



NCCI 2013 Florida Rate Hearing Financial Analysis

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NCCI 2013 Florida WC Rate Hearing Financial Analysis

- Methodology
 - Models Unchanged
 - DCF
 - CAPM
 - IRR
 - Inputs Updated
 - Value Line Projected Dividend Growth Increased
 - Provision for Share Repurchases Decreased
 - Risk Free Rate Slightly Lower
 - Cost of Capital Slightly Lower
- Financial Markets Largely Unchanged
 - Interest rates at historic lows
 - Stock market remains volatile



Cost of Capital – Overall Result

Cost of Capital (DCF) 11.42%

Cost of Capital (CAPM) 11.26%

Estimated Cost of Capital (DCF & CAPM) 11.34%



NCCI 2013 Florida WC Rate Hearing Financial Analysis – What’s Changed

Florida 2013 Analysis - Vol. – No Dividends							
	2010		2011		2012	Change 2011 to 2012	
Post Tax Yield							
Cost of Capital							
Reserve/Surplus							
Policyholder Dividend							
Profit & Contingency							



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Profit & Contingency	7.36%		8.71%		10.47%	+1.76% up



Thank You for the Opportunity to Share This Information

Questions or Comments?