



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

**IN THE MATTER OF:** )  
)  
**NATIONAL COUNCIL ON** ) **No.: 19-146**  
**COMPENSATION INSURANCE, INC.** )  
**WORKERS' COMPENSATION** )  
**LOSS COST FILING** )

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**ORDER APPROVING WORKERS' COMPENSATION  
LOSS COST FILING**

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

On August 27, 2019, the National Council on Compensation Insurance ("NCCI") submitted its annual Workers' Compensation Voluntary Loss Cost and Rating Values ("Loss Cost Filing") with a proposed effective date of March 1, 2020, which recommended an overall DECREASE of nine and five-tenths percent (9.5%) of the voluntary loss cost from the loss cost that became effective March 1, 2019.


On October 3, 2019, the NCCI provided the Advisory Council with a medical fee schedule impact statement. The statement noted that workers' compensation medical fee schedule changes, which became effective September 10, 2019, were not available at the time of the NCCI Loss Cost Filing and that the changes could impact its calculations. The NCCI determined that the impact of the medical fee schedule changes was an increase of one and five-tenths percent (1.5%). Incorporating this change, the overall decrease in loss cost recommended by the NCCI was revised to a DECREASE of eight and two-tenths percent (8.2%) in the loss cost.

The Advisory Council met on October 10, 2019, to consider the NCCI filing relative to the voluntary loss cost pursuant to Tenn. Code Ann. § 50-6-402(b) and, by letter to the Commissioner dated October 24, 2019, recommended a loss cost decrease of four percent (4.0%) rather than the eight and two-tenths percent (8.2%) decrease proposed by the NCCI.

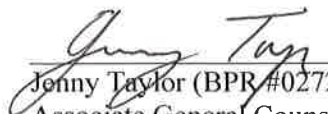
On November 6, 2019, upon reviewing the information provided by the NCCI, the information presented to the Advisory Council by the Advisory Council's actuary, and the Department's consulting actuary, it is the determination of the Commissioner to MODIFY the NCCI Loss Cost Filing to an overall DECREASE of seven and one-tenth percent (7.1%) from the voluntary loss cost that became effective March 1, 2019. The Workers' Compensation Voluntary Loss Cost and Rating Values are APPROVED as MODIFIED and the adjustments shall become effective March 1, 2020.

It is so **ORDERED**.

ENTERED this 20 day of November, 2019.

  
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Hodgen Mainda  
Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

  
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(615) 741-2325



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

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

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

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Pursuant to Tenn. Code Ann. § 56-5-114(c)(6)(B), the Commissioner of the Department of Commerce and Insurance (“Commissioner”) shall annually establish the multiplier to be applied to the advisory prospective loss cost for the assigned risk plan. Additionally, this matter was presented for consideration in accordance with Tenn. Code Ann. § 50-6-402(b), which requires the Commissioner to consult with the Advisory Council on Workers’ Compensation (“Advisory Council”) before approving any workers’ compensation loss cost filing made by the designated rate service organization and approve, disapprove, or modify the filing within ninety (90) days of receiving the filing.

On September 16, 2019, the National Council on Compensation Insurance (“NCCI”) submitted its annual Workers’ Compensation Assigned Risk Rates and Rating Values (“Assigned Risk Rate Filing”) with a proposed effective date of March 1, 2020. The filing proposed a decrease in the overall Assigned Risk Rate level of seven and one-tenth percent (7.1%) from the rates in effect March 1, 2019, based on an underlying voluntary loss decrease of nine and five-tenths percent (9.5%) from the loss cost in effect March 1, 2019. The Assigned

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

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

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


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

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

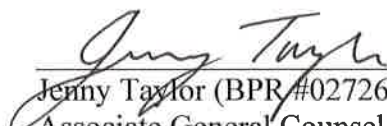
Therefore, pursuant to Tenn. Code Ann. § 56-5-114(c), the Assigned Risk Rate Filing herein is APPROVED as MODIFIED to an overall decrease of four and six-tenths percent (4.6%) for the Tennessee Workers' Compensation Assigned Risk Plan, that became effective March 1, 2019. The approved adjustments shall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

It is so **ORDERED**.

ENTERED this 20 day of November, 2019.

  
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Hodgen Mainda  
Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

  
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