.143	0.192	0.218	0.241
\$375,000	0.075	0.094	0.124	0.137	0.185	0.211	0.234
\$400,000	0.071	0.089	0.119	0.131	0.179	0.204	0.227
\$425,000	0.067	0.085	0.115	0.126	0.173	0.198	0.220
\$450,000	0.064	0.082	0.111	0.122	0.168	0.193	0.214
\$475,000	0.061	0.079	0.107	0.118	0.164	0.188	0.208
\$500,000	0.059	0.076	0.103	0.114	0.159	0.183	0.203
\$600,000	0.051	0.066	0.092	0.101	0.144	0.166	0.185
\$700,000	0.044	0.059	0.083	0.091	0.132	0.153	0.171
\$800,000	0.040	0.053	0.075	0.083	0.122	0.142	0.159
\$900,000	0.036	0.048	0.069	0.077	0.114	0.133	0.149
\$1,000,000	0.033	0.044	0.064	0.071	0.107	0.125	0.140
\$2,000,000	0.017	0.025	0.038	0.042	0.067	0.080	0.091
\$3,000,000	0.011	0.017	0.026	0.029	0.048	0.058	0.067
\$4,000,000	0.008	0.012	0.019	0.022	0.036	0.045	0.052
\$5,000,000	0.006	0.009	0.015	0.017	0.028	0.036	0.042
\$6,000,000	0.004	0.007	0.011	0.013	0.023	0.029	0.035
\$7,000,000	0.003	0.005	0.009	0.011	0.018	0.024	0.029
\$8,000,000	0.003	0.004	0.007	0.009	0.015	0.020	0.024
\$9,000,000	0.002	0.003	0.006	0.007	0.013	0.017	0.021
\$10,000,000	0.002	0.003	0.005	0.006	0.010	0.014	0.018

6.

**Retrospective Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.05	0.03	0.02	0.16	0.11	0.07	0.00

## Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type A: 2023-01

WC Premium Range				Expense Ratio	WC Premium Range				Expense Ratio	WC Premium Range				Expense Ratio
From		To			From		To			From		To		
0	-	10,055		0.381	21,928	-	22,469		0.333	393,334	-	424,799		0.285
10,056	-	10,167		0.380	22,470	-	23,037		0.332	424,800	-	461,739		0.284
10,168	-	10,282		0.379	23,038	-	23,636		0.331	461,740	-	505,714		0.283
10,283	-	10,399		0.379	23,637	-	24,266		0.330	505,715	-	558,947		0.282
10,400	-	10,520		0.378	24,267	-	24,931		0.329	558,948	-	624,705		0.281
10,521	-	10,643		0.377	24,932	-	25,633		0.328	624,706	-	707,999		0.280
10,644	-	10,769		0.376	25,634	-	26,376		0.327	708,000	-	816,923		0.279
10,770	-	10,898		0.375	26,377	-	27,164		0.326	816,924	-	965,454		0.278
10,899	-	11,030		0.374	27,165	-	27,999		0.325	965,455	-	1,179,999		0.277
11,031	-	11,165		0.373	28,000	-	28,888		0.324	1,180,000	-	1,517,142		0.276
11,166	-	11,304		0.372	28,889	-	29,836		0.323	1,517,143	-	1,824,799		0.275
11,305	-	11,446		0.371	29,837	-	30,847		0.322	1,824,800	-	1,983,478		0.274
11,447	-	11,592		0.370	30,848	-	31,929		0.321	1,983,479	-	2,172,380		0.273
11,593	-	11,741		0.369	31,930	-	33,090		0.321	2,172,381	-	2,401,052		0.272
11,742	-	11,895		0.368	33,091	-	34,339		0.320	2,401,053	-	2,683,529		0.271
11,896	-	12,052		0.367	34,340	-	35,686		0.319	2,683,530	-	3,041,333		0.270
12,053	-	12,214		0.366	35,687	-	37,142		0.318	3,041,334	-	3,509,230		0.269
12,215	-	12,380		0.365	37,143	-	38,723		0.317	3,509,231	-	4,147,272		0.268
12,381	-	12,551		0.364	38,724	-	40,444		0.316	4,147,273	-	5,068,888		0.267
12,552	-	12,727		0.363	40,445	-	42,325		0.315	5,068,889	-	6,517,142		0.266
12,728	-	12,907		0.362	42,326	-	44,390		0.314	6,517,143	-	9,123,999		0.265
12,908	-	13,093		0.361	44,391	-	46,666		0.313	9,124,000	-	15,206,666		0.264
13,094	-	13,284		0.360	46,667	-	49,189		0.312	15,206,667	-	45,619,999		0.264
13,285	-	13,481		0.359	49,190	-	51,999		0.311	45,620,000	-	And Above		0.263
13,482	-	13,684		0.358	52,000	-	55,151		0.310					
13,685	-	13,893		0.357	55,152	-	58,709		0.309					
13,894	-	14,108		0.356	58,710	-	62,758		0.308					
14,109	-	14,330		0.355	62,759	-	67,407		0.307					
14,331	-	14,559		0.354	67,408	-	72,799		0.306					
14,560	-	14,796		0.353	72,800	-	79,130		0.305					
14,797	-	15,041		0.352	79,131	-	86,666		0.304					
15,042	-	15,294		0.351	86,667	-	95,789		0.303					
15,295	-	15,555		0.350	95,790	-	107,058		0.302					
15,556	-	15,826		0.350	107,059	-	121,333		0.301					
15,827	-	16,106		0.349	121,334	-	139,999		0.300					
16,107	-	16,396		0.348	140,000	-	165,454		0.299					
16,397	-	16,697		0.347	165,455	-	200,377		0.298					
16,698	-	17,009		0.346	200,378	-	208,235		0.297					
17,010	-	17,333		0.345	208,236	-	216,734		0.296					
17,334	-	17,669		0.344	216,735	-	225,957		0.295					
17,670	-	18,019		0.343	225,958	-	235,999		0.294					
18,020	-	18,383		0.342	236,000	-	246,976		0.293					
18,384	-	18,762		0.341	246,977	-	259,024		0.293					
18,763	-	19,157		0.340	259,025	-	272,307		0.292					
19,158	-	19,569		0.339	272,308	-	287,027		0.291					
19,570	-	19,999		0.338	287,028	-	303,428		0.290					
20,000	-	20,449		0.337	303,429	-	321,818		0.289	First	-	10,000		0.0%
20,450	-	20,919		0.336	321,819	-	342,580		0.288	Next	-	190,000		9.1%
20,920	-	21,411		0.335	342,581	-	366,206		0.287	Next	-	1,550,000		11.3%
21,412	-	21,927		0.334	366,207	-	393,333		0.286	Over	-	1,750,000		12.3%
										Expected Loss Ratio:				0.585
										Tax Multiplier:				1.03%

## Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.381
10,100	- 10,303	0.380
10,304	- 10,515	0.379
10,516	- 10,736	0.379
10,737	- 10,967	0.378
10,968	- 11,208	0.377
11,209	- 11,460	0.376
11,461	- 11,724	0.375
11,725	- 11,999	0.374
12,000	- 12,289	0.373
12,290	- 12,592	0.372
12,593	- 12,911	0.371
12,912	- 13,246	0.370
13,247	- 13,599	0.369
13,600	- 13,972	0.368
13,973	- 14,366	0.367
14,367	- 14,782	0.366
14,783	- 15,223	0.365
15,224	- 15,692	0.364
15,693	- 16,190	0.363
16,191	- 16,721	0.362
16,722	- 17,288	0.361
17,289	- 17,894	0.360
17,895	- 18,545	0.359
18,546	- 19,245	0.358

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.357
20,000	- 20,816	0.356
20,817	- 21,702	0.355
21,703	- 22,666	0.354
22,667	- 23,720	0.353
23,721	- 24,878	0.352
24,879	- 26,153	0.351
26,154	- 27,567	0.350
27,568	- 29,142	0.350
29,143	- 30,909	0.349
30,910	- 32,903	0.348
32,904	- 35,172	0.347
35,173	- 37,777	0.346
37,778	- 40,799	0.345
40,800	- 44,347	0.344
44,348	- 48,571	0.343
48,572	- 53,684	0.342
53,685	- 59,999	0.341
60,000	- 67,999	0.340
68,000	- 78,461	0.339
78,462	- 92,727	0.338
92,728	- 113,333	0.337
113,334	- 145,714	0.336
145,715	- 200,606	0.335
200,607	- 213,548	0.334

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.333
228,276	- 245,185	0.332
245,186	- 264,799	0.331
264,800	- 287,826	0.330
287,827	- 315,238	0.329
315,239	- 348,421	0.328
348,422	- 389,411	0.327
389,412	- 441,333	0.326
441,334	- 509,230	0.325
509,231	- 601,818	0.324
601,819	- 735,555	0.323
735,556	- 945,714	0.322
945,715	- 1,323,999	0.321
1,324,000	- 1,809,565	0.321
1,809,566	- 1,981,904	0.320
1,981,905	- 2,190,526	0.319
2,190,527	- 2,448,235	0.318
2,448,236	- 2,774,666	0.317
2,774,667	- 3,201,538	0.316
3,201,539	- 3,783,636	0.315
3,783,637	- 4,624,444	0.314
4,624,445	- 5,945,714	0.313
5,945,715	- 8,323,999	0.312
8,324,000	- 13,873,333	0.311
13,873,334	- 41,619,999	0.310
41,620,000	- And Above	0.309
First	- 10,000	0.0%
Next	- 190,000	5.1%
Next	- 1,550,000	6.5%
Over	- 1,750,000	7.5%
Expected Loss Ratio:		0.585
Tax Multiplier:		1.035

## Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies

Type A: 2023-01

WC Premium Range	Expense	WC Premium Range	Expense	WC Premium Range	Expense
From To	Ratio	From To	Ratio	From To	Ratio
0 - 10,055	0.318	21,928 - 22,469	0.269	393,334 - 424,799	0.221
10,056 - 10,167	0.317	22,470 - 23,037	0.268	424,800 - 461,739	0.220
10,168 - 10,282	0.316	23,038 - 23,636	0.267	461,740 - 505,714	0.219
10,283 - 10,399	0.315	23,637 - 24,266	0.266	505,715 - 558,947	0.218
10,400 - 10,520	0.314	24,267 - 24,931	0.265	558,948 - 624,705	0.217
10,521 - 10,643	0.313	24,932 - 25,633	0.265	624,706 - 707,999	0.216
10,644 - 10,769	0.312	25,634 - 26,376	0.264	708,000 - 816,923	0.215
10,770 - 10,898	0.311	26,377 - 27,164	0.263	816,924 - 965,454	0.214
10,899 - 11,030	0.310	27,165 - 27,999	0.262	965,455 - 1,179,999	0.213
11,031 - 11,165	0.309	28,000 - 28,888	0.261	1,180,000 - 1,517,142	0.212
11,166 - 11,304	0.308	28,889 - 29,836	0.260	1,517,143 - 1,824,799	0.211
11,305 - 11,446	0.307	29,837 - 30,847	0.259	1,824,800 - 1,983,478	0.210
11,447 - 11,592	0.306	30,848 - 31,929	0.258	1,983,479 - 2,172,380	0.209
11,593 - 11,741	0.305	31,930 - 33,090	0.257	2,172,381 - 2,401,052	0.208
11,742 - 11,895	0.304	33,091 - 34,339	0.256	2,401,053 - 2,683,529	0.208
11,896 - 12,052	0.303	34,340 - 35,686	0.255	2,683,530 - 3,041,333	0.207
12,053 - 12,214	0.302	35,687 - 37,142	0.254	3,041,334 - 3,509,230	0.206
12,215 - 12,380	0.301	37,143 - 38,723	0.253	3,509,231 - 4,147,272	0.205
12,381 - 12,551	0.300	38,724 - 40,444	0.252	4,147,273 - 5,068,888	0.204
12,552 - 12,727	0.299	40,445 - 42,325	0.251	5,068,889 - 6,517,142	0.203
12,728 - 12,907	0.298	42,326 - 44,390	0.250	6,517,143 - 9,123,999	0.202
12,908 - 13,093	0.297	44,391 - 46,666	0.249	9,124,000 - 15,206,666	0.201
13,094 - 13,284	0.296	46,667 - 49,189	0.248	15,206,667 - 45,619,999	0.200
13,285 - 13,481	0.295	49,190 - 51,999	0.247	45,620,000 - And Above	0.199
13,482 - 13,684	0.294	52,000 - 55,151	0.246		
13,685 - 13,893	0.294	55,152 - 58,709	0.245		
13,894 - 14,108	0.293	58,710 - 62,758	0.244		
14,109 - 14,330	0.292	62,759 - 67,407	0.243		
14,331 - 14,559	0.291	67,408 - 72,799	0.242		
14,560 - 14,796	0.290	72,800 - 79,130	0.241		
14,797 - 15,041	0.289	79,131 - 86,666	0.240		
15,042 - 15,294	0.288	86,667 - 95,789	0.239		
15,295 - 15,555	0.287	95,790 - 107,058	0.238		
15,556 - 15,826	0.286	107,059 - 121,333	0.237		
15,827 - 16,106	0.285	121,334 - 139,999	0.237		
16,107 - 16,396	0.284	140,000 - 165,454	0.236		
16,397 - 16,697	0.283	165,455 - 200,377	0.235		
16,698 - 17,009	0.282	200,378 - 208,235	0.234		
17,010 - 17,333	0.281	208,236 - 216,734	0.233		
17,334 - 17,669	0.280	216,735 - 225,957	0.232		
17,670 - 18,019	0.279	225,958 - 235,999	0.231		
18,020 - 18,383	0.278	236,000 - 246,976	0.230		
18,384 - 18,762	0.277	246,977 - 259,024	0.229		
18,763 - 19,157	0.276	259,025 - 272,307	0.228		
19,158 - 19,569	0.275	272,308 - 287,027	0.227		
19,570 - 19,999	0.274	287,028 - 303,428	0.226		
20,000 - 20,449	0.273	303,429 - 321,818	0.225		
20,450 - 20,919	0.272	321,819 - 342,580	0.224		
20,920 - 21,411	0.271	342,581 - 366,206	0.223		
21,412 - 21,927	0.270	366,207 - 393,333	0.222		
				First - 10,000	0.0%
				Next - 190,000	9.1%
				Next - 1,550,000	11.3%
				Over - 1,750,000	12.3%
				Expected Loss and ALAE Ratio:	0.649
				Tax Multiplier:	1.035

## Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies

Type B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.318
10,100	- 10,303	0.317
10,304	- 10,515	0.316
10,516	- 10,736	0.315
10,737	- 10,967	0.314
10,968	- 11,208	0.313
11,209	- 11,460	0.312
11,461	- 11,724	0.311
11,725	- 11,999	0.310
12,000	- 12,289	0.309
12,290	- 12,592	0.308
12,593	- 12,911	0.307
12,912	- 13,246	0.306
13,247	- 13,599	0.305
13,600	- 13,972	0.304
13,973	- 14,366	0.303
14,367	- 14,782	0.302
14,783	- 15,223	0.301
15,224	- 15,692	0.300
15,693	- 16,190	0.299
16,191	- 16,721	0.298
16,722	- 17,288	0.297
17,289	- 17,894	0.296
17,895	- 18,545	0.295
18,546	- 19,245	0.294

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.294
20,000	- 20,816	0.293
20,817	- 21,702	0.292
21,703	- 22,666	0.291
22,667	- 23,720	0.290
23,721	- 24,878	0.289
24,879	- 26,153	0.288
26,154	- 27,567	0.287
27,568	- 29,142	0.286
29,143	- 30,909	0.285
30,910	- 32,903	0.284
32,904	- 35,172	0.283
35,173	- 37,777	0.282
37,778	- 40,799	0.281
40,800	- 44,347	0.280
44,348	- 48,571	0.279
48,572	- 53,684	0.278
53,685	- 59,999	0.277
60,000	- 67,999	0.276
68,000	- 78,461	0.275
78,462	- 92,727	0.274
92,728	- 113,333	0.273
113,334	- 145,714	0.272
145,715	- 200,606	0.271
200,607	- 213,548	0.270

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.269
228,276	- 245,185	0.268
245,186	- 264,799	0.267
264,800	- 287,826	0.266
287,827	- 315,238	0.265
315,239	- 348,421	0.265
348,422	- 389,411	0.264
389,412	- 441,333	0.263
441,334	- 509,230	0.262
509,231	- 601,818	0.261
601,819	- 735,555	0.260
735,556	- 945,714	0.259
945,715	- 1,323,999	0.258
1,324,000	- 1,809,565	0.257
1,809,566	- 1,981,904	0.256
1,981,905	- 2,190,526	0.255
2,190,527	- 2,448,235	0.254
2,448,236	- 2,774,666	0.253
2,774,667	- 3,201,538	0.252
3,201,539	- 3,783,636	0.251
3,783,637	- 4,624,444	0.250
4,624,445	- 5,945,714	0.249
5,945,715	- 8,323,999	0.248
8,324,000	- 13,873,333	0.247
13,873,334	- 41,619,999	0.246
41,620,000	- And Above	0.245
First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%
Expected Loss and ALAE Ratio:		0.649
Tax Multiplier:		1.035

## Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies - Florida

Type FL - A: 2023-01

WC Premium Range				Expense Ratio	WC Premium Range				Expense Ratio	WC Premium Range				Expense Ratio	
From		To			From		To			From		To			
0	-	10,055		0.380	21,928	-	22,469		0.331	393,334	-	424,799		0.282	
10,056	-	10,167		0.379	22,470	-	23,037		0.330	424,800	-	461,739		0.281	
10,168	-	10,282		0.378	23,038	-	23,636		0.329	461,740	-	505,714		0.280	
10,283	-	10,399		0.377	23,637	-	24,266		0.328	505,715	-	558,947		0.279	
10,400	-	10,520		0.376	24,267	-	24,931		0.327	558,948	-	624,705		0.278	
10,521	-	10,643		0.375	24,932	-	25,633		0.326	624,706	-	707,999		0.277	
10,644	-	10,769		0.374	25,634	-	26,376		0.325	708,000	-	816,923		0.276	
10,770	-	10,898		0.373	26,377	-	27,164		0.324	816,924	-	965,454		0.275	
10,899	-	11,030		0.372	27,165	-	27,999		0.323	965,455	-	1,179,999		0.274	
11,031	-	11,165		0.371	28,000	-	28,888		0.322	1,180,000	-	1,517,142		0.273	
11,166	-	11,304		0.370	28,889	-	29,836		0.321	1,517,143	-	1,824,799		0.272	
11,305	-	11,446		0.369	29,837	-	30,847		0.320	1,824,800	-	1,983,478		0.271	
11,447	-	11,592		0.368	30,848	-	31,929		0.319	1,983,479	-	2,172,380		0.270	
11,593	-	11,741		0.367	31,930	-	33,090		0.318	2,172,381	-	2,401,052		0.269	
11,742	-	11,895		0.366	33,091	-	34,339		0.317	2,401,053	-	2,683,529		0.268	
11,896	-	12,052		0.365	34,340	-	35,686		0.316	2,683,530	-	3,041,333		0.267	
12,053	-	12,214		0.364	35,687	-	37,142		0.315	3,041,334	-	3,509,230		0.267	
12,215	-	12,380		0.363	37,143	-	38,723		0.314	3,509,231	-	4,147,272		0.266	
12,381	-	12,551		0.362	38,724	-	40,444		0.313	4,147,273	-	5,068,888		0.265	
12,552	-	12,727		0.361	40,445	-	42,325		0.312	5,068,889	-	6,517,142		0.264	
12,728	-	12,907		0.360	42,326	-	44,390		0.311	6,517,143	-	9,123,999		0.263	
12,908	-	13,093		0.359	44,391	-	46,666		0.310	9,124,000	-	15,206,666		0.262	
13,094	-	13,284		0.358	46,667	-	49,189		0.309	15,206,667	-	45,619,999		0.261	
13,285	-	13,481		0.357	49,190	-	51,999		0.308	45,620,000	-	And Above		0.260	
13,482	-	13,684		0.356	52,000	-	55,151		0.307						
13,685	-	13,893		0.355	55,152	-	58,709		0.307						
13,894	-	14,108		0.354	58,710	-	62,758		0.306						
14,109	-	14,330		0.353	62,759	-	67,407		0.305						
14,331	-	14,559		0.352	67,408	-	72,799		0.304						
14,560	-	14,796		0.351	72,800	-	79,130		0.303						
14,797	-	15,041		0.350	79,131	-	86,666		0.302						
15,042	-	15,294		0.349	86,667	-	95,789		0.301						
15,295	-	15,555		0.348	95,790	-	107,058		0.300						
15,556	-	15,826		0.347	107,059	-	121,333		0.299						
15,827	-	16,106		0.347	121,334	-	139,999		0.298						
16,107	-	16,396		0.346	140,000	-	165,454		0.297						
16,397	-	16,697		0.345	165,455	-	200,377		0.296						
16,698	-	17,009		0.344	200,378	-	208,235		0.295						
17,010	-	17,333		0.343	208,236	-	216,734		0.294						
17,334	-	17,669		0.342	216,735	-	225,957		0.293						
17,670	-	18,019		0.341	225,958	-	235,999		0.292						
18,020	-	18,383		0.340	236,000	-	246,976		0.291						
18,384	-	18,762		0.339	246,977	-	259,024		0.290						
18,763	-	19,157		0.338	259,025	-	272,307		0.289						
19,158	-	19,569		0.337	272,308	-	287,027		0.288						
19,570	-	19,999		0.336	287,028	-	303,428		0.287						
20,000	-	20,449		0.335	303,429	-	321,818		0.286	First	-	10,000		0.0%	
20,450	-	20,919		0.334	321,819	-	342,580		0.285	Next	-	190,000		9.1%	
20,920	-	21,411		0.333	342,581	-	366,206		0.284	Next	-	1,550,000		11.3%	
21,412	-	21,927		0.332	366,207	-	393,333		0.283	Over	-	1,750,000		12.3%	
										Expected Loss Ratio:					0.596
										Tax Multiplier:					1.02%

## Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies - Florida

Type FL - B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.380
10,100	- 10,303	0.379
10,304	- 10,515	0.378
10,516	- 10,736	0.377
10,737	- 10,967	0.376
10,968	- 11,208	0.375
11,209	- 11,460	0.374
11,461	- 11,724	0.373
11,725	- 11,999	0.372
12,000	- 12,289	0.371
12,290	- 12,592	0.370
12,593	- 12,911	0.369
12,912	- 13,246	0.368
13,247	- 13,599	0.367
13,600	- 13,972	0.366
13,973	- 14,366	0.365
14,367	- 14,782	0.364
14,783	- 15,223	0.363
15,224	- 15,692	0.362
15,693	- 16,190	0.361
16,191	- 16,721	0.360
16,722	- 17,288	0.359
17,289	- 17,894	0.358
17,895	- 18,545	0.357
18,546	- 19,245	0.356

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.355
20,000	- 20,816	0.354
20,817	- 21,702	0.353
21,703	- 22,666	0.352
22,667	- 23,720	0.351
23,721	- 24,878	0.350
24,879	- 26,153	0.349
26,154	- 27,567	0.348
27,568	- 29,142	0.347
29,143	- 30,909	0.347
30,910	- 32,903	0.346
32,904	- 35,172	0.345
35,173	- 37,777	0.344
37,778	- 40,799	0.343
40,800	- 44,347	0.342
44,348	- 48,571	0.341
48,572	- 53,684	0.340
53,685	- 59,999	0.339
60,000	- 67,999	0.338
68,000	- 78,461	0.337
78,462	- 92,727	0.336
92,728	- 113,333	0.335
113,334	- 145,714	0.334
145,715	- 200,606	0.333
200,607	- 213,548	0.332

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.331
228,276	- 245,185	0.330
245,186	- 264,799	0.329
264,800	- 287,826	0.328
287,827	- 315,238	0.327
315,239	- 348,421	0.326
348,422	- 389,411	0.325
389,412	- 441,333	0.324
441,334	- 509,230	0.323
509,231	- 601,818	0.322
601,819	- 735,555	0.321
735,556	- 945,714	0.320
945,715	- 1,323,999	0.319
1,324,000	- 1,809,565	0.318
1,809,566	- 1,981,904	0.317
1,981,905	- 2,190,526	0.316
2,190,527	- 2,448,235	0.315
2,448,236	- 2,774,666	0.314
2,774,667	- 3,201,538	0.313
3,201,539	- 3,783,636	0.312
3,783,637	- 4,624,444	0.311
4,624,445	- 5,945,714	0.310
5,945,715	- 8,323,999	0.309
8,324,000	- 13,873,333	0.308
13,873,334	- 41,619,999	0.307
41,620,000	- And Above	0.307
First	- 10,000	0.0%
Next	- 190,000	5.1%
Next	- 1,550,000	6.5%
Over	- 1,750,000	7.5%
Expected Loss Ratio:		0.596
Tax Multiplier:		1.025

## Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies - Florida

Type FL - A: 2023-01

WC Premium Range	Expense	WC Premium Range	Expense	WC Premium Range	Expense
From To	Ratio	From To	Ratio	From To	Ratio
0 - 10,055	0.300	21,928 - 22,469	0.251	393,334 - 424,799	0.202
10,056 - 10,167	0.299	22,470 - 23,037	0.250	424,800 - 461,739	0.201
10,168 - 10,282	0.298	23,038 - 23,636	0.249	461,740 - 505,714	0.200
10,283 - 10,399	0.297	23,637 - 24,266	0.248	505,715 - 558,947	0.199
10,400 - 10,520	0.296	24,267 - 24,931	0.247	558,948 - 624,705	0.198
10,521 - 10,643	0.295	24,932 - 25,633	0.246	624,706 - 707,999	0.197
10,644 - 10,769	0.294	25,634 - 26,376	0.245	708,000 - 816,923	0.196
10,770 - 10,898	0.293	26,377 - 27,164	0.244	816,924 - 965,454	0.195
10,899 - 11,030	0.292	27,165 - 27,999	0.243	965,455 - 1,179,999	0.194
11,031 - 11,165	0.291	28,000 - 28,888	0.242	1,180,000 - 1,517,142	0.193
11,166 - 11,304	0.290	28,889 - 29,836	0.241	1,517,143 - 1,824,799	0.193
11,305 - 11,446	0.289	29,837 - 30,847	0.240	1,824,800 - 1,983,478	0.192
11,447 - 11,592	0.288	30,848 - 31,929	0.239	1,983,479 - 2,172,380	0.191
11,593 - 11,741	0.287	31,930 - 33,090	0.238	2,172,381 - 2,401,052	0.190
11,742 - 11,895	0.286	33,091 - 34,339	0.237	2,401,053 - 2,683,529	0.189
11,896 - 12,052	0.285	34,340 - 35,686	0.236	2,683,530 - 3,041,333	0.188
12,053 - 12,214	0.284	35,687 - 37,142	0.235	3,041,334 - 3,509,230	0.187
12,215 - 12,380	0.283	37,143 - 38,723	0.234	3,509,231 - 4,147,272	0.186
12,381 - 12,551	0.282	38,724 - 40,444	0.233	4,147,273 - 5,068,888	0.185
12,552 - 12,727	0.281	40,445 - 42,325	0.233	5,068,889 - 6,517,142	0.184
12,728 - 12,907	0.280	42,326 - 44,390	0.232	6,517,143 - 9,123,999	0.183
12,908 - 13,093	0.279	44,391 - 46,666	0.231	9,124,000 - 15,206,666	0.182
13,094 - 13,284	0.278	46,667 - 49,189	0.230	15,206,667 - 45,619,999	0.181
13,285 - 13,481	0.277	49,190 - 51,999	0.229	45,620,000 - And Above	0.180
13,482 - 13,684	0.276	52,000 - 55,151	0.228		
13,685 - 13,893	0.275	55,152 - 58,709	0.227		
13,894 - 14,108	0.274	58,710 - 62,758	0.226		
14,109 - 14,330	0.273	62,759 - 67,407	0.225		
14,331 - 14,559	0.273	67,408 - 72,799	0.224		
14,560 - 14,796	0.272	72,800 - 79,130	0.223		
14,797 - 15,041	0.271	79,131 - 86,666	0.222		
15,042 - 15,294	0.270	86,667 - 95,789	0.221		
15,295 - 15,555	0.269	95,790 - 107,058	0.220		
15,556 - 15,826	0.268	107,059 - 121,333	0.219		
15,827 - 16,106	0.267	121,334 - 139,999	0.218		
16,107 - 16,396	0.266	140,000 - 165,454	0.217		
16,397 - 16,697	0.265	165,455 - 200,377	0.216		
16,698 - 17,009	0.264	200,378 - 208,235	0.215		
17,010 - 17,333	0.263	208,236 - 216,734	0.214		
17,334 - 17,669	0.262	216,735 - 225,957	0.213		
17,670 - 18,019	0.261	225,958 - 235,999	0.212		
18,020 - 18,383	0.260	236,000 - 246,976	0.211		
18,384 - 18,762	0.259	246,977 - 259,024	0.210		
18,763 - 19,157	0.258	259,025 - 272,307	0.209		
19,158 - 19,569	0.257	272,308 - 287,027	0.208		
19,570 - 19,999	0.256	287,028 - 303,428	0.207		
20,000 - 20,449	0.255	303,429 - 321,818	0.206		
20,450 - 20,919	0.254	321,819 - 342,580	0.205		
20,920 - 21,411	0.253	342,581 - 366,206	0.204		
21,412 - 21,927	0.252	366,207 - 393,333	0.203		
				First - 10,000	0.0%
				Next - 190,000	9.1%
				Next - 1,550,000	11.3%
				Over - 1,750,000	12.3%
				Expected Loss and ALAE Ratio:	0.676
				Tax Multiplier:	1.025



## Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies - Florida

Type FL - B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.300
10,100	- 10,303	0.299
10,304	- 10,515	0.298
10,516	- 10,736	0.297
10,737	- 10,967	0.296
10,968	- 11,208	0.295
11,209	- 11,460	0.294
11,461	- 11,724	0.293
11,725	- 11,999	0.292
12,000	- 12,289	0.291
12,290	- 12,592	0.290
12,593	- 12,911	0.289
12,912	- 13,246	0.288
13,247	- 13,599	0.287
13,600	- 13,972	0.286
13,973	- 14,366	0.285
14,367	- 14,782	0.284
14,783	- 15,223	0.283
15,224	- 15,692	0.282
15,693	- 16,190	0.281
16,191	- 16,721	0.280
16,722	- 17,288	0.279
17,289	- 17,894	0.278
17,895	- 18,545	0.277
18,546	- 19,245	0.276

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.275
20,000	- 20,816	0.274
20,817	- 21,702	0.273
21,703	- 22,666	0.273
22,667	- 23,720	0.272
23,721	- 24,878	0.271
24,879	- 26,153	0.270
26,154	- 27,567	0.269
27,568	- 29,142	0.268
29,143	- 30,909	0.267
30,910	- 32,903	0.266
32,904	- 35,172	0.265
35,173	- 37,777	0.264
37,778	- 40,799	0.263
40,800	- 44,347	0.262
44,348	- 48,571	0.261
48,572	- 53,684	0.260
53,685	- 59,999	0.259
60,000	- 67,999	0.258
68,000	- 78,461	0.257
78,462	- 92,727	0.256
92,728	- 113,333	0.255
113,334	- 145,714	0.254
145,715	- 200,606	0.253
200,607	- 213,548	0.252

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.251
228,276	- 245,185	0.250
245,186	- 264,799	0.249
264,800	- 287,826	0.248
287,827	- 315,238	0.247
315,239	- 348,421	0.246
348,422	- 389,411	0.245
389,412	- 441,333	0.244
441,334	- 509,230	0.243
509,231	- 601,818	0.242
601,819	- 735,555	0.241
735,556	- 945,714	0.240
945,715	- 1,323,999	0.239
1,324,000	- 1,809,565	0.238
1,809,566	- 1,981,904	0.237
1,981,905	- 2,190,526	0.236
2,190,527	- 2,448,235	0.235
2,448,236	- 2,774,666	0.234
2,774,667	- 3,201,538	0.233
3,201,539	- 3,783,636	0.233
3,783,637	- 4,624,444	0.232
4,624,445	- 5,945,714	0.231
5,945,715	- 8,323,999	0.230
8,324,000	- 13,873,333	0.229
13,873,334	- 41,619,999	0.228
41,620,000	- And Above	0.227
First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%
Expected Loss and ALAE Ratio:		0.676
Tax Multiplier:		1.025



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Part 3 Supporting Exhibits

- Exhibit I – Determination of the Indicated Rate Level Change
- Exhibit II – Workers Compensation Expense Program
- Appendix A – Factors Underlying the Proposed Rate Level Change
- Appendix B – Calculations Underlying the Rate Changes by Classification
- Appendix C – Memoranda for Laws and Assessments
- Appendix D – Proposed Weight and Ballast Formulas



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Exhibit I – Determination of the Indicated Rate Level Change

NCCI analyzed the emerging experience of Florida workers compensation policies in recent years. The primary focus of our analysis was on premiums and losses from the proposed experience period, as shown in the exhibits on the next few pages.

##### Determination of the Loss Base

In analyzing losses for the purpose of Aggregate Ratemaking, NCCI reviews both “paid” and “paid plus case” loss data, which are (i) the benefit amounts already paid by insurers on reported claims and (ii) the benefit amounts already paid by insurers on reported claims plus the amounts set aside to cover future payments on those claims.

During this year’s analysis, which included an assessment of possible pandemic claim-related impacts, a combination of both paid and paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period. This methodology makes the most use of the available financial data information and is consistent with prior filings made in Florida.

##### Determination of the Experience Period

This year’s analysis included a review of various experience periods and an assessment of possible pandemic claim-related impacts. The most recent five policy year and calendar-accident year projected loss ratios are shown below. Policy year data is given greater consideration by NCCI because policy year data reflects the best match between exposure and losses.

<u>Policy Year</u>	<u>Loss Ratio</u>	<u>Calendar- Accident Year</u>	<u>Loss Ratio</u>
2017	0.965	2018	0.980
2018	0.978	2019	0.968
2019	0.914	2020	0.856
2020	0.878	2021	0.844
2021	0.850	2022	0.865

*Note the following regarding the projected loss ratios:*

- *Based on NCCI’s Financial Call data reported through 12/31/2022, on-leveled, developed to an ultimate report, and trended to the prospective period. Projected losses do not include the change in expenses and standard earned premium at Designated Statistical Reporting (DSR) level is adjusted to a pure premium level.*
- *The Calendar-Accident Year analysis was not conducted separately; the displayed loss ratios are trended using the policy year loss ratio selections underlying this filing.*
- *Calendar-Accident Year 2019–2022 loss ratios include a premium audit adjustment due to changes in audit activity primarily attributable to the COVID-19 pandemic-related recession.*



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Exhibit I – Determination of the Indicated Rate Level Change

The policy year loss ratios are generally consistent in this time period even when comparing both the pre- and post- pandemic impacted years. The experience in the most recent policy year, Policy Year 2021, is generally consistent with Calendar-Accident Years 2021 and 2022, which indicates improving experience based on the most recent data.

While some pandemic-related effects may be contributing to the favorable loss ratio experience observed in Policy Years 2019 to 2020, the impact appears to be relatively limited. This could be attributed to factors such as the state of the economy before and during the pandemic as well as the mix of business within the state not being materially affected. Additionally, the volume of large loss activity in the most recent policy years is consistent with the level observed in historical periods. Lastly, the loss experience remains favorable in the most recent Policy Year 2021 and Calendar-Accident Year 2022 loss ratio projections, which are further removed from the peak of the pandemic.

The Florida economy shows strong wage growth and consistent employment levels. The outlook for the Florida labor market is similar to what was observed in 2021 and 2022. For example, the unemployment rate during calendar year 2021 in Florida was 4.7% and the unemployment rate for the effective period of this filing is forecasted to be approximately 3.7% (Source: Moody's Analytics). When employment levels are similar, it suggests a comparable industry composition in the historical data. Furthermore, a strong level of employment suggests fewer return-to-work challenges verses what might be expected in a relatively weak labor market.

Data for the two most recently available full policy years was selected as the most appropriate experience period on which to base this year's filing. The selection provides a balance between stability and responsiveness and best reflects the conditions likely to prevail in the proposed effective period. This method is consistent with prior filings in Florida.

#### Determination of the Indicated Change

NCCI utilizes the following general methodology to determine the indicated change based on experience, trend, and benefits for each of the policy years in the experience period:

1. Standard earned premium at the Designated Statistical Reporting (DSR) level is developed to an ultimate basis and adjusted to the current level via premium on-level factors.
2. Reported indemnity and medical losses are developed to an ultimate report and adjusted (via on-level factors) to the current benefit level.
3. Indemnity and medical cost ratios excluding trend and benefits are calculated as the adjusted losses (step 2) divided by premium available for benefit costs (step 1).
4. Trend factors are applied to the indemnity and medical cost ratios to reflect anticipated



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Exhibit I – Determination of the Indicated Rate Level Change

changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages between (i) the years in filing's experience period and (ii) the period during which the proposed rates will be in effect.

5. The impact of proposed indemnity and medical benefit changes are then applied.
6. The separate indemnity and medical cost ratios including benefit changes are then summed to yield the indicated change based on experience, trend, and benefits.

This filing's overall indicated change based on experience, trend, and benefits is calculated as the weighted average of the indicated changes for each of the individual policy years in the experience period. Lastly, the impact of the change in expense-related provisions is applied to determine the indicated overall average rate level change.

The detailed calculations can be found on the following pages.



## FLORIDA

### EXHIBIT I

#### Determination of Indicated Rate Level Change

##### Section A - Policy Year 2021 Experience

###### Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$2,858,936,611
(2) Premium On-level Factor (Appendix A-I)	0.503
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$1,438,045,115

###### Indemnity Benefit Cost:

(4) Indemnity Losses Developed to Ultimate (Appendix A-II)	\$527,721,295
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Indemnity Losses = (4) x (5)	\$527,721,295
(7) Adjusted Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.367
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.913
(9) Projected Indemnity Cost Ratio = (7) x (8)	0.335
(10) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(11) Projected Indemnity Cost Ratio including Benefit Changes = (9) x (10)	0.335

###### Medical Benefit Cost:

(12) Medical Losses Developed to Ultimate (Appendix A-II)	\$884,489,080
(13) Medical Loss On-level Factor (Appendix A-I)	1.000
(14) Adjusted Medical Losses = (12) x (13)	\$884,489,080
(15) Adjusted Medical Cost Ratio excluding Trend and Benefits = (14) / (3)	0.615
(16) Factor to Reflect Medical Trend (Appendix A-III)	0.885
(17) Projected Medical Cost Ratio = (15) x (16)	0.544
(18) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	0.946
(19) Projected Medical Cost Ratio including Benefit Changes = (17) x (18)	0.515

###### Total Benefit Cost:

(20) Indicated Change Based on Experience, Trend and Benefits = (11) + (19)	0.850
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## FLORIDA

### EXHIBIT I

#### Determination of Indicated Rate Level Change

##### Section B - Policy Year 2020 Experience

###### Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$2,688,996,637
(2) Premium On-level Factor (Appendix A-I)	0.473
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$1,271,895,409

###### Indemnity Benefit Cost:

(4) Indemnity Losses Developed to Ultimate (Appendix A-II)	\$488,465,676
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Indemnity Losses = (4) x (5)	\$488,465,676
(7) Adjusted Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.384
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.885
(9) Projected Indemnity Cost Ratio = (7) x (8)	0.340
(10) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(11) Projected Indemnity Cost Ratio including Benefit Changes = (9) x (10)	0.340

###### Medical Benefit Cost:

(12) Medical Losses Developed to Ultimate (Appendix A-II)	\$851,677,161
(13) Medical Loss On-level Factor (Appendix A-I)	1.000
(14) Adjusted Medical Losses = (12) x (13)	\$851,677,161
(15) Adjusted Medical Cost Ratio excluding Trend and Benefits = (14) / (3)	0.670
(16) Factor to Reflect Medical Trend (Appendix A-III)	0.849
(17) Projected Medical Cost Ratio = (15) x (16)	0.569
(18) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	0.946
(19) Projected Medical Cost Ratio including Benefit Changes = (17) x (18)	0.538

###### Total Benefit Cost:

(20) Indicated Change Based on Experience, Trend and Benefits = (11) + (19)	0.878
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## FLORIDA

### EXHIBIT I

#### Determination of Indicated Rate Level Change

##### Section C - Indicated Change Based on Experience, Trend, and Benefits

(1) Policy Year 2021 Indicated Change Based on Experience, Trend, and Benefits	0.850
(2) Policy Year 2020 Indicated Change Based on Experience, Trend, and Benefits	0.878
(3) Indicated Change Based on Experience, Trend, and Benefits = (1) x 50.0% + (2) x 50.0%	0.864

##### Section D - Application of the Change in Production and General Expenses

(1) Indicated Rate Level Change	0.864
(2) Effect of the Change in Production and General Expenses (Exhibit II)	1.001
(3) Indicated Change Modified to Reflect the Change in Production and General Expenses = (1) x (2)	0.865

##### Section E - Application of the Change in Taxes and Assessments

(1) Indicated Rate Level Change	0.865
(2) Effect of the Change in Taxes and Assessments (Exhibit II)	0.999
(3) Indicated Change Modified to Reflect the Change in Taxes and Assessments = (1) x (2)	0.864

##### Section F - Application of the Change in the Profit and Contingency Provision

(1) Indicated Rate Level Change	0.864
(2) Effect of the Change in the Profit and Contingency Provision (Exhibit II)	0.980
(3) Indicated Change Modified to Reflect the Change in the Profit and Contingency Provision = (1) x (2)	0.847

##### Section G - Application of the Change in Loss-based Expenses

(1) Indicated Rate Level Change	0.847
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.002
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.849





## FLORIDA

### EXHIBIT I

#### Determination of Indicated Rate Level Change

##### Section H - Distribution of Overall Rate Level Change to Industry Groups

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.004
Contracting	0.982
Office & Clerical	0.987
Goods & Services	1.008
Miscellaneous	1.016

Applying these industry group differentials to the final overall rate level change produces the changes in rate level proposed for each group as shown:

Industry Group	(1) Final Overall Rate Level Change	(2) Industry Group Differential	(3) = (1) x (2) Final Rate Level Change by Industry Group	
Manufacturing	0.849	1.004	0.852	(-14.8%)
Contracting	0.849	0.982	0.834	(-16.6%)
Office & Clerical	0.849	0.987	0.838	(-16.2%)
Goods & Services	0.849	1.008	0.856	(-14.4%)
Miscellaneous	0.849	1.016	0.863	(-13.7%)
Overall	0.849	1.000	0.849	(-15.1%)



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Exhibit II – Workers Compensation Expense Program

The proposed workers compensation rates include several expense-related provisions as described below.

**Production and General Expenses:** Production costs include commissions, costs of preparing the policy, verifying the correct application of rates and rating plans, billing and collecting premium and the costs of maintaining company branch offices. General expenses are commonly classified into four categories: general administration, audit, boards and bureaus, and inspection expenses.

The Production and General Expense provisions are reviewed on an annual basis using countrywide NAIC data. Countrywide data is reviewed because insurance carriers cannot easily attribute portions of their Production and General expenses to any specific state. The analysis of the Production and General expenses involves creating expense to premium ratios. Since the premium comes from a non-NCCI data source, adjustments are made to the premium to convert the premium to a Designated Statistical Reporting (DSR) level. In addition, the fixed expenses are removed from the numerator and denominator of the ratio to arrive at a purely variable expense ratio. These expense ratios are reviewed over time and a selection is made to balance stability and responsiveness. A selection for both Production and General expenses is made after a review of the expense to premium ratios and the underlying data.

Note: In this year's filing, the rounding displayed in the analysis and selection of the production and general expense provisions was altered to match that of the other standard NCCI methodologies outlined in the filing.

**Premium Taxes and Assessments:** Provisions for premium taxes, the Workers Compensation Administration Trust Fund assessment, and the Special Disability Fund assessment are contained in the proposed rates.

**Profit and Contingency Provision:** By law, Florida workers compensation rates must be determined so that insurers can be expected to earn a reasonable rate of return. Analysis and determination of a profit and contingency (P&C) provision is necessary to ensure this premise is maintained.

The proposed P&C provision in this year's filing was selected based on the results of NCCI's Internal Rate of Return (IRR) model, which estimates the time series of expected future cash flows including premium, losses, expenses, investment income and taxes, for a representative insurer underwriting workers compensation coverage. In determining the P&C provision, NCCI reviews both a static and a dynamic P&C estimate as indicated by IRR model. The static estimate takes into account current interest rates, while the dynamic estimate incorporates projections of future interest rate levels. The P&C selection is based on a review of both of



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Exhibit II – Workers Compensation Expense Program

these estimates, while also considering stability in this filing component. This filing proposes a decrease to the P&C provision from 1.5% to 0.0%, which reflects the higher investment returns expected in the current interest rate environment compared to prior years.

**Loss-Based Expenses:** The proposed rates include a provision for loss adjustment expenses (LAE). LAE is included in the rates by using a ratio of loss adjustment expense dollars to loss dollars (called the “LAE provision”). These expenses are directly associated with the handling of workers compensation claims. The LAE provision is comprised of two components: Defense and Cost Containment Expenses (DCCE) and Adjusting and Other Expenses (AOE).

NCCI uses the following general methodology to determine the proposed LAE provision based on data for private carriers.

1. Based on Florida-specific data obtained from NCCI’s Policy Year Financial Call, ratios of paid DCCE to paid losses by policy year are developed to an ultimate basis. The proposed DCCE provision is based on the ultimate projected DCCE ratios by policy year.
2. The proposed AOE ratio is based on countrywide data reported to NCCI on its Call for Loss Adjustment Expense. The nature of AOE generally precludes its accurate allocation to specific jurisdictions.
3. The proposed LAE provision is the sum of the DCCE and AOE components.

**Expense Constant:** Insurer expenses as a proportion of premium vary by size of risk. As risk size increases, marginal expenses tend to diminish. An expense constant (EC) helps address these expense differences by size of risk. The EC together with the expense provision included in the manual rate provide the necessary funding for insurer expenses.



# FLORIDA

## EXHIBIT II

### Section A - Comparison of Proposed and Current Expense Provisions

Overhead expense provisions are itemized below. These figures are expressed as percentages of standard premium (excluding expense constant) and are indicative of the expenses of the first \$10,000 of policy premium. Taken together these allowances represent that portion of the standard premium dollar necessary to operate the benefit system. The complementary portion corresponds to the portion of the premium dollar available to finance benefits, loss adjustment expenses and loss-based assessments, if applicable. It is referred to as the "target cost ratio".

	Expense Provisions Underlying Current Rates	Expense Provisions Underlying Proposed Rates
(1) Expense Constant	\$160	\$160
(2) Production Expense	18.2%	18.3%
(3) General Expense	6.1%	6.1%
(4) Taxes, Licenses and Fees (other than Federal Income Tax)		
Premium Tax	0.96%	0.96%
Miscellaneous	0.3%	0.3%
Special Disability Trust Fund	0.4%	0.37%
WC Administration Trust Fund	0.79%	0.79%
<b>Total</b>	<b>2.45%</b>	<b>2.42%</b>
(5) Profit and Contingency Provision	1.5%	0.0%
(6) Total Overhead Provisions (2)+(3)+(4)+(5)	28.3%	26.8%
(7) Target Cost Ratio [100% - (6)]	71.7%	73.2%
(8) Loss Adjustment Expense	22.6%	22.8%
(9) Loss-based Assessment	0.0%	0.0%
(10) Permissible Loss Ratio (7) / [1+(8)+(9)]	58.5%	59.6%



# FLORIDA

## EXHIBIT II

### Section B - Calculation of Change in Expense Provisions

	A	B	C	D
	<u>Current</u> <u>Expenses</u>	<u>Col. A with</u> <u>Proposed Prod</u> <u>&amp; Gen Exp</u>	<u>Col. B with</u> <u>Proposed Taxes</u>	<u>Col. C with</u> <u>Proposed Profit</u> <u>and Contingency</u>
(1) Production Expense	18.2%	18.3%	18.3%	18.3%
(2) General Expense	6.1%	6.1%	6.1%	6.1%
(3) Taxes and Assessments	2.45%	2.45%	2.42%	2.42%
(4) Profit and Contingency Provision	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>0.0%</u>
(5) Total Provisions (1)+(2)+(3)+(4)	28.3%	28.4%	28.3%	26.8%
(6) TCR (100%-(5))	71.7%	71.6%	71.7%	73.2%
(7) Loss-Based Expenses	22.6%	22.8%	22.8%	22.8%
(8) Change in Production and General Expense (6A) / (6B)			1.001	+0.1%
(9) Change in Taxes and Assessments (6B) / (6C)			0.999	-0.1%
(10) Change in Profit and Contingency Provision (6C) / (6D)			0.980	-2.0%
(11) Change in Loss-Based Expenses [1.0 + (7B)] / [1.0 + (7A)]			1.002	+0.2%



## FLORIDA

### EXHIBIT II

#### **Section C - Countrywide Expense Program**

NCCI annually reviews expense provisions underlying workers compensation rates. This review procedure is based on countrywide expense data. Since a significant portion of workers compensation insurance is interstate business, it is not practical to allocate expenses (especially general, other acquisition, and adjusting and other loss adjustment expenses) to particular states.

The NCCI expense program is designed to ensure equity among employers through a percentage provision in manual rates, a schedule of premium discounts for risks with standard premium in excess of \$10,000, and the application of an expense constant.

The majority of expenses incurred in workers compensation vary directly by layer of premium and are accordingly termed variable expenses. An equitable apportionment of variable expense is achieved through the application of premium discounts. As the premium for a policy increases, some expenses incurred in handling the insurance coverage become proportionately less in terms of premium. A fair expense program must, therefore, provide that the larger premium policies be charged a lower percentage of premium for these expenses than the smaller policies.

Other expenses such as issuing, recording and auditing are common to all policies regardless of size. These common expenses are called fixed expenses and are addressed by incorporating an expense constant in the program.



## FLORIDA

### EXHIBIT II

#### Section D - Derivation of General Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 6.1% general expense provision in the manual rates, a \$160 expense constant, and the premium discount schedule generates general expense premium dollars that are consistent with historical actual general expenses as reported in the Insurance Expense Exhibit. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Direct Earned Premium (NAIC Insurance Expense Exhibit Data)	44,697,279	44,738,409	49,079,544
(1a) Effect of Premium Discounts	0.930	0.930	0.930
(1b) Effect of Schedule Rating	0.957	0.960	0.961
(1c) Effect of Carrier Deviations	1.076	1.079	1.077
(1d) Effect of Deductibles	0.742	0.739	0.739
(1e) Expense Constant Offset	0.990	0.989	0.989
(2) Gross Adjusted Premium (STD Premium @ NCCI Level Excl. Expense Constant) $\{(1) / [(1a) \times (1b) \times (1c) \times (1d)]\} \times (1e)$	62,273,778	62,152,237	68,238,635
(3) Direct General Expenses Incurred (NAIC Insurance Expense Exhibit Data)	3,321,770	3,346,906	3,599,629
(3a) Proportion of Expense Constant Attributable to General Expenses	0.406	0.406	0.406
(4) General Expenses Incurred (Excluding Expense Constant Revenue) $(3) - (2) \times [1 - (1e)] / (1e) \times (3a)$	3,066,385	3,066,247	3,291,486
(5) Ratio of General Expense to Premium (Excluding Expense Constant Revenue) $(4) / (2)$	4.9%	4.9%	4.8%
(6) General Expense Gradations (General Expenses in Average Premium Discount)	1.2%	1.2%	1.2%
(7) General Expense Provision $(5) + (6)$	6.1%	6.1%	6.0%
(8) Selected General Expense Provision			<b>6.1%</b>



## FLORIDA

### EXHIBIT II

#### Section E - Derivation of Production Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 18.3% production expense provision in the manual rates, a \$160 expense constant, and the premium discount schedule generates production expense premium dollars that are consistent with historical actual production expenses as reported for combined stock and mutual companies' voluntary business. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Direct Written Premium (NAIC Insurance Expense Exhibit Data)	44,395,749	45,045,328	49,871,770
(1a) Effect of Premium Discounts	0.931	0.930	0.930
(1b) Effect of Schedule Rating	0.959	0.961	0.961
(1c) Effect of Carrier Deviations	1.080	1.078	1.075
(1d) Effect of Deductibles	0.740	0.739	0.739
(1e) Expense Constant Offset	0.989	0.989	0.989
(2) Pool Written Premium (Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)	900,966	857,108	921,787
(3) Adjusted Direct Written Premium (STD Premium Excl. Pool Written Premium) [(1)-(2)] / (1a) x (1e)	46,204,447	46,991,559	52,055,412
(4) Gross Direct Written Premium (STD Premium @ NCCI Level Incl. Pool Written Premium) {(1) / [(1a) x (1b) x (1c) x (1d)]} x (1e)	61,533,825	62,571,492	69,469,126
(5) Direct Commission & Brokerage Incurred (NAIC Insurance Expense Exhibit Data)	3,982,263	4,279,676	4,675,886
(6) Pool Producer Fees (Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)	29,463	28,272	31,610
(7) Direct Other Acquisition Expenses Incurred (NAIC Insurance Expense Exhibit Data)	2,128,770	2,101,949	2,401,715
(7a) Proportion of Expense Constant Attributable to Production Expenses	0.531	0.531	0.531
(8) Other Acquisition Expenses Incurred (Excluding Expense Constant Revenue) (7) - (4) x [1-(1e)]/(1e) x (7a)	1,765,353	1,732,404	1,991,433
(9) Ratio of Other Acq. Expenses to Premium (Excluding Expense Constant Revenue) (8)/(4)	2.9%	2.8%	2.9%
(10) Direct Commission & Brokerage Provision [(5)-(6)]/(3)	8.6%	9.0%	8.9%
(11) Production Expense Gradations (Production Expenses in Average Premium Discount)	6.6%	6.6%	6.6%
(12) Production Expense Provision (9)+(10)+(11)	18.1%	18.4%	18.4%
(13) Selected Production Expense Provision			<b>18.3%</b>





## FLORIDA

### EXHIBIT II

#### Workers Compensation Loss Adjustment Expense Provision

##### Section F - Determination of Loss Adjustment Expense Provision

In this filing, NCCI proposes a 22.8% loss adjustment expense allowance as a percentage of losses. The DCCE provision is based on Florida-specific data reported to NCCI on the Policy Year Call for Experience. The AOE provision is based on countrywide data reported to NCCI on the Call for Loss Adjustment Expense.

<u>Policy Year</u>	<u>Developed DCCE Ratio</u>	<u>Accident Year</u>	<u>Developed AOE Ratio</u>	
2017	13.0%	2018	9.1%	
2018	12.9%	2019	9.6%	
2019	13.5%	2020	10.2%	
2020	13.5%	2021	9.6%	
2021	<u>13.3%</u>	2022	<u>9.3%</u>	
Countrywide selected:			9.4%	
Florida selected:	13.4%	+	9.4%	= <b>22.8%</b>

##### Defense and Cost Containment Expense (DCCE) Ratio

(1) <u>Policy Year</u>	(2) <u>Reported Ratio of Paid DCCE to Paid Losses</u>	(3) <u>Age-to-Ultimate Development Factor</u>	(4) = (2) x (3) <u>Ultimate DCCE Ratio</u>
2017	13.5%	0.966	13.0%
2018	13.5%	0.959	12.9%
2019	14.1%	0.956	13.5%
2020	13.9%	0.968	13.5%
2021	12.8%	1.038	<u>13.3%</u>
Florida selected:			13.4%

##### Proposed Change in the Florida Loss Adjustment Expense (LAE) Provision

	(5) <u>Current</u>	(6) <u>Proposed</u>	
Florida LAE Provision	22.6%	22.8%	
Proposed Change in LAE Provision = [1.000 + (6)] / [1.000 + (5)] - 1		1.002	(+0.2%)



## FLORIDA

### EXHIBIT II

#### Section G - Table of Premium Discounts

<u>Division of Standard Premium</u>		<u>Type A Discounts</u>	<u>Type B Discounts</u>
First	\$10,000	---	---
Next	\$190,000	9.1%	5.1%
Next	\$1,550,000	11.3%	6.5%
Over	\$1,750,000	12.3%	7.5%

Application of the appropriate discount schedule to the standard premium produces a dollar discount that is subtracted from the standard premium.



# FLORIDA

## EXHIBIT II

### Section H - Average Expense Provisions

Reproduced below are the graduated expense provisions by policy size.

Gradation of Standard Premium		Expense Gradations		
Division of Premium		Production*	General	Discounts
First	\$10,000	18.3%	6.1%	---
Next	\$190,000	10.8%	5.1%	9.1%
Next	\$1,550,000	9.3%	4.5%	11.3%
Over	\$1,750,000	9.3%	3.6%	12.3%
Proposed Average:		11.7%	4.9%	

Proposed Average Expense Gradation:  
(Expense for 1st \$10,000 - Avg Expense)

6.6% 1.2%

Average Premium Discount:  
[Avg Exp Grad] / [1-Taxes-P&C] = [6.6%+1.2%] / [1-2.4%-0.0%] = 8.0%

Composition of Standard Premium:

Benefit & Loss Adj. Cost	Production (18.3%)	General (6.1%)	Profit (0.0%)	Taxes (2.4%)		
73.2%	11.7%	4.9%	0.0%	2.2%	Premium	Standard Premium
					-- After Discounts (92.0%)	-- Excluding Expense Constant (100.0%)
	6.6%	1.2%	0.0%	0.2%	} -- Discount (8.0%)	
	0.6%	0.5%	0.0%	0.0%	} -- Premium from \$160 expense constant. (1.1% = 1/0.989 - 1)^	

### Notes

\* The production expense gradations shown are based on Type A gradations.

^ The 0.989 offset is for the \$160 expense constant.



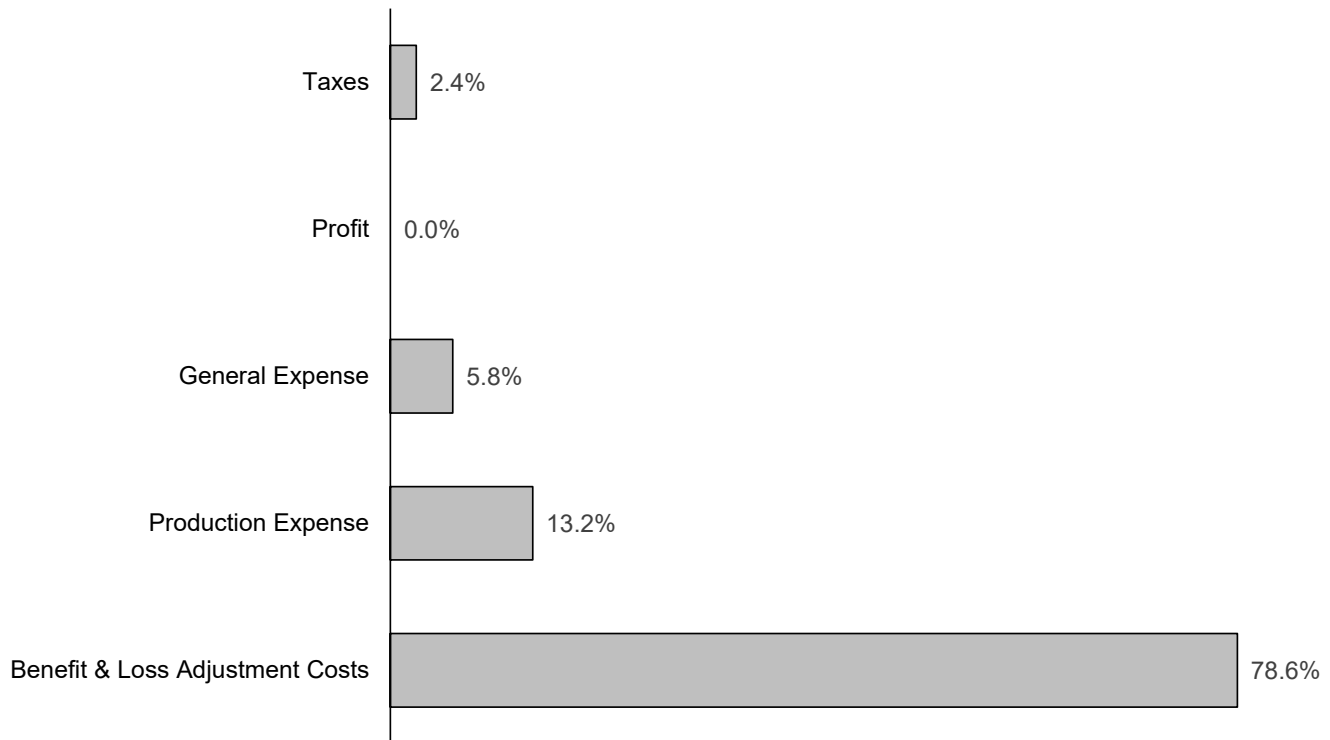
## FLORIDA

### EXHIBIT II

#### Section I - Florida Expense Provisions as a Percentage of Net Premium at NCCI Level

The exhibit below illustrates the allocation of the final premium dollar after the application of premium discounts and expense constants based on Florida expense provisions.

#### Components of Premium



#### Notes

Benefit & Loss Adjustment Costs	78.6%	=	(73.2%) / 93.1%
Production Expense	13.2%	=	(11.7% + 0.6%) / 93.1%
General Expense	5.8%	=	(4.9% + 0.5%) / 93.1%
Profit	0.0%	=	(0.0% + 0.0%) / 93.1%
Taxes	<u>2.4%</u>	=	(2.2% + 0.0%) / 93.1%
<b>Total</b>	<b>100.0%</b>		



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

##### Appendix A-I Determination of Policy Year On-level Factors

NCCI uses premium and loss on-level factors to adjust historical policy year experience to current rate and benefit levels, respectively.

Premium on-level factors are adjustment factors that reflect the cumulative impact of all rate level changes that have occurred during and after the individual year being on-leveled. To calculate a weighted average, NCCI utilizes a state-specific monthly premium distribution based on an analysis of policies reported in the Unit Statistical Data. Additional adjustments applied as part of the premium on-level factor calculation includes:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported premium totals.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all included benefit level changes that have occurred during and after the individual year of data being on-leveled.

Note: For NCCI ratemaking purposes, proposed benefit level changes that (i) do not impact the experience period of the filing and (ii) have not yet been approved are included in Exhibit I, rather than in the loss on-level calculation.

##### Experience Rating Off-Balance Adjustment Factor

The term “off-balance” refers to the average experience rating modification factor (E-mod) across all employers for a given time period. Historical off-balance values are calculated as a weighted average—using expected losses as weights—of the following:

- E-mods for intrastate rated employers



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

- E-mods for interstate rated employers
- A unity factor for all non-rated employers

NCCI reviews changes in each state's average off-balance annually. The historical data review combined with the experience rating parameters included in the latest approved filing provide all necessary information to adjust historical premiums to reflect any changes in the off-balance values over time. Specifically, the premiums in the financial data experience period are adjusted to the off-balance expected in the proposed filing period. This adjustment can be seen in the premium on-level adjustment factors provided in Appendix A-I.

The key components used to estimate the off-balance for the proposed filing includes:

- A targeted off-balance of 0.965 for all intrastate rated employers. A targeted intrastate E-mod slightly below unity is desirable because employers who qualify for experience rating typically have better loss experience, on average, than non-rated employers. The choice of an intrastate target is premium-neutral on a statewide basis while promoting rate adequacy for non-rated employers.
- The average E-mod for interstate rated employers is estimated based on the E-mod experience rating data for all interstate rated employers compiled within the most recent twelve months. Unlike intrastate rated employers, interstate employers have exposure in multiple states, where each state's data and underlying experience rating parameters are used to determine the employer's interstate E-mod. Because E-mods for interstate employers are influenced by experience rating values for multiple states, NCCI's standard approach is to assume that the interstate off-balance during the proposed filing period is best approximated by the interstate off-balance observed over the most recent twelve months of E-mod data available at the time of the analysis.



# FLORIDA

## APPENDIX A-I

### Determination of Policy Year On-level Factors

#### Section A - Factor Adjusting 2021 Policy Year Premium to Present Level

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Date	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Off-balance Adjustment Factor*	Premium Adjustment Factor (5)x(6)x(7)x(8)
NR	01/01/21	Base	1.000	1.000	1.000	0.871	0.988	0.585	0.998	0.503
NR	01/01/22	0.951	0.951							
NR	01/01/23	0.916	0.871							
					<u>1.000</u>					

#### Section B - Factor Adjusting 2021 Policy Year Indemnity Losses to Present Benefit Level

		(1)	(2)	(3)	(4)	(5)
	Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
	07/01/17	Base	1.000	1.000	<u>1.000</u>	1.000
					1.000	

#### Section C - Factor Adjusting 2021 Policy Year Medical Losses to Present Benefit Level

		(1)	(2)	(3)	(4)	(5)
	Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
	07/01/17	Base	1.000	1.000	<u>1.000</u>	1.000
					1.000	

NR New and renewal business.

@ Eliminates premium derived from expense constants.

\*  $0.998 = 0.960 / 0.962 = (\text{Targeted Off-balance}) / (\text{Off-balance for Policy Year 2021})$



# FLORIDA

## APPENDIX A-I

### Determination of Policy Year On-level Factors

#### Section D - Factor Adjusting 2020 Policy Year Premium to Present Level

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Date	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Off-balance Adjustment Factor*	Premium Adjustment Factor (5)x(6)x(7)x(8)
NR	01/01/20	Base	1.000	1.000	1.000	0.813	0.988	0.585	1.006	0.473
NR	01/01/21	0.934	0.934							
NR	01/01/22	0.951	0.888							
NR	01/01/23	0.916	0.813							
					<u>1.000</u>					

#### Section E - Factor Adjusting 2020 Policy Year Indemnity Losses to Present Benefit Level

		(1)	(2)	(3)	(4)	(5)
	Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
	07/01/17	Base	1.000	1.000	<u>1.000</u>	1.000
					<u>1.000</u>	

#### Section F - Factor Adjusting 2020 Policy Year Medical Losses to Present Benefit Level

		(1)	(2)	(3)	(4)	(5)
	Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
	07/01/17	Base	1.000	1.000	<u>1.000</u>	1.000
					<u>1.000</u>	

NR New and renewal business.

@ Eliminates premium derived from expense constants.

\*  $1.006 = 0.960 / 0.954 = (\text{Targeted Off-balance}) / (\text{Off-balance for Policy Year 2020})$





## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

##### Appendix A-II Determination of Premium and Losses Developed to an Ultimate Report

Development factors are used to project premium and losses to an ultimate report. In general, the ultimate development factors are based on a chain-ladder approach that utilizes average link ratios for several maturities and the application of a tail factor, as shown on the following pages.

##### Premium Development

Premium at an ultimate report is estimated by incorporating a review of historical patterns of premium development over time—primarily due to payroll audits. For premium development, link ratios are used from 1<sup>st</sup> through 5<sup>th</sup> report, after which it is assumed that no further development occurs.

In this filing, a three-year average of historical premium development factors was selected to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one filing to the next.

##### Loss Development

Loss development factors are needed since total paid losses and case reserve estimates on a given claim change over time until the claim is finally closed. For indemnity and medical loss development, link ratios are used from 1<sup>st</sup> through 19<sup>th</sup> report. For loss development beyond a 19<sup>th</sup> report, a “tail” factor is used to reflect all future expected emergence. The loss development factors are calculated based on how paid losses and case reserve estimates change over time for claims in older years.

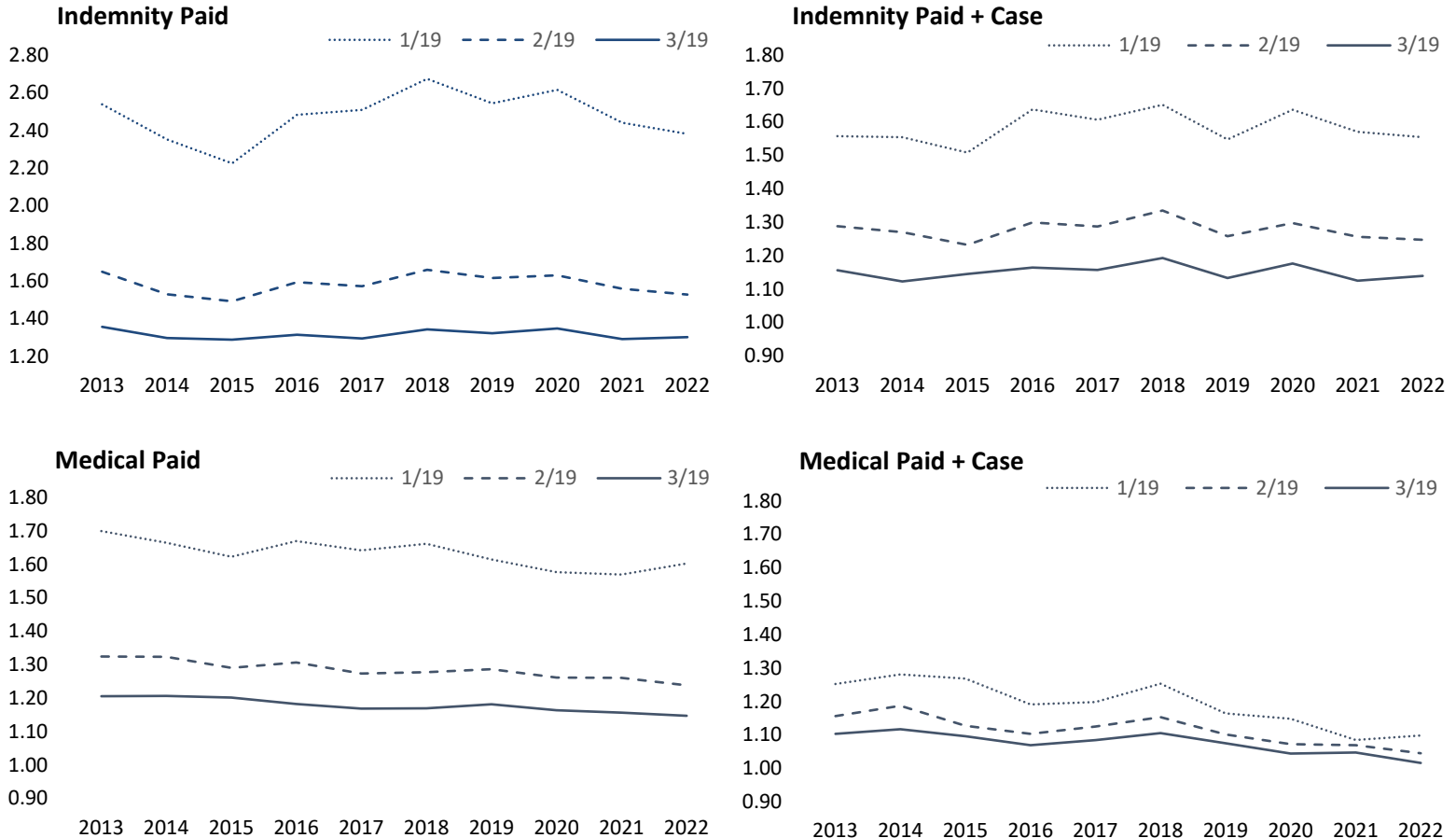
The graphs below display the age-to-19<sup>th</sup> cumulative loss development factors over the last ten valuations.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change



The specific development link ratio selections underlying this filing are shown below:

- A three-year average of historical paid loss development factors through a 19th report for indemnity and medical losses
- A three-year average of historical paid plus case loss development factors through a 19th report for indemnity and medical losses

As can be seen in the graphs above, the latest valuation of development factors are generally consistent with those from historical periods for both indemnity and medical paid development as well as indemnity and medical paid plus case development and shows no clear deviation from historical values. Therefore, there was no change in these selected development averages compared to last year's filing. The development factor selections were made to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one filing to the next.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

##### 19<sup>th</sup>-to-Ultimate Tail Factor

Tail factors are calculated separately for indemnity and medical losses by comparing the changes in the volume of policy year losses that occur for years older than a 19<sup>th</sup> report to the volume of policy year losses at the 19<sup>th</sup> report, along with the application of a growth adjustment factor.

The calculation of indemnity and medical paid plus case 19<sup>th</sup>-to-ultimate tail factors utilizes all available experience for the years prior to the tail attachment point and are calculated for the most recent ten available policy years. Loss development tail factors from a 19<sup>th</sup> report to ultimate were based on an average of the ten most recently available factors.

Paid plus case data is used in the calculation of 19<sup>th</sup>-to-ultimate loss development factors since it is most reflective of the expected ultimate losses. Since this filing utilizes both paid and paid plus case data, the selected paid plus case loss development tail factors are converted to a paid basis using paid-to-paid plus case ratios. Both the indemnity and medical conversion ratios were selected based on a review of historical conversion ratios.



**FLORIDA**  
**APPENDIX A-II**

**Determination of Premium and Losses Developed to an Ultimate Report**

**Section A - Premium and Loss Summary Valued as of 12/31/2022**

**Policy Year 2021**

(1) Standard Earned Premium	\$2,833,435,690
(2) Factor to Develop Premium to Ultimate	1.009
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$2,858,936,611
(4) Indemnity Paid Losses	\$209,911,724
(5) Indemnity Paid Development Factor to Ultimate	2.550
(6) Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$535,274,896
(7) Indemnity Paid+Case Losses	\$324,092,021
(8) Indemnity Paid+Case Development Factor to Ultimate	1.605
(9) Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$520,167,694
(10) Policy Year 2021 Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$527,721,295
(11) Medical Paid Losses	\$542,160,846
(12) Medical Paid Development Factor to Ultimate	1.662
(13) Medical Paid Losses Developed to Ultimate = (11)x(12)	\$901,071,326
(14) Medical Paid+Case Losses	\$760,654,543
(15) Medical Paid+Case Development Factor to Ultimate	1.141
(16) Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$867,906,834
(17) Policy Year 2021 Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$884,489,080

**Policy Year 2020**

(1) Standard Earned Premium	\$2,691,688,325
(2) Factor to Develop Premium to Ultimate	0.999
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$2,688,996,637
(4) Indemnity Paid Losses	\$307,904,950
(5) Indemnity Paid Development Factor to Ultimate	1.617
(6) Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$497,882,304
(7) Indemnity Paid+Case Losses	\$373,673,204
(8) Indemnity Paid+Case Development Factor to Ultimate	1.282
(9) Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$479,049,048
(10) Policy Year 2020 Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$488,465,676
(11) Medical Paid Losses	\$656,536,892
(12) Medical Paid Development Factor to Ultimate	1.316
(13) Medical Paid Losses Developed to Ultimate = (11)x(12)	\$864,002,550
(14) Medical Paid+Case Losses	\$769,341,678
(15) Medical Paid+Case Development Factor to Ultimate	1.091
(16) Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$839,351,771
(17) Policy Year 2020 Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$851,677,161



# FLORIDA

## APPENDIX A-II

### Determination of Premium and Losses Developed to an Ultimate Report

#### Section B - Premium Development Factors

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2018	1.016	2017	0.999	2016	0.999	2015	0.999
2019	0.997	2018	0.999	2017	1.000	2016	1.000
2020	1.016	2019	1.000	2018	1.000	2017	1.001
Average	1.010	Average	0.999	Average	1.000	Average	1.000

#### Summary of Premium Development Factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.009	0.999	1.000	1.000



# FLORIDA

## APPENDIX A-II

### Determination of Premium and Losses Developed to an Ultimate Report

#### Section C - Indemnity Paid Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2018	1.604	2017	1.210	2016	1.101	2015	1.052
2019	1.567	2018	1.207	2017	1.092	2016	1.056
2020	1.559	2019	1.174	2018	1.090	2017	1.068
Average	1.577	Average	1.197	Average	1.094	Average	1.059
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2014	1.039	2013	1.025	2012	1.020	2011	1.016
2015	1.024	2014	1.021	2013	1.013	2012	1.009
2016	1.033	2015	1.013	2014	1.011	2013	1.011
Average	1.032	Average	1.020	Average	1.015	Average	1.012
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2010	1.013	2009	1.007	2008	1.006	2007	1.003
2011	1.013	2010	1.010	2009	1.006	2008	1.005
2012	1.011	2011	1.009	2010	1.004	2009	1.006
Average	1.012	Average	1.009	Average	1.005	Average	1.005
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2006	1.005	2005	1.003	2004	1.004	2003	1.002
2007	1.003	2006	1.002	2005	1.002	2004	1.003
2008	1.003	2007	1.002	2006	1.001	2005	1.004
Average	1.004	Average	1.002	Average	1.002	Average	1.003
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
2002	1.005	2001	1.005				
2003	1.002	2002	1.002				
2004	1.001	2003	1.004				
Average	1.003	Average	1.004				



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### Determination of Premium and Losses Developed to an Ultimate Report

#### Section D - Medical Paid Loss Development Factors

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2018	1.250	2017	1.084	2016	1.046	2015	1.020
2019	1.245	2018	1.090	2017	1.042	2016	1.024
2020	1.294	2019	1.079	2018	1.041	2017	1.025
Average	1.263	Average	1.084	Average	1.043	Average	1.023
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2014	1.018	2013	1.013	2012	1.010	2011	1.006
2015	1.014	2014	1.013	2013	1.007	2012	1.006
2016	1.015	2015	1.006	2014	1.011	2013	1.004
Average	1.016	Average	1.011	Average	1.009	Average	1.005
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2010	1.006	2009	1.008	2008	1.004	2007	1.003
2011	1.006	2010	1.006	2009	1.008	2008	1.006
2012	1.005	2011	1.006	2010	1.003	2009	1.003
Average	1.006	Average	1.007	Average	1.005	Average	1.004
<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2006	1.004	2005	1.003	2004	1.004	2003	1.003
2007	1.004	2006	1.002	2005	1.002	2004	1.002
2008	1.004	2007	1.004	2006	1.001	2005	1.002
Average	1.004	Average	1.003	Average	1.002	Average	1.002
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2002	1.002	2001	1.004				
2003	1.003	2002	1.002				
2004	1.002	2003	1.008				
Average	1.002	Average	1.005				



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**Determination of Premium and Losses Developed to an Ultimate Report**

**Section E - Indemnity Paid + Case Loss Development Factors**

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2018	1.261	2017	1.103	2016	1.055	2015	1.026
2019	1.250	2018	1.116	2017	1.055	2016	1.021
2020	1.246	2019	1.095	2018	1.048	2017	1.028
Average	1.252	Average	1.105	Average	1.053	Average	1.025
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2014	1.021	2013	1.010	2012	1.014	2011	1.010
2015	1.009	2014	1.008	2013	1.007	2012	1.004
2016	1.020	2015	1.007	2014	1.007	2013	1.004
Average	1.017	Average	1.008	Average	1.009	Average	1.006
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2010	1.003	2009	1.003	2008	1.003	2007	1.000
2011	1.006	2010	1.004	2009	1.002	2008	1.001
2012	1.005	2011	0.999	2010	1.003	2009	1.001
Average	1.005	Average	1.002	Average	1.003	Average	1.001
<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2006	1.004	2005	1.005	2004	1.003	2003	1.001
2007	1.001	2006	1.000	2005	1.001	2004	1.001
2008	1.002	2007	1.002	2006	1.001	2005	1.002
Average	1.002	Average	1.002	Average	1.002	Average	1.001
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2002	1.002	2001	1.005				
2003	0.999	2002	1.001				
2004	1.000	2003	1.003				
Average	1.000	Average	1.003				





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**Determination of Premium and Losses Developed to an Ultimate Report**

**Section F - Medical Paid + Case Loss Development Factors**

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2018	1.071	2017	1.027	2016	1.011	2015	1.007
2019	1.015	2018	1.021	2017	1.006	2016	1.007
2020	1.051	2019	1.029	2018	1.016	2017	1.000
Average	1.046	Average	1.026	Average	1.011	Average	1.005
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2014	1.006	2013	1.002	2012	1.003	2011	1.003
2015	1.003	2014	1.003	2013	1.002	2012	1.000
2016	1.009	2015	1.008	2014	1.004	2013	0.963
Average	1.006	Average	1.004	Average	1.003	Average	0.989
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2010	1.000	2009	1.002	2008	1.000	2007	1.001
2011	1.004	2010	1.000	2009	1.001	2008	1.008
2012	1.004	2011	0.995	2010	1.004	2009	0.999
Average	1.003	Average	0.999	Average	1.002	Average	1.003
<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2006	1.003	2005	1.001	2004	1.002	2003	1.001
2007	1.005	2006	1.005	2005	1.000	2004	1.001
2008	1.002	2007	1.001	2006	1.000	2005	1.005
Average	1.003	Average	1.002	Average	1.001	Average	1.002
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2002	0.999	2001	1.003				
2003	1.000	2002	1.002				
2004	1.003	2003	1.004				
Average	1.001	Average	1.003				



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### APPENDIX A-II

#### Determination of Premium and Losses Developed to an Ultimate Report

##### Section G - Determination of Policy Year Loss Development Factors (19th-to-Ultimate Report)

###### Indemnity Paid+Case Data for Matching Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	<u>Losses for Policy Year</u> 19th Report	<u>Losses for Policy Year</u> 20th Report	<u>Losses for All Prior Policy Years</u> Previous	<u>Losses for All Prior Policy Years</u> Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1993	317,773,645	318,401,959	8,240,661,724	8,249,301,414	1.793	1.017
1994	325,949,626	326,962,562	8,496,092,159	8,503,281,665	1.756	1.016
1995	353,339,331	354,286,091	8,879,241,950	8,890,441,555	1.598	1.023
1996	369,291,115	369,762,519	9,133,042,006	9,142,462,228	1.409	1.019
1997	431,738,272	432,797,157	9,639,269,716	9,646,462,128	1.231	1.016
1998	460,897,721	460,691,012	10,072,547,391	10,079,449,963	1.093	1.013
1999	449,128,922	449,457,574	10,348,982,555	10,352,047,978	0.997	1.008
2000	473,731,938	475,080,430	10,485,422,309	10,488,816,776	0.858	1.011
2001	460,308,620	460,028,375	10,954,307,305	10,955,832,156	0.835	1.003
2002	451,870,485	452,354,778	11,745,639,739	11,747,418,210	0.848	1.006
Selected Indemnity 19th-to-Ultimate Loss Development Factor						1.013

###### Medical Paid+Case Data for Matching Companies

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Policy Year	<u>Losses for Policy Year</u> 19th Report	<u>Losses for Policy Year</u> 20th Report	<u>Losses for All Prior Policy Years</u> Previous	<u>Losses for All Prior Policy Years</u> Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1993	332,863,063	333,475,763	7,526,978,414	7,534,780,863	1.607	1.016
1994	358,802,314	360,539,600	7,806,556,012	7,827,516,844	1.493	1.044
1995	397,112,042	396,939,378	8,225,717,025	8,255,896,162	1.344	1.056
1996	389,600,888	389,488,270	8,530,552,889	8,553,483,204	1.286	1.045
1997	479,712,885	481,021,138	9,099,236,080	9,131,013,192	1.081	1.064
1998	509,923,378	511,011,809	9,322,367,573	9,326,592,851	0.947	1.011
1999	554,660,540	554,152,248	9,989,000,083	9,989,814,560	0.836	1.001
2000	596,415,516	595,043,276	10,220,035,644	10,225,689,991	0.740	1.011
2001	595,903,484	595,558,911	10,811,711,794	10,810,075,839	0.727	0.996
2002	645,540,796	644,927,701	11,753,006,497	11,757,107,458	0.695	1.008
Selected Medical 19th-to-Ultimate Loss Development Factor						1.025

$$(7) = 1 + [(3) - (2) + ((5) - (4)) / (6)] / (2)$$

$$(14) = 1 + [(10) - (9) + ((12) - (11)) / (13)] / (9)$$

Columns (4) and (11) are valued as of the date at which the given policy year is at a 19th report.

Columns (5) and (12) are valued as of the date at which the given policy year is at a 20th report.



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### APPENDIX A-II

#### Determination of Premium and Losses Developed to an Ultimate Report

##### Section H - Derivation of Policy Year 19th-to-Ultimate Loss Development Factors

Policy Year	Indemnity Paid-to- Paid + Case Ratio 19th Report	Medical Paid-to- Paid + Case Ratio 19th Report
1999	0.982	0.970
2000	0.982	0.964
2001	0.981	0.978
2002	0.987	0.978
2003	0.986	0.985
Selected	0.985	0.975

	<u>Indemnity</u>	<u>Medical</u>
(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.013	1.025
(2) Paid-to-Paid+Case Ratio	0.985	0.975
(3) Paid 19th-to-Ultimate Loss Development Factor = (1) / (2)	1.028	1.051

##### Section I - Summary of Paid Loss Development Factors

(1) Indemnity Paid Loss Development			(3) Medical Paid Loss Development		
Report	to Next Report	to Ultimate	Report	to Next Report	to Ultimate
1st	1.577	2.550	1st	1.263	1.662
2nd	1.197	1.617	2nd	1.084	1.316
3rd	1.094	1.351	3rd	1.043	1.214
4th	1.059	1.235	4th	1.023	1.164
5th	1.032	1.166	5th	1.016	1.138
6th	1.020	1.130	6th	1.011	1.120
7th	1.015	1.108	7th	1.009	1.108
8th	1.012	1.092	8th	1.005	1.098
9th	1.012	1.079	9th	1.006	1.093
10th	1.009	1.066	10th	1.007	1.086
11th	1.005	1.056	11th	1.005	1.078
12th	1.005	1.051	12th	1.004	1.073
13th	1.004	1.046	13th	1.004	1.069
14th	1.002	1.042	14th	1.003	1.065
15th	1.002	1.040	15th	1.002	1.062
16th	1.003	1.038	16th	1.002	1.060
17th	1.003	1.035	17th	1.002	1.058
18th	1.004	1.032	18th	1.005	1.056
19th		1.028	19th		1.051

(2) = Cumulative upward product of column (1).

(4) = Cumulative upward product of column (3).



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## APPENDIX A-II

### Determination of Premium and Losses Developed to an Ultimate Report

#### Section J - Summary of Paid+Case Loss Development Factors

Report	(1)	(2)
	<u>Indemnity Paid+Case Loss Development</u> <u>to Next Report</u>	<u>to Ultimate</u>
1st	1.252	1.605
2nd	1.105	1.282
3rd	1.053	1.160
4th	1.025	1.102
5th	1.017	1.075
6th	1.008	1.057
7th	1.009	1.049
8th	1.006	1.040
9th	1.005	1.034
10th	1.002	1.029
11th	1.003	1.027
12th	1.001	1.024
13th	1.002	1.023
14th	1.002	1.021
15th	1.002	1.019
16th	1.001	1.017
17th	1.000	1.016
18th	1.003	1.016
19th		1.013

Report	(3)	(4)
	<u>Medical Paid+Case Loss Development</u> <u>to Next Report</u>	<u>to Ultimate</u>
1st	1.046	1.141
2nd	1.026	1.091
3rd	1.011	1.063
4th	1.005	1.051
5th	1.006	1.046
6th	1.004	1.040
7th	1.003	1.036
8th	0.989	1.033
9th	1.003	1.044
10th	0.999	1.041
11th	1.002	1.042
12th	1.003	1.040
13th	1.003	1.037
14th	1.002	1.034
15th	1.001	1.032
16th	1.002	1.031
17th	1.001	1.029
18th	1.003	1.028
19th		1.025

(2) = Cumulative upward product of column (1).

(4) = Cumulative upward product of column (3).



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

##### Appendix A-III Trend Factors

The proposed rates are intended for use with policies with effective dates in the proposed effective period. However, the data underlying this filing is based on the years in the experience period. Thus, it is necessary to use trend factors that forecast how much future Florida workers compensation experience will differ from historical experience.

Trend factors measure anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages. For example, if benefit costs are expected to grow faster than wages, then a trend factor greater than zero is indicated. Conversely, if wages are expected to grow faster than benefit costs, then a trend factor less than zero is indicated.

##### Overview of Methodology

NCCI separately analyzes a measure of the number of workplace injuries (claim frequency) and the average indemnity and medical costs of each of these injuries (claim severity). Premium, lost-time claim counts, and losses used in these frequency and severity calculations are developed to ultimate and adjusted for changes in the level of workers' wages over time using the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages for Florida. Note that medical-only claim counts are excluded from the claim frequency and severity calculations, but the losses associated with medical-only claims are included in severity figures.

While claim frequency and severity are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors in Florida. Loss ratios are relied upon as they are less impacted by shifts in the industry mix since these impacts to frequency and severity tend to offset one another. Additionally, loss ratios do not require an adjustment to a common wage level, since the wage adjustment to frequency and severities nullify. In order to estimate the average annual percentage changes in the loss ratios, exponential curves are fit to the historical data points. Consideration in the trend factor selections includes a review of loss ratio patterns observed over an extended period of time, along with other pertinent considerations including, but not limited to, changes in system benefits and administration, economic environment, credibility of state data, and prior trend approach and selection.

The trend lengths displayed on the following exhibits are calculated by comparing the average accident date, or midpoint, for the effective period of the proposed rates to each average accident date of the policy years in the experience period. The average accident dates are based on a Florida distribution of policy writings by month and assume a uniform probability of loss over the coverage period.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

##### Considerations Underlying Trend Selections in this Filing

The trend factors selected in this filing are meant to recognize the impact the changes in benefits and inflation will have on loss ratios between the midpoints of the experience period years on which the filing is based and the midpoint of the proposed rate effective period. Trends using the most recent 15 policy years are typically reviewed to allow one to evaluate changes over an extended period of time, including both economic and non-economic factors, and to mitigate short-term anomalous year-to-year changes. In Florida, however, longer-term trend fits may be impacted by the *Castellanos v. Next Door Company* case, ruled on April 28, 2016; there are now 5 policy years post the *Castellanos* decision.

The case of *Zenith Insurance Company vs. Department of Financial Services, Division of Workers Compensation, Medical Services*, was also considered in conjunction with the medical trend analysis. In the *Zenith* case's Recommended Order, dated May 8, 2019, the stop-loss provision contained in the per diem schedule of the 2014 Edition of the Florida *Reimbursement Manual for Hospitals* was found to be an invalid rule. However, on May 23, 2023, an Amended Final Order was issued, finding that the stop-loss provision is valid. During the period of time between these *Zenith* rulings, it is expected that some carriers were reimbursing at the per-diem rates on claims where the higher stop-loss amount would have been applicable. This may put upward pressure on Policy Years 2019 through 2021 loss ratios, as claims may be settled and closed at higher costs than those that have been reported to NCCI and included in the data on which this filing is based. This was considered as part of the medical trend analysis from two perspectives:

1. The medical loss ratio changes observed between Policy Years 2019 through 2021 may be understated to the extent that they reflect savings due to reimbursement of some claims at the per-diem rather than the stop-loss amount. This savings is not expected to be applicable prospectively, and the loss ratios for these policy years may deteriorate to the extent that some claims are eventually reimbursed as higher amounts as a result of the Amended Final Order.
2. The estimate of the hospital inpatient fee schedule changes in Appendix C-I relies on an assumption that claims are being reimbursed based on the stop-loss provision, where applicable. The data on which this filing is based includes some portion of hospital inpatient claims that have been reimbursed at the per-diem amount when the stop-loss amount is expected to be applicable in light of the Amended Final Order. Therefore, it is necessary and appropriate for the medical loss ratio trend selection to implicitly account for the expected upward cost impact of the Amended Final Order relative to the loss data contained in this filing's experience period, Policy Years 2020 and 2021.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

The indicated exponential indemnity and medical loss ratio trend fits, for which the selections in this filing are based, are displayed on the following pages.

Of special note, and as mentioned above, the trend selections explicitly incorporate considerations for the following:

- Smoothing large declines in PY 2016 loss ratios, likely associated with the transition from a pre- to post-*Castellanos* workers compensation environment.
- Potential indirect impacts of the COVID-19 pandemic on PY 2019 and 2020
- Potential upward pressure on medical costs resulting from the Amended Final Order dated May 23, 2023, in the case of *Zenith Insurance Company vs. Department of Financial Services, Division of Workers Compensation, Medical Services*

Please find below the policy year medical loss ratios shown in Appendix A-III Section C, and the associated year-over-year changes.

#### (A) Medical Loss Ratios: Unadjusted

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Loss Ratio	1.226	1.202	1.147	1.103	1.113	1.043	0.935	0.853	0.832	0.730	0.670	0.615
% Change		-2.0%	-4.6%	-3.8%	0.9%	-6.3%	-10.4%	-8.8%	-2.5%	-12.3%	-8.2%	-8.2%

Consistent with past Florida trend reviews, the highlighted loss ratio change (2015 to 2016) was deemed not to be representative of annual changes that may be expected going forward in a steady state environment.

To mitigate the impact of that year's decline on exponential trend fits, the annual change was replaced by the observed decline in claim frequency between those two years—i.e., a decline of 5.8%. Adjusted loss ratios for years 2017 through 2021 were then calculated in succession beginning with the adjusted 2016 loss ratio and multiplying by the respective, original year-over-year changes from (A). The resulting loss ratios are shown below.

#### (B) Medical Loss Ratios: Replacing the 2015-to-2016 loss ratio decline with the corresponding change in lost-time claim frequency

	<u>2010</u>	<u>2011</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016~</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Loss Ratio	1.226	1.202	1.147	1.103	1.113	1.043	0.983	0.896	0.874	0.766	0.703	0.645
% Change		-2.0%	-4.6%	-3.8%	0.9%	-6.3%	-5.8%	-8.8%	-2.5%	-12.3%	-8.2%	-8.2%

~ 2016 loss ratio is calculated as the 2015 loss ratio reduced by the observed 2015-2016 change in frequency (-5.8%)

\* Adjusted



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

Smoothing the 2015-to-2016 loss ratio decline results in the alternative exponential fits shown in Appendix A-III Section C. The medical loss ratio fits range from -4.1% to -8.4%. It is possible that the indirect effects of the pandemic may have impacted the observed medical loss ratios for Policy Years 2019 and 2020, though Policy Year 2021 continues to exhibit a sizable decline.

Considering the (i) continued medical loss ratio decline and smoothed negative exponential fits well below the currently approved trend of -3.0%, and (ii) the upward medical cost pressure from changing carrier reimbursement practices in response to the *Zenith* case's Amended Final Order, reasonably leads to the filed medical trend of -4.0%.

A similar analysis of Florida's indemnity loss ratios was also completed. Please find below the policy year indemnity loss ratios consistent with the medical loss ratios shown in (A) and (B) above.

##### (C) Indemnity Loss Ratios: Unadjusted

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Loss Ratio	0.634	0.615	0.552	0.539	0.548	0.538	0.471	0.444	0.435	0.409	0.384	0.367
% Change		-3.0%	-10.2%	-2.4%	1.7%	-1.8%	-12.5%	-5.7%	-2.0%	-6.0%	-6.1%	-4.4%

##### (D) Indemnity Loss Ratios: Replacing the 2015-to-2016 loss ratio decline with the corresponding change in lost-time claim frequency

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016~</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Loss Ratio	0.634	0.615	0.552	0.539	0.548	0.538	0.507	0.478	0.468	0.440	0.413	0.395
% Change		-3.0%	-10.2%	-2.4%	1.7%	-1.8%	-5.8%	-5.7%	-2.0%	-6.0%	-6.1%	-4.4%

~ 2016 loss ratio is calculated as the 2015 loss ratio reduced by the observed 2015-2016 change in frequency (-5.8%)

\* Adjusted

Smoothing the 2015-to-2016 loss ratio decline results in the alternative exponential fits shown in Appendix A-III Section B. The indemnity loss ratio fits range from -3.3% to -4.9%. Similar to the medical loss ratios, it is possible that the indirect effects of the pandemic may have impacted the observed values for Policy Years 2019 and 2020. Policy Year 2021 exhibits a moderate loss ratio decline.

Considering the calendar-accident year loss ratios provides an alternative view which may serve as a cleaner break of the pre and post-COVID loss experience. As can be seen, a large





## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix A – Factors Underlying the Proposed Rate Level Change

decrease in indemnity loss ratios was observed in Calendar-Accident Year 2020, but much more moderate decreases have been observed in the latest two years:

<u>Calendar-Accident Year</u>	<u>Loss Ratio</u>	<u>% Annual Change</u>
2018	0.445	
2019	0.424	-4.7%
2020	0.379	-10.6%
2021	0.370	-2.4%
2022	0.368	-0.5%

Considering that the (i) currently approved trend of -3.0% is still supported by the exponential fits, and (ii) there is uncertainty around the extent to which the experience period reflects indirect impacts of the COVID pandemic—and more moderate indemnity trends may be observed in the near future—the indemnity loss ratio trend of -3.0% was maintained as the best estimate for the proposed filing.



**FLORIDA**  
**APPENDIX A-III**  
**Policy Year Trend Factors**

**Section A - Calculation of Annual Loss Ratio Trend Factors**

(1) Selected Annual Loss Ratio Trends: Indemnity  
**-3.0%**      Medical  
**-4.0%**

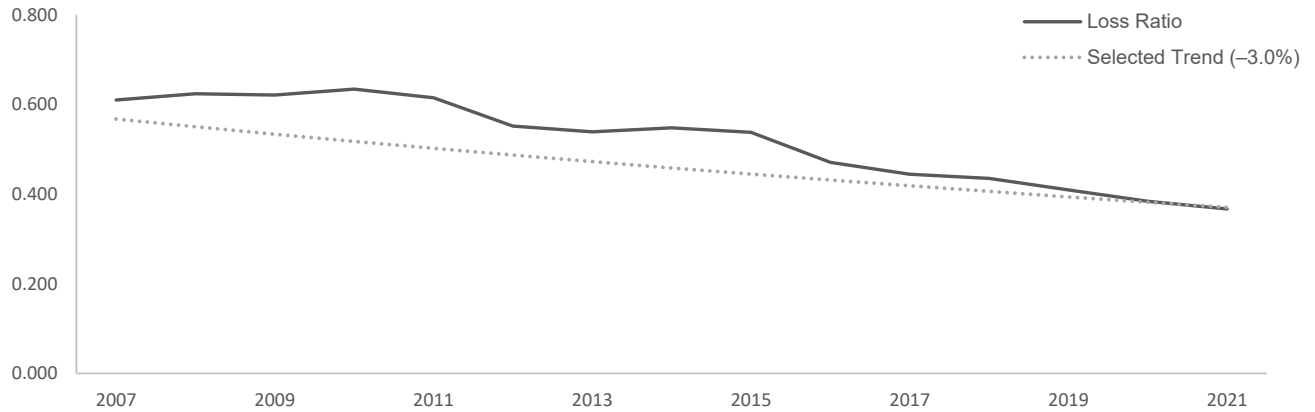
(2) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:

Trend Length: PY 2021  
3.001      PY 2020  
4.001

(3) Trend Factors Applied to Experience Year Loss Ratios =  $[1 + (1)] ^ (2)$

Indemnity: PY 2021  
0.913      PY 2020  
0.885  
Medical: 0.885      0.849

**Section B - Indemnity Loss Ratio Trend Data**



Policy Year	Indemnity Loss Ratio <sup>^</sup>	Annual Percent Change	# of Years in Fit	Exponential Fits	Alternate Exponential Fits*
2007	0.610				
2008	0.624	2.3%			
2009	0.621	-0.5%			
2010	0.634	2.1%			
2011	0.615	-3.0%	15	-4.0%	-3.3%
2012	0.552	-10.2%	14	-4.3%	-3.6%
2013	0.539	-2.4%	13	-4.6%	-3.8%
2014	0.548	1.7%	12	-4.8%	-4.0%
2015	0.538	-1.8%	11	-4.9%	-3.9%
2016	0.471	-12.5%	10	-4.9%	-3.8%
2017	0.444	-5.7%	9	-5.2%	-4.2%
2018	0.435	-2.0%	8	-5.7%	-4.7%
2019	0.409	-6.0%	7	-5.7%	-4.9%
2020	0.384	-6.1%	6	-4.9%	-4.9%
2021	0.367	-4.4%	5	-4.9%	-4.9%

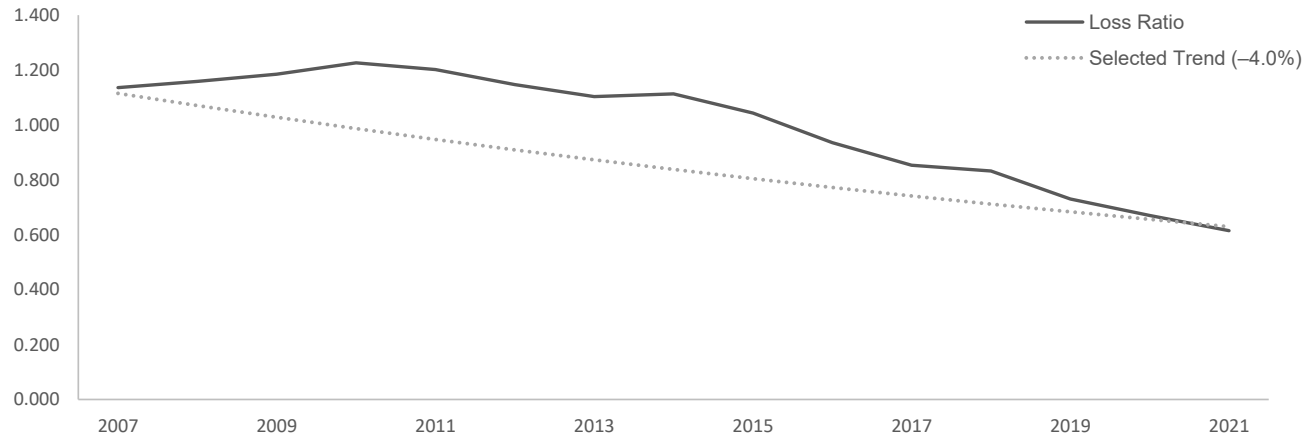
<sup>^</sup>Based on an average of paid and paid+case losses

\*Exponential Fits resulting from replacing the 2015 to 2016 loss ratio change with the corresponding change in lost-time frequency.



**FLORIDA**  
**APPENDIX A-III**  
**Policy Year Trend Factors**

**Section C - Medical Loss Ratio Trend Data**



Policy Year	Medical Loss Ratio <sup>^</sup>	Annual Percent Change			
2007	1.136				
2008	1.159	2.0%			
2009	1.185	2.2%			
2010	1.226	3.5%			
2011	1.202	-2.0%			
2012	1.147	-4.6%			
2013	1.103	-3.8%			
2014	1.113	0.9%			
2015	1.043	-6.3%			
2016	0.935	-10.4%			
2017	0.853	-8.8%			
2018	0.832	-2.5%			
2019	0.730	-12.3%			
2020	0.670	-8.2%			
2021	0.615	-8.2%			

			Alternate		
			# of Years	Exponential	Exponential
			in Fit	Fits	Fits*
2007	1.136		15	-4.6%	-4.1%
2008	1.159	2.0%	14	-5.1%	-4.6%
2009	1.185	2.2%	13	-5.7%	-5.1%
2010	1.226	3.5%	12	-6.2%	-5.6%
2011	1.202	-2.0%	11	-6.6%	-6.0%
2012	1.147	-4.6%	10	-7.0%	-6.3%
2013	1.103	-3.8%	9	-7.5%	-6.8%
2014	1.113	0.9%	8	-8.1%	-7.5%
2015	1.043	-6.3%	7	-8.2%	-7.8%
2016	0.935	-10.4%	6	-8.1%	-8.1%
2017	0.853	-8.8%	5	-8.3%	-8.4%

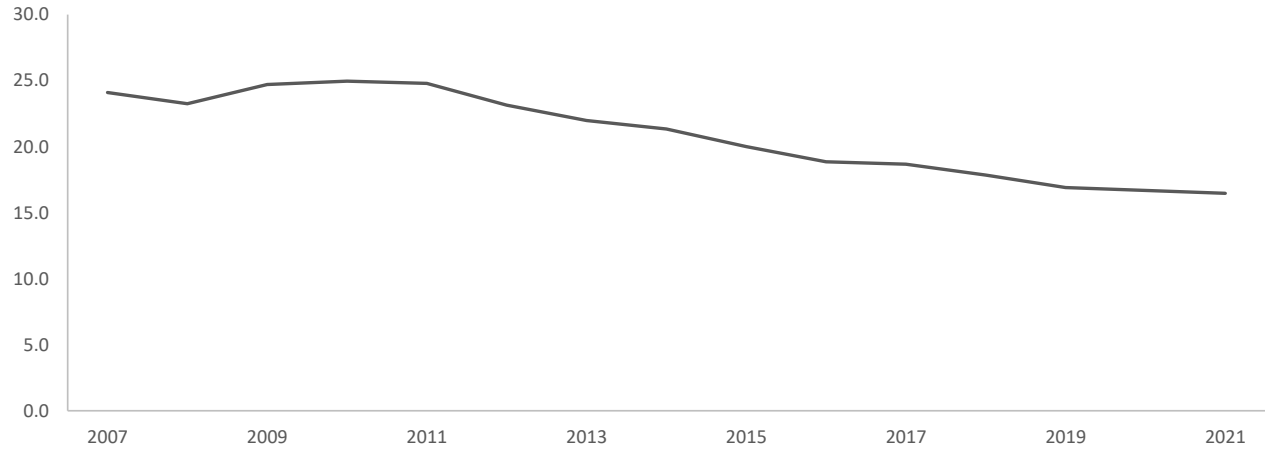
<sup>^</sup>Based on an average of paid and paid+case losses

\*Exponential Fits resulting from replacing the 2015 to 2016 loss ratio change with the corresponding change in lost-time frequency.



**FLORIDA**  
**APPENDIX A-III**  
**Policy Year Trend Factors**

**Section D - Frequency Trend Data**



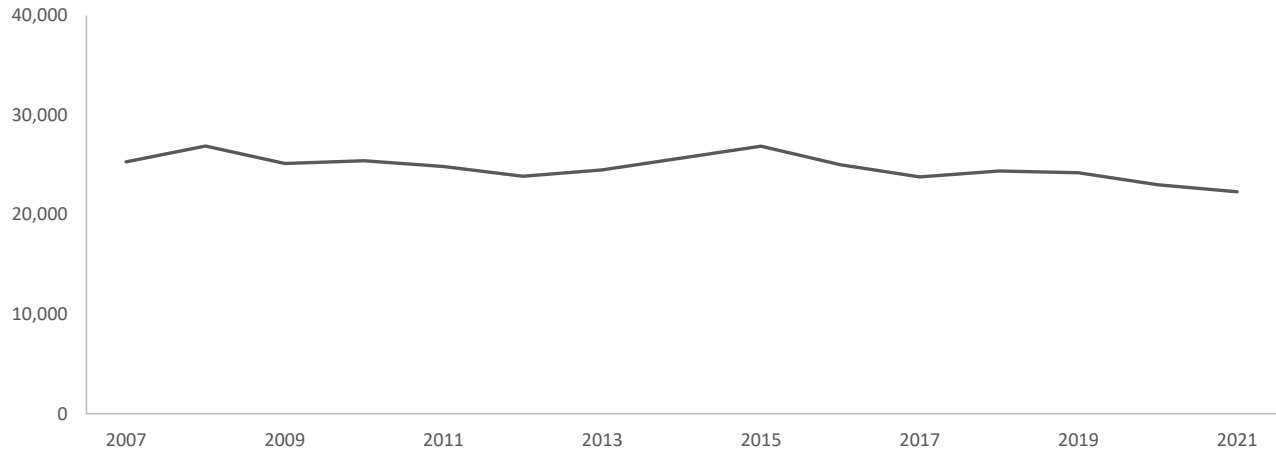
Policy Year	Claim Frequency^	Annual Percent Change	# of Years in Fit	Exponential Fits
2007	24.100	-		
2008	23.245	-3.5%		
2009	24.700	6.3%		
2010	24.966	1.1%		
2011	24.788	-0.7%	15	-3.3%
2012	23.141	-6.6%	14	-3.5%
2013	21.972	-5.1%	13	-3.9%
2014	21.338	-2.9%	12	-4.1%
2015	20.006	-6.2%	11	-4.1%
2016	18.844	-5.8%	10	-3.9%
2017	18.669	-0.9%	9	-3.7%
2018	17.840	-4.4%	8	-3.6%
2019	16.901	-5.3%	7	-3.3%
2020	16.686	-1.3%	6	-3.0%
2021	16.461	-1.3%	5	-3.1%

^Per million of on-leveled, wage-adjusted premium



**FLORIDA**  
**APPENDIX A-III**  
**Policy Year Trend Factors**

**Section E - Indemnity Severity Trend Data**



Policy Year	Indemnity Severity <sup>^</sup>	Annual Percent Change		
2007	25,294	-		
2008	26,893	6.3%		
2009	25,146	-6.5%		
2010	25,418	1.1%		
2011	24,833	-2.3%		
2012	23,847	-4.0%		
2013	24,500	2.7%		
2014	25,690	4.9%		
2015	26,880	4.6%		
2016	25,004	-7.0%		
2017	23,789	-4.9%		
2018	24,385	2.5%		
2019	24,212	-0.7%		
2020	22,997	-5.0%		
2021	22,293	-3.1%		

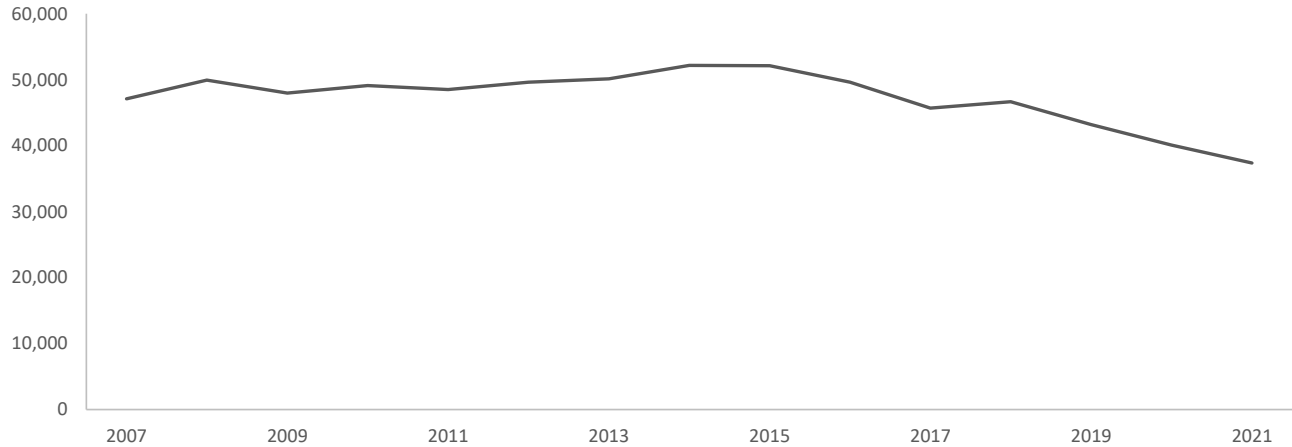
# of Years in Fit	Exponential Fits
15	-0.8%
14	-0.9%
13	-0.7%
12	-0.8%
11	-0.9%
10	-1.0%
9	-1.6%
8	-2.2%
7	-2.5%
6	-1.9%
5	-1.9%

<sup>^</sup>Adjusted to a common wage level, based on an average of paid and paid+case losses



**FLORIDA**  
**APPENDIX A-III**  
**Policy Year Trend Factors**

**Section F - Medical Severity Trend Data**



Policy Year	Medical Severity^	Annual Percent Change		
2007	47,084	-		
2008	49,941	6.1%		
2009	47,974	-3.9%		
2010	49,113	2.4%		
2011	48,505	-1.2%		
2012	49,610	2.3%		
2013	50,130	1.0%		
2014	52,159	4.0%		
2015	52,105	-0.1%		
2016	49,630	-4.8%		
2017	45,701	-7.9%		
2018	46,659	2.1%		
2019	43,194	-7.4%		
2020	40,097	-7.2%		
2021	37,364	-6.8%		

# of Years in Fit	Exponential Fits
15	-1.3%
14	-1.7%
13	-1.8%
12	-2.2%
11	-2.7%
10	-3.3%
9	-3.9%
8	-4.7%
7	-5.2%
6	-5.3%
5	-5.4%

^Adjusted to a common wage level, based on an average of paid and paid+case losses



## FLORIDA

### APPENDIX A-IV

#### Derivation of Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall rate level change based on the individual experience of each industry group. The payroll, losses and claim counts used in the calculations below are from NCCI's Workers Compensation Statistical Plan (WCSP) data.

#### I. Expected Losses

The current expected losses (columns (1) and (2)) are the payroll extended by the pure premiums underlying the latest approved rates. The proposed expected losses (3) are the current expected losses adjusted to the proposed level. These adjustments include the proposed experience, trend, benefit and, if applicable, loss-based expense changes as well as any miscellaneous premium adjustments.

Industry Group	(1) Latest Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(2) Five Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(3) Five Year Proposed Expected Losses Prior to Adjustment for Change in Off-Balance	(4) Current Ratio of Manual to Standard Premium	(5) Proposed Ratio of Manual to Standard Premium
Manufacturing	211,070,920	975,814,611	840,314,942	1.151	1.147
Contracting	708,010,102	3,125,517,663	2,693,425,467	1.111	1.111
Office & Clerical	311,127,723	1,402,275,665	1,207,196,856	1.161	1.157
Goods & Services	953,526,290	4,394,685,693	3,787,526,783	1.087	1.080
Miscellaneous	466,351,577	2,115,883,803	1,833,194,369	1.094	1.094
Statewide	2,650,086,612	12,014,177,435	10,361,658,416		

Industry Group	(6) Latest Year Current Expected Losses Adjusted for Change in Off-Balance (1)x(4)/(5)	(7) Five Year Current Expected Losses Adjusted for Change in Off-Balance (2)x(4)/(5)	(8) Five Year Proposed Expected Losses Adjusted for Change in Off-Balance (3)x(4)/(5)	(9) Current/ Proposed (7)/(8)	(10) Adjustment to Proposed for Current Relativity (9)IG/(9)SW
Manufacturing	211,807,000	979,217,626	843,245,421	1.161	1.002
Contracting	708,010,102	3,125,517,663	2,693,425,467	1.160	1.001
Office & Clerical	312,203,359	1,407,123,637	1,211,370,397	1.162	1.003
Goods & Services	959,706,553	4,423,169,767	3,812,075,567	1.160	1.001
Miscellaneous	466,351,577	2,115,883,803	1,833,194,369	1.154	0.996
Statewide	2,658,078,591	12,050,912,496	10,393,311,221	1.159	



## FLORIDA

### APPENDIX A-IV

#### II. Industry Group Differentials

To calculate the converted indicated balanced losses (11) the reported losses are limited to \$500,000 for a single claim occurrence and \$1,500,000 for each multiple claim occurrence. After the application of limited development, trend and benefit factors, the limited losses are brought to an unlimited level through the application of the expected excess provision. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of \$50 million are set equal to zero. The proposed experience change, applicable loss-based expenses and any miscellaneous premium adjustments are applied to calculate the indicated losses. These indicated losses are then balanced to the expected losses using the factors shown in Appendix B-I, Section A-3.

Industry Group	(11) Converted Indicated Balanced Losses	(12) Indicated/ Expected Ratio (11)/[(8)x(10)]	(13) Indicated Differential (12)IG/(12)SW	(14) Lost-Time Claim Counts
Manufacturing	848,139,539	1.004	1.004	19,061
Contracting	2,646,755,818	0.982	0.982	39,700
Office & Clerical	1,199,167,469	0.987	0.987	24,632
Goods & Services	3,847,147,533	1.008	1.008	107,352
Miscellaneous	1,855,953,892	1.016	1.016	39,820
Statewide	10,397,164,251	1.000		

Industry Group	(15) Full Credibility Standard for Lost-Time Claim Counts	(16) Credibility Minimum of 1.000 and ((14)/(15))^0.5	(17) Credibility Weighted Indicated/Expected Ratio [(16)IGx(12)IG] + [1-(16)IG]x(12)SW*	(18) Final Industry Group Differential (17)IG/(17)SW
Manufacturing	12,000	1.00	1.004	1.004
Contracting	12,000	1.00	0.982	0.982
Office & Clerical	12,000	1.00	0.987	0.987
Goods & Services	12,000	1.00	1.008	1.008
Miscellaneous	12,000	1.00	1.016	1.016
Statewide			1.000	1.000

\*Statewide ratio (column 17) =  $\Sigma_{IG}[(6)x(17)] \div \Sigma_{IG}(6)$





## Florida

### APPENDIX A-IV

#### III. Description of Industry Group Differentials

Column (2) reflects the indemnity and medical combined expected losses calculated as five years of payroll (in hundreds) extended separately by indemnity and medical pure premiums underlying the latest approved rates. Column (3) adjusts the current expected losses to the proposed level by applying the components of the proposed rate level change. These components are applied separately for indemnity and medical, where possible. These adjustments are reflected in Appendix B-I, Section B.

Column (4) shows the current manual premium to standard premium ratios that were calculated using the latest five years of WCSP data used in the currently approved Florida filing. Column (5) shows the proposed manual premium to standard premium ratios calculated using the latest five years of manual premium and experience modification factors reported in the WCSP data used in the proposed Florida filing. "Proposed" ratio refers to the fact that these ratios are based on the latest available WCSP data in the proposed filing, and they are used to adjust the proposed industry group differentials to reflect the latest available impact of experience rating by industry group. The differences between columns (4) and (5) relate to the different periods of data being used, which are rolling 5-year periods.

Columns (6), (7), and (8) are based on columns (1), (2), and (3), respectively, and include an adjustment for the change in the average experience rating off-balance by Industry Group (IG). The adjustment for the change in the average experience rating off-balance by IG is reflected by multiplying columns (1), (2), and (3) by the ratio of column (4) to column (5). The ratio of column (4) to column (5) adjusts the current and proposed expected losses (and therefore the IG differentials) to reflect the latest available impact of experience rating by industry group.

The expected losses in column (6) are used as the IG weights when determining the statewide average Credibility Weighted Indicated-to-Expected Ratio in column (17).

The expected losses in columns (7) and (8) are used to determine the relative IG changes from the prior filing to the proposed filing in column (9). Since the indicated IG relativities in column (9) reflect a statewide average that differs from 1.000, the calculation in column (10) ensures that the indicated changes by IG balance to the overall proposed statewide rate level change.

Column (13) normalizes the indicated to expected ratios determined in column (12) to determine differentials before credibility weighting. The credibilities are calculated for each industry group using actual lost-time cases (column (14)) and the full credibility standard. The full credibility standard (column (15)) is determined based on an analysis of five successive years of five industry group differential fluctuations across 36 states. In column (16), the credibility is 1.00 when lost-time claims exceed 12,000. The final differentials reflected in column (18) are the normalized credibility weighted industry group differentials calculated in column (17).



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix B – Calculations Underlying the Rate Change by Classification

NCCI separately determines rates for each workers compensation classification. The proposed change from the current rate will vary depending on the classification. The following are the general steps utilized to determine the industrial classification rates:

1. Calculate industry group differentials, which are used to more equitably distribute the proposed overall average rate level change based on the individual experience of each industry group
2. For each classification, determine the indicated pure premiums based on the most recently-available five policy periods of Florida payroll and loss experience
3. Indicated pure premiums are credibility-weighted with present on rate level pure premiums and national pure premiums to generate derived by formula pure premiums
4. Final adjustments include the application of a test correction factor, the ratio of manual-to-standard premium, swing limits, and where applicable, an expense allowance and any additional loads



## FLORIDA

### APPENDIX B-I

#### Distribution of Rate Level Change to Occupational Classification

After determining the required changes in the overall rate level for the state and by industry group, the next step in the ratemaking procedure is to distribute these changes among the various occupational classifications. In order to do this, the pure premiums by classification must be adjusted, by policy period, industry group, or on an overall basis, to incorporate the changes proposed in the filing. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums.

#### Section A – Calculation of Indicated Pure Premiums

The indicated pure premiums are calculated from the payroll and loss data reported, by class code and policy period, in the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods. Various adjustments are made to these pure premiums to put them at the level proposed in this filing (Sections A-1 to A-3).

#### Section A-1 – Calculation of Primary Conversion Factors

##### 1. Limited Loss Development Factors\*

The following factors are applied to develop the losses from first through fifth report to an ultimate basis.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
1/16-12/16	1.114	1.045	1.119	1.031
1/17-12/17	1.155	1.061	1.139	1.036
1/18-12/18	1.242	1.097	1.170	1.045
1/19-12/19	1.477	1.184	1.243	1.062
1/20-12/20	2.260	1.414	1.421	1.100

\*The likely/not-likely development factors reflect a 60% likely / 40% not-likely distribution of the total tail development.

##### 2. Factors to Adjust to the Proposed Trend Level

The proposed trend factors are applied to adjust the losses to the proposed level.

Policy Period	Indemnity	Medical
1/16-12/16	0.784	0.721
1/17-12/17	0.808	0.751
1/18-12/18	0.833	0.783
1/19-12/19	0.859	0.815
1/20-12/20	0.885	0.849

##### 3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the losses to the proposed benefit level.

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/16-12/16	1.009	1.009	1.020	1.019	0.959
1/17-12/17	1.000	1.000	1.000	1.000	0.945
1/18-12/18	1.000	1.000	1.000	1.000	0.945
1/19-12/19	1.000	1.000	1.000	1.000	0.945
1/20-12/20	1.000	1.000	1.000	1.000	0.945



**FLORIDA**  
**APPENDIX B-I**

**4. Primary Conversion Factors: Indicated Pure Premiums**

The factors above, contained within Section A-1, are combined multiplicatively, resulting in the following factors for the Likely-to-Develop (L) and Not-Likely-to-Develop (NL) groupings.

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/16-12/16	0.881	0.827	0.881	0.891	0.836	0.890	0.835	0.774	0.713
1/17-12/17	0.933	0.857	0.933	0.933	0.857	0.933	0.857	0.808	0.735
1/18-12/18	1.035	0.914	1.035	1.035	0.914	1.035	0.914	0.866	0.773
1/19-12/19	1.269	1.017	1.269	1.269	1.017	1.269	1.017	0.957	0.818
1/20-12/20	2.000	1.251	2.000	2.000	1.251	2.000	1.251	1.140	0.883

\* Permanent total losses are always assigned to the Likely-to-Develop grouping.

**Section A-2 – Expected Excess Provision and Redistribution**

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of excess loss factors by hazard group. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of \$50 million are set equal to zero. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.071	0.094	0.134	0.148	0.216	0.250	0.279
(2) Excess Factors 1/(1-(1))	1.076	1.104	1.155	1.174	1.276	1.333	1.387

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.



## FLORIDA

### APPENDIX B-I

#### Section A-3 – Calculation of Secondary Conversion Factors

##### 1. Factors to Adjust for Proposed Industry Group Differentials

The following factors are applied to adjust the indicated industry group differentials for the effects of credibility weighting the industry group differentials and weighting the differentials by the latest year expected losses.

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	1.004	0.982	0.987	1.008	1.016
(2) Final Differentials**	1.004	0.982	0.987	1.008	1.016
(3) Adjustment (2)/(1)	1.000	1.000	1.000	1.000	1.000

\*See Appendix A-IV, column (13).

\*\*See Appendix A-IV, column (18).

##### 2. Factors to Balance Indicated to Expected Losses

The expected losses are calculated as the pure premium underlying the current rates, adjusted to the proposed level and adjusted for the Experience Rating Plan off-balance. The indicated losses are balanced to the expected losses by applying the following factors.

Policy Period	(1) Adjustment of Indicated Losses to Pure Premium at Proposed Level	(2) Current Ratio of Manual to Standard Premium	(3) Proposed Ratio of Manual to Standard Premium	(4) Off-balance Adjustment (2)/(3)	(5) Balancing Indicated to Expected Losses (1)x(4)
1/16-12/16	0.873	1.108	1.109	0.999	0.872
1/17-12/17	0.877	1.108	1.117	0.992	0.870
1/18-12/18	0.863	1.108	1.110	0.998	0.861
1/19-12/19	0.885	1.108	1.097	1.010	0.894
1/20-12/20	0.908	1.108	1.092	1.015	0.922

##### 3. Adjustment for Experience Change

A factor of 0.915 is applied to adjust for the experience change in the proposed rate level.

##### 4. Factor to Reflect the Proposed Loss-Based Expense Provisions

A factor of 1.228 is applied to include the proposed loss-based expense provisions.

##### 5. Secondary Conversion Factors: Indicated Pure Premiums

The factors above, contained within section A-3, are combined multiplicatively, resulting in the following factors:

Policy Period	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
1/16-12/16	0.980	0.980	0.980	0.980	0.980
1/17-12/17	0.978	0.978	0.978	0.978	0.978
1/18-12/18	0.967	0.967	0.967	0.967	0.967
1/19-12/19	1.005	1.005	1.005	1.005	1.005
1/20-12/20	1.036	1.036	1.036	1.036	1.036



## FLORIDA

### APPENDIX B-I

#### Section B – Calculation of Present on Rate Level Pure Premiums

The present on rate level pure premiums are the pure premiums underlying the current rates, adjusted to the proposed level. The data sources for the above-captioned pure premiums are the partial pure premiums underlying the current rates.

##### 1. Adjustment for Experience Change

A factor of 0.915 is applied to adjust for the experience change in the proposed rate level.

##### 2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current rates contain the current trend. The change in trend factors, 1.000 and 0.964, for indemnity and medical, respectively, are applied to adjust to the proposed trend level.

##### 3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the pure premiums underlying the current rates to the proposed benefit level.

Effective Date	Indemnity	Medical
May 25, 2023	1.000	0.961
May 25, 2023	1.000	0.990
July 1, 2023	1.000	1.003
July 1, 2023	1.000	0.991
Combined Benefit Adjustment	1.000	0.945

##### 4. Factors to Include the Proposed Loss-Based Expense Provisions

The pure premiums underlying the current rates include the current loss-based expense provisions and must be adjusted to the proposed level.

	(a) Current		(b) Proposed	
	Indemnity	Medical	Indemnity	Medical
(1) Loss Adjustment Expense	1.226	1.226	1.228	1.228
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.226	1.226	1.228	1.228
(4) Overall Change (3b)/(3a)			1.002	1.002

##### 5. Adjustment to Obtain Expected Losses

The pure premiums underlying the current rates reflect the current Experience Rating Plan off-balance. The change in off-balance must be applied.

Industry Group	(1) Current Ratio of Manual to Standard Premium	(2) Proposed Ratio of Manual to Standard Premium	(3) Off-balance Adjustment (1)/(2)
Manufacturing	1.151	1.147	1.003
Contracting	1.111	1.111	1.000
Office & Clerical	1.161	1.157	1.003
Goods & Services	1.087	1.080	1.006
Miscellaneous	1.094	1.094	1.000



## FLORIDA

### APPENDIX B-I

#### 6. Factors to Adjust for Proposed Industry Group Differentials

The pure premiums underlying the current rates are adjusted by the proposed industry group differentials.

Industry Group	(1) Final Differential*	(2) Adjustment to Proposed for Current Relativities**	(3) Adjusted Differential (1)x(2)
Manufacturing	1.004	1.002	1.006
Contracting	0.982	1.001	0.983
Office & Clerical	0.987	1.003	0.990
Goods & Services	1.008	1.001	1.009
Miscellaneous	1.016	0.996	1.012

\*See Appendix A-IV, column (18).

\*\*See Appendix A-IV, column (10).

#### 7. Combined Conversion Factors

The factors above, contained within Section B, are combined multiplicatively, resulting in the following factors.

Industry Group	Indemnity	Medical
Manufacturing	0.925	0.843
Contracting	0.901	0.821
Office & Clerical	0.911	0.829
Goods & Services	0.931	0.848
Miscellaneous	0.928	0.845



## FLORIDA

### APPENDIX B-I

#### Section C – Calculation of National Pure Premiums

Finally, there are the national pure premiums, which reflect the countrywide experience for each classification adjusted to state conditions. These pure premiums reflect the countrywide experience for each classification as indicated by the latest available individual classification experience for all states for which the National Council on Compensation Insurance compiles workers compensation data.

Countrywide data is adjusted to Florida conditions in four steps. First, statewide indicated pure premiums are determined for Florida. Second, using Florida payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Florida statewide pure premiums to those for other states are used as adjustment factors to convert losses for other states to a basis that is consistent with the Florida indicated pure premiums. The quotient of the countrywide total of such adjusted losses divided by the total countrywide payroll for the classification is the initial pure premium indicated by national relativity. Finally, national pure premiums are balanced to the level of the state indicated pure premiums to ensure unbiased derived by formula pure premiums. Indemnity and medical pure premiums are computed separately.

#### Section D – Calculation of Derived by Formula Pure Premiums

The indicated, present on rate level and national pure premiums are credibility weighted, and the resulting derived by formula pure premiums are used to determine the final class rates.

As for the preceding pure premiums, separate computations are performed for each partial pure premium: indemnity and medical. Each partial formula pure premium is derived by the weighting of the indicated, present on rate level and national partial pure premiums. The weight assigned to the policy year indicated pure premium varies in one-percent intervals from zero percent to one hundred percent, depending upon the volume of expected losses (i.e. the product of the underlying pure premiums and the payroll in hundreds). To achieve full state credibility, a classification must have expected losses of at least: \$27,914,330 for indemnity and \$22,829,688 for medical.

The partial credibilities formula is:

$$z = [ (\text{expected losses}) / (\text{full credibility standard}) ]^{0.5}$$

For the national pure premiums, credibility is determined from the number of lost-time claims. Full credibility standards are: 2,300 lost-time claims for indemnity and 2,000 lost-time claims for medical.

Partial credibilities are assigned using a credibility formula similar to that used for indicated pure premiums but based on the number of national cases. In no case is the national credibility permitted to exceed 50% of the complement of the state credibility.

National Credibility equals the smaller of:

$$[ (\text{national cases}) / (\text{full credibility standard}) ]^{0.5} \text{ and } [ (1 - \text{state credibility}) / 2 ]$$

The residual credibility (100% minus the sum of the state and national credibilities) is assigned to the present on rate level pure premium.

For example, if the state credibility is 40%, the national pure premium is assigned a maximum credibility of 30%  $((100 - 40) / 2)$ . The remainder is assigned to the present on rate level pure premium.

The total pure premium shown on the attached Appendix B-III is obtained by adding the indemnity and medical partial pure premiums obtained above and rounding the sum to two decimal places.





## FLORIDA

### APPENDIX B-II

#### Adjustments to Obtain Rates

The following items are combined with the derived by formula pure premium to obtain the proposed rate:

##### 1. Test Correction Factor

The payrolls are now extended by the rates presently in effect and by the indicated rates to determine if the required change in manual premium level as calculated in Exhibit I has been achieved. Since at first this calculation may not yield the required results, an iterative process is initiated which continuously tests the proposed rates including tentative test correction factors until the required change in manual premium level is obtained. The test correction factor is applied to the derived by formula pure premiums.

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	1.0060
Contracting	1.0044
Office & Clerical	1.0105
Goods & Services	1.0033
Miscellaneous	0.9954

##### 2. Ratios of Manual to Standard Premiums

The ratios of manual to standard premiums by industry group have also been excluded from the classification experience, and it is necessary to apply these factors to the derived by formula pure premiums.

	Ratio of Manual to Standard Premiums
Manufacturing	1.147
Contracting	1.111
Office & Clerical	1.157
Goods & Services	1.080
Miscellaneous	1.094

##### 3. Expense Allowance

The expense allowance is introduced into the rate by dividing the product of the proposed pure premium and the appropriate factors above by the proposed target cost ratio of 0.732 (see Exhibit II-A for derivation of this factor). This operation produces the proposed rate prior to the addition of a disease loading, if any.



## FLORIDA

### APPENDIX B-II

#### 4. Swing Limits

As a further step, a test is made to make certain that the proposed rates fall within the following departures from the present rates:

Manufacturing	from 0% above to 30% below
Contracting	from 2% below to 32% below
Office & Clerical	from 1% below to 31% below
Goods & Services	from 1% above to 29% below
Miscellaneous	from 1% above to 29% below

These limits have been calculated in accordance with the following formula:

Max. Deviation = Effect of the final change in rate level by industry group plus or minus 15% rounded to the nearest 1%.

The product of the swing limits and the present rate sets bounds for the proposed rate. If the calculated rate falls outside of the bounds, the closest bound is chosen as the proposed rate. When a code is limited, the underlying pure premiums are adjusted to reflect the limited rate. The classifications which have been so limited are shown below. Note that classifications that are subject to special handling may fall outside of the swing limits. A code listed below with an asterisk indicates the code's swing limit was adjusted by one cent before being applied; this is only performed when the upper and lower bounds calculated by the swing limit are equal.

An illustrative example showing the calculation of a proposed manual class rate is attached as Appendix B-III. This example demonstrates the manner in which the partial pure premiums are combined to produce a total pure premium, and shows the steps in the calculation at which the rounding takes place. The rates for other classifications are calculated in the same manner.

List of Classifications Limited by the Upper Swing

List of Classifications Limited by the Lower Swing

1747 2110 2220 3126 4109 4825 8725 8803

None

#### 5. Florida Contracting Classification Premium Adjustment Program (CCPAP)

For classifications eligible for the CCPAP, the last step in producing the final proposed rates is to apply a factor of 1.000 to offset the credits payable under the CCPAP.

A list of the eligible class codes can be found under the **Basic Manual** state pricing programs.



## FLORIDA

### APPENDIX B-III

#### Derivation of Proposed Rate - Code 8810

As previously explained in Appendix B-I, the indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into indemnity and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above-captioned classification follows:

#### LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/16 - 12/31/16	303,573	385,833	1,252,560	1,866,100	5,814,287	4,574,690	7,256,844	9,926,531	32,268,507
01/01/17 - 12/31/17	0	307,850	607,141	3,682,992	5,101,650	5,048,058	8,155,220	15,030,582	32,163,091
01/01/18 - 12/31/18	139,301	431,897	380,214	3,109,225	5,248,304	6,073,154	7,600,408	13,866,813	35,301,012
01/01/19 - 12/31/19	0	165,013	488,737	2,554,308	4,007,377	3,596,307	8,517,253	11,422,888	31,816,312
01/01/20 - 12/31/20	0	172,768	0	1,116,321	2,981,817	2,609,064	7,141,707	7,419,161	28,480,819

#### PRIMARY CONVERSION FACTORS (Appendix B-I, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/16 - 12/31/16	0.881	0.827	0.881	0.891	0.836	0.890	0.835	0.774	0.713
01/01/17 - 12/31/17	0.933	0.857	0.933	0.933	0.857	0.933	0.857	0.808	0.735
01/01/18 - 12/31/18	1.035	0.914	1.035	1.035	0.914	1.035	0.914	0.866	0.773
01/01/19 - 12/31/19	1.269	1.017	1.269	1.269	1.017	1.269	1.017	0.957	0.818
01/01/20 - 12/31/20	2.000	1.251	2.000	2.000	1.251	2.000	1.251	1.140	0.883

#### EXPECTED EXCESS PROVISION AND REDISTRIBUTION (Appendix B-I, Section A-2)

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of a hazard group-specific excess loss factor. The factor is shown below:

	HAZARD GROUP: C
Excess Factor	1.155

As the excess loss factor is on a combined (indemnity and medical) basis, the following portion of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses:

Redistribution %	40%
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## FLORIDA

### APPENDIX B-III

#### Derivation of Proposed Rate - Code 8810

#### EXPECTED UNLIMITED LOSSES (Limited Losses x Primary Conversion Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/16 - 12/31/16	292,278	348,708	1,205,955	1,817,061	5,312,018	4,449,472	6,622,030	9,311,742	27,263,130
01/01/17 - 12/31/17	0	288,321	619,054	3,755,254	4,778,024	5,147,102	7,637,890	14,563,166	28,017,287
01/01/18 - 12/31/18	157,562	431,403	430,056	3,516,814	5,242,302	6,869,284	7,591,716	14,488,317	32,261,321
01/01/19 - 12/31/19	0	183,398	677,787	3,542,352	4,453,874	4,987,412	9,466,236	13,144,691	30,851,583
01/01/20 - 12/31/20	0	236,199	0	2,439,922	4,076,572	5,702,582	9,763,739	10,227,720	29,837,144

#### SECONDARY CONVERSION FACTORS (Appendix B-I, Section A-3)

Policy Period	INDUSTRY GROUP: Office and Clerical
01/01/16 - 12/31/16	0.980
01/01/17 - 12/31/17	0.978
01/01/18 - 12/31/18	0.967
01/01/19 - 12/31/19	1.005
01/01/20 - 12/31/20	1.036

#### PAYROLL, FINAL CONVERTED LOSSES (Expected Unlimited Losses x Secondary Conversion Factors)

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
01/01/16 - 12/31/16	77,904,323,595	7,609,471	12,037,101	9,125,507	26,717,867	19,646,572	35,843,374	55,489,946
01/01/17 - 12/31/17	82,453,685,124	9,311,939	12,424,742	14,242,776	27,400,907	21,736,681	41,643,683	63,380,364
01/01/18 - 12/31/18	87,453,327,750	10,611,583	12,827,662	14,010,203	31,196,697	23,439,245	45,206,900	68,646,145
01/01/19 - 12/31/19	90,096,191,749	9,253,589	14,174,026	13,210,414	31,005,841	23,427,615	44,216,255	67,643,870
01/01/20 - 12/31/20	96,050,338,871	8,435,634	14,583,264	10,595,918	30,911,281	23,018,898	41,507,199	64,526,097
Total	433,957,867,089	45,222,216	66,046,795	61,184,818	147,232,593	111,269,011	208,417,411	319,686,422
INDICATED PURE PREMIUM						0.026	0.048	0.07

The pure premiums shown were calculated using unrounded losses, while the converted losses have been rounded for display purposes.

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current rate by the conversion factors calculated in Appendix B-I. The derivation of the present on rate level pure premiums for the above-captioned classification follows:

	Indemnity	Medical	Total
Pure Premiums Underlying Current Rate	0.030	0.060	0.09
Conversion Factors (App. B-I, Section B)	0.911	0.829	xxx
<b>PURE PREMIUMS PRESENT ON RATE LEVEL</b> <b>(Underlying Pure Premiums) x (Conversion Factor)</b>	0.027	0.050	0.08



## FLORIDA

### APPENDIX B-III

#### Derivation of Proposed Rate - Code 8810 Industry Group - Office and Clerical, Hazard Group - C

The rate for the above-captioned classification is derived as follows:

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.026	0.048	0.07
2. Pure Premium Indicated by National Relativity	0.023	0.047	0.07
3. Pure Premium Present on Rate Level	0.027	0.050	0.08
4. State Credibilities	100%	100%	xxx
5. National Credibilities	0%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	0%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.026	0.048	0.07
8. Test Correction Factor	1.0105	1.0105	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.031	0.049	0.08
10. Ratio of Manual to Standard Premium			1.157
11. Target Cost Ratio			0.732
12. Rate = (9) x (10) / (11)			0.13
13. Rate Within Swing Limits			0.13
Current Rate x Swing Limits			
a) Lower bound = 0.15 x 0.690 = 0.11			
b) Upper bound = 0.15 x 0.990 = 0.14			
14. Pure Premiums Underlying Proposed Rate* = ((14TOT) / (9TOT)) x (9) ; (14TOT) = (13) x (11) / (10)	0.031	0.049	0.08
15. Miscellaneous Loadings			0.00
16. Final Loaded Rate			0.13

\* Indemnity pure premium is adjusted for the rounded total pure premium:  
Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium



## FLORIDA

### APPENDIX B-IV

WCSP data is used to determine the F-Classification (F-Class) rates. The latest year of WCSP payroll is extended by both the current and proposed rates. Based on \$118,852,749 of payroll, the overall rate level change in Florida is -12.6%.

#### I. Overview of Methodology

- Ten years of F-Class losses\* across all states for which the National Council on Compensation Insurance compiles workers compensation ratemaking data are converted and adjusted to a countrywide level and used with ten years of F-Class countrywide payroll to determine the F-class countrywide pure premiums at both an overall and individual classification level.
- F-class code countrywide relativities are then calculated by comparing the F-class countrywide pure premiums by class to the overall countrywide F-class pure premium. The relativity values are reflected in the table in Section II.
- A single state primary base pure premium is calculated by applying a countrywide to state relativity factor to bring the F-class overall countrywide pure premium to the Florida proposed level.
- A final base rate is calculated by bringing the primary base pure premium to the proposed Florida trend and benefit levels, and applying any applicable expenses and/or offsets.
- Final F-Class rates are calculated by applying the countrywide relativity by class code to the final base rate and applying swing limits.

\*Losses are limited to \$500,000 for a single claim occurrence and \$1,500,000 for each multiple claim occurrence. Texas data is included for policies effective 1/1/2013 and subsequent.



## FLORIDA

### APPENDIX B-IV

II. The F-class code countrywide relativities:

Class Code	Countrywide Relativity**
6006	1.686
6801*	1.000
6824	1.184
6825	0.351
6826	0.666
6828*	1.000
6829*	1.000
6843	1.358
6845	0.729
6872	1.268
6873*	1.000
6874	1.592
7309	1.227
7313	0.498
7317	0.946
7327	2.518
7350	1.023
8709	0.385
8726	0.264
9077*	1.000

\*Relativities for class codes with a limited amount of data are set to 1.000.

\*\*The relativities have been locked into the values from the prior filing

III. Swing Limits

The proposed rates are limited to the swing limits based on 15% above and 15% below the current rates.

Classifications Limited by the Upper Swing

6801

Classifications Limited by the Lower Swing

6824	6843	6872	6874
7309	7313	7317	7327
7350	8709	8726	

IV. Florida Contracting Classification Premium Adjustment Program (CCPAP)

For classifications eligible for the CCPAP, a factor of 1.000 is applied to offset the credits payable under the CCPAP. A list of the eligible class codes can be found under the **Basic Manual** state pricing programs.



## FLORIDA

### APPENDIX B-IV

#### Derivation of State Base Rate

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Overall Countrywide Pure Premium			2.76
2. State Act Pure Premium Relativity Factor			1.335
3. Countrywide State Act Weight			24%
4. <b>Primary Base Pure Premium</b> = [(1) x (2) x (3)] + [(1) x (1 - (3))]			<b>2.98</b>
5. Countrywide Weights	51%	49%	100%
6. Trend Factors	0.973	0.964	xx
7. Weighted Benefits	1.000	0.987	xx
8. Weighted Loss-Based Expenses	1.295	1.228	xx
9. <b>Secondary Base Pure Premium</b> = (4tot) x (5) x (6) x (7) x (8)	1.915	1.706	<b>3.62</b>
10. Additional Offsets			1.000
11. Expense Allowance			0.732
12. <b>Final Base Rate</b> = (9) x (10) / (11)			<b>4.95</b>





**FLORIDA**  
**APPENDIX B-IV**

**Derivation of Proposed Rate - Code 6872**  
Industry Group - F-Class, Hazard Group - G

The rate for the above-captioned classification is derived as follows:

1. Florida's Final Base Rate	4.95
2. Countrywide Class Code 6872 Relativity (Section II)	1.268
3. Rate = (1) x (2)	6.28
4. Rate Within Swing Limits	6.45
Current Rate x Swing Limits	
a) Lower bound = $7.58 \times 0.85 = 6.45$	
a) Upper bound = $7.58 \times 1.15 = 8.71$	
5. Miscellaneous Loadings	0.00
6. Final Loaded Rate	6.45



## FLORIDA

### APPENDIX B-IV

#### U.S. Longshore and Harbor Workers' Compensation Act Assessment

The F-class and Program II, Option II maritime class voluntary rates include the following provision for the federal assessment:

1.) Assessment Rate on Indemnity Losses *	8.8%
2.) Assessment Rate on Total Losses #	4.8%

\* Calculated using data provided by the U.S. Department of Labor

# Calculated using U.S. Department of Labor data and on-leveled and developed USL&HW losses - statistical plan data



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix C – Memoranda for Laws and Assessments

The purpose of this appendix is to provide details on changes affecting workers compensation benefit costs that are not yet reflected in the on-level factors shown in Appendix A-I. Such changes may result from annual updates in medical reimbursement levels or other changes that directly affect worker compensation benefit levels. In addition, changes to the administration of the workers compensation system, including benefit levels, may result from specific regulatory, legislative, or judicial action. The overall effect of benefit changes displayed within this appendix is calculated as of the benefit effective date, which may differ from the overall impact on the filing as shown in the Executive Summary.

The following changes affecting Florida benefit levels are detailed in this section of the filing:

- Changes to the hospital inpatient maximum reimbursement allowances (MRAs), effective May 25, 2023
- Changes to the hospital outpatient MRAs, effective May 25, 2023
- Changes to the Reimbursement Manual for Ambulatory Surgical Centers, effective July 1, 2023
- Changes to the Health Care Provider Reimbursement Manual, effective July 1, 2023



## FLORIDA

### APPENDIX C-I

#### Analysis of Florida Hospital Inpatient Medical Fee Schedule Changes Effective May 25, 2023

NCCI estimates that the changes to the hospital inpatient maximum reimbursement allowances (MRAs) in Florida, effective May 25, 2023, will result in an impact of -2.5% on overall workers compensation system costs.

#### Summary of Changes

Prior to May 25, 2023, the MRAs were based on the 2014 edition of the Reimbursement Manual for Hospitals (RMH), which became effective January 1, 2015. The MRAs were based on per diem rates that differed by type of stay as follows:

Type of Stay	Prior Per diem Rate
Surgical, Non-Trauma	\$3,849.16
Surgical, Trauma	\$3,850.33
Non-Surgical, Non-Trauma	\$2,283.40
Non-Surgical, Trauma	\$2,313.69

Inpatient stays with charges in excess of the stop-loss threshold were subject to a maximum reimbursement of 75% of charges. The stop-loss threshold was \$59,891.34.

Effective May 25, 2023, the Florida Department of Workers' Compensation (DWC) published the 2020 edition of the RMH, replacing the prior 2014 edition. The 2020 edition eliminated the stop-loss provision and established the following per diem rates:

Tier <sup>1</sup>	Revised Per diem Rate
Tier 1 – All other revenue codes	\$7,000
Tier 2 – Operating Room and Anesthesia	\$11,000
Tier 3 – Intensive and Coronary Care	\$13,000

#### Actuarial Analysis

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
  - Compare the prior and revised maximum reimbursements by episode and determine the percentage change by episode. Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by episode as weights.

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<sup>1</sup> The tiers vary based on the revenue codes reported on the inpatient bill. Within each inpatient episode, tier 3 per diems apply to all days billed in intensive care or coronary care units, identified by revenue codes of 0200-0219. The acronym "ICU" is used to collectively refer to intensive care and coronary care units. The remaining non-ICU portion of each inpatient episode is then categorized as either tier 1 or tier 2. If the non-ICU portion of an inpatient bill contains a revenue code of 0360-0379, tier 2 per diems apply. If the non-ICU portion of an inpatient bill does not contain a revenue code from tier 2, tier 1 per diems apply.



## FLORIDA

### APPENDIX C-I

#### **Analysis of Florida Hospital Inpatient Medical Fee Schedule Changes Effective May 25, 2023**

2. Determine the share of costs that are subject to the fee schedule
  - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported in the Florida DWC medical data, to categorize payments that are subject to the fee schedule.
  - Any potential impact from the share of costs not subject to the fee schedule will be realized in future claim experience and reflected in subsequent NCCI rate filings, as appropriate.
3. Estimate the price level change as a result of the revised fee schedule
  - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change.
  - For facility fee schedule changes, a price realization factor of 80% is assumed.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data provided by the Florida DWC with dates of service between January 1, 2022 and December 31, 2022, including COVID-19 claims.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Florida from Policy Years 2019 and 2020 projected to the effective date of the benefit changes.

#### **Hospital Inpatient Fee Schedule**

In Florida, payments for hospital inpatient services represent 23.6% of total medical costs. The overall change in maximums for hospital inpatient services is a weighted average of the percentage change in MRA by episode (Revised MRA/Prior MRA). The weights are based on Service Year 2022 observed payments by episode for Florida, as reported in the Florida DWC detailed medical data.

The prior MRA for each hospital inpatient episode is calculated as follows:

- If the total trended charges (excluding charges for implants) are \$59,891.34 or less, then Prior MRA = Prior per diem allowance x length of stay (LOS), otherwise Prior MRA = total trended charges (excluding charges for implants) x 75%<sup>2</sup>

The revised MRA for each hospital inpatient episode is calculated as follows:

- Revised MRA = revised Tier 3 per diem allowance x ICU LOS  
+ revised per diem allowance x non-ICU LOS

The revised MRA for each inpatient episode is comprised of two components. Within each episode, any days spent in the ICU are subject to Tier 3 per diem rates. All non-ICU days in a stay will be subject to the applicable Tier 1 or Tier 2 per diem rates.

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<sup>2</sup> In Service Year 2022, 95% of payments are associated with episodes with charges exceeding the stop-loss threshold.



## FLORIDA

### APPENDIX C-I

#### Analysis of Florida Hospital Inpatient Medical Fee Schedule Changes Effective May 25, 2023

For example, an inpatient episode lasting 7 days total with 3 of those days spent in the ICU (Tier 3) and the remaining 4 days identified as Tier 1, the revised MRA would be calculated as follows:

- \$67,000 Revised MRA = \$13,000 (Tier 3 per diem rate) x 3  
+ \$7,000 (Tier 1 per diem rate) x 4

Note that in cases where the amount charged by the hospital for an inpatient episode is less than the per diem allowance, it is assumed in this analysis that the hospital will be reimbursed at the full per diem allowance rather than the lesser charged amount. This is consistent with the reimbursement rules under the prior (2014) and revised (2020) editions of the RMH, which state: "If the charges for any day of hospitalization are less than the applicable per diem allowance established in this Chapter, the hospital shall be reimbursed the per diem allowance for the day(s) rather than the lesser amount charged by the hospital."

Additionally, note that implants are excluded from the above MRAs since they are reimbursed separately as a function of acquisition cost under both the prior and revised RMH.

The charge for each hospital inpatient bill was adjusted to reflect changes from past price levels to price levels projected to be in effect on the effective date of the hospital inpatient fee schedule (May 25, 2023). The trend factor is based on the U.S. hospital inpatient component of the medical producer price index (MPPI)<sup>3</sup>.

The overall weighted-average percentage change in maximums for hospital inpatient services is -20.9%. This impact is then multiplied by a price realization factor of 80% to arrive at an impact of -16.7% on hospital inpatient payments in Florida. This is then multiplied by the percentage of medical costs attributed to hospital inpatient payments in Florida (23.6%) to arrive at an impact of -3.9% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Florida (64%) to arrive at the impact of -2.5% on overall workers compensation costs.

#### Summary table

The impact from the hospital inpatient fee schedule change in Florida, effective May 25, 2023, is summarized below.

	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
Type of Service	Impact on Type of Service	Share of Medical Costs	Impact on Medical Costs	Medical Costs as a Share of Overall Costs	Impact on Overall Costs
Hospital Inpatient	-16.7%	23.6%	-3.9%	64%	-2.5%

<sup>3</sup> Source: Bureau of Labor Statistics, series ID WPU512101.



## FLORIDA

### APPENDIX C-II

#### Analysis of Florida Medical Fee Schedule Changes Effective May 25, 2023

**NCCI estimates that the changes to the maximum reimbursement allowances (MRAs) for hospital outpatient services in the Reimbursement Manual for Hospitals (RMH) in Florida, effective May 25, 2023, will result in an impact of -0.6% on overall workers compensation system costs in Florida.**

#### Summary of Changes

The RMH is published by the Florida Division of Workers' Compensation (DWC). The prior 2014 edition of the Florida Workers' Compensation RMH, was in effect since January 1, 2015. The revised 2020 edition replaced the 2014 edition, effective May 25, 2023.

MRAs for hospital outpatient services in the prior 2014 edition were determined as follows:

Category 1: Scheduled, non-emergency clinical laboratory and radiology services were reimbursed based on the schedule of MRAs listed in the Health Care Provider Reimbursement Manual (HCPRM). In addition, any outpatient physical, occupational, and speech therapy service were reimbursed based on the listed MRA in the HCPRM.

Category 2: The MRA for a scheduled surgical service was calculated as the base rate from Appendix C of the RMH, multiplied by the geographic modifier listed for the county of the location of service from Appendix A. For scheduled surgical procedures with no specified MRA, the maximum reimbursement was 60% of usual and customary charges (UCC).

Category 3: The MRA for a service other than scheduled surgical services was calculated as the base rate from Appendix B, multiplied by the geographic modifier from Appendix A. For procedures with no specified MRA, other than a scheduled surgical procedure, the maximum reimbursement was 75% of UCC.

The 2020 edition of the Florida Workers' Compensation RMH includes the following changes impacting MRAs for hospital outpatient services:

- Updated Appendix A geographic modifiers for all Category 2 and Category 3 services.
- Added base rates for new services in Appendices B and C. Base rates for services listed in the prior 2014 edition of the RMH remain unchanged.
- Added Appendices B.1 and C.1, which include base rates for services not individually listed in Appendices B or C.

With the above changes, MRAs for hospital outpatient services in the 2020 edition Florida Workers' Compensation RMH are now determined as follows:

Category 1: Scheduled, non-emergency clinical laboratory and radiology services are reimbursed based on the schedule of MRAs listed in the HCPRM. In addition, any outpatient physical, occupational, and speech therapy service is reimbursed based on the listed MRA in the HCPRM.



## FLORIDA

### APPENDIX C-II

#### **Analysis of Florida Medical Fee Schedule Changes Effective May 25, 2023**

Category 2: The MRA for a scheduled surgical service is calculated as the base rate from Appendix C of the RMH, multiplied by the geographic modifier listed for the county of the location of service from Appendix A. For scheduled surgical services with no base rate listed in Appendix C, the corresponding base rate from Appendix C.1 is used.

Category 3: The MRA for a service other than scheduled surgical services is calculated as the base rate from Appendix B, multiplied by the geographic modifier from Appendix A. For services other than scheduled surgical services with no base rate listed in Appendix B, the corresponding base rate from Appendix B.1 is used.

### **Actuarial Analysis**

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
  - Compare the prior and revised maximum reimbursements by procedure code and determine the percentage change by procedure code.
  - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.
2. Determine the share of costs that are subject to the fee schedule
  - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported in the Florida DWC medical data, to categorize payments that are subject to the fee schedule.
3. Estimate the price level change as a result of the revised fee schedule
  - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change.
  - For non-physician fee schedule changes, a price realization factor of 80% is assumed.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data provided by the Florida DWC with dates of service between January 1, 2022, and December 31, 2022, including COVID-19 claims.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Florida from Policy Years 2019 and 2020 projected to the effective date of the benefit changes.





## FLORIDA

### APPENDIX C-II

#### Analysis of Florida Medical Fee Schedule Changes Effective May 25, 2023

##### Hospital Outpatient Fee Schedule

In Florida, payments for hospital outpatient services represent 18.8% of total medical costs. The overall change in maximums for hospital outpatient services is a weighted average of the percentage change in MRA by procedure code (Revised MRA/Prior MRA). The weights are based on Service Year 2022 observed payments by procedure code for Florida, as reported in the Florida DWC detailed medical data. The prior and revised MRAs are calculated as follows:

*Prior MRA* = Base Rate x Geographic Modifier, or a Percentage of Trended Charges

When there is no MRA, the charges are adjusted to the price levels projected to be in effect on May 25, 2023. The trend factor is based on the U.S. hospital outpatient services component of the medical producer price index (MPPI)<sup>1</sup>. If a procedure code is not listed in Appendix B or C of the RMH, the MRA is based on a percentage of charges. For scheduled surgical services, the MRA is calculated as 60% of the trended charges. For all other services, the MRA is calculated as 75% of trended charges.

The revised MRAs are calculated as follows:

*Revised MRA* = Revised Base Rate x Revised Geographic Modifier

The overall weighted-average percentage change in maximums for hospital outpatient services is -6.9%. This impact is then multiplied by a price realization factor of 80% to arrive at an impact of -5.5% on hospital outpatient payments in Florida. This impact is then multiplied by the percentage of medical costs attributed to hospital outpatient payments in Florida (18.8%) to arrive at an impact of -1.0% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Florida (64%) to arrive at an impact of -0.6% on overall workers compensation costs.

##### Summary of Impacts

The impact of the hospital outpatient fee schedule change in Florida, effective May 25, 2023, is summarized below.

	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
Type of Service	Estimated Impact on Type of Service	Share of Medical Costs	Estimated Impact on Medical Costs	Medical Costs as a Share of Overall Costs	Impact on Overall Costs
Hospital Outpatient	-5.5%	18.8%	-1.0%	64%	-0.6%

<sup>1</sup> Source: Bureau of Labor Statistics, series ID WPU511104.



## FLORIDA

### APPENDIX C-III

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

**NCCI estimates that the changes to the Reimbursement Manual for Ambulatory Surgical Centers (RMASC) in Florida, effective July 1, 2023, will result in an impact of -0.6% on overall workers compensation system costs.**

#### Summary of Changes

The RMASC is published by the Florida Division of Workers' Compensation (DWC). The 2015 edition of the Florida RMASC was in effect since January 1, 2016. The 2020 edition replaces the 2015 edition, effective July 1, 2023.

In the 2015 edition, maximum reimbursement allowances (MRAs) for ambulatory surgical center (ASC) services were determined as follows:

- Utilized the MRA for the service listed in Appendix A of the RMASC.
- For ASC services with no MRA listed in Appendix A, the maximum reimbursement was 60% of billed charges.

Effective July 1, 2023, the 2020 edition of the Florida RMASC includes the following changes impacting MRAs:

- Added MRAs for additional services in Appendix A. MRAs for services listed in the 2015 edition of the RMASC were not changed.
- Added Appendix B, which provides MRAs for services not individually listed in Appendix A.

With the above changes, MRAs for ASC services in the 2020 edition are determined as follows:

- Utilize the MRA for the service listed in Appendix A of the RMASC.
- For ASC services with no MRA listed in Appendix A, utilize the MRA listed in Appendix B of the RMASC.

#### Actuarial Analysis

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
  - Compare the prior and revised maximum reimbursements by procedure code to determine the percentage change by procedure code.
  - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.



## FLORIDA

### APPENDIX C-III

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

2. Determine the share of costs that are subject to the fee schedule
  - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported in the Florida DWC medical data, to categorize payments that are subject to the fee schedule.
  - Any potential impact from the share of costs not subject to the fee schedule will be realized in future claim experience and reflected in subsequent NCCI rate filings, as appropriate.
3. Estimate the price level change as a result of the revised fee schedule
  - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data provided by the Florida DWC with dates of service between January 1, 2022, and December 31, 2022, including COVID-19 claims.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Florida from Policy Years 2019 and 2020 projected to the effective date of the benefit changes.

#### **Ambulatory Surgical Centers (ASC) Fee Schedule**

In Florida, payments for ASC services represent 9.2% of total medical costs. The overall change in maximums for ASC services is a weighted average of the percentage change in MRA by procedure code (Revised MRA/Prior MRA). The weights are based on Service Year 2022 observed payments by procedure code for Florida, as reported in the Florida DWC detailed medical data. The prior and revised MRAs are calculated as follows:

Prior MRA = MRA from Chapter 6 of the 2015 Edition of the RMASC or 60% of Trended Charges

When there is no MRA, the charges are adjusted to the price levels projected to be in effect on July 1, 2023. The trend factor is based on the U.S. hospital outpatient services component of the medical producer price index (MPPI)<sup>1</sup>.

Revised MRA = MRA provided by the Florida DWC

The overall weighted-average percentage change in maximums for ASC services is -11.9%. This impact is then multiplied by a price realization factor of 80% to arrive at an impact of -9.5% on ASC payments in Florida. This impact is then multiplied by the percentage of medical costs attributed to ASC payments in Florida (9.2%) to arrive at an impact of -0.9% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Florida (62%) to arrive at an impact of -0.6% on overall workers compensation costs.

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<sup>1</sup> Source: Bureau of Labor Statistics, series ID WPU511104.



## FLORIDA

### APPENDIX C-III

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

##### Summary of Impacts

The impact of the ASC fee schedule change in Florida, effective July 1, 2023, is summarized below.

	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
Service Category	Impact on Type of Service	Share of Medical Costs	Impact on Medical Costs	Medical Costs as a Share of Overall Costs	Estimated Impact on Overall Costs
ASC	-9.5%	9.2%	-0.9%	62%	-0.6%



## FLORIDA

### APPENDIX C-IV

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

**NCCI estimates that the changes to the Health Care Provider Reimbursement Manual (HCPRM) in Florida, effective July 1, 2023, will result in an impact of +0.2% on overall workers compensation system costs.**

#### Summary of Changes

The 2016 edition of the HCPRM, which became effective July 1, 2017, was based on 2016 Medicare Conversion Factor and Resource Based Relative Value Scale (RBRVS) geographic-specific reimbursement levels.

Florida House Bill 487 ratified the 2020 edition of the Florida HCPRM, effective July 1, 2023. The 2020 edition updates the maximum reimbursement allowances (MRAs) to be based on the 2020 Medicare Conversion Factor and RBRVS geographic-specific reimbursement levels. Note that the MRAs in the 2016 and 2020 editions of the HCPRM are limited to no less than the MRAs published in the 2003 edition of the HCPRM.

In addition to physician services, the enacted changes also impact MRAs for the following hospital outpatient services contained in the Florida Workers' Compensation Reimbursement Manual for Hospitals:

- All scheduled, non-emergency clinical laboratory and radiology services
- Outpatient physical, occupational, and speech therapy services

#### Actuarial Analysis

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
  - Compare the prior and revised maximum reimbursements by procedure code to determine the percentage change by procedure code.
  - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.
2. Determine the share of costs that are subject to the fee schedule
  - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported in the Florida DWC medical data, to categorize payments that are subject to the fee schedule.
  - Any potential impact from the share of costs not subject to the fee schedule will be realized in future claim experience and reflected in subsequent NCCI rate filings, as appropriate.
3. Estimate the price level change as a result of the revised fee schedule
  - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on



## FLORIDA

### APPENDIX C-IV

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

payments impacted by the change. For non-physician fee schedule changes, a price realization factor of 80% is assumed.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data provided by the Florida DWC with dates of service between January 1, 2022, and December 31, 2022, including COVID-19 claims.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Florida from Policy Years 2019 and 2020 projected to the effective date of the benefit changes.

#### Physician Fee Schedule

In Florida, payments for physician services represent 25.9% of total medical costs. The overall change in maximums for physician services is a weighted average of the percentage change in MRA by procedure code (Revised MRA/Prior MRA). The weights are based on Service Year 2022 observed payments by procedure code and geographic locality for Florida, as reported in the Florida DWC detailed medical data. The overall weighted-average percentage change in maximums for physician services is +1.4%. The impact by category is shown in the following table.

Physician Practice Category	Share of Physician Costs	Percentage Change in MRA
Anesthesia	1.7%	0.0%
Surgery	15.4%	+1.5%
Radiology	11.2%	+2.0%
Pathology & Laboratory	0.5%	-0.2%
Evaluation & Management	26.4%	+1.9%
Medicine	29.0%	+1.5%
Other HCPCS*	0.1%	-0.7%
Physician Payments with no specific MRA	15.7%	—
<b>Total Physician Costs</b>	<b>100.0%</b>	<b>+1.4%</b>

\*Healthcare Common Procedure Coding System

A price realization factor of 80% was applied. The impact on physician payments after applying the price realization factor is +1.1% ( $= +1.4\% \times 0.80$ ).

The +1.1% impact is then multiplied by the percentage of medical costs attributed to physician payments in Florida (25.9%) to arrive at an impact of +0.3% on medical costs. This is then multiplied by the percentage of overall benefit costs attributed to medical benefits in Florida (62%) to arrive at an impact of +0.2% on overall workers compensation costs.



## FLORIDA

### APPENDIX C-IV

#### Analysis of Florida Medical Fee Schedule Changes Effective July 1, 2023

##### Hospital Outpatient Fee Schedule

The changes to the HCPRM also impact certain hospital outpatient services. In Florida, payments for hospital outpatient services represent 18.8% of medical costs and hospital outpatient services subject to the HCPRM MRAs represent 2.3% of total hospital outpatient costs. The impact on hospital outpatient services, which is calculated in an analogous manner to the physician fee schedule change, is a negligible<sup>1</sup> increase on medical costs and overall workers compensation system costs in Florida.

##### Summary of Impacts

The impacts from the medical fee schedule change in Florida, effective July 1, 2023, are summarized in the following table:

	(A)	(B)	(C) = (A) x (B)
Type of Service	Impact on Type of Service	Share of Medical Costs	Impact on Medical Costs
Physician	+1.1%	25.9%	+0.3%
Hospital Outpatient	Negligible Increase	18.8%	Negligible Increase
<b>(D) Combined Impact on Medical Costs = Total of (C)</b>			<b>+0.3%</b>
<b>(E) Medical Costs as a Share of Overall Costs</b>			<b>62%</b>
<b>(F) Combined Impact on Overall Costs = (D) x (E)</b>			<b>+0.2%</b>

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<sup>1</sup> Negligible is defined in this document to be an impact smaller in magnitude than +/-0.1%.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Appendix D – Proposed Weight (W) and Ballast (B) Formulas

The W and B values are currently determined by the following formulas:

$$B = E \left( \frac{0.1 \frac{E}{G} + 2,570}{\frac{E}{G} + 700} \right),$$

where  $B$  is bounded below by  $2,500G$ .

$E$  is the employer's total expected losses and  $G$  is the state average severity.

$$W = \frac{E + B}{E + C},$$

where

$$C = E \left( \frac{0.375 \frac{E}{G} + 150,000}{\frac{E}{G} + 5,100} \right)$$

and  $C$  is bounded below by  $60,000G$ .

**This filing proposes to update the formulas to be:**

$$B = E \left( \frac{0.056 \frac{E}{G} + 2,910}{\frac{E}{G} + 600} \right),$$

where  $B$  is bounded below by  $4,600G$ .

$$W = \frac{E + B}{E + C},$$

where

$$C = E \left( \frac{0.205 \frac{E}{G} + 130,000}{\frac{E}{G} + 4,500} \right)$$

and  $C$  is bounded below by  $33,000G$ .

Note that under the proposed formulas,  $G$  is the state **limited** average severity and reflects the reduction to medical only claims.





## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Definitions

**Accident Year (AY):** A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

**Calendar Year (CY):**

- The 12-month period beginning January 1 and ending December 31.
- Method of accounting for all financial transactions occurring during a specific year.

**Case Reserves:** Reserves that an insurance company establishes for specific (known) claims.

**DSR Level Premium:** The standard earned premium that would result if business were written at NCCI state-approved rates or loss costs instead of at the company rates. It is the common benchmark level at which carriers report premium on the Financial Calls.

**Frequency:** The number of lost-time claims per million dollars of on-leveled, wage-adjusted premium.

**Incurred Claim Count:** The total of all claims reported, whether open or closed, as of a given valuation date. An indemnity claim is associated with a payment or case reserve for an indemnity loss (i.e., lost work time-related benefits) and excludes claims closed without an indemnity payment.

**Lost-time Claims:** Claims where an injured employee has received wage replacement benefits due to a compensable workplace injury.

**On-Level Factor:** Applied to historical premiums and losses to adjust the historical experience to reflect approved rate/loss cost level changes as well as statutory benefit level changes implemented since that time.

**Paid+Case Losses:** The sum of paid losses and case reserves. Also known as “case incurred losses.”

**Paid Losses:** Losses that an insurance company has paid as a result of claim activity.

**Policy Year:**

- The one-year period beginning with the effective date or anniversary of a policy.
- A premium and loss accounting definition in which experience is summarized for all policies with effective dates in a given calendar year period.

**Severity:** The average cost per case (claim) calculated as ultimate losses divided by ultimate lost-time claim counts.



## Florida

### Workers Compensation Rate Filing – January 1, 2024

#### Definitions

**Ultimate Development Factor:** For an aggregation of data, an estimate of the development that will occur between the data's current valuation date and the time when all claims are closed.

**Valuation Date:** The date that premiums and losses are evaluated for reporting purposes. Premiums and losses may change over time from initial estimates to final values. Therefore, interim snapshots have associated valuation dates.

**Wage Level Adjustment Factor:** The ratio of the average workers' wages during the most recent time period to the average workers' wages during a historical time period.



## FLORIDA

### Workers Compensation Rate Filing – January 1, 2024

#### NCCI Affiliate List

ACCIDENT FUND GENERAL INS CO	AUTOMOBILE INSURANCE CO OF HARTFORD
ACCIDENT FUND INS CO OF AMERICA	AXIS INSURANCE CO
ACCIDENT FUND NATIONAL INS CO	AXIS REINSURANCE CO
ACCIDENT INSURANCE COMPANY INC	BANKERS STANDARD INS CO
ACCREDITED SURETY & CASUALTY COMPANY INC	BEARING MIDWEST CASUALTY COMPANY
ACE AMERICAN INSURANCE COMPANY	BENCHMARK INSURANCE COMPANY
ACE FIRE UNDERWRITERS INSURANCE COMPANY	BERKLEY CASUALTY COMPANY
ACE PROPERTY & CASUALTY INSURANCE COMPANY	BERKLEY INSURANCE COMPANY
ACIG INS CO	BERKLEY NATIONAL INSURANCE COMPANY
AIG ASSURANCE COMPANY	BERKLEY REGIONAL INS CO
AIG PROPERTY CASUALTY COMPANY	BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
AIU INSURANCE CO (NATIONAL UNION FIRE OF PITTS PA)	BERKSHIRE HATHAWAY HOMESTATE INS CO
AK NATIONAL INS CO	BERKSHIRE HATHAWAY SPECIALTY INSURANCE COMPANY
ALLIED EASTERN IND CO	BITCO GENERAL INSURANCE CORPORATION
ALLIED INSURANCE COMPANY OF AMERICA	BITCO NATIONAL INSURANCE COMPANY
ALLIED PROPERTY AND CASUALTY INS CO	BLACKBOARD INSURANCE COMPANY
ALLIED WORLD INSURANCE CO	BRIDGEFIELD CASUALTY INS CO
ALLMERICA FINANCIAL ALLIANCE INS CO	BRIDGEFIELD EMPLOYERS INS CO
ALLMERICA FINANCIAL BENEFIT INS CO	BROTHERHOOD MUTUAL INS CO
AMERICA FIRST INSURANCE COMPANY	BUILDERS ALLIANCE INSURANCE COMPANY
AMERICAN ALTERNATIVE INSURANCE CORPORATION	BUILDERS MUTUAL INS CO
AMERICAN AUTOMOBILE INSURANCE CO	BUILDERS PREMIER INS CO
AMERICAN BUILDERS INSURANCE COMPANY	BUSINESSFIRST INS COMPANY
AMERICAN CASUALTY COMPANY OF READING P A	CALIFORNIA INSURANCE COMPANY
AMERICAN COMPENSATION INS CO	CAROLINA CASUALTY INS CO
AMERICAN ECONOMY INS CO	CEDAR INSURANCE COMPANY
AMERICAN FAMILY HOME INS CO	CERITY INSURANCE COMPANY
AMERICAN FIRE AND CASUALTY CO	CHARTER OAK FIRE INS CO
AMERICAN GUARANTEE AND LIABILITY INS CO	CHEROKEE INS CO
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT	CHIRON INSURANCE COMPANY
AMERICAN INTERSTATE INS CO	CHUBB INDEMNITY INS CO
AMERICAN INTERSTATE INS CO OF TX	CHUBB NATIONAL INS CO
AMERICAN LIBERTY INSURANCE CO	CHURCH MUTUAL INS CO, S.I.
AMERICAN MODERN HOME INS CO	CIMARRON INSURANCE COMPANY INC
AMERICAN PROPERTY INSURANCE COMPANY	CINCINNATI CASUALTY COMPANY
AMERICAN SENTINEL INS CO (IPTIQ AMERICAS INC)	CINCINNATI INDEMNITY COMPANY
AMERICAN STATES INS CO A SAFECO COMPANY	CINCINNATI INS CO
AMERICAN SUMMIT INS CO	CLEAR SPRING PROPERTY AND CASUALTY COMPANY
AMERICAN ZURICH INS CO	COLONIAL AMERICAN CASUALTY & SURETY CO
AMERISURE INS CO	COLONIAL SURETY COMPANY
AMERISURE MUTUAL INS CO	COLONY SPECIALTY INS CO
AMERISURE PARTNERS INS CO	COMMERCE AND INDUSTRY INS CO
AMERITRUST INS CORP	CONSOLIDATED INS CO
AMFED ADVANTAGE INSURANCE COMPANY	CONTINENTAL CASUALTY CO
AMFED CASUALTY INS CO	CONTINENTAL DIVIDE INSURANCE COMPANY
AMFED NATIONAL INSURANCE COMPANY	CONTINENTAL INDEMNITY CO
AMGUARD INS CO	CONTINENTAL INS CO
ANSUR AMERICA	COREPOINTE INSURANCE COMPANY
ARCH INDEMNITY INSURANCE COMPANY	CRESTBROOK INS CO
ARCH INSURANCE COMPANY	CRUM AND FORSTER INDEMNITY CO
ARCH PROPERTY CASUALTY INS CO	DAKOTA TRUCK UNDERWRITERS
ARGONAUT GREAT CENTRAL INS CO	DEPOSITORS INS CO
ARGONAUT INS CO	DIAMOND INS CO
ARGONAUT MIDWEST INS CO	DISCOVER PROPERTY & CASUALTY INS CO
ASCENDANT COMMERCIAL INSURANCE INC	DISCOVER SPECIALTY INSURANCE COMPANY
ASCOT INSURANCE COMPANY	EASTERN ADVANTAGE ASSURANCE COMPANY
ASSOCIATED INDUSTRIES INS CO INC	EASTERN ALLIANCE INSURANCE COMPANY
ASSOCIATION CASUALTY INS CO	EASTGUARD INS CO
ATLANTIC SPECIALTY INS CO (INTACT )	ELECTRIC INS CO
AUTO OWNERS INS CO	EMC PROPERTY & CASUALTY COMPANY



## FLORIDA

### Workers Compensation Rate Filing – January 1, 2024

#### NCCI Affiliate List

EMPIRE FIRE AND MARINE INS CO	GRAPHIC ARTS MUTUAL INS CO
EMPIRE INDEMNITY INSURANCE CO	GRAY INSURANCE COMPANY
EMPLOYERS ASSURANCE COMPANY	GREAT AMERICAN ALLIANCE INS CO
EMPLOYERS COMPENSATION INS CO	GREAT AMERICAN ASSURANCE COMPANY
EMPLOYERS INS CO OF WAUSAU	GREAT AMERICAN INS CO OF NY
EMPLOYERS INSURANCE COMPANY OF NEVADA	GREAT AMERICAN INSURANCE COMPANY
EMPLOYERS MUTUAL CASUALTY CO	GREAT AMERICAN SECURITY INS CO
EMPLOYERS PREFERRED INS CO	GREAT AMERICAN SPIRIT INS CO
ENDURANCE AMERICAN INS CO	GREAT DIVIDE INSURANCE COMPANY
ENDURANCE ASSURANCE CORPORATION	GREAT MIDWEST INS CO
EVEREST DENALI INSURANCE COMPANY	GREAT NORTHERN INS CO
EVEREST NATIONAL INS CO	GREAT WEST CASUALTY COMPANY
EVEREST PREMIER INSURANCE COMPANY	GREENWICH INS CO
EVEREST REINSURANCE CO DIRECT	GUIDEONE ELITE INS CO
EXCELSIOR INSURANCE COMPANY	GUIDEONE INSURANCE COMPANY
EXECUTIVE RISK INDEMNITY INC	GUIDEONE SPECIALTY INSURANCE COMPANY
EXPLORER INS CO	HANOVER AMERICAN INS CO
FAIR AMERICAN INSURANCE AND REINSURANCE COMPANY	HANOVER INS CO
FALLS LAKE NATIONAL INSURANCE CO	HARTFORD ACCIDENT AND INDEMNITY CO
FARMERS INSURANCE EXCHANGE	HARTFORD CASUALTY INS CO
FARMINGTON CASUALTY COMPANY	HARTFORD FIRE INSURANCE CO
FCCI COMMERCIAL INS CO	HARTFORD INS CO OF IL
FCCI INSURANCE COMPANY	HARTFORD INS CO OF MIDWEST
FEDERAL INSURANCE COMPANY	HARTFORD INS CO OF THE SOUTHEAST
FEDERATED MUTUAL INS CO	HARTFORD UNDERWRITERS INS CO
FEDERATED RESERVE INSURANCE CO	HDI GLOBAL INSURANCE COMPANY
FEDERATED RURAL ELECTRIC INS EXCHANGE	HIGHMARK CASUALTY INSURANCE COMPANY
FEDERATED SERVICE INS CO	HUDSON INS CO
FFVA MUTUAL INSURANCE COMPANY	ILLINOIS INSURANCE COMPANY
FFVA SELECT INSURANCE CO	ILLINOIS NATIONAL INSURANCE COMPANY
FHM INSURANCE COMPANY	IMPERIUM INSURANCE COMPANY
FIDELITY & DEPOSIT COMPANY OF MARYLAND	INCLINE CASUALTY COMPANY
FIDELITY & GUARANTY INS UNDERWRITERS	INDEMNITY INS CO OF N AMERICA (INA INS) (CT GEN)
FIDELITY & GUARANTY INSURANCE CO	INDIANA INSURANCE COMPANY
FIRE INS EXCHANGE	INS CO OF NORTH AMERICA
FIREMANS FUND INSURANCE CO	INS CO OF THE STATE PA
FIRST DAKOTA INDEMNITY CO	INS CO OF THE WEST
FIRST LIBERTY INS CORP	INTREPID CASUALTY COMPANY
FIRST NATIONAL INS CO OF AMERICA	INTREPID INSURANCE COMPANY
FIRSTCOMP INSURANCE CO	KEY RISK INS CO
FL RURAL ELECTRIC SI FUND	LACKAWANNA AMERICAN INS CO
FLORIDA CASUALTY INSURANCE COMPANY	LACKAWANNA CASUALTY CO
FLORIDA CITRUS BUSINESS AND INDUSTRIES FUND	LACKAWANNA NATIONAL INS CO
FLORIDA INSURANCE ALLIANCE	LANCER INSURANCE COMPANY
FLORIDA MUNICIPAL INS TRUST	LIBERTY INS CORP
FLORIDA WC JUA	LIBERTY INSURANCE UNDERWRITERS INC
FLORISTS INS CO	LIBERTY MUTUAL FIRE INS CO
FLORISTS MUTUAL INSURANCE CO	LIBERTY MUTUAL INS CO
FORESTRY MUTUAL INS CO	LION INSURANCE COMPANY
FRANK WINSTON CRUM INSURANCE CO	LM INS CORP
FRANKENMUTH INS COMPANY	LUBA CASUALTY INS CO
FREEDOM SPECIALTY INSURANCE COMPANY	MA BAY INS CO
FRSA SELF INSURERS FUND INC	MAG MUTUAL INS CO
GENERAL CASUALTY COMPANY OF WISCONSIN	MAIN STREET AMERICA ASSURANCE CO
GENERAL INS CO OF AMERICA	MANUFACTURERS ALLIANCE INS CO
GENESIS INS CO	MARKEL AMERICAN INSURANCE CO
GLENCAR INSURANCE COMPANY	MARKEL INSURANCE CO
GOTHAM INSURANCE COMPANY	MEMIC CASUALTY COMPANY
GRANADA INDEMNITY COMPANY	MEMIC INDEMNITY CO
GRANITE STATE INSURANCE COMPANY	MERIDIAN SECURITY INSURANCE COMPANY



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#### NCCI Affiliate List

MICHIGAN COMMERCIAL INSURANCE MUTUAL	PEERLESS INSURANCE COMPANY
MID CENTURY INS CO	PENNSYLVANIA INSURANCE COMPANY
MIDDLESEX INS CO	PETROLEUM CASUALTY CO
MIDSOUTH MUTUAL INSURANCE COMPANY	PHARMACISTS MUTUAL INS CO
MIDVALE INDEMNITY COMPANY	PHOENIX INS CO
MIDWEST BUILDERS CASUALTY MUTUAL COMPANY	PIE INSURANCE COMPANY
MIDWEST EMPLOYERS CASUALTY CO	PINNACLE NATIONAL INSURANCE COMPANY
MIDWEST INS CO	PLAZA INSURANCE CO
MILBANK INSURANCE COMPANY	PRAETORIAN INSURANCE COMPANY
MILFORD CASUALTY INSURANCE CO	PREFERRED EMPLOYERS INS CO
MITSUI SUMITOMO INS CO OF AMERICA	PREFERRED GOVERNMENTAL INS TRUST
MITSUI SUMITOMO INS USA INC	PREFERRED PROFESSIONAL INSURANCE COMPANY
MUNICH REINSURANCE AMERICA INC	PREMIER GROUP INS CO
NATIONAL AMERICAN INS CO	PRESCIENT NATIONAL INSURANCE COMPANY
NATIONAL BUILDERS INSURANCE COMPANY	PREVISOR INSURANCE COMPANY
NATIONAL CASUALTY CO	PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
NATIONAL FIRE INS CO OF HARTFORD	PROPERTY AND CASUALTY INS CO OF HARTFORD
NATIONAL INDEMNITY CO	PROTECTIVE INS CO
NATIONAL INDEMNITY CO OF THE SOUTH	QBE INSURANCE CORPORATION
NATIONAL INTERSTATE INS CO	REGENT INSURANCE COMPANY
NATIONAL LIABILITY & FIRE INSURANCE CO	REPUBLIC INDEMNITY CO OF CA
NATIONAL SURETY CORP	REPUBLIC INDEMNITY COMPANY OF AMERICA
NATIONAL TRUST INS CO	RETAILFIRST INSURANCE COMPANY
NATIONAL UNION FIRE INS CO OF PITTSBURGH PA	RIVERPORT INSURANCE COMPANY
NATIONWIDE AGRIBUSINESS INS CO	RLI INSURANCE COMPANY
NATIONWIDE ASSURANCE CO	ROCKWOOD CASUALTY INS CO
NATIONWIDE GENERAL INSURANCE CO	SAFECO INS CO OF AMERICA
NATIONWIDE INS CO OF AMERICA	SAFETY FIRST INS CO
NATIONWIDE MUTUAL INS CO	SAFETY NATIONAL CASUALTY CORP
NATIONWIDE PROPERTY AND CASUALTY INS CO	SAGAMORE INSURANCE CO
NETHERLANDS INSURANCE COMPANY	SAMSUNG FIRE AND MARINE INS CO LTD USB
NEW HAMPSHIRE INSURANCE COMPANY	SCOTTSDALE INDEMNITY CO
NEW YORK MARINE AND GENERAL INSURANCE CO	SELECT INS CO
NEXT INSURANCE US COMPANY	SELECTIVE INS CO OF SC
NGM INSURANCE COMPANY	SELECTIVE INS CO OF THE SOUTHEAST
NORGUARD INS CO	SELECTIVE INSURANCE COMPANY OF AMERICA
NORMANDY INSURANCE COMPANY	SELECTIVE WAY INS CO
NORTH POINTE INS CO	SENECA INSURANCE CO
NORTH RIVER INS CO	SENTINEL INS CO
NOVA CASUALTY COMPANY	SENTRY CASUALTY CO
NUTMEG INS CO	SENTRY INS CO
OAK RIVER INSURANCE COMPANY	SENTRY SELECT INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY	SEQUOIA INSURANCE CO
OBI NATIONAL INSURANCE COMPANY	SERVICE AMERICAN INDEMNITY COMPANY
OH CASUALTY INS CO	SERVICE LLOYDS INSURANCE CO, A STOCK COMPANY
OH FARMERS INS CO	SFM MUTUAL INS CO
OHIO SECURITY INS CO	SILVER OAK CASUALTY INC
OLD DOMINION INS CO	SIRIUSPOINT AMERICA INSURANCE COMPANY
OLD GUARD INSURANCE COMPANY	SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
OLD REPUBLIC GENERAL INSURANCE CORPORATION	SOMPO AMERICA INSURANCE COMPANY
OLD REPUBLIC INS CO	SOUTHERN INS CO
OWNERS INSURANCE COMPANY	SOUTHERN OWNERS INS CO
PA MANUFACTURERS ASSN INS CO	ST PAUL FIRE AND MARINE INS CO
PA MANUFACTURERS INDEMNITY CO	ST PAUL GUARDIAN INS CO
PA NATIONAL MUTUAL CAS INS CO	ST PAUL MERCURY INS CO
PACIFIC EMPLOYERS INS CO	ST PAUL PROTECTIVE INS CO
PACIFIC INDEMNITY CO	STANDARD FIRE INSURANCE COMPANY
PARK NATIONAL INS COMPANY	STAR INS CO
PATRIOT GENERAL INS CO	STARNET INSURANCE COMPANY
PATRONS MUTUAL INS CO OF CT	STARR INDEMNITY AND LIABILITY CO



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STARR SPECIALTY INSURANCE COMPANY	WESTFIELD CHAMPION INSURANCE COMPANY
STARSTONE NATIONAL INSURANCE COMPANY	WESTFIELD INS CO
STATE AUTO PROPERTY AND CASUALTY INS CO	WESTFIELD PREMIER INSURANCE COMPANY
STATE AUTOMOBILE MUTUAL INS CO	WESTFIELD SUPERIOR INSURANCE COMPANY
STATE FARM FIRE AND CASUALTY CO	WESTFIELD TOUCHSTONE INSURANCE COMPANY
STATE NATIONAL INSURANCE COMPANY	WESTPORT INSURANCE CORPORATION
STONEWOOD INSURANCE CO	WILLIAMSBURG NATIONAL INS CO
STONINGTON INS CO	WORK FIRST CASUALTY CO
SUNZ INSURANCE COMPANY	XL INS CO OF NY INC
SUTTON NATIONAL INSURANCE COMPANY	XL INSURANCE AMERICA INC
SWISS RE CORPORATE SOLUTIONS AMERICA INS CORP	XL SPECIALTY INS CO
SWISS RE CORPORATE SOLUTIONS ELITE INS CORP	ZENITH INS CO
SWISS RE CORPORATE SOLUTIONS PREMIER INS CORP	ZURICH AMERICAN INS CO
T H E INSURANCE COMPANY	ZURICH AMERICAN INS CO OF IL
TECHNOLOGY INSURANCE CO	
THE TRAVELERS CASUALTY COMPANY	
TNUS INSURANCE CO	
TOKIO MARINE AMERICA INSURANCE CO	
TRANS PACIFIC INS CO	
TRANSGUARD INS CO OF AMERICA INC	
TRANSPORTATION INS CO	
TRANSVERSE INSURANCE COMPANY	
TRAVELERS CASUALTY & SURETY CO OF AMERICA	
TRAVELERS CASUALTY AND SURETY CO	
TRAVELERS CASUALTY CO OF CONNECTICUT	
TRAVELERS CASUALTY INS CO OF AMERICA	
TRAVELERS COMMERCIAL CASUALTY CO	
TRAVELERS COMMERCIAL INS CO	
TRAVELERS INDEMNITY CO	
TRAVELERS INDEMNITY CO OF AMERICA	
TRAVELERS INDEMNITY CO OF CT	
TRAVELERS INSURANCE CO	
TRAVELERS PROPERTY CASUALTY CO OF AMERICA	
TRI STATE INSURANCE COMPANY OF MINNESOTA	
TRIUMPHE CASUALTY COMPANY	
TRUCK INSURANCE EXCHANGE	
TRUMBULL INS CO	
TWIN CITY FIRE INS CO	
UFG SPECIALTY INSURANCE COMPANY	
UNION INSURANCE COMPANY	
UNITED STATES FIDELITY AND GUARANTY CO	
UNITED WI INS CO	
UPMC HEALTH BENEFITS INC	
US FIRE INS CO	
UTICA MUTUAL INS CO	
VALLEY FORGE INS CO	
VANLINER INS CO	
VANTAPRO SPECIALTY INS CO	
VICTORIA FIRE & CASUALTY COMPANY	
VIGILANT INS CO	
WAUSAU BUSINESS INSURANCE COMPANY	
WAUSAU UNDERWRITERS INSURANCE COMPANY	
WCF NATIONAL INSURANCE COMPANY	
WCF SELECT INSURANCE COMPANY	
WELLFLEET INSURANCE COMPANY	
WELLFLEET NEW YORK INSURANCE COMPANY	
WESCO INSURANCE COMPANY (AMTRUST GROUP)	
WEST AMERICAN INS CO	
WEST BEND MUTUAL INS CO	
WESTCHESTER FIRE INSURANCE COMPANY	



## **Florida**

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