

WCIRB Bulletin

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WCIRB July 1, 2018 Pure Premium Rate Filing

On April 9, 2018, the Workers' Compensation Insurance Rating Bureau of California (WCIRB) submitted a pure premium rate filing to the California Insurance Commissioner (CDI File No. REG-2018-00006). The WCIRB proposes that the pure premium rates reflected in the filing become effective for workers' compensation policies with an effective date on or after July 1, 2018.

The proposed advisory pure premium rates for the 502 standard classifications currently in effect average \$1.80 per \$100 of payroll. This indicated average pure premium rate is 7.2% less than the average of the approved January 1, 2018 advisory pure premium rates of \$1.94 and 19.0% lower than the corresponding industry average filed pure premium rate of \$2.22 as of January 1, 2018. This decrease in advisory pure premium rates reflects downward loss development, continued acceleration in claim settlement, a sharp decline in lien filings following the implementation of Senate Bill No. 1160 and anticipated savings resulting from the new drug formulary.

Pure premium rates, which reflect loss costs including loss adjustment expenses per unit of exposure, are only advisory and insurers are not required to use either the proposed or the approved pure premium rates in establishing the rates it will charge.

The hearing date, location and time will be noted on the WCIRB website following receipt of the signed Notice of Proposed Action and Notice of Public Hearing from the California Department of Insurance.

The complete July 1, 2018 Pure Premium Rate Filing and the Insurance Commissioner's Notice of Proposed Action and Notice of Public Hearing (once it becomes available) may be viewed or downloaded from the Regulatory and Pure Premium Rate Filings section of www.wcirb.com.

Please note that the pure premium rate filing is copyrighted and is the sole property of the WCIRB. Copies of the pure premium rate filing may be made and distributed for the purpose of facilitating the transaction of workers' compensation insurance in California, provided that all copyright and other proprietary notices are kept intact.

Upon receipt of the Commissioner's Decision, the WCIRB will post the Decision on its website and will issue a WCIRB Bulletin notifying members of the approved pure premium rates to assist in preparing individual company rate filings.

