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44 WEST FLAGLER STREET
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JAMES F. FEE, JR.

TELEPHONE (305) 374-7750
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IRA J. DRUCKMAN
(1930 - 2008)

July 18, 2016

Via FedEx #8592 9599 4784

David Altmaier
Insurance Commissioner
Florida Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, FL 32301

Re: August 16, 2016 hearing to consider NCCI's proposed 19.6% increase in workers' compensation rates

Dear Commissioner Altmaier:

Good afternoon. I write to you as a concerned attorney and small business owner who has been advised that NCCI has proposed a 19.6% rate increase on all Florida Workers' Compensation insurance policies to become effective October 1, 2016. My legal practice specializes in representing businesses and employees in the context of Florida workers' compensation claims, and in this capacity, I have become familiar with the process by which NCCI sets rates to be approved by your office. Based upon my review of the applicable statutes governing the rate make process and a public records request that I have made, it does not appear that NCCI has complied with Florida Law in arriving at the proposed rate increases. Given the effect that this proposed rate increase would have on my own insurance premiums, as well as those of many of my clients, I must respectfully request that the NCCI's recent rate filings be deemed null and void and that the rate making hearing scheduled for August 16, 2016 be cancelled and not rescheduled until such time as NCCI has properly complied with Florida Law.

In my investigation regarding the process by which rates are set in Florida, I have reviewed Florida Statutes 627.091 (6) and 286.011. As you are aware, those statutes state, in pertinent part, the following:

DRUCKMAN & FEE, P.A.

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F.S. 627.091 Rate filings; workers' compensation and employer's liability insurances –

(6) Whenever the committee of a recognized rating organization with responsibility for workers' compensation and employer's liability insurance rates in this state meets in this state to discuss the necessity for, or a request for, Florida rate increases or decreases, the determination of Florida rates, the rates to be requested, and any other matters pertaining specifically and directly to such Florida rates, such meeting shall be held in this state, and shall be subject to s. 286.011. **The committee of such a rating organization shall provide at least three weeks prior notice of such meetings to the office and shall provide at least 14 days prior notice of such meetings to the public by publication in the Florida Administrative Register.**

F.S. 286.011 Public meetings and records; public inspection; criminal and civil penalties.—

(1) All meetings of any board or commission of any state agency or authority or of any agency or authority of any county, municipal corporation, or political subdivision, except as otherwise provided in the Constitution, including meetings with or attended by any person elected to such board or commission, but who has not yet taken office, at which official acts are to be taken **are declared to be public meetings open to the public at all times**, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting. The board or commission must provide reasonable notice of all such meetings.

(2) **The minutes of a meeting of any such board or commission of any such state agency or authority shall be promptly recorded, and such records shall be open to public inspection.** The circuit courts of this state shall have jurisdiction to issue injunctions to enforce the purposes of this section upon application by any citizen of this state.

(3)(a) Any public officer who violates any provision of this section is guilty of a noncriminal infraction, punishable by fine not exceeding \$500.

(b) Any person who is a member of a board or commission or of any state agency or authority of any county, municipal corporation, or political subdivision who knowingly violates the provisions of this section by attending a meeting not held in accordance with the provisions hereof is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(c) Conduct which occurs outside the state which would constitute a knowing violation of this section is a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(4) Whenever an action has been filed against any board or commission of any state agency or authority or any agency or authority of any county, municipal corporation, or political subdivision to enforce the provisions of this section or to invalidate the actions of any such board, commission, agency, or authority, which action was taken

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in violation of this section, and the court determines that the defendant or defendants to such action acted in violation of this section, the court shall assess a reasonable attorney's fee against such agency, and may assess a reasonable attorney's fee against the individual filing such an action if the court finds it was filed in bad faith or was frivolous. Any fees so assessed may be assessed against the individual member or members of such board or commission; provided, that in any case where the board or commission seeks the advice of its attorney and such advice is followed, no such fees shall be assessed against the individual member or members of the board or commission. However, this subsection shall not apply to a state attorney or his or her duly authorized assistants or any officer charged with enforcing the provisions of this section.

(5) Whenever any board or commission of any state agency or authority or any agency or authority of any county, municipal corporation, or political subdivision appeals any court order which has found said board, commission, agency, or authority to have violated this section, and such order is affirmed, the court shall assess a reasonable attorney's fee for the appeal against such board, commission, agency, or authority. Any fees so assessed may be assessed against the individual member or members of such board or commission; provided, that in any case where the board or commission seeks the advice of its attorney and such advice is followed, no such fees shall be assessed against the individual member or members of the board or commission.

(6) All persons subject to subsection (1) are prohibited from holding meetings at any facility or location which discriminates on the basis of sex, age, race, creed, color, origin, or economic status or which operates in such a manner as to unreasonably restrict public access to such a facility.

(7) Whenever any member of any board or commission of any state agency or authority or any agency or authority of any county, municipal corporation, or political subdivision is charged with a violation of this section and is subsequently acquitted, the board or commission is authorized to reimburse said member for any portion of his or her reasonable attorney's fees.

(8) Notwithstanding the provisions of subsection (1), any board or commission of any state agency or authority or any agency or authority of any county, municipal corporation, or political subdivision, and the chief administrative or executive officer of the governmental entity, may meet in private with the entity's attorney to discuss pending litigation to which the entity is presently a party before a court or administrative agency, provided that the following conditions are met:

(a) The entity's attorney shall advise the entity at a public meeting that he or she desires advice concerning the litigation.

(b) The subject matter of the meeting shall be confined to settlement negotiations

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or strategy sessions related to litigation expenditures.

(c) The entire session shall be recorded by a certified court reporter. The reporter shall record the times of commencement and termination of the session, all discussion and proceedings, the names of all persons present at any time, and the names of all persons speaking. No portion of the session shall be off the record. The court reporter's notes shall be fully transcribed and filed with the entity's clerk within a reasonable time after the meeting.

(d) The entity shall give reasonable public notice of the time and date of the attorney-client session and the names of persons who will be attending the session. The session shall commence at an open meeting at which the persons chairing the meeting shall announce the commencement and estimated length of the attorney-client session and the names of the persons attending. At the conclusion of the attorney-client session, the meeting shall be reopened, and the person chairing the meeting shall announce the termination of the session.

(e) The transcript shall be made part of the public record upon conclusion of the litigation.

It is my concern as an aggrieved policyholder, and the representative of employers who are likely to be similarly aggrieved, that prior to the issuance of either its initial 17.1% proposed rate increase, or its current 19.6% proposed rate increase, NCCI failed to comply with the provisions of F.S. 286.011, as it was required specifically to do under F. S. 627.091. More specifically, my position is that NCCI certainly is the recognized rating organization with responsibility for workers' compensation rates in Florida. In that capacity, I see no plausible way for NCCI to deny that prior to the issuance of the above referenced rate increase proposals, a committee of their organization met on one or more occasions to discuss the necessity for these specific rate increases. Any such meetings were to have been held in Florida and subject to the provisions of 286.011. In addition, NCCI's committee was required to provide at least three weeks prior notice of such meetings to your office, and provide at least 14 days prior notice of such meanings to the public by publication in the Florida Administrative Register. I made a public records request from the Florida Administrative Register for all notices of public meetings, pertaining to Florida workers' compensation, NCCI has published in the Florida Administrative Register between 2006 and 2016. I received the documents that are attached to this letter. As you can see, there is no evidence that at any point relevant to this issue did NCCI place notice in the Florida Administrative Register of its intention to have a public meeting

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to discuss its recommendation of a proposed rate increase of either 17.1% or 19.6%. As a result, they failed to comply with their obligations under F.S. 627.091 (6).

Under the pertinent provisions of F.S. 286.011, any such meetings that were held by NCCI to discuss these proposed rate increases were to have been in compliance with the following:

1. The meetings are declared to be public meetings open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting. The board or commission must provide reasonable notice of all such meetings.
2. The minutes of the meeting shall be promptly recorded, and such records shall be open to public inspection. The circuit courts of this state shall have jurisdiction to issue injunctions to enforce the purpose of this section, upon application by any citizen of the state.

It is my belief that the purpose of providing notice in the Florida Administrative Register is to allow interested individuals or entities to attend such meetings, determine the content of information discussed at such meetings so as to better inform themselves, and to be offered the opportunity to express concerns or opinions regarding the content of the items discussed at such meetings. In this particular case, if NCCI had issued, as we believe it was required to, notification of a public hearing to discuss their intention to raise rates by 17.1%/19.6%, I, as a potentially aggrieved policyholder, would have been afforded the opportunity to attend such meetings. My attendance would have allowed me to better understand the data and methodology relied upon by NCCI for formulating their proposed rate increases, and to express concerns or questions as to that data/methodology. As it stands now, a rate hearing is being scheduled before your office in less than five weeks, yet I have been provided with no opportunity to obtain insight into this process. I firmly believe NCCI has failed to comply with its legal obligations under these statutes, and their failure to comply leads to the strong possibility that I, as policyholder, and many of my clients as policyholders, will be detrimentally and irrevocably affected by any rate increase that emerges from the 8/16/16 meeting.

I request that you investigate my contention that NCCI has failed in its obligations under these two particular statutory provisions by failing to properly place notification in the Florida Administrative Register of meetings that it undoubtedly

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participated in during the weeks and months prior to the issuance of its 17.1%/19.6% rate increases. Should you conclude that my concerns have been accurately and validly raised, I specifically request that you postpone the presently scheduled August 16, 2016 hearing on NCCI's requested rate increase until such time as NCCI has properly complied with their obligations under the statutory sections cited herein.

If I can be of any additional assistance in this process, or if you have any questions you wish to discuss with me, please do not hesitate to contact me at (305) 374-7750.

Sincerely,

James F. Fee, Esq.

JFF:mdf

Enclosures: Public Records Request

Seymour, Debra

From: Brangaccio, Anoush
Sent: Thursday, July 14, 2016 3:59 PM
To: Powell, Rob
Cc: ServicePoint; Fredrickson, Steve
Subject: RE: 191880-16 2016 Castellanos Workers Compensation Rate Filing;Hearing Officer: [SR#:1-873930283]

Thank you.

Anoush Arakalian Brangaccio
General Counsel
Office of Insurance Regulation
200 East Gaines Street
Suite 645A-3, Larson Building
Tallahassee, FL 32399-4206
Phone: (850) 413-4116
Fax: (850) 922-2543
Anoush.Brangaccio@flor.com
www.flor.com

From: Powell, Rob
Sent: Thursday, July 14, 2016 2:32 PM
To: Brangaccio, Anoush <Anoush.Brangaccio@flor.com>
Cc: ServicePoint <ServicePoint@myfloridacfo.com>
Subject: [SR#:1-873930283]

Mr. Brangaccio:

I was asked to forward to you the email below received by Consumer Services. Thank you.

Rob Powell
Insurance Specialist III
Department of Financial Services
Division of Consumer Services
200 East Gaines Street
Tallahassee, FL 32399-0322
850-413-5884
<http://www.myfloridacfo.com/>

From: Laurie Lane [<mailto:llane@bbinsfl.com>]
Sent: Friday, July 08, 2016 11:30 AM
To: Consumer Services
Subject: Pending hearing about WC rate increases

Good morning,

I wanted to take a moment to weigh in on the pending rate increase as recommended by NCCI.

As I work here in Miami-Dade County, I see first-hand the lawsuits (mostly frivolous) by injured (typically only slightly) employees that want a free ride while not returning to work. I understand the impact on insurance carriers with these most recent events however, with that said, an increase such as 19.6% could put some businesses out of business.

Not only will they see a huge increase, it will come at mid-term when they are ill prepared for it, and not with their annual renewal when things are typically expected to change.

Just to name a few classes of business that would be so impacted would be a (1) contractor that is in the midst of jobs where their costs have been pre-determined using current rates, will lose a lot on a job where they may not have a large margin to begin with, and (2) A not for profit has annual funding and a tight budget to work within, where is their money going to come from to absorb this.

This is going to have a devastating effect on many businesses as well as their customers and I urge this to be a consideration for the state before decisions are made.

Best Regards,

Laurie M. Lane, AAI, CRIS, MLIS, AFIS

Account Executive – Brown & Brown of Florida, Homestead Division / T. R. Jones & Co.

Direct Phone: (305) 246-7507 / Direct Fax: (305) 246-7508 / Mobile Phone (305) 951-0233

Email: LLane@BBHomestead.com / LLane@BBInsFL.com // www.TRJones.com

1780 N. Krome Avenue, Homestead, Fl. 33030 – **Main Phone (305) 247-5121 x 4107**



P.O. Box 749 * Tallahassee, FL 32302-0749 * TEL: 850.386.6668 * Fax: 850.386.7371

August 8, 2016

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulations
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: August 16, 2016 Rate Hearing

Dear Commissioner Altmaier:

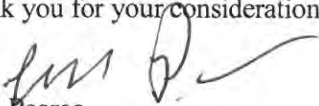
The Florida Insurance Council (FIC) and its member companies submit this letter to the OIR for its consideration as a part of the workers' compensation rate hearing scheduled for August 16, 2016.

Since the passage of Senate Bill 50A, the State of Florida has enjoyed a reduction of 60% in workers' compensation premiums. This reduction has allowed businesses to prosper and has promoted an increase in availability and affordability of workers' compensation insurance products in the State of Florida. The Florida Supreme Court's decision in the case of *Marvin Castellanos v. Next Door Company (Castellanos)* and in the case of *Bradley Westphal v. City of St. Petersburg* will drastically and negatively impact the gains made by Senate Bill 50A and subsequent legislative changes. While the National Council on Compensation Insurance (NCCI) proposed a rate increase of 19.6% (+15% per the *Castellanos* decision and +2.2% per the *Westphal decision*) it is important to note that this increase does not account for the negative retroactive impact of these decisions.

The largest threat to the recovery of our workers' compensation market is the amount of unfunded liability that must be absorbed by our member companies. Premiums collected on expired and in force policies will not be reflective of additional costs to the system due to Florida's prospective ratemaking process. The risk associated with the uncertainty of the unfunded liability may undo all of the cost containment reforms that have made Florida's workers' compensation system a competitive and effective environment where companies want to do business. As we experienced after the *Emma Murray* decision, this filing is necessary to mitigate the impact that increased litigation will have on the workers' compensation system. The *Emma Murray* decision and resulting increased litigation is proof that Florida businesses were exposed to new risk and uncertainty as a result of the unfunded liability.

FIC requests that the Florida Office of Insurance Regulation (OIR) give careful consideration to NCCI's recommendation in light of the recent Supreme Court decisions and the negative impact that increased litigation will have on Florida's insurance market. In addition, FIC encourages the OIR to approve the +19.6% rate proposed by NCCI, as filed, and not delay the 10/1/2016 effective date any further than requested as the unfunded liability will continue to grow causing further harm to insurers.

Thank you for your consideration,


Cecil Pearce
Florida Insurance Council

**FRSA PRESIDENT GEORGE EBERSOLD
WORKERS' COMPENSATION SPECIAL RATE HEARING
FOR THE RATE CHANGES DUE TO THE SUPREME COURT
CASTELLANOS AND WESTPHAL DECISIONS**

August 16, 2016 – Tallahassee, FL

Good morning Commissioner Altmaier, ladies and gentlemen. My name is George Ebersold. I am the current President of the Florida Roofing and Sheet Metal Contractors Association – the FRSA – an association of employers that has been in existence for 94 years. We always appreciate the opportunity that is given to us to speak each year, and I am pleased to be here representing the Associations' membership.

FRSA is also the sponsoring organization of the FRSA Self Insurers Fund which has provided stable and affordable workers' compensation insurance for the FRSA Membership for over 60 years.

First, we would like to congratulate you on your new post as Insurance Commissioner. I guess you could say there's nothing like getting adverse Supreme Court decisions to get you thrown to the wolves right when you've just started your new job! We know you will handle it well!

We would also like to take this opportunity to thank CFO Atwater, thank you and all DFS staff for all the great work done by the Division of Workers' Compensation, the Compliance Division, and the Fraud Division. We support all efforts in making sure Florida's employers and employees are properly covered.

We are not speaking specifically in opposition to the NCCI's rate filing, because who really knows how high the rates might ultimately go, or what they should be today because of these rulings. Instead I'd like to explain our concerns on what we fear will ultimately result from these adverse Supreme Court decisions.

I have provided a few graphs that will illustrate our concerns. If you look at the first graph you will see that we were paying a rate for roofing of \$53 in 2003 before the workers' compensation reforms. You will then see that the rates dropped dramatically over the next several years to around \$18 and remained very stable at about 65% less than what we had been paying. We had a stable marketplace and it was beneficial to our businesses, especially during the great recession.

Now we are looking at about a 19.6% first year increase, and we fear that will be just the beginning. I would also like to point out that if we ultimately go back to the

days of \$53 roofing rates, that would be a 200% increase over what we are paying today! To give you an idea on how much we are talking about per employee, for an employee earning \$40,000 in 2003 we paid \$21,500 in premium. Today that premium is \$7,400. That cost will go up \$1,500 per employee to \$8,900 based on this filing. We will be required to pass along some of that expense to the consumer, but it will also mean that we hire fewer employees in the future.

We are very concerned that as rates go up, cheaters and fraudsters will flock to the PEO industry where they can hide their illegal activities under their PEO policies. PEO's also expose Florida employees to the possibility of having legitimate workers' compensation claims denied, true lack of due process that the Supreme Court was so concerned about, and we think the lesser standards that apply to PEO's allowing this deplorable action must be addressed to prevent further damage to the workers' comp system.

In conclusion, we appreciate the expertise held by you and your staff and we feel like we are not telling you anything you do not already know. I guess our comments may have been more beneficial if shared with the Supreme Court Justices before their decisions so negatively impacted a law that had operated very efficiently for over 13 years. Instead, we hope that the Legislature will listen and act to correct

these injustices, and get us back to a stable and affordable Workers' Compensation marketplace.

FRSA has always played an active role in developing and supporting positive legislation to make and keep Florida's SELF EXECUTING workers' compensation strong for employers and employees. We will support any smart legislation filed to get these problems fixed to protect Florida employers and their employees.

Again Commissioner Altmaier, on behalf of the FRSA Membership, we thank you for this opportunity to speak at this hearing!

From: [Jacalyn N. Kolk](#)
To: [Rate Hearings](#)
Subject: NCCI - Public Rate Hearing
Date: Wednesday, August 17, 2016 10:52:11 AM

To Whom It May Concern:

The increases proposed for workers' compensation are extreme. Would it be better to require everyone to have health insurance and totally eliminate workers' compensation insurance? The insurance companies seem to just pay claims and charge employers without determining if the employer has any responsibility for the medical condition. We are dissatisfied with the system!

Very truly yours,
Jacalyn N. Kolk
Manager/Member

King's Bay Construction, LLC
2636 East Avenue North
Panama City, FL 32405
Phone: (850) 624-9762



August 15, 2016

Mrs. Cyndi Cooper, Actuary
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0329

RE: NCCI Florida Workers Compensation Rate Filing Effective 10/1/2016

Dear Mrs. Cooper:

On behalf of Bridgefield Employers, Bridgefield Casualty, RetailFirst and BusinessFirst Insurance Companies, we would like to provide information on the record to the Office of Insurance Regulation in regards to the above captioned rate filing.

In an effort not to duplicate comments already pre-filed by NCCI and those that will be discussed during the rate hearing, we are focusing our comments on information that is not explicitly included in NCCI's filing as well as provide data subsequent to the April 28th Florida Supreme Court decision in *Marvin Castellanos v Next Door Company, et al.* Below are metrics we have been monitoring since the decision:

Percentage of Lost-Time Claims with Representation – this metric shows the timing of when we are notified that a claimant is represented. During the time period between 7/1/2009 and the Castellanos decision, 8.4% of lost-time claims were represented at the first quarterly valuation point. The second quarter of 2016 shows 15.1% at the same age. Earlier involvement of claimant attorneys will drive up the average cost of a claim, one of which is defense costs.

Percentage of Lost-Time Claims with Defense Attorney Payment – this metric shows the timing of the first defense attorney payment made on a lost-time claim. During the time period between 7/1/2009 and the Castellanos decision, 1.1% of lost-time claims have at least one defense attorney payment at the first quarterly valuation point. The second accident quarter of 2016 shows 7.2% at the same age.

Average Settlement – roughly half of our lost-time claims in Florida utilize a settlement in one way or another. Settlements have always been a valued tool for all parties to resolve a claim. We looked at the average settlement value over the past year and a half. Settlements

subsequent to the Castellanos decision shows to be 6.9% higher than year-to-date settlements through April; and are 11.2% higher than all of 2015.

Average Claimant Attorney Fees – since the Castellanos decision, the average claimant attorney fee shows 28.4% higher than the average fee paid through year-to-date April; and is 10.5% higher than the average fee paid in all of 2015.

Petition for Benefits – since the Castellanos decision, the average monthly number of petition for benefits is 73% higher than the average through year-to-date April; and 65% higher than all of 2015.

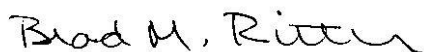
Depositions – based on feedback from our Florida adjustors, the number of scheduled depositions subsequent to the Castellanos decision has significantly increased. We estimate that there has already been a 25-40% increase in scheduled depositions.

In addition to the above noted increase in activity related to litigated claims, there has been a concerning trend in the average cost of claims that has not yet influenced NCCI's rate making in Florida. The latest experience point available in NCCI's most recent experience filing (1/1/2016) is policy year 2013. Per NCCI's 2015 Florida State Advisory Forum, slide 63 shows accident year 2014 is 7.3% higher than policy year 2013. Since this change is in excess of wage growth, the medical severity increase is around a double digit change. Our data is consistent with this, and we believe the adverse trend is continuing in 2015 and 2016.

The primary contributor to these large medical changes is hospital costs. These increases are in spite of two medical fee changes in which NCCI priced to reduce overall medical cost. Although NCCI estimated the cost reductions per the fee schedule changes, they did not anticipate the behavioral changes that are occurring and have more than offset the lowered service costs.

These issues are of great concern to all involved stakeholders and could potentially impact the stability of the Florida marketplace. We thank you for your consideration in this matter and are available to discuss upon your request.

Sincerely,



Brad M. Ritter, FCAS, MAAA
Senior Vice President and Chief Actuary



Greg Talbot, FCAS, MAAA
Asst Vice President, Actuarial

cc: Chris Bailey, NCCI

FLORIDA OFFICE OF
INSURANCE REGULATION



SPEAKER SIGN IN SHEET

National Council on Compensation Insurance, Inc.
Public Rate Hearing

Date/Time: Tuesday, August 16, 2016 @ 9:00 a.m.

Location: 412 Knott Building
404 South Monroe Street
The Capitol Complex
Tallahassee, FL 32399

Name: Carol Roberts Pius/CEO

County of Residence: Bay

Organization/ Affiliation (if applicable): Bay County Chamber of Commerce

Do you wish to provide oral testimony during the public hearing or do you wish to submit written testimony (below)? Oral _____ Written

Comments: Each community in the State of Florida struggles to create jobs. Economic development and community development is difficult due to the lack of adequate funding of Enterprise Florida by the state and the close proximity to states that have deep pockets in providing incentives. Now with the proposed increase of Workers Comp, our jobs in competing with those states will be even more difficult. Our community and the entire state is headed in the right direction and are finally seeing a positive economic change. I urge you to reject this rate increase and allow Florida to remain competitive. In addition, our existing businesses and industries will be forced to reduce their workforces to make up the difference. We need to allow our businesses to grow, not force them out of our citizens. Please do your part to grow and develop our beautiful state. CR

From: [Ed Cannatelli](#)
To: [Rate Hearings](#)
Subject: Ruling
Date: Wednesday, August 17, 2016 3:35:33 PM

I am not sure, with all the recent increases in overhead, how a small or mid size construction company can stay in business. This increase in workers compensation will surely put some of us over the edge.

*Ed Cannatelli
Cannatelli Builders Inc.
2101 NW 33 St.
Suite 2800A
Pompano Beach FL 33069
Phone: 954-977-2775
Fax: 955-977-2795*

Sent from my Verizon Wireless 4G LTE Droid



American Insurance Association
State Affairs - Southeast Region

cc-SS
cc
BU

2107 N. Decatur Road
Suite 257
Decatur, GA 30033
404.261.6024
Fax: 202.495.7838
www.aiaacc.org

RECEIVED
AUG 16 2016
Commissioner
Office of Insurance Regulation

August 12, 2016

VIA ELECTRONIC & U.S. MAIL

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

RE: August 16, 2016 Public Rate Hearing, Case No. 191880-16

Dear Commissioner Altmaier:

I am writing regarding the above-referenced matter on behalf of the American Insurance Association, the leading property-casualty insurance trade association whose members write all types of property - casualty insurance, including almost 40% of the workers' compensation market in Florida.

As has been widely noted, the State of Florida has enjoyed a 60% reduction in workers' compensation premiums following the enactment of Senate Bill 50A in 2003. As a result, Florida businesses have thrived in no small part due to the increased availability and affordability of workers' compensation insurance in the state. Unfortunately, the Florida Supreme Court's recent decision in *Marvin Castellanos v. Next Door Company* ("Castellanos") invalidating the statutory attorneys' fee schedule and its decision in *Bradley Westphal v. City of St. Petersburg* (eliminating the cap on TTD benefits) could reverse those gains and severely affect the Florida market. While the National Council on Compensation Insurance ("NCCI") has proposed an overall rate increase of 19.6% (+15% for the first year impact of *Castellanos* & +2.2% for *Westphal*), this of course does not account for the negative retroactive impact of the *Castellanos* and *Westphal* decisions.

Commissioner David Altmaier
Case No. 191880-16
August 12, 2016

NCCI has estimated that the combined total statewide unfunded liabilities resulting from the Florida Supreme Court's decisions could exceed \$1 billion. Of course, paid premiums and reserves do not reflect this increased exposure leaving our member companies, other insurers and Florida's self-insured businesses to absorb any additional costs incurred in the workers' compensation system. This unfunded liability, along with increased litigation costs could well lead to another workers' compensation insurance crisis in Florida.

AIA strongly recommends that the Office consider not just the impact of higher attorneys' fees, but also the increases in lost wages and medical costs brought about by increased attorney involvement and the resulting behavioral changes within the claims paying system. In short, AIA shares the concern that given the ultimate 60% decrease in rates following the prior reforms, NCCI may have underestimated the initial (and eventual) impact of the Florida Supreme Court's decisions.

AIA encourages the OIR to approve at a minimum the +19.6% rate proposed by NCCI. We also urge approval of the proposed October 1, 2016 effective date so as to avoid any further growth of the unfunded liabilities which would only further harm the Florida workers' compensation market.

Sincerely,



Ron Jackson
Vice President, State Affairs

From: [Steve Henderson](#)
To: cjohnson@flchamber.com
Cc: [Rate Hearings](#)
Subject: Workers" Comp Public Rate Hearing- NEFEC
Date: Tuesday, August 09, 2016 11:39:34 AM

Lawyers run for public office. "We the people" vote candidate into positions of public service, responsibility and power. Then "they" (lawyers) make law! How is that working?

The Florida Chamber of Commerce and its Workers' Compensation Task Force will testify on Tuesday, August 16, before the Office of Insurance Regulation (OIR) on behalf of businesses across Florida specific to two recent Florida Supreme Court rulings that will drive significant increases in Workers' Compensation rates.

The OIR will accept comments until 5:00 p.m. Tuesday, August 23, 2016 state regulators @ RateHearings@flor.com

Accordingly, I offer:

Comment: Adverse financial expense consequences will be certain for all of Florida's Self Insured Governmental entities and all State, County, City, and School Districts. Our NEFEC Member school districts, as well as Tri-Consortium members PACE and HEC, will certainly experience increased expense pressures taking a larger share of the limited classroom dollars due to the recent law changes.

Comment: The State of Florida, with approximately 200,000 employees experience approximately 15,000 Notice of Injuries per year and is a self-insured employer that has a STAGGERING workers' comp unfunded liability. A taxpayer liability that because of these laws will increase tax burden to everyone in Florida. As has been historical past practice, (worst practice example) at year-end the Legislature chooses to simply "write off" the expenses with a budget adjustment!

Interesting that apparently our state government is allowed to "pay as you go", an option Not provided to other self-insured Public Tax Dollar funded entities, to include NEFEC. Nor should it be!

Comment: Clearly a double whammy that hurts both educational entities as well as Florida corporate business owners. Less money for the classrooms, and likely limiting wage increases and the number of new employees hired by corporate and private entities.

Comment: As it was prior to 2003, Florida once again will be.

Best Regards,

Steve Henderson
Director of Risk Management Services
North East Florida Educational Consortium
3841 Reid Street
Palatka, FL 32177

(386) 329-3800

hendersons@nefec.org

Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

From: [Ana Trinqué](#)
To: [Rate Hearings](#)
Subject: Workers Comp Rate Increase
Date: Monday, August 08, 2016 4:38:58 PM
Importance: High

Dear Committee;

I was just informed of the possibility that you may be considering increasing workers comp by as much as 19.6%!! As a business owner, this to me sounds quite exorbitant and a burden to business. I thought Florida was trying to attract more business and make it easier for businesses to expand and grow here in FLORIDA?? Increasing workers comp to this amount would be a hindrance not a help. Please reconsider and keep FL a place to conduct business and make it business friendly.

Thank You.

Best Regards,
Ana Trinqué
Home Vizions Realty
2931 Landover Blvd
Spring Hill, FL 34608
352-684-1234

Seymour, Debra

From: Barbara Petersen <Sunshine@floridafaf.org>
Sent: Tuesday, August 23, 2016 5:01 PM
To: Rate Hearings
Subject: Response to the NCCI workers comp rate increase proposal

We are writing to express our concerns regarding the process used by the National Conference on Compensation Insurance (NCCI) in determining the proposed rate hike for workers compensation insurance for the state of Florida.

Of particular concern is the lack of oversight and transparency in that process by NCCI. Section 627.091, F.S., governs proposed workers compensation rate hikes; according to the statutory scheme, records and meetings relating to determining and proposing rate hikes is subject to Florida's open government laws. Specifically, s. 627.091(3) stipulates that all filings and any supporting information is subject to disclosure under ch. 119, Florida's public records law. Section 627.091(6), F.S., requires that committee meetings "of a recognized rating organization with responsibility for workers' compensation and employer's liability insurance rates in this state" at which proposed rate hikes are discussed must be held in compliance with s. 286.011, Florida's sunshine law.

It is my understanding that NCCI, in proposing the current rate hike, did not comply with the requirements of s. 627.091. NCCI has unlawfully denied at least one public record request for "supporting information" relating to its filing and claims that s. 627.091(6) does not apply because NCCI does not have a "committee" which meets to determine proposed changes to workers compensation rates. This claim shows a complete lack of understanding of the breadth and scope of Florida's sunshine law, and may well constitute a violation of s. 286.011.

The purpose of s. 627.091 is to provide the public with an opportunity for oversight and accountability, the cornerstones of Florida's open government laws. Florida's courts have repeatedly held that our right of access to the records and meetings of our government, as well as the records and meetings of those acting on behalf of government, is to be broadly construed. By denying its legal responsibility to act in the Sunshine in proposing a significant rate hike for workers compensation, NCCI has acted contrary to the Legislature's intent. We ask the OIR to deny the proposed rate increase and require NCCI to start the process anew – this time, in full compliance with Florida's open government laws.

Sincerely,



Barbara A. Petersen, President
First Amendment Foundation
317 East Park Avenue
Tallahassee, FL 32301
800.337.3518



*The First Amendment Foundation is a donor & member-supported nonprofit organization and **we need your support.** To become a member or make a tax-deductible donation, go to www.floridafaf.org.*

A proud member of Florida's Sunshine Coalition!

THE OFFICE OF INSURANCE REGULATION
National Council on Compensation Insurance (NCCI) Public Rate Hearing
August 16, 2016

Actuarial Expert Supplemental Testimony

Prepared by: Stephen A. Alexander, FCAS, FSA, MAAA

August 23, 2016

A handwritten signature in cursive script that reads "A. Alexander". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

Stephen A. Alexander, FCAS, FSA, MAAA

My name is Stephen A. Alexander representing the Florida Workers Advocates. I am a Fellow of both the Casualty Actuarial Society and the Society of Actuaries and am a member of the American Academy of Actuaries. I was employed by Office of the Insurance Consumer Advocate for 9 years until August of 2015 during which time I reviewed all the NCCI annual rate filings and most of the law amendment rate filings.

I have been recognized as an actuarial expert witness at rate hearings in Florida, Georgia, California, Texas and New Jersey. My resume is attached to my pre-filed testimony. At this time I ask that I be recognized as an actuarial expert witness.

In my opinion, the NCCI's proposed 15% rate increase for Castellanos is misleading and deceptive, because it is based on the false premise that you can separate the effect of the attorney fee reform from all of the other 2003 reforms.

The approximate 60% reduction in rates since the 2003 reforms breaks down this way:

- 35% would have happened anyway without the reforms - that leaves 25% (60% - 35%) as the net effect of the reforms.
- There were multiple reforms that occurred in 2003. If you go to the DFS website you will find a 17 page summary of all the SB50A reforms.
- How do you separate the effect of any one of those reforms?
- The short answer is you can't. They are so closely intertwined that there is no actuarially sound way to separate the effect of the attorney fee schedule from all of the other reforms.
- So how did the NCCI come up with the 15% reduction in rates due to attorney fees, which now needs to be reversed as a 15% rate increase?
- They assumed that their initial estimate of 10% for all of the other reforms, which they made back in 2003 was correct, and the only estimate that was incorrect was the 2% for attorney fee reform. That's what Mr. Rosen means by holding the cost of all the other reforms constant. So they reduced 25% by 10% leaving 15% as the impact of attorney fees.
- Using the NCCI's logic you could just as easily assume that its initial 2% estimate for attorney fee reform was correct, and get 23% (25% less 2%) as the impact of all the other reforms.

Therefore, in my opinion the NCCI's 15% estimated rate increase for Castellanos is not actuarially sound and is misleading and deceptive.

Next, I would like to compliment Ms Cooper for asking the NCCI some very insightful and comprehensive questions, particularly her questions related to Emma Murray. There was an eight month period after the Murray decision from November of 2008 thru June of 2009 in which reasonable attorney fees were reinstated.

Ms Cooper asked for an analysis of this time period, but was stonewalled by the NCCI citing anecdotal evidence that attorneys took a "wait and see" attitude and did not reengage in workers' comp litigation, because the legislature could easily remove the word "reasonable" from the statute. However, the NCCI has not provided any of the anecdotal evidence on which it relied upon to dismiss Ms Coopers request. Ms Lovgren mentioned some surveys, but no numbers or facts have been produced beyond her oral testimony today.

Now, as of just yesterday, we have in the rate filing anecdotal evidence submitted by Bridgefield Employers that attorneys are reengaging in workers comp litigation after the Castellanos decision in April of this year.

However, we still do not have any hard anecdotal evidence submitted by the NCCI or Bridgefield or any other insurer for the 8 month period after the Emma Murray decision proving that attorneys did not reengage in workers comp litigation.

Therefore, in my opinion, it is essential that we get a full and complete disclosure (including anecdotal information) before and after the 8 month period of reasonable attorney fees resulting from the Murray decision. This time period is more recent and is not confounded by other reforms as is the time period before and after the 2003 reforms.

Also, in my opinion the NCCI should provide all its worksheets and analyses in support of its 2.0% initial 2003 estimate of the impact of the attorney fee schedule. Furthermore, the NCCI should explain which of its assumptions were incorrect and why they were incorrect.

Given the lack of transparency in this process related to *Castellanos*, I see no need to rush to judgment, and it is my opinion that the OIR should not approve any increase in rates related to *Castellanos* until a full and complete disclosure has been made as I have outlined in my pre-filed testimony and data request for the Murray impacted 2007 through 2011 years.

Moreover, as I outlined in my pre-filed testimony, the OIR should encourage individual insurers to file deviations from NCCI approved rates based upon their independent evaluations of the impact of *Castellanos*. Currently, to my knowledge, Florida is the only state in the country in which all insurers, almost without exception, charge the same NCCI determined rates. Commissioner, you can reduce the impact of this decision by requiring insurance companies for the first time in many years to compete on price.

If the OIR feels compelled to approve some rate increase at this time to account for all three components of the overall 19.6% rate increase, it would be reasonable in my opinion to approve no more than a 5.7% rate increase to account for all aspects of the proposed rate increase, i.e. 2.0% for the impact of the Florida Supreme Court's decision in *Castellanos* based upon the NCCI's initial estimate, 1.8% to account for the Florida Supreme Court's decision in *Westphal* as detailed in my pre-filed testimony and 1.8% to update the Florida Worker's Compensation Health Care Provider Reimbursement Manual.

In response to the NCCI's \$1 billion unfunded liability, I estimate that insurers made excess profits of \$1.8 billion over the last 10 years, which is more than enough to fund the estimated \$1 billion in unfunded liability. Please see my pre-filed testimony for the calculation of the \$1.8 billion.

Finally, I would like to respond to Mr. Rosen's comment that you cannot use the 8-month period of reasonable fees, because the preceding time period was a mix of reasonable and scheduled attorney fees. I agree that the pre Murray period was a mix of the two different types of attorney fees. However, the post Murray period was a return to only scheduled fees. Therefore, the NCCI could have compared the 8 month Murray period to the following years to measure the effect of a change from reasonable to scheduled fees. That concludes my testimony.

Florida versus Countrywide
Excess Profit Before Federal Income Taxes
Workers Compensation Insurance
2006 - 2015

	Countrywide					Florida					Excess Profits Before Federal Income Taxes	
	Net Underwriting Profit	Net Investment Income from Insurance Transactions	Net Investment Income from Capital and Surplus	Net Profit Before Federal Income Taxes	Net Profit	Net Underwriting Profit	Net Investment Income from Insurance Transactions	Net Investment Income from Capital and Surplus	Net Profit Before Federal Income Taxes	Net Profit		
2006	-3.1%	12.2%	5.6%	14.8%		10.2%	12.2%	5.6%	28.0%	13.2%	\$3,671,760	\$486,057
2007	1.2%	12.5%	7.1%	20.8%		8.9%	12.5%	7.1%	28.6%	7.8%	3,053,555	\$237,109
2008	-3.9%	15.2%	9.5%	20.8%		3.6%	15.2%	9.5%	28.3%	7.4%	2,366,927	\$176,111
2009	-4.5%	11.8%	6.8%	14.1%		-4.9%	11.8%	6.8%	13.7%	-0.4%	1,785,350	-\$7,099
2010	-10.0%	15.8%	9.2%	15.0%		-15.9%	15.8%	9.2%	9.1%	-5.9%	1,516,873	-\$88,994
2011	-18.9%	23.0%	11.8%	16.0%		11.2%	23.0%	11.8%	46.1%	30.1%	1,667,157	\$501,429
2012	-17.9%	17.6%	10.9%	10.6%		-4.6%	17.6%	10.9%	23.9%	13.3%	1,878,354	\$250,391
2013	-11.3%	17.2%	11.0%	16.9%		5.2%	17.2%	11.0%	33.4%	16.4%	2,143,705	\$352,306
2014	-2.4%	13.4%	9.5%	20.4%		-2.1%	13.4%	9.5%	20.7%	0.3%	2,415,935	\$7,019
2015	3.6%	12.7%	8.5%	24.8%		0.4%	12.7%	8.5%	21.6%	-3.2%	2,577,490	-\$81,721
Total	-6.0%	14.8%	8.8%	17.7%		2.5%	14.6%	8.6%	25.8%	8.0%	\$23,077,106	\$1,856,253

Notes:

Data sources are the state pages of the statutory annual statements and insurance expense exhibits. Includes all sources of net profit as percentage of net earned premium. Net underwriting profits for Florida estimated based upon Florida direct experience and countrywide direct and net experience. Investment income percentages for Florida assumed to be equal to countrywide percentages. Since Florida underwriting profits averaged 8.5% more than countrywide, the assumption that Florida net investment income from insurance transactions equals countrywide likely understates this source of Florida income. Direct excess profit rate assumed equal to net profit rate.

Estimated Florida Net Profit Before Federal Income Taxes

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Net premiums written	Net premiums earned	Net dividends to policyholders	Net incurred loss	Net def & cost contin exp incur	Net adjust & other exps incur	Net commiss & broker exp incur	Net taxes license & fees incur	Net of acqfid sup&cool exp incur	Net general expenses incurred	Net other income less oth exps	Net p-tax pro/lo excl inv gain	Net inv gain insurance transac	Net pro/lo excl inv cap & surp	Net inv gain attr to cap & surp	Net total profit or loss
2015	2,199,267	2,163,193	65,860	1,196,004	157,494	149,325	176,484	93,695	142,245	151,868	(11,317)	8,302	273,771	282,673	182,794	465,467
2014	2,096,516	2,031,066	66,179	1,114,849	172,345	145,064	154,246	91,312	134,622	156,669	(9,402)	(43,622)	271,598	227,977	192,636	420,612
2013	1,896,222	1,840,718	58,763	913,908	122,113	131,594	133,705	85,666	119,584	169,914	(10,447)	95,023	315,830	410,853	203,367	614,220
2012	1,670,506	1,624,137	58,421	901,254	122,468	168,125	121,209	75,115	113,936	137,022	(700)	(74,114)	285,113	210,998	171,151	388,150
2011	1,499,386	1,455,229	71,107	567,797	91,295	134,384	104,507	64,870	110,387	126,091	(21,766)	163,024	335,417	498,441	171,972	670,413
2010	1,277,637	1,333,290	38,928	927,303	114,215	123,159	87,686	61,918	79,691	100,417	(11,461)	(211,488)	210,739	(749)	122,273	121,524
2009	1,492,125	1,598,887	137,637	833,716	140,836	130,343	105,151	90,525	106,223	119,717	(13,251)	(78,512)	188,896	110,384	108,721	219,105
2008	1,987,517	2,084,468	146,690	927,989	236,846	165,875	159,532	86,816	127,285	149,184	(9,538)	74,734	316,404	391,138	196,302	589,440
2007	2,718,453	2,724,640	108,249	1,300,261	178,587	206,505	202,063	150,188	152,106	168,401	(14,976)	243,303	340,321	583,624	194,458	778,082
2006	3,220,477	3,232,419	114,504	1,491,608	254,792	249,643	213,478	222,877	169,200	184,667	(2,686)	328,964	395,320	724,284	180,532	904,816
Total	20,058,105	20,078,067	866,338	10,174,689	1,590,991	1,604,019	1,458,062	1,022,981	1,255,280	1,463,950	(135,543)	506,214	2,933,408	3,439,623	1,732,205	5,171,828
2015		100.0%	3.1%	55.5%	7.3%	6.9%	8.2%	4.4%	6.6%	7.1%	-0.5%	0.4%	12.7%	13.1%	8.5%	21.6%
2014		100.0%	3.3%	54.9%	8.5%	7.1%	7.6%	4.5%	6.6%	7.7%	-1.9%	-2.1%	13.4%	11.2%	9.5%	20.7%
2013		100.0%	3.2%	49.6%	6.6%	7.1%	7.3%	4.7%	6.5%	9.2%	-0.6%	5.2%	17.2%	22.3%	11.0%	33.4%
2012		100.0%	3.6%	55.5%	7.5%	10.4%	7.5%	4.6%	7.0%	8.4%	0.0%	-4.6%	17.6%	23.0%	10.9%	23.9%
2011		100.0%	4.9%	39.0%	6.3%	9.2%	7.2%	4.5%	7.6%	8.7%	-1.5%	11.2%	23.0%	34.3%	11.8%	46.1%
2010		100.0%	2.9%	69.5%	8.6%	9.2%	6.6%	4.6%	6.0%	7.5%	-0.9%	-15.9%	15.8%	-0.1%	9.2%	9.1%
2009		100.0%	8.6%	52.1%	8.8%	8.2%	6.6%	5.7%	6.6%	7.5%	-0.8%	-4.9%	11.8%	6.9%	6.8%	13.7%
2008		100.0%	7.0%	44.5%	11.4%	8.0%	7.7%	4.2%	6.1%	7.2%	-0.5%	3.6%	15.2%	18.8%	9.5%	28.3%
2007		100.0%	4.0%	47.7%	6.6%	7.6%	7.4%	5.5%	5.6%	6.2%	-0.5%	8.9%	12.5%	21.4%	7.1%	28.6%
2006		100.0%	3.5%	46.1%	7.9%	7.7%	6.6%	6.9%	5.2%	5.7%	-0.1%	10.2%	12.2%	22.4%	5.6%	28.0%
Total		100.0%	4.3%	50.7%	7.9%	8.0%	7.3%	5.1%	6.3%	7.3%	-0.7%	2.5%	14.6%	17.1%	8.6%	25.8%

Notes:

Sources are AM Best Statutory Annual Statement and Insurance Expense Exhibit data.

(1) -

(11) &

(13)

(Countrywide Net / Countrywide Direct) x Florida Direct

Estimated Florida Direct Profit Excluding Investment Gain

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Dir premiums written	Dir premiums earned	Dir dividends to policyholders	Dir incurred loss	Dir del & cost contm exp incur	Dir adjust & other exps incur	Dir commiss & broker exp incur	Dir taxes license & fees incur	Dir ot ac fid sup&col exp incur	Dir general expenses incurred	Dir other income less oth exps	Dir p-tax pro/lo excl inv gain
2015	2,629,129	2,577,490	65,921	1,486,819	194,787	154,328	254,252	106,393	138,603	150,582	(21,286)	4,519
2014	2,499,630	2,415,935	65,029	1,335,939	201,520	144,796	230,951	100,835	131,056	148,845	(21,701)	35,263
2013	2,217,535	2,143,705	59,639	1,068,714	136,229	131,051	190,187	99,462	114,592	162,713	(18,810)	162,307
2012	1,931,907	1,878,354	58,190	1,013,808	132,092	166,258	172,709	84,782	105,927	136,605	(29,404)	(26,634)
2011	1,715,742	1,667,157	70,976	664,080	112,455	140,216	154,622	69,269	105,927	122,603	(34,560)	192,449
2010	1,480,652	1,516,873	79,121	1,022,427	132,650	126,703	134,787	72,529	80,397	99,638	(28,895)	(260,274)
2009	1,678,229	1,785,350	141,159	943,411	159,181	128,565	150,263	97,681	99,456	116,373	(18,742)	(69,480)
2008	2,253,110	2,366,927	137,195	1,031,022	216,423	132,222	207,853	93,191	122,061	147,745	(24,624)	294,591
2007	3,043,010	3,053,555	127,108	1,435,393	215,271	203,422	271,754	167,529	141,979	162,826	(26,087)	302,180
2006	3,641,449	3,671,760	117,870	1,670,525	266,550	322,422	293,690	248,657	167,493	188,676	(36,839)	359,038
Total	23,090,393	23,077,106	922,208	11,672,138	1,767,158	1,649,988	2,061,068	1,140,328	1,212,703	1,436,607	(260,948)	953,961
2015		100.0%	2.6%	57.7%	7.6%	6.0%	9.9%	4.1%	5.4%	5.8%	-0.8%	0.2%
2014		100.0%	2.7%	55.3%	8.3%	6.0%	9.6%	4.2%	5.4%	6.2%	-0.9%	1.5%
2013		100.0%	2.8%	49.9%	6.4%	6.1%	8.9%	4.6%	5.3%	7.6%	-0.9%	7.6%
2012		100.0%	3.1%	54.0%	7.0%	8.9%	9.2%	4.5%	5.9%	7.3%	-1.6%	-1.4%
2011		100.0%	4.3%	39.8%	6.7%	8.4%	9.3%	4.2%	6.4%	7.4%	-2.1%	11.5%
2010		100.0%	5.2%	67.4%	8.7%	8.4%	8.9%	4.8%	5.3%	6.6%	-1.9%	-17.2%
2009		100.0%	7.9%	52.8%	8.9%	7.2%	8.4%	5.5%	5.6%	6.5%	-1.0%	-3.9%
2008		100.0%	5.8%	43.6%	9.1%	5.6%	8.8%	3.9%	5.2%	6.2%	-1.0%	10.8%
2007		100.0%	4.2%	47.0%	7.0%	6.7%	8.9%	5.5%	4.6%	5.3%	-0.9%	9.9%
2006		100.0%	3.2%	45.5%	7.3%	8.8%	8.0%	6.8%	4.6%	5.1%	-1.0%	9.8%
Total		100.0%	4.0%	50.6%	7.7%	7.1%	8.9%	4.9%	5.3%	6.2%	-1.1%	4.1%

Notes:

(6) & Sources are AM Best Statutory Annual Statement and Insurance Expense Exhibit data.

(9) -

(11) Countrywide Direct Expense as Ratio to Direct Premiums Earned x Florida Direct Premiums Earned

Countrywide Net Profit Before Federal Income Taxes

	Net premiums written	Net premiums earned	Net dividends to policyholders	Net incurred loss	Net def & cost contm exp incur	Net adjust & other exps incur	Net commiss & broker exp incur	Net commiss license & fees incur	Net taxes & fees incur	Net ot aq, fld sup&col exp incur	Net general expenses incurred	Net other income less oth exps	Net p-tax pro/lo excl inv gain	Net inv gain insurance transac	Net pro/lo excl attr to cap inv cap & surp & surp	Net inv gain attr to cap	Net total profit or loss
2015	49,234,177	48,659,205	1,370,885	26,720,336	3,434,639	3,374,531	3,459,095	1,653,472	3,214,540	3,432,006	3,488,170	(255,751)	1,743,950	6,186,850	7,930,794	4,130,890	12,061,626
2014	45,629,083	44,961,575	1,022,459	26,480,907	3,446,867	3,211,276	3,084,787	1,511,035	2,980,128	2,980,128	3,488,170	(872,229)	(1,096,283)	6,012,357	4,916,051	4,264,364	9,180,396
2013	40,543,583	39,577,545	1,048,417	26,040,729	3,176,647	2,829,425	2,834,451	1,659,937	2,571,201	2,571,201	3,653,350	(224,619)	(4,461,231)	6,790,700	2,329,469	4,372,625	6,702,087
2012	38,580,557	38,000,752	1,091,301	26,616,154	2,985,339	3,933,713	2,564,209	1,731,576	2,665,830	2,665,830	3,205,979	(16,373)	(6,799,722)	6,670,925	(128,864)	4,144,902	4,016,021
2011	35,700,962	35,664,296	1,002,033	25,392,845	2,606,730	3,293,448	2,229,240	1,542,394	2,705,334	2,705,334	3,090,208	(533,436)	(6,731,372)	8,220,288	1,488,898	4,214,635	5,703,497
2010	34,586,608	35,788,083	685,020	24,185,246	2,536,763	3,305,837	2,115,626	1,394,624	2,139,056	2,139,056	2,695,374	(307,625)	(3,577,088)	5,656,646	2,079,566	3,282,033	5,361,584
2009	41,417,273	42,259,726	1,346,499	25,970,624	2,902,199	3,445,063	2,478,961	1,701,479	2,807,542	3,164,193	3,263,181	(350,243)	(1,907,077)	4,992,653	3,085,536	2,873,565	5,959,096
2008	46,320,338	45,595,123	1,286,971	27,977,280	3,163,763	3,628,272	2,893,121	2,147,543	2,784,172	3,263,181	(208,625)	(1,757,805)	(1,757,805)	6,920,885	5,163,066	4,337,565	9,500,608
2007	48,972,332	48,708,710	980,577	29,498,078	2,950,115	3,691,719	2,809,410	2,214,009	2,719,223	3,010,524	2,769,653	(267,723)	567,332	6,083,953	6,651,920	3,476,352	10,128,254
2006	49,745,075	48,480,055	838,168	31,886,450	3,061,046	3,744,168	2,681,699	2,404,738	2,537,669	2,769,653	2,769,653	(40,286)	(1,483,822)	5,929,034	4,445,229	2,707,627	7,152,820
Total	430,729,988	427,695,070	10,662,330	270,768,649	30,264,108	34,457,452	27,130,599	17,960,807	27,124,695	31,752,638	31,752,638	(3,076,910)	(25,503,118)	63,464,291	37,961,665	37,804,558	75,765,989
2015		100.0%	2.8%	54.9%	7.1%	6.9%	7.1%	3.4%	6.6%	6.6%	7.1%	-0.5%	3.6%	12.7%	16.3%	8.5%	24.8%
2014		100.0%	2.3%	58.9%	7.7%	7.1%	6.8%	3.4%	6.6%	6.6%	7.7%	-1.9%	-2.4%	13.4%	10.9%	9.5%	20.4%
2013		100.0%	2.6%	65.8%	8.0%	7.1%	7.2%	4.2%	6.5%	6.5%	9.2%	-0.6%	-11.3%	17.2%	5.9%	11.0%	16.9%
2012		100.0%	2.8%	70.0%	7.9%	10.4%	6.7%	4.6%	7.0%	7.0%	8.4%	0.0%	-17.9%	17.6%	-0.3%	10.9%	10.6%
2011		100.0%	2.8%	71.2%	7.3%	9.2%	6.3%	4.3%	7.6%	7.6%	8.7%	-1.5%	-18.9%	23.0%	4.2%	11.8%	16.0%
2010		100.0%	1.9%	67.6%	7.1%	9.2%	5.9%	3.9%	6.0%	6.0%	7.5%	-0.9%	-10.0%	15.8%	5.8%	9.2%	15.0%
2009		100.0%	3.2%	61.5%	6.9%	8.2%	5.9%	4.0%	6.6%	6.6%	7.5%	-0.8%	-4.5%	11.8%	7.3%	6.8%	14.1%
2008		100.0%	2.8%	61.4%	6.9%	8.0%	6.3%	4.7%	6.1%	6.1%	7.2%	-0.5%	-3.9%	15.2%	11.3%	9.5%	20.8%
2007		100.0%	2.0%	60.6%	6.1%	7.6%	5.8%	4.5%	5.6%	5.6%	6.2%	1.2%	12.5%	13.7%	13.7%	7.1%	20.8%
2006		100.0%	1.7%	65.8%	6.3%	7.7%	5.5%	5.0%	5.2%	5.2%	5.7%	-0.1%	-3.1%	12.2%	9.2%	5.6%	14.8%
Total		100.0%	2.5%	63.3%	7.1%	8.1%	6.3%	4.2%	6.3%	6.3%	7.4%	-0.7%	-6.0%	14.8%	8.9%	8.8%	17.7%

Note: Source is AM Best Insurance Expense Exhibit data.

Countrywide Direct Profit Excluding Investment Gain

	Dir premiums written	Dir premiums earned	Dir dividends to policyholders	Dir incurred loss	Dir def & cost contm exp incur	Dir adjust & other exps incur	Dir broker exp incur	Dir commiss & license exp incur	Dir taxes license & fees incur	Dir ot ac fld sup&ool exp incur	Dir general expenses incurred	Dir other income less oth exps	Dir p-tax pro/lo excl inv gain
2015	58,857,339	58,247,735	1,372,149	33,217,538	4,247,939	3,487,592	4,983,358	1,877,555	3,132,244	3,402,949	(481,045)	2,045,318	
2014	54,402,561	53,481,398	1,004,896	31,732,449	4,030,357	3,205,341	4,588,881	1,668,616	2,901,170	3,294,983	(480,387)	574,533	
2013	47,413,659	46,092,108	1,064,047	30,451,759	3,543,853	2,817,751	4,031,815	1,927,260	2,463,865	3,498,515	(404,438)	(4,111,229)	
2012	44,617,651	43,948,801	1,077,017	29,840,134	3,219,934	3,890,022	3,653,704	1,954,434	2,600,381	3,196,226	(687,983)	(6,271,002)	
2011	40,852,490	40,858,162	1,000,187	29,698,760	3,210,924	3,400,947	3,298,231	1,646,992	2,596,036	3,004,708	(846,990)	(7,881,013)	
2010	40,082,384	40,715,795	1,392,289	26,666,190	2,946,212	3,400,947	3,252,028	1,633,635	2,158,004	2,674,487	(775,588)	(4,183,601)	
2009	46,583,006	47,188,079	1,380,957	29,387,670	3,280,229	3,398,054	3,542,485	1,835,988	2,628,685	3,075,811	(495,357)	(1,837,170)	
2008	52,510,149	51,773,075	1,203,668	31,083,544	2,890,959	2,892,174	3,769,432	2,305,241	2,669,904	3,231,712	(538,608)	1,187,795	
2007	54,819,162	54,588,771	1,151,414	32,563,715	3,556,112	3,636,701	3,778,367	2,469,640	2,538,178	2,910,860	(466,357)	1,517,446	
2006	56,247,609	55,069,315	862,808	35,711,210	3,202,300	4,835,708	3,689,317	2,692,891	2,512,066	2,829,774	(552,517)	(1,809,313)	
Total	496,386,010	491,963,239	11,509,232	310,452,969	34,128,819	35,000,653	38,587,618	20,002,252	26,200,533	31,120,025	(5,729,270)	(20,768,236)	
2015		100.0%	2.4%	57.0%	7.3%	6.0%	8.6%	3.2%	5.4%	5.8%	-0.8%	3.5%	
2014		100.0%	1.9%	59.3%	7.5%	6.0%	8.6%	3.1%	5.4%	6.2%	-0.9%	1.1%	
2013		100.0%	2.3%	66.1%	7.7%	6.1%	8.7%	4.2%	5.3%	7.6%	-0.9%	-8.9%	
2012		100.0%	2.5%	68.1%	7.3%	8.9%	8.3%	4.4%	5.9%	7.3%	-1.6%	-14.3%	
2011		100.0%	2.4%	72.7%	7.9%	8.4%	8.1%	4.0%	6.4%	7.4%	-2.1%	-19.3%	
2010		100.0%	3.4%	65.5%	7.2%	8.4%	8.0%	4.0%	5.3%	6.4%	-1.9%	-10.3%	
2009		100.0%	2.9%	62.3%	7.0%	7.2%	7.5%	3.9%	5.6%	6.5%	-1.0%	-3.9%	
2008		100.0%	2.3%	60.0%	5.6%	5.6%	7.3%	4.5%	5.2%	6.2%	-1.0%	2.3%	
2007		100.0%	2.1%	59.7%	6.5%	6.7%	6.9%	4.6%	4.6%	5.3%	-0.9%	2.8%	
2006		100.0%	1.6%	64.8%	5.8%	8.8%	6.7%	4.9%	4.6%	5.1%	-1.0%	-3.3%	
Total		100.0%	2.3%	63.1%	6.9%	7.1%	7.8%	4.1%	5.3%	6.3%	-1.2%	-4.2%	

Note: Source is AM Best Insurance Expense Exhibit data.



WALT DISNEY Parks and Resorts U.S.

August 8, 2016

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulations
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: August 16, 2016 Rate Hearing

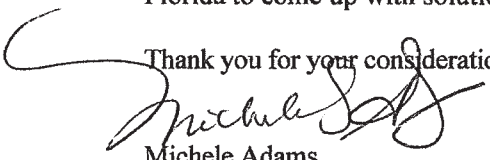
Dear Commissioner Altmaier:

On behalf of the Walt Disney World Resort (Disney), we are providing this letter to be part of the record for the workers' compensation rate hearing on Tuesday, August 16, 2016.

Like many other Florida companies, Disney has experienced an overall decrease in workers' compensation claim frequency and paid losses. That decrease has been a result of numerous reforms, including Senate bill 50A and *Emma Murray*, over the course of the last several years. Disney's priority is to provide our cast members with immediate, high quality care and compensation should they be injured during the course of their employment. Unfortunately, the Florida Supreme Court's recent decisions in *Castellanos v. Next Door Company (Castellanos)* and *Westphal v. City of St. Petersburg (Westphal)* will drastically and negatively impact the gains made by those reforms, specifically as it relates to the attorney fee provision. When assessing the impact of these cases, Disney strongly recommends that the Florida Office of Insurance Regulation (OIR) review not only the impact of the increase in attorneys' fees, but also consider the impact of the increase in workers' compensation litigation and system costs resulting from increased attorney involvement.

Since the *Castellanos* and *Westphal* decisions Disney, as well as other self-insured companies, have seen significant behavioral differences by the stakeholders in the workers' compensation claims environment. Disney is concerned that given the data we see in the NCCI rate filing as well as the large amount of unfunded liability coupled with our own experience, we most likely will be experiencing an increase in our workers' compensation losses. Disney feels strongly that this could have a significant effect on the bottom lines of self-insured companies, and for all the reasons stated above, have a negative impact on Florida's economy and its robust economic recovery experienced in the last several years. We look forward to working with your office as well as other public entities and private sector stakeholders in Florida to come up with solutions to address the chilling effects of *Castellanos* and *Westphal*.

Thank you for your consideration,



Michele Adams
Vice President, Risk Management Services
Walt Disney World Resort

Seymour, Debra

From: Babington, Adam E. <Adam.E.Babington@disney.com>
Sent: Tuesday, August 23, 2016 4:31 PM
To: Rate Hearings
Subject: Disney Letter on August 16, 2016 Rate Hearing
Attachments: [Untitled][1].pdf

To whom it may concern:

Please see the attached letter regarding the August 16, 2016 rate hearing.

Regards,

Adam Babington

Adam E. Babington
Director, Government & Industry Relations
Walt Disney World Resort
1375 E. Buena Vista Drive
Lake Buena Vista, FL 32830
Office: (407) 828-1360
Cell: (407) 284-8060
E-mail: adam.e.babington@disney.com

Seymour, Debra

From: Virginia Murphy <messerstores@att.net>
Sent: Tuesday, August 23, 2016 2:40 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Virginia Murphy
109 Myrtlewood Point Rd
East Palatka, FL 32131
messerstores@att.net

Seymour, Debra

From: James Yaun <callawayautorepair@comcast.net>
Sent: Tuesday, August 23, 2016 2:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I've been a small business owner/ Independent Automotive Service since 1993. My workers' comp rate already affects how many employees I can hire, to include attempting to provide a paycheck to myself. Regarding this industry, it does not ensure a steady demand, often leaving service jobs at a 1-3 work order week when not at peak season (usually correlating with holidays, life events i.e. returning to school). Also, this industry predominately provides a service NEED rather than a WANT. I know that NCCI has requested a 19.6% rate increase. This rate increase for a small business, with less than 100 or even 25 employees to include review of annual profit, could result in a profit loss easily. It would hinder my ability to continue to operate my business and reduce affordability of a new hire(s).

Please do not approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. This is a huge concern in regards to my ability to continue operating and pursuing my goal of passing on the business to my daughter, whom is in the process of making this transition.

Sincerely,

James J. Yaun
6725 E 5th Ct
Panama City, FL 32404
callawayautorepair@comcast.net

Seymour, Debra

From: Richard <rnojnson@baileys-sanibel.com>
Sent: Tuesday, August 23, 2016 1:18 PM
To: Rate Hearings
Subject: WC Rate Increase for Florida Businesses

The changes that are being considered for rate increases in Florida are going to have a detrimental effect on Florida's small business operators. My wife and I are third generation owners and operators of our 117 year old family grocery and hardware business that employ almost 100 local Floridians. While we practice running a "Safe Work Environment" a 20% rate increase will stifle growth and further development of our business for generations to come.

Instead we should all be focused on eliminating fraud and corruption from the WC program. It takes so little to file a false claim and drive rehearsal cost of doing business in Florida to the breaking point. Protect injured workers and stop rewarding dishonest behaviors.

Sincerely,

Richard Johnson
Bailey's General Store
Sent from my iPhone

Seymour, Debra

From: Debra Walker <debra@ongradecontracting.com>
Sent: Tuesday, August 23, 2016 1:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Debra A Walker
12409 SW Sheri Ave Unit 101
Arcadia, FL 34269
debra@ongradecontracting.com

Seymour, Debra

From: FloridaTRUCKservices <floridatruckservices@gmail.com>
Sent: Tuesday, August 23, 2016 12:22 PM
To: Rate Hearings
Subject: RE: Important: Proposed Workers Comp Rate Increase of 19.6%

Since Elections are coming up who do we need to vote for to squash this move?

From: Florida Building Material Asscoaiton [mailto:Florida_Building_Material_Asscoa@mail.vresp.com]
Sent: Tuesday, August 23, 2016 12:14 PM
To: jeff@floridaflatbed.com
Subject: Important: Proposed Workers Comp Rate Increase of 19.6%



Good Afternoon.

Nancy Stephens, our Legislative Consultant, has given us the heads up that the Florida Office of Insurance Regulation is to weigh in on the first round of comments on the proposed workers comp increase. We are asking that you send an email with your comments on the proposed Workers Comp rate increase of 19.6% no later than 5pm TODAY. Comments must be submitted to RateHearings@flor.com.

Please let me know if you have any questions.

Betty Askew
betty@fbma.org
(352) 383-0366

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Florida Building Material Asscoaiton
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US



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American Insurance Association
State Affairs - Southeast Region

cc-SS
cc
BU

2107 N. Decatur Road
Suite 257
Decatur, GA 30033
404.261.3334
Fax: 202.495.7838
www.aiadc.org

RECEIVED
AUG 16 2016
Commissioner
Office of Insurance Regulation

August 12, 2016

VIA ELECTRONIC & U.S. MAIL

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

RE: August 16, 2016 Public Rate Hearing, Case No. 191880-16

Dear Commissioner Altmaier:

I am writing regarding the above-referenced matter on behalf of the American Insurance Association, the leading property-casualty insurance trade association whose members write all types of property - casualty insurance, including almost 40% of the workers' compensation market in Florida.

As has been widely noted, the State of Florida has enjoyed a 60% reduction in workers' compensation premiums following the enactment of Senate Bill 50A in 2003. As a result, Florida businesses have thrived in no small part due to the increased availability and affordability of workers' compensation insurance in the state. Unfortunately, the Florida Supreme Court's recent decision in *Marvin Castellanos v. Next Door Company* ("Castellanos") invalidating the statutory attorneys' fee schedule and its decision in *Bradley Westphal v. City of St. Petersburg* (eliminating the cap on TTD benefits) could reverse those gains and severely affect the Florida market. While the National Council on Compensation Insurance ("NCCI") has proposed an overall rate increase of 19.6% (+15% for the first year impact of *Castellanos* & +2.2% for *Westphal*), this of course does not account for the negative retroactive impact of the *Castellanos* and *Westphal* decisions.

Commissioner David Altmaier
Case No. 191880-16
August 12, 2016

NCCI has estimated that the combined total statewide unfunded liabilities resulting from the Florida Supreme Court's decisions could exceed \$1 billion. Of course, paid premiums and reserves do not reflect this increased exposure leaving our member companies, other insurers and Florida's self-insured businesses to absorb any additional costs incurred in the workers' compensation system. This unfunded liability, along with increased litigation costs could well lead to another workers' compensation insurance crisis in Florida.

AIA strongly recommends that the Office consider not just the impact of higher attorneys' fees, but also the increases in lost wages and medical costs brought about by increased attorney involvement and the resulting behavioral changes within the claims paying system. In short, AIA shares the concern that given the ultimate 60% decrease in rates following the prior reforms, NCCI may have underestimated the initial (and eventual) impact of the Florida Supreme Court's decisions.

AIA encourages the OIR to approve at a minimum the +19.6% rate proposed by NCCI. We also urge approval of the proposed October 1, 2016 effective date so as to avoid any further growth of the unfunded liabilities which would only further harm the Florida workers' compensation market.

Sincerely,



Ron Jackson
Vice President, State Affairs



FLORIDA HOUSE OF REPRESENTATIVES

Representative Elizabeth Porter

District 10

Elizabeth.Porter@myfloridahouse.gov

RECEIVED
AUG 15 2016
Commissioner
Office of Insurance Regulation

Committees:

*Appropriations
Education*

Subcommittees:

*Higher Education & Workforce, Chair
Choice & Innovation
Education Appropriations*

*The Honorable Steve Crisafulli
Speaker of the House*

*The Honorable Matt Hudson
Speaker Pro-Tempore*

August 12, 2016

David Altmaier, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street,
Tallahassee, FL 32399

RE: Workers' Comp Public Rate Hearing

Dear Commissioner Altmaier:

It is my understanding that on Tuesday, August 16, 2016, that the Florida Office of insurance Regulation will hold a hearing regarding the increase of Worker's Compensation Rates for the State of Florida. I would like to request that the hearing board give great consideration to freezing the rates till the completion of the 2017 Legislative Session.

In a state where small businesses create two thirds of the jobs it would be imperative to keep rates low and not infringe on the already delicate economic recovery. I am sure that with the recent Supreme Court ruling there will be viable solutions presented in the upcoming session.

For the past six years I have worked diligently to help build an atmosphere that would foster the creation and growth of small businesses in our area. I am profoundly dismayed at the recent business killing ruling by the supreme court that would allow for an over 19% rise in workers compensation rates directly affecting business. Our north Florida district made up of small rural counties and with an economy fueled by many small family owned businesses any rate increase at this time, I believe, would have a detrimental effect on the already slim profit margins achieved by these small businesses and thereby a direct effect on our recovering economy. Again I urge you to consider a freeze on current worker compensation insurance rates until a viable non job killing solution can be found.

Sincerely,

Elizabeth Porter,
Member of the Florida House of Representatives,
District 10

Koby Adams, Senior Legislative Assistant
Koby.Adams@myfloridahouse.gov

Sheree Vann, District Aide
Sheree.Vann@myfloridahouse.gov

Robert Roach, District Aide
Robert.Roach@myfloridahouse.gov

CC: DM
SS
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AB

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AUG 12 2016

Commissioner
Office of Insurance Regulation

Publix.

August 9, 2016

Mr. David Altmaier
Commissioner
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0330

Re: NCCI Rate Filing

Dear Commissioner Altmaier:

I am writing to you in reference to the NCCI recommended rate increase of 19.6%, which is largely attributable to the recent Florida Supreme Court ruling in *Castellanos vs. Next Door Company*. We believe this ruling will quickly undo the positive impact of the Florida 2003 reforms. Premium rates will spiral upward to pre-2003 levels and Florida will once again have some of the highest workers' comp rates in the nation.

Following the 2003 reforms, Publix witnessed a dramatic drop in both accident frequency and costs. The number of accidents declined more than 43% between 2003 and 2015, and our costs fell 55%. These declines occurred despite the fact we were growing and continue to grow in Florida. We attribute these declines largely to the 2003 workers' comp reforms, and specifically the reforms pertaining to attorney fees.

Prior to 2003, an employer was responsible to pay an injured worker's attorney fees, if the worker sought a benefit that was not being paid and the worker prevailed. There was generally no cap on the fee regardless of the amount being sought; in the case of *Castellanos* for instance, the benefits in dispute totaled \$822.70. The injured worker's attorney fees were \$37,750.

The potential for large fees, regardless of the amount of benefits in dispute, created a climate that promoted litigation. This was happening in a system that was supposed to be self-executing. The reforms of 2003 did not relieve the employer of being responsible for paying the injured worker's attorney fees; it did, however, establish a sliding scale that tied the amount of a fee directly to the benefits in dispute. In other words, the smaller amount of benefits in dispute, the smaller the fee. This discouraged litigation on low value issues and encouraged the parties to work things out amicably; or said another way, it made the system more self-executing.

Those financial incentives that the 2003 reforms sought to remedy are now back in play. Based on our experience, we expect claim costs will rise rapidly; likewise, premiums rates must rise. At Publix we expect to see an increase in number and percentage of litigated workers' compensation claims, including additional litigation over matters of very small value, the length of time claims are opened, increased legal costs and additional reserves. Although the amount of the increase costs are difficult to accurately predict at this point, we expect Publix's eventual costs increases to be within the range set forth by NCCI.

I am not an actuary or economist, but I have always found the analysis provided by NCCI to be credible and reliable. That said, I believe the rate increase proposed by NCCI is warranted. A rate increase of this magnitude will have a negative impact on all businesses in Florida, large and small. That however must be balanced with maintaining a marketplace where workers' compensation is both available and affordable.

Respectfully yours,



Marc H. Salm
Vice President of Risk Management
Publix Super Markets, Inc.

MHS:clm



CC. BM
SS
BL

heavy
folder

August 12, 2016

Commissioner David Altmaier
Florida Office of Insurance Regulation
Larson Building
200 E. Gaines Street
Tallahassee, FL 32399

Dear Commissioner Altmaier,

Fair Insurance Rates in Monroe (FIRM) is a non-partisan, not-for-profit consumer organization with over 3,000 members concerned with windstorm and flood insurance issues in the Florida Keys. Our advocacy for lower, affordable windstorm and flood insurance rates for Monroe County has been consistent since our formation in 2006.

Since our inception, FIRM has maintained that rates charged by Citizens Property Insurance Corporation (CPIC) have been excessive. In August of 2006, FIRM, at considerable expense, presented actuarial data contesting CPIC's proposed 52% rate increase actually achieving a 32% reduction in rates. When the legislature proposed an annual increase in CPIC rates of 15%, FIRM lobbied successfully to cap those increase to 10% per year. We do appreciate our relationship with the OIR and the considerations we have been given, as well as the relationship that has developed between FIRM and CPIC, which has come to be one of mutual respect.

Despite FIRM's considerable work over the years, the cumulative effect of that 10% per year on top of a base rate that is among the highest in the state has brought us to the point of economic crisis. In the last ten years Monroe County (with approximately 20,000 total windstorm policies) has contributed over \$600 million in premiums in excess of paid claims. As determined by your office, Monroe County has no viable alternatives to CPIC for windstorm insurance. Without meaningful alternatives to CPIC, your rate review of CPIC's request is critical. FIRM, on behalf of our residents and members, is once again requesting your office deny or delay CPIC's request for further rate increases.

The rationale for our appeal to your office to deny or delay CPIC's request for further rate increases are as follows:

- 1) It is our view that CPIC has ignored the mandate of state law that windstorm insurance be affordable. Indeed, the legislation creating CPIC as the insurer of last resort reads in part as follows:

FAIR INSURANCE RATES IN MONROE

(305) 294-FIRM (3476) - 422 Fleming Street #5 - Key West, FL 33040

www.firmkeys.org [facebook.com/FIRMKeys](https://www.facebook.com/FIRMKeys) firmkeys@gmail.com

A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.

Commissioner David Altmaier
August 12, 2016
Page 3

actual reduction in current rates, at a minimum a one-year moratorium on rate increases for Monroe County should be imposed. This will provide an opportunity to further refine a viable rate setting model for Monroe County. Please feel free to contact me if you have any questions.

Sincerely,



Mel Montagne, President
Fair Insurance Rates in Monroe

Cc: Heather Carruthers, Mayor Monroe County (electronic)
Holly Raschein, Representative District 126 (electronic)
Dwight Bullard, Senator District 118 (electronic)
Anitere Flores, Senator District 38 (electronic)
FIRM Board of Directors (electronic)

FAIR INSURANCE RATES IN MONROE

(305) 294-FIRM (3476) - 422 Fleming Street #5 - Key West, FL 33040

www.firmkeys.org [facebook.com/FIRMKeys](https://www.facebook.com/FIRMKeys) firmkeys@gmail.com

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RECEIVED

AUG 15 2016

Commissioner
Office of Insurance Regulation

Florida House of Representatives

Representative Holly Raschein

District 120

District Office:
99198 Overseas Highway
Suite 10
Key Largo, FL 33037-2437
(305) 453-1202
(305) 453-1204 (fax)

Tallahassee Office:
319 The Capitol
402 South Monroe Street
Tallahassee, FL 32399
(850) 717-5120

Email: Holly.Raschein@myfloridahouse.gov

August 10, 2016

Commissioner David Altmaier
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

Dear Commissioner Altmaier,

I appreciate the Office of Insurance Regulation's past and continued attention to the plight of property insurance customers in Monroe County, a very unique part of the state when it comes to insurance. As you know, the socioeconomic status of our residents is extremely diverse, with the local workforce living side-by-side with the retirees and seasonal residents who come to the Florida Keys to enjoy our extraordinary natural resources. This creates challenges for the affordability and fairness of insurance rates, as expressed by our grassroots advocacy group, Fair Insurance Rates in Monroe (FIRM) and others.

Historically, the concentrated windstorm risk of Monroe County has limited the availability and affordability of property insurance and Citizens Property Insurance Corporation (Citizens) remains the only insurance option for the vast majority of our residents. We know Citizens' wind rates are required by law to be actuarially sound and driven by hurricane simulation models accepted by the Florida Commission on Hurricane Loss Projection Methodology (Florida Commission), but Citizens also has a legislated mission to provide affordable insurance. The balance is often hard to strike, and has been further complicated by the recent emergence of very different scientific opinions about Monroe County's overall wind risk. Citizens has stated that while some models indicate a continuing need for higher rates, one accepted model now indicates a need for slightly lower rates. Citizens has also acknowledged that the far-flung geography and variability in construction across Monroe create challenges in determining sound rates.

I understand that Citizens has filed recommended rates for 2017 using a methodology agreed to by OIR in recent years, involving the selection of rates from among the indications of multiple models. While I do not dispute the appropriateness of this work, I request your help in two areas.

*Committees: Appropriations Committee, Highway and Waterway Safety Subcommittee,
Regulatory Affairs Committee and Veteran and Military Affairs Subcommittee*

First, delegates from both OIR and Citizens sit on the Florida Commission. The Commission reviews hurricane models every odd year, but also has authority to conduct specific inquiries as directed by the Legislature. I request that you ask the Florida Commission to conduct a study during its 2017 activity cycle of the reasons for and implications of the divergence of hurricane model results in Monroe County among accepted models.

Second, the results of such a study will guide both Citizens and OIR in choosing methodology and models for future rate filings. Given the unresolved disagreement among the existing accepted models and in absence of further clarity, I request that you establish an overall rate pause for Monroe County in 2017. This pause in the rate path for Monroe will enable the Commission to complete its study in a way that will inform and improve Citizens' future recommended rate filings. It will also give our residents a much-needed break from years of rate hikes and the confidence that any future rate changes are fully supported by the scientific and actuarial evidence.

I greatly appreciate your thoughtful consideration of my requests and if I can provide any additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly Raschein", with a long horizontal flourish extending to the right.

Holly Raschein
State Representative
District 120

County of Monroe

The Florida Keys



BOARD OF COUNTY COMMISSIONERS

Mayor Heather Carruthers, District 3
Mayor Pro Tem George Neugent, District 2
Danny L. Kolhage, District 1
David Rice, District 4
Sylvia J. Murphy, District 5

August 12, 2016

Insurance Commissioner David Altmaier
Office of Insurance Regulation
Larson Building
200 E. Gaines Street
Tallahassee, FL 32399

RECEIVED
AUG 15 2016
Commissioner
Office of Insurance Regulation

Dear Commissioner Altmaier,

First, congratulations on your appointment as Florida's Insurance Commissioner. As a member of Fair Insurance Rates in Monroe (FIRM), I got to know your predecessor quite well and was pleased that Mr. McCarty's trusted colleague assumed his role.

We in Monroe County appreciate the openness and attention that the Office of Insurance Regulation has given to the very real concerns of our property owners over the past 10 years. As you know, our community is unique in many ways, from our linear geography to our adherence to strict building codes, from our economically diverse residents to our engaged citizenry. And as OIR has confirmed, Citizens Property Insurance Corporation (CPIC) is the only windstorm option for most of our residents.

Insurance rates are required to be actuarially sound, neither excessive nor inadequate, and not unfairly discriminatory. Further, according to its mission, CPIC rates must be developed with some consideration for their affordability. While annual rate increases have been capped at 10% for the past several years, those increases have compounded and rates are again becoming unaffordable for many of us. With the highest cost of living in the State, a service-industry-driven economy, and our mix of seniors, working families and second-home owners, these increasing windstorm insurance costs create serious challenges for homeowners and renters alike, sometimes forcing those who are the backbone of our community to abandon it.

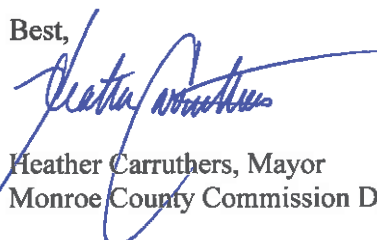
For over a decade, FIRM has been struggling to reconcile escalating windstorm premiums with what Monroe residents have actually experienced. Long-time residents of the Keys have pointed to the lack of wind claims filed and stories of how effectively we avoided significant wind damage for generations. Over the years, FIRM has shared comparisons of damage from equally strong winds here versus elsewhere in the State, and found that Monroe weathers windstorms fairly well from a claims perspective. FIRM has also provided data regarding Monroe County's building stock, our vulnerability to storm surge (as opposed to wind only), and our 120-mile long coastal territory. CPIC has acknowledged that these factors make setting sound rates in Monroe County difficult, and this year, a distinct divergence among models used to set those rates has emerged.

On behalf of Monroe County, I am making two requests in advance of OIR's August 18th rate hearing. First, we request that the Florida Commission on Hurricane Loss Projection Methodologies study this discrepancy among the respected hurricane models during its 2017 cycle. The divergence in model outputs from highly respected modeling companies is significant, and the FCHLPM has the authority to investigate and the expertise to determine the cause.

Second, we request that an overall pause in rate increases be established until this study is complete. The economic consequences of continued increases are damaging to our economy and to the lives of our residents. This pause will not only benefit Keys families, but will ensure that future rate changes are based on the best data, science and actuarial practices.

Thank you in advance for your thoughtful consideration of these requests, and thank you for OIR's past attention to the unique concerns of the Keys. Please let me know if the County can provide any additional information.

Best,



Heather Carruthers, Mayor
Monroe County Commission District III

CC: CFO Jeff Atwater, State of Florida (electronic)
Insurance Consumer Advocate Sha'Ron James, State of Florida (electronic)
Holly Raschein, Representative District 126 (electronic)
Dwight Bullard, Senator District 118 (electronic)
Anitere Flores, Senator District 38 (electronic)
Mayor Pro Tem, Monroe County District II Commissioner George Neugent (electronic)
Monroe County District II Commissioner Danny Kolhage (electronic)
Monroe County District IV Commissioner David Rice (electronic)
Monroe County District V Commissioner Sylvia Murphy (electronic)
Monroe County Administrator Roman Gastesi (electronic)
Monroe County Attorney Bob Shillinger (electronic)
Monroe County Legislative Affairs Director Lisa Tennyson (electronic)
Fair Insurance Rates in Monroe Board of Directors (electronic)

Seymour, Debra

From: Dave Weston <dweston@napleslumber.com>
Sent: Tuesday, August 23, 2016 10:09 AM
To: Rate Hearings
Cc: Betty Askew
Subject: Please Reject the Proposed Increase by NCCI

Importance: High

Dear Florida Office of Insurance Regulation:

I am the manager of small business that is just now working to dig our way out of the second most severe recession in the history of our country and arguably the worst economic crisis ever faced by Florida businesses. Those of us who managed to survive and are struggling to pay down debt and cover losses over the extended recession may not be able to withstand the one-two punch that such the enormous increase in workman's compensation insurance rates currently being considered by the NCCI.

I am also the Chairman of the Board for the Florida Building Materials Association this year. Our 96 year old association represents the small independent lumberyards, hardware stores and wholesalers who are part of the vital economic chain that is trying to rebound from the devastating recession that lasted over 5 years!

On behalf of the employees and families of our employees and on behalf of the Florida Building Materials Association, we oppose the proposed 19.6% workers comp rate increase for Florida. Workers comp rates are falling nationwide and we believe an increase in Florida rates will put Florida businesses at a disadvantage. With more and more people coming to Florida who will need jobs, paying higher workers comp rates will limit our member companies' ability to hire more people and pay them competitive wages.

We urge the Florida Office of Insurance Regulation to reject the proposed increase by NCCI.

Sincerely,

Dave Weston

Naples Lumber & Supply

EVERYTHING YOU'D NEVER EXPECT FROM A LUMBER COMPANY!

Tel. (239) 643-7000 ext. 302

Fax. (239) 643-5987

Cel. (239) 229-8375

Email: dweston@napleslumber.com

www.napleslumber.com

Seymour, Debra

From: Raymond Kenzik, DDS <user@votervoice.net>
Sent: Monday, August 22, 2016 4:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

We are a small dental practice, one doctor office. We have been in business for 35 years in the same small town. We pay our staff very well and do our best to control our overhead so that we can continue to operate a successful business. We have paid our Workers' Comp premium diligently for 35 years and never had a claim!!!! Please do what you can to avoid an increase in this burdensome expense. For a small business, our insurance costs is one item we cannot control and prevents us from making solid expense projections.

Thank you for your attention to this serious matter.

Sincerely,

Raymond Kenzik DDS
1423 Oak Forest Dr
Ormond Beach, FL 32174
rkenzik@aol.com

Seymour, Debra

From: Charles Fairbanks, Jr <gordon@fairbanksconstruction.com>
Sent: Monday, August 22, 2016 4:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I am a small business owner located in Ocala, Florida. Having been active in the construction industry since 1980, I vividly recall the days when we had some of the highest rates in the country. As you are aware, for the last several years we have enjoyed reasonable rates and have been able to proactively conduct business. As with any business, we are constantly "hit" with challenges that we adjust and adapt too. A 19.6% increase on our workers comp rates is not one of those challenges we can adjust too. And since this is supposedly the first of more to come, these increases will affect wage increases to our staff, replacement of our vehicles and other budget items. Please make the choice that we and others need and deny this increase.

Sincerely,

Charles G Fairbanks Jr
9535 NE 38th Ter
Anthony, FL 32617
gordon@fairbanksconstruction.com

Seymour, Debra

From: Liz Reynolds <lreynolds@namic.org>
Sent: Monday, August 22, 2016 4:21 PM
To: Rate Hearings
Subject: NCCI WC rate filing comments
Attachments: NCCI rate flg cmts letterhead 8.22.16.docx

The Honorable David Altmaier, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: NCCI WC rate filing

Dear Commissioner Altmaier,

Thank you for the opportunity to provide comments on the recent NCCI workers compensation rate filing, the hearing for which was held Aug. 16, 2016. As you are aware, NAMIC is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies representing 39 percent of the total market. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country's largest national insurers.

NAMIC member companies serve more than 170 million policyholders and write more than \$230 billion in annual premiums. Our members account for 54 percent of homeowners, 43 percent of automobile, and 32 percent of the business insurance markets. In Florida, NAMIC members serve more than a quarter of the workers compensation market.

NAMIC supports NCCI's request for an increase in Florida workers compensation rates, based on the uptick of current and future claims cost drivers as a result of recent Supreme Court rulings. We believe the request is reasonable, particularly in light of expert testimony presented by Dr. Mike Helvacian on behalf of the Florida Justice Reform Institute, indicating even higher loss indications.

As always, the rate-making process comes down to this: in order to maintain a fair, solvent marketplace, the rate must match the risk. In the case of workers compensation rates in Florida, the financial risk for insurers and business owners has exploded. While we hope the legislature will address the new environment created by the Supreme Court, we also believe it makes sense to incorporate a new rate structure based on the financial risk profile as we understand it at this time as soon as possible.

NAMIC encourages you to approve the NCCI rate filing request. Thanks very much for your consideration of our concerns.

Regards,



Liz L. Reynolds, CPCU, API, IOM
State Affairs Director – Southeast Region
National Association of Mutual Insurance Companies
317.417.5618 Cell www.namic.org

The difference is in the experienceSM



August 22, 2016

The Honorable David Altmaier, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: NCCI WC rate filing

Dear Commissioner Altmaier,

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As always, the rate-making process comes down to this: in order to maintain a fair, solvent marketplace, the rate must match the risk. In the case of workers compensation rates in Florida, the financial risk for insurers and business owners has exploded. While we hope the legislature will address the new environment created by the Supreme Court, we also believe it makes sense to incorporate a new rate structure based on the financial risk profile as we understand it at this time as soon as possible.

NAMIC encourages you to approve the NCCI rate filing request. Thanks very much for your consideration of our concerns.

Regards,



Liz L. Reynolds, CPCU, API, IOM
State Affairs Director – Southeast Region

Seymour, Debra

From: Dale Beasley <dal@dalebeasleyconstruction.com>
Sent: Monday, August 22, 2016 4:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Dale Beasley
310 S Dillard St Ste 135
Winter Garden, FL 34787
dal@dalebeasleyconstruction.com

Seymour, Debra

From: Dale Ward <dward@candelacontrols.com>
Sent: Monday, August 22, 2016 3:50 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Dale Ward
546 N Main St
Winter Garden, FL 34787
dward@candelacontrols.com

Seymour, Debra

From: David Macdonald <mactopline@embarqmail.com>
Sent: Monday, August 22, 2016 1:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

David Macdonald
3323 E Dave Ln
Inverness, FL 34453
mactopline@embarqmail.com

Seymour, Debra

From: Cynthia Macdonald <mactopline@gmail.com>
Sent: Monday, August 22, 2016 1:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Cynthia Macdonald
3323 E Dave Ln
Inverness, FL 34453
mactopline@gmail.com

Seymour, Debra

From: Debra Kneiss <dkneiss@kpmech.com>
Sent: Monday, August 22, 2016 1:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Debra Kneiss
2050 Tigertail Blvd
Dania Beach, FL 33004
dkneiss@kpmech.com



2710 – 5th Ave., Tampa, FL 33605
PHONE: 813-241-4261

August 22, 2016

To: Rate Hearings

RE: NCCI

To Whom This May Concern;

Tampa Tank/Florida Structural Steel's worker comp vendor, Duke Mills, President with WorkComp Solutions, Inc., informed me that he recently attended a hearing in Tallahassee concerning the proposed rate increase based on the recent Supreme Court ruling. Below are some facts that will impact the industry that I am opposed to NCCI's rate making process:

1. Contractors and business cannot adjust bill rates by the proposed 10/1 effective date of rate increase.
2. Suggest a "wait and see" approach or drastically reduce rate increase then re-evaluate in mid 2017.
3. If approved, a 20% rate increase will increase works comp fraud by employers, under-reporting payroll and misclassification of employees.
4. Attorney involvement increases claim cost which increases experience modifier.
5. Increased competition by out of stat contractors who pay drastically lower work comp rates.

Thank you for taking the time to read my concerns.

Regards,

David Hale
CEO/President

Seymour, Debra

From: Carey Sitte <sitterroofing@gmail.com>
Sent: Monday, August 22, 2016 11:01 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

IN ADDITION, I'D LIKE AN EXPLANATION FOR THE OUTRAGEOUS PROPOSED RATE INCREASE OF 19.6%. WHAT INFORMATION WAS USED TO CALCULATE THE PERCENTAGE INCREASE? A RATE INCREASE OF THIS MAGNITUDE WOULD BE DEVASTATING TO BY BUSINESS AND WOULD CREATE AN OVERWHELMING COSTS PER EMPLOYEE, RESULTING IN POTENTIAL LAYOFFS TO OFFSET THE DESTRUCTIVE COSTS.

Sincerely,

CAREY M SITTE
PO Box 8688
Panama City, FL 32409
sitterroofing@gmail.com

Seymour, Debra

From: Marc Dryden <marcdryden12@gmail.com>
Sent: Monday, August 22, 2016 11:00 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

As a startup trying to employ workers is hard enough, the rise of insurance are among several costs that will cause me to close my doors and more employees will be looking for work.

Thank your for your consideration

Marc

Sincerely,

Marc Dryden
301 Timbercove Cir
Longwood, FL 32779
marcdryden12@gmail.com

Seymour, Debra

From: Raymond Cooper <lebroncooper@mac.com>
Sent: Monday, August 22, 2016 11:00 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Large insurers have only one thing in mind, making huge profits to give huge payouts to CEOs and shareholders. This is a simple plan to shift wealth from small businesses to giant corporations, and more likely, some CEO's pocket.

Please do not increase the rate increase

Sincerely,

Lebron Cooper
1901 N Andrews Ave Apt 221
Fort Lauderdale, FL 33311
lebroncooper@mac.com

Seymour, Debra

From: kyle owens <kyleowens@wecontrolbugs.com>
Sent: Monday, August 22, 2016 11:00 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Rates are too high as it is. Try working on corruption and false claims rather than just sticking employers with higher taxes.

Sincerely,

kyle owens
322 Maguire Road Ext
Ocoee, FL 34761
kyleowens@wecontrolbugs.com

Seymour, Debra

From: James Mason, W <allcarjim@cfl.rr.com>
Sent: Monday, August 22, 2016 11:00 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. I all so fell this is a huge tax increase to my customers because we will have no course but to pass this cost on to them.

Sincerely,

James Mason
2507 Paradise Cir
Kissimmee, FL 34741
allcarjim@cfl.rr.com

Seymour, Debra

From: John Yunker <john@1stopcarrepair.com>
Sent: Monday, August 22, 2016 10:00 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

John Yunker
1324 Thornapple Dr
Osprey, FL 34229
john@1stopcarrepair.com

Seymour, Debra

From: Brian Poynor <bpoynor@area-glass.com>
Sent: Monday, August 22, 2016 8:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Brian M. Poynor
2411 Pelican Bay Ct
Panama City Beach, FL 32408
bpoynor@area-glass.com

Seymour, Debra

From: Mr. & Mrs. Michael O'Connor <toyodoc@bellsouth.net>
Sent: Monday, August 22, 2016 7:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Michael O'Connor
13224 Taylor St
Brooksville, FL 34613
toyodoc@bellsouth.net

Seymour, Debra

From: LaRon Futral <laronfutral@me.com>
Sent: Monday, August 22, 2016 12:40 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

LaRon Futral
5800 S HIGHWAY 99
MC DAVID, FL 32568
laronfutral@me.com

Seymour, Debra

From: Nancy Stephens <nancy@nstephens.com>
Sent: Saturday, August 20, 2016 10:24 PM
To: Rate Hearings
Subject: Proposed Workers Compensation Rate Increase
Attachments: Workers Comp Comments 8.16.16.pdf; Work Comp Market Report Q2-2016.pdf



Date: August 20, 2016
To: Florida Department of Insurance
From: Manufacturers Association of Florida
Re: Proposed 19.6% Workers Compensation Rate Increase

Please find attached comments from the Manufacturers Association of Florida on the proposed Florida workers comp rate increase and a National Council of Compensation Insurance Report on Workers Compensation Insurance Ratios 2000-2015. We are opposed to the proposed increase.

Thank you for the opportunity to comment.

Sincerely,

Nancy D. Stephens, CAE, DPL
Executive Director
Manufacturers Association of Florida
1625 Summit Lake Drive, Suite 300
Tallahassee, FL 32317
Office: 850.402.2954
Cell: 850.445.1607



**Statement to
Florida Office of Insurance Regulation
on the NCCI Public Rate Hearing
August 16, 2016
Tallahassee, FL**

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Association
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Upper Tampa Bay Manufacturers
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VMA

Issue Background:

NCCI has proposed an overall average statewide rate increase of 19.6% for workers' compensation insurance, as a result of recent Florida Supreme Court decisions on *Westphal v City of St. Petersburg* and *Castellanos v Next Door Company*, as well as impacts from updates to the Florida Workers' Compensation Health Care Provider Reimbursement Manual per Senate Bill 1402. The effective date for the proposed rate change for new and renewal business is October 1, 2016.

Manufacturing Background:

The Manufacturers Association of Florida (MAF) was formed in 2006 to improve the business climate for manufacturers in Florida. There are some 19,800 manufacturers in Florida today. The annual average wage for manufacturing employees is \$10,000 more than the average annual wage of all industries in Florida (\$57,370 Manufacturing/\$46,237 all industries in Florida).

Manufacturing in Florida is considered an economic stabilizer for Florida's economy. Fortunately, due to the reductions in workers comp costs and the reduction in manufacturing sales taxes over the past few years, the manufacturing industry has enjoyed growth in both the number of manufacturing businesses and the number of manufacturing employees that we would like to see continue.

Manufacturers' Concerns:

It appears the increase will be across the board to every company, no matter what a company's Workers Comp history is. That would be unfair as those companies working very hard to improve safety/health records should not be penalized for those companies with inferior records. Workers comp should be tied to costs for claims as unemployment compensation is; the more claims the higher the insurance, the less claims the lower the insurance.

Rising workers comp insurance rates serve as a disincentive to hiring employees and a disincentive to raises, benefits and perks that keep employees happy and productive. Further, higher workers comp costs require companies to hire employees with fewer skills because they cannot afford to pay for an employee with the right qualifications at a higher pay rate. This hurts the

company productivity and is a disincentive for workers wanting to improve their skill sets.

This workers compensation increase is being proposed at a time when the rest of the U.S. workers compensation insurance rates are declining, putting Florida at a disadvantage. (See article on steady decline in premium rates from 2011 to 2015 and the forecast for continued reduced rates).

While one could understand a rate increase that was a result of increased medical care costs or increased frequency or severity of injuries, it is difficult to accept an increase based on unlimited attorney fees.

MAF also echoes the concerns expressed by the Florida Chamber.

Recommendation:

Rather than approving the proposed workers comp rate increase, the Office of Insurance Regulation should propose legislative policy that will serve to hold workers comp costs and rates at their current levels so that Florida businesses can continue to grow and prosper.

###

WORKERS' COMPENSATION

Market Conditions

The workers' compensation insurance market continues to improve, with more favorable conditions for buyers. The industry's combined ratio (see **Figure 3**) has steadily declined since 2011, according to the National Council on Compensation Insurance (NCCI).

In the fourth quarter of 2015, workers' compensation rates generally decreased by single digits. In addition to the downward rate trend, more companies secured rate reductions. More than half of all Marsh clients renewed with rate decreases, with fewer than one-third seeing increases — essentially a reversal of the trend from the prior year (see **Figure 4**). In the relatively few instances where rate increases occurred, they were generally smaller. These favorable market conditions should continue into 2016, barring unforeseen circumstances.

Market conditions are generally more positive for buyers with guaranteed cost programs:

- ▶ In the fourth quarter, rates for loss sensitive, or deductible, programs were typically down 10% to up 5%.
- ▶ Rates for guaranteed cost programs were typically flat to down 10%.

There remains a divide between "good" risks that generally experience favorable conditions and more challenging ones that face a difficult market. However, consistent with the broader casualty market, the gap between the two is not as pronounced as it has been in the past. Due in part to competition and difficulty securing rate increases, insurers are generally focusing on premium volume. As a result, insurers may more aggressively pursue business that they might not otherwise have considered. Although the market can still be difficult for these companies, they are generally experiencing greater predictability and flexibility at renewal in both pricing and terms and conditions.

AHEAD IN 2016

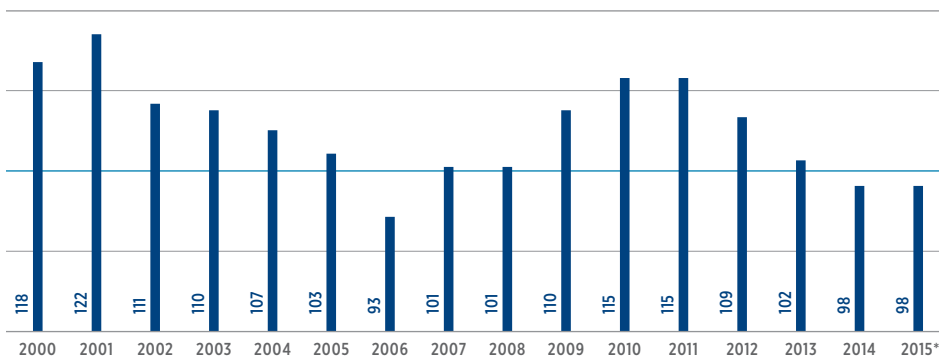
Overall market conditions improving.

Prescription drug costs remain a challenge.

Some states exploring regulatory changes allowing workers' compensation alternatives.

Wearable technology emerging as a new means for data collection and employee safety.

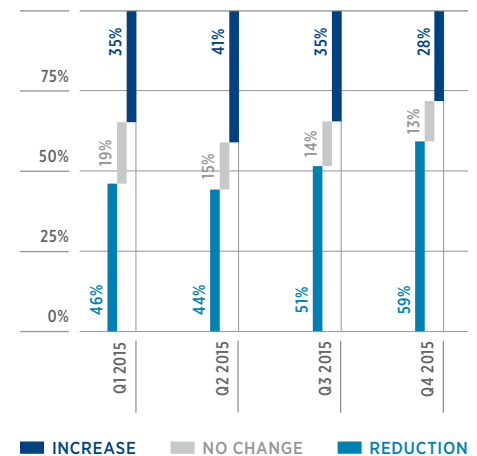
FIGURE 3 WORKERS' COMPENSATION COMBINED RATIOS 2000 TO 2015
Source: National Council on Compensation Insurance



* Estimate

FIGURE 4 PERCENT OF US WORKERS' COMPENSATION CLIENTS WITH RATE CHANGES

Source: Marsh Global Analytics
Numbers may not add up to 100% because of rounding.



Seymour, Debra

From: michael sessa <mike@5starplumbers.com>
Sent: Saturday, August 20, 2016 8:30 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Michael Sessa, President
PO Box 2555
Boca Grande, FL 33921
mike@5starplumbers.com

Seymour, Debra

From: Ronald Rybolt <user@votervoice.net>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

In addition it seems this is rally more about lawyers being able to collect more fees and not necessarily provide any greater benefits to the injured worker. Money grab that will hurt all businesses and especially my small business.

Sincerely,

Ronald E. Rybolt
3003 Bluffs Dr
Largo, FL 33770
ron.rybolt@verizon.net

Seymour, Debra

From: Jeff Brewster <jbrewster@totalgolfconstruction.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI Rate Increase

Dear Commissioner Altmaier,

I'm a small business owner. I already think my workers' comp rates are too high. I know that NCCI has requested a 19.6% rate increase which is CRAZY. This rate increase is too high and not in relation to anything like cost of living etc.. Any increase would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. As a small business owner, I need to know what my labor costs will be from month to month as I bid numerous jobs months in advance of them actually starting.

regards,

Sincerely,

Jeff Brewster
4045 43rd Ave
Vero Beach, FL 32960
jbrewster@totalgolfconstruction.com

Seymour, Debra

From: Kim Todd <Kim@Genuinehomebuilders.net>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. This affects how I bid my jobs as it takes months from the time I bid a job until I can start the job. This will be a HUGE HIT to my profits as I have a low profit margin already just to stay competitive.

Thank you for your consideration

Sincerely,

Kim Todd Certified Bldg Contractor
340 15th St NW
Naples, FL 34120
Kim@Genuinehomebuilders.net

Seymour, Debra

From: Janet Carnevali <janet@accentwoodworking.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. We currently pay \$650 a month for only three employees. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high and will create an already extensive hardship on our business. We are still trying to get the business turned around after the recession.

Please don't approve a rate increase more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Thank you,
Accent Woodworking Inc.

Sincerely,

Janet L. Carnevali
681 Casler Ave
Clearwater, FL 33755
janet@accentwoodworking.com

Seymour, Debra

From: Jeff Godwin <jgodwin@animal-medical-clinic.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is a major expense for my business, coming in at \$26,478 for this year.. I know that NCCI has requested a 19.6% rate increase. That will mean another \$5250 out of my pocket. It would be one thing if employees were not being cared for. But to raise rates this much just so that plaintiff attorneys can make more money is not fair. In my opinion, this should be a no-fault system with no attorney involvement at all. In any event, this rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jeff Godwin DVM
1835 N Highway A1a Apt 701
Indialantic, FL 32903
jgodwin@animal-medical-clinic.com

Seymour, Debra

From: Alan Sayler <Alan@Saylerwater.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. While I have worked hard to get my experience modification down (it is currently less than 1.0), I am now looking at a 19.6% rate increase. This rate increase is far too high and now is not a good time to have my expenses related to payroll increase.

Please look very carefully at any increase you may be considering because all businesses will have to live with it and the negative pressure it will have on wages.

Sincerely,

Alan Sayler
1909 Tanglewood Dr NE
Saint Petersburg, FL 33702
Alan@Saylerwater.com

Seymour, Debra

From: Edward Austin <ed.austin@jaerestgroup.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a restaurant business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business. If I take a 2 or 3% menu price increase, my customers complain and go some where else.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Edward Austin
250 S OCEAN BLVD APT 12G
BOCA RATON, FL 33432
ed.austin@jaerestgroup.com

Seymour, Debra

From: Susan Thomas <susant@thomasinsserv.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

I am also an insurance agent and see on a first hand basis how the current rates effect the business owners, especially those in construction.

Thank you for your consideration.

Susan K. Thomas

Sincerely,

Susan Thomas
3235 US Highway 441/27 Ste A
Fruitland Park, FL 34731
susant@thomasinsserv.com

Seymour, Debra

From: Don McCormick, Jr. <mccormickcci@comcast.net>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

With the proposed rate hike I will have to pass the increase on to our customers and /or cut employees. I am a building contractor and either option is not good!

Sincerely,

Don McCormick
1405 Georgia Ave
Lynn Haven, FL 32444
mccormickcci@comcast.net

Seymour, Debra

From: Shane Little <lspizza.papajohns@gmail.com>
Sent: Saturday, August 20, 2016 1:51 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. I cannot afford a 19% increase in my workers' comp rate. As rates increase, it becomes much more difficult to successfully run my business.

I ask that you do not approve the rate increase.

Thank you.

Sincerely,

Shane Little
1818 N Monroe St
Tallahassee, FL 32303
lspizza.papajohns@gmail.com

Seymour, Debra

From: Susan Garber <susan@samcoplumbing.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

We are already operating from week to week. This will be devastating on our business. We have incurred a 20 to 40 percent increase this year alone because of an employee claim from 2 years ago. Tack on this additional 19.6% and we might as well shut our doors. Since 2007 we have been struggling to stay afloat and have never really been able to get back to where we were. We do employ 10 people and pay half their health coverage.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Susan Garber
431 Lone Palm Dr
Lakeland, FL 33815
susan@samcoplumbing.com

Seymour, Debra

From: Wade Allen <user@votervoice.net>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. Please understand that this isn't the only increase I'm facing. Health insurance for my employees is going up 5%. Liability insurance is going up 17%. My credit card processor is also raising our rate/fees. The power company is also requesting an increase.

Sir, it is getting increasingly difficult to stay in business. Most don't realize that every increase in expenses requires a substantial increase in sales out the door to come up with enough money to pay the bills.

Thanks for your consideration in this matter.

Sincerely,

Wade Allen
Hall's Hardware

Sincerely,

Wade Allen
6606 Caroline St
Milton, FL 32570
acewsallen@aol.com

Seymour, Debra

From: David Wise <thermalbrazeinc@att.net>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I have a small business and my workers' comp rate is already too high. With the economy the way it is thanks to the current administration how do you expect a small company to keep running. I understand that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business and keep employees.

Please don't approve a rate increase.

Sincerely,

David Wise
231 Venus St
Jupiter, FL 33458
thermalbrazeinc@att.net

Seymour, Debra

From: Alexander Kress <alkress@benchmarkgames.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

I am constantly fighting copies from China and any increase in my costs will only make it harder to compete.

Sincerely,

Alexander Kress
8610 SE Harbour Island Way
Jupiter, FL 33458
alkress@benchmarkgames.com

Seymour, Debra

From: Robin Shiver, Jr <teresa@bassassassin.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I am a small business owner. I have a plastics manufacturing company in Lafayette County. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. I don't understand why the rate increase is that much. I think as a business owner who is mandated to purchase this insurance I have a right to question it and to know why.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. Any increase in workers comp insurance takes away any possibility of increasing our employee's salaries- I would much rather give the money to my employees than to an insurance company, especially when our company has only had 3 claims in the last 28 years. I have 30 employees. Next to the prison and the school, I am the largest employer in my county. I do all that I can to keep my employees working because many of them are the sole supporters of their families. I cannot afford to pay them the wages that I would like to but I do the best I can. And if our worker's comp goes up then I will probably end up having to cut hours to compensate. And that is not fair. Not to my employees, and not to my company.

Sincerely,

Robin C Shiver Jr
305 SW Brown Cemetary Rd
Mayo, FL 32066
teresa@bassassassin.com

Seymour, Debra

From: David Kophamer <dkopy@comcast.net>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: Workers comp rate hikes

Dear Commissioner Altmaier,

Hi. I just wanted to give you some insight. I'm not sure about whether or not the insurance company is making enough money or not. That's for you to look into I guess. I just wanted to tell you that my business of 16 employees mostly full time would pay an addition \$929 each year if the rate is increased by 19.6%. I think that's too big to jump into. Maybe the rate could increase by 7 percent? That would be easier to swallow. I'm sure there will be further increases down the road. But I'd rather not be slapped so hard all at once. Thank you for looking into it for us.

I agree with the following message:

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

David Kophamer
21 Fountain Dr
Orange Park, FL 32065
dkopy@comcast.net

Seymour, Debra

From: Joseph Canitano <info@silverhorseracing.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. This comes just on the heels of us having to lay off employees this spring to keep labor costs under control. If my WC rates go up by this amount, I may have to make further cuts, doing more and more, with less and less, until we have no one left.

Sincerely,

Joseph Canitano, owner, SilverHorse Racing
1211 Hathaway Rd SW
Palm Bay, FL 32908
info@silverhorseracing.com

Seymour, Debra

From: Mark Caudle <mark@pointglassmetal.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

This rate hike would only cause me to lay off employees as the rate is already outrageous !

This is only for the Lawyers that contribute to your campaigns.

Sincerely,

Mark Caudle
504 Capital Cir SE Ste D
Tallahassee, FL 32301
mark@pointglassmetal.com

Seymour, Debra

From: Jenni Briggs <jenni@maynursery.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a work for a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jenni Briggs
1644 Beaver Creek Dr
Havana, FL 32333
jenni@maynursery.com

Seymour, Debra

From: Robert Nelson <bob.pizzazzscenic@gmail.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

With a stagnant economy and effectively zero interest rates there is no way to justify a 20% increase in any business cost. As an employer of 12 people this is more than a hardship, it steals from my bottom line, cuts into funds I need for new equipment, etc. My next move is to layoff a person or two to make up for the increased funding the "State" demands. If the "State" increases my Workers Comp costs, I may decide to increase the "States" Unemployment Insurance payouts. You feed these families, it is getting harder and harder for me to do so.

Bob Nelson, V.P. Pizzazz Scenic Contractors, Inc. 904-641-1239

Sincerely,

Robert Nelson
2199 Swallowtail Ln
Saint Augustine, FL 32092
bob.pizzazzscenic@gmail.com

Seymour, Debra

From: Marcos Silva <msilva@starboardwendys.com>
Sent: Saturday, August 20, 2016 1:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

We operate Wendy's restaurants in the State of Florida. Our business is very cost sensitive to changes in labor and foodcosts. We invest in training and do an excellent job in order to minimize injuries in the work place. This has given us a very respectable mod rating. Even with all that effort and excellent rating our workers' comp rate is very high.

We know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It does not have any correlation to inflation or the historical growth of our business in terms of profits. Such rate increase would be devastating to our business here in Florida causing us to possible have to reduce our workforce.

It would be ideal if we maintain rates as low as possible as an incentive for FL businesses to continue to hire more workers and for companies in other states to continue to move to here. Please let us know as soon as possible what you intend to do in term of a rate increase. It is important that we are given as much notice as possible for future rate increases as in a business like ours even the smallest changes make a big difference.

Thank you,

Sincerely,

Marcos Silva, President
12540 W Atlantic Blvd
Coral Springs, FL 33071
msilva@starboardwendys.com

Seymour, Debra

From: Adrian Kosman <theadrian1@gmail.com>
Sent: Friday, August 19, 2016 7:40 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Adrian Kosman
5310 Sunwood Rd
Panama City, FL 32404
theadrian1@gmail.com

Seymour, Debra

From: Jimmy Lewis <jimmy@designs2envy.com>
Sent: Friday, August 19, 2016 7:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jimmy Lewis
5312 Morgan Horse Dr N
Jacksonville, FL 32257
jimmy@designs2envy.com

Seymour, Debra

From: Jilma Rudd <jilma.rudd@gmail.com>
Sent: Friday, August 19, 2016 6:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jilma Rudd
3208 Old Bainbridge Rd
Tallahassee, FL 32303
jilma.rudd@gmail.com

Seymour, Debra

From: Dan Jackson <sandana101@gmail.com>
Sent: Friday, August 19, 2016 6:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Dan Jackson
PO Box 9508
Panama City Beach, FL 32417
sandana101@gmail.com

Seymour, Debra

From: Frank Re <user@votervoice.net>
Sent: Friday, August 19, 2016 6:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Frank Re
100 N Dixie Ave
Fruitland Park, FL 34731
fre2@aol.com

Seymour, Debra

From: Earl Smith <Earl@keypackaging.com>
Sent: Friday, August 19, 2016 5:50 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Earl Smith
7350 15th St E
Sarasota, FL 34243
Earl@keypackaging.com

Seymour, Debra

From: Christy Smith <cmsmith@resortcollection.com>
Sent: Friday, August 19, 2016 4:29 PM
To: Rate Hearings
Subject: NCCI Workers' Compensation Rate
Attachments: WC Rate Increase.pdf

Please review the attached letter in response to the proposed rate increase for Workers' compensation insurance rates. Thank you



11212 Front Beach Road
Panama City Beach, FL 32407
www.resortcollection.com

Christy Smith

Vice President of Human Resources
Human Resources

tel. 850-233-7594
fax. 850-233-7536



RESORT COLLECTION[®]

11212 Front Beach Road
Panama City Beach, FL 32407
850-233-7594

August 19, 2016

Mr. David Altmaier
Commissioner
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0330

Re: NCCI Rate Filing


Dear Commissioner Altmaier,

I am writing you in reference to the NCCI recommended rate increase of 19.6%, which is largely attributed to the recent Florida Supreme Court ruling in *Castellanos vs. Next Door Company*. We are a family owned business in Panama City Beach, Florida. We hire approximately 600 employees' in-season and approximately 350 year round.

Our resorts are located in the Panhandle of Florida and we are a resort destination on the Gulf Coast. Resort Collection currently manages over 1,000 units in Northwest Florida and leasing for careful and calculated growth. Almost 1000 full-service gulf-front suites and golf villas, 90,000 square feet of combined indoor and outdoor meeting space, 10 tennis courts, multiple upscale retail shops, boutiques, eateries, and coffee shops, state-of-the-art fitness rooms, an outdoor basketball court, 21 luxurious pools, and a 9-hole executive golf course on Northwest Florida's Gulf Coast.

This past year we faced many hurdles with the rapid decline of spring break which resulted in a decrease in revenue and the amount of employees we would normally hire for our season. We also are faced with the new FLSA requirements which will have a negative impact on our company as well. When you add these along with a potential for a huge rate increase to our workers' compensation insurance, it only has a negative impact on our company.

Thank you for your time in making sure that Florida's Employers are not gouged by excessive workers' compensation insurance rates. Please take these concerns into consideration when you make the final decision on the rate increase.

Sincerely,

Christy M. Smith

Vice President of Human Resources, Resort Collection

Seymour, Debra

From: Sam Arledge <samarledge@mdisales.com>
Sent: Friday, August 19, 2016 4:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Sam Arledge, mdi
11205 Challenger Ave
Odessa, FL 33556
samarledge@mdisales.com

Seymour, Debra

From: James Alderman <jimmy.alderman@aldermanplumbing.com>
Sent: Friday, August 19, 2016 3:50 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

James Alderman
1755 E Gary Rd
Lakeland, FL 33801
jimmy.alderman@aldermanplumbing.com

Seymour, Debra

From: PAUL SMITH <ORTEGACARCARE3@GMAIL.COM>
Sent: Friday, August 19, 2016 3:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

PAUL SMITH
4517 Appleton Ave
Jacksonville, FL 32210
ORTEGACARCARE3@GMAIL.COM

Seymour, Debra

From: Florida Department of Financial Services <servicepoint@myfloridacfo.com>
Sent: Friday, August 19, 2016 3:27 PM
To: Rate Hearings
Subject: FW: [SR#1-877227330] workmans comp rate increase

[THREAD ID:1-EI9XP4]

-----Original Message-----

From: consumerservices@myfloridacfo.com
Sent: 8/18/2016 08:28:34 AM
To: ServicePoint <ServicePoint@myfloridacfo.com>
Subject: [SR#1-877227330] workmans comp rate increase

Florida Department of Financial Services

Division of Consumer Services

200 East Gaines Street, Tallahassee FL 32399

Monday – Friday 8 am - 5 pm (EST)

1-877-MY-FL-CFO (1-877-693-5236)

From: InsuranceCommissioner
Sent: Thursday, August 18, 2016 8:20 AM
To: 'James Behan' <behanroofing@gmail.com>; InsuranceCommissioner <InsuranceCommissioner@flair.com>
Cc: Young, T'Yana <T'Yana.Young@flair.com>; Consumer Services <consumerservices@myfloridacfo.com>
Subject: RE: workmans comp rate increase

Dear Mr. Behan:

Thank you for your correspondence. We appreciate you contacting us and sharing your comments and concerns. The Commissioner values the opinions of citizens like you and works hard to protect the Florida insurance market. He held a hearing this week on this issue.

If you would like to file a complaint you may also contact Consumer Services directly by visiting www.myfloridacfo.com/Division/Consumers/ or by calling toll free 877-693-5236.

If the Office of Insurance Regulation can be of further assistance, please do not hesitate to contact us.

Sincerely,

Lin Hartsfield

Office of the Commissioner

From: James Behan [<mailto:behanroofing@gmail.com>]
Sent: Wednesday, August 17, 2016 4:57 PM
To: InsuranceCommissioner <InsuranceCommissioner@flor.com>
Subject: workmans comp rate increase

Mr Altmaier,

I am a roofing contractor in Melbourne FL, we were established in 1980. I have seen many changes in how work comp is handled by the state, mostly good. we have enjoyed (almost) a reasonable rate, in part due to the FRSA and other assoc. that watch out for their members. I am a small contractor. that employs 5 or 6 men and it costs me approx \$30,000 a year for comp

A nearly 20% increase would not only hurt the bottom line, but the unfair advantage unlicensed guys have, will be even more pronounced.

Thanks for reading this,

J K Behan

--

J. K. Behan General Roofing Contractor, Inc.
1450 Maple Ave, Melbourne, FL 32935
p. 321-242-1911 f. 321-253-4056
www.jkbehanroofing.com

Seymour, Debra

From: diane adams <dadams@oesjax.com>
Sent: Friday, August 19, 2016 3:21 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

diane adams
1524 San Marco Blvd
Jacksonville, FL 32207
dadams@oesjax.com

Seymour, Debra

From: Anastasia Skarouis <sales@spongesdirect.com>
Sent: Friday, August 19, 2016 3:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Anastasia Skaroulis
884 Crestridge Cir
Tarpon Springs, FL 34688
sales@spongesdirect.com

Seymour, Debra

From: Barbara Letts <user@votervoice.net>
Sent: Friday, August 19, 2016 2:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Barbara Letts
5104 Feather Creek Dr
Fort Pierce, FL 34951
bc_letts@yahoo.com

Seymour, Debra

From: Thomas Parotino <tom@tampaselect.com>
Sent: Friday, August 19, 2016 2:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Thomas Parotino
303 Bahamas Ave
Temple Terrace, FL 33617
tom@tampaselect.com

Seymour, Debra

From: Jim Black <Jim.Black@usi.com>
Sent: Friday, August 19, 2016 1:54 PM
To: 'Mark Blanchard'; John C. Blanchard
Cc: Rate Hearings
Subject: RE: workmens comp increase

I think it was for emphasis!

Jim Black, AAI
USI Insurance Services LLC
4601 Touchton Rd Suite 3210
Jacksonville, FL 32246
Direct Dial: 904-450-4705
Cell: 904-525-6683
Fax: 877-775-0285
email: Jim.black@usi.biz

From: Mark Blanchard [mailto:mblanchard@avelighting.com]
Sent: Friday, August 19, 2016 9:33 AM
To: John C. Blanchard <jonnybonez53@aol.com>
Cc: RateHearings@floir.com; Jim Black <Jim.Black@usi.com>
Subject: Re: workmens comp increase

John, Jim - There are only 23 people on the payroll here. Where did the 25 come from.

M

On Fri, Aug 19, 2016 at 8:53 AM, John C. Blanchard <jonnybonez53@aol.com> wrote:

Hi, I employ 25 people in Jacksonville and if an increase like this goes thru we will be employing 24 people.....this craziness has to stop...John Blanchard..Avenues Lighting

--

Mark Blanchard
Avenues Lighting
10130 Philips Highway
Jacksonville, FL 32256
904-262-8113 Ext.414
F. 904-262-8121

Seymour, Debra

From: Tim Dozier <timdozier@integrityinc.us>
Sent: Friday, August 19, 2016 1:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Tim Dozier
8836 Gall Blvd
Zephyrhills, FL 33541
timdozier@integrityinc.us

Seymour, Debra

From: Harry AI <harry@vikingautoelectric.com>
Sent: Friday, August 19, 2016 1:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Harry AI
4521 Sunbeam Rd
Jacksonville, FL 32257
harry@vikingautoelectric.com

Seymour, Debra

From: Dawn Bazzell <dawn@independentflooring.com>
Sent: Friday, August 19, 2016 1:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Dawn Bazzell
431 Racetrack Rd NW
Fort Walton Beach, FL 32547
dawn@independentflooring.com

Seymour, Debra

From: Steve Lafrance <steve@actionhonda.com>
Sent: Friday, August 19, 2016 1:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Steve Lafrance
15628 US Highway 19
Hudson, FL 34667
steve@actionhonda.com

Seymour, Debra

From: Sergio Balsinde <sabjr04@gmail.com>
Sent: Friday, August 19, 2016 1:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Sergio Balsinde
13145 Old Cutler Rd
Miami, FL 33156
sabjr04@gmail.com

Seymour, Debra

From: Christy DeLoach <christy@libmar.com>
Sent: Friday, August 19, 2016 1:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Christy DeLoach
1431 Riverplace Blvd Apt 2608
Jacksonville, FL 32207
christy@libmar.com

Seymour, Debra

From: Kitty Kosmos <FLTRACTOR1@GMAIL.COM>
Sent: Friday, August 19, 2016 12:50 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

KITTY KOSMOS
5284 NW 216th St
Lawtey, FL 32058
FLTRACTOR1@GMAIL.COM

Seymour, Debra

From: Mason Baxter <info@bax-tec.com>
Sent: Friday, August 19, 2016 12:30 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

My business has never had a claim in the almost 13 years it has been in business. Will raising this rate solve problems? So, please think about this decision and make a decision that is fair to everyone! Please think about all the small business owners and how this can effect their businesses.

Sincerely,

Mason W. Baxter
5 Renshaw Pl
Palm Coast, FL 32164
info@bax-tec.com

Seymour, Debra

From: Gary Johnson <gjohnson@amore-plumbing.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

With more than 80 field employees, and many existing contracts which offer no way to raise my prices to compensate for this type of large cost increase, an increase this large could certainly bankrupt my company. Margins for plumbing sub contractors in the new construction area are simply not large enough to withstand this type of increase.

Sincerely,

Gary Johnson
3752 Gardenview St
Milton, FL 32571
gjohnson@amore-plumbing.com

Seymour, Debra

From: Nancy Main <nkmain@comcast.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I am a small business owner. I know that NCCI has requested a 19.6% Workers' Comp rate increase. This rate increase is far too high. Combined with the expected significant health insurance rate increase this will likely have a negative effect on my employees and their compensation.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Thank you,
Nancy Main
Land and Timber Management, Inc.

Sincerely,

Nancy Main
3015 N Shannon Lakes Dr Ste 305
Tallahassee, FL 32309
nkmain@comcast.net

Seymour, Debra

From: Rick Howard, Howard <Rickhoward@sklarfurnishings.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Rick Howard
6300 N Federal Hwy
Boca Raton, FL 33487
Rickhoward@sklarfurnishings.com

Seymour, Debra

From: Mr. & Mrs. Alex Lopez <alex@atlantisroofingofnaples.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI - Outrageous Rate Hikes!!

Dear Commissioner Altmaier,

I own a small roofing business ran by my family. I know that NCCI has requested a 19.6% rate increase. This is absolutely ridiculous!!! It would hurt my ability to run my business and I will have to pass these costs on to my customers!

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month. The homeowners of our state should not have to pay this indirect tax!!!

Sincerely,

Alex F. Lopez
3675 25th Ave SW
Naples, FL 34117
alex@atlantisroofingofnaples.com

Seymour, Debra

From: Carlos Licona <clicona@atlanticsupply.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. We are already being impacted by exorbitant increases in employee healthcare insurance benefits. This will negatively impact us all and will hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Carlos Licona

Sincerely,

Carlos Licona
7973 4th Ave S
Saint Petersburg, FL 33707
clicona@atlanticsupply.com

Seymour, Debra

From: William Cowherd <ees.bill@att.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

As a subcontractor in the residential and commercial construction industry, many of our contracts are long term and are based on the old comp rates. Any increase will cause financial stress on our business, our contractors, and buyers.

Therefor please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

William M Cowherd
2230 Vista Palm Dr
Edgewater, FL 32141
ees.bill@att.net

Seymour, Debra

From: Alan Wiessner <awiessner@identifi.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. I know that NCCI has requested a 19.6% rate increase. If I asked my customers for a 20% increase in my prices I'd be out of business!

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Alan Wiessner
701 Enterprise Rd E
Safety Harbor, FL 34695
awiessner@identifi.net

Seymour, Debra

From: Ryland Lovett <user@votervoice.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

I would like the next generation in my family to be able to afford to stay in business, but with workers' comp rate increase, it will make it difficult. I have been increasing my workers average wage, but I can't do that if workers' comp rate goes up.

Sincerely,

Ryland Lovett
25191 Olympia Ave
Punta Gorda, FL 33950
ryland33950@yahoo.com

Seymour, Debra

From: Mark Dewey <mark.dewey@9round.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

I have just hired my first two employees and if this rate increase goes through, I will be forced to eliminate one of the employees thanks to the State of Florida.

Sincerely,

Mark H. Dewey
3140 Kernan Lake Cir Apt 107
Jacksonville, FL 32246
mark.dewey@9round.com

Seymour, Debra

From: Kimberly Nicholson <servpro9322@comcast.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate are already high and my spouse and myself have elected to not be included due this. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high and will cause us to let our employees of 9 years or more look for another job. It would hurt my ability to run my business with trained employees as I would have to hire in employees at lower rates to cover the expense of workmans compensation. We have only had two claims in ten years and pride ourselves on our long time employees, but in saying that they make a decent rate of pay and this could jeopardize their employment due to costs.

Please don't approve a rate increase that potentially could put us out of business. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month and budget out those expenses.

Sincerely,

Kimberly Nicholson
408 SW Ridgeview Pl
Lake City, FL 32024
servpro9322@comcast.net

Seymour, Debra

From: Kristi Brock <user@votervoice.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business. I have only five employees and a rate increase would force me to go down to four. We have never had anyone get hurt because safety is important to us.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Kristi J. Brock
PO Box 23873
Jacksonville, FL 32241
kjbrock3d@aol.com

Seymour, Debra

From: Richard May <richard@maynursery.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

My workers comp rate rose from \$50,000 in 2015 to an estimated \$80,000 in 2016!!! And now we are looking at another increase!?!?!?

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Richard May
331 N Monroe St
Quincy, FL 32351
richard@maynursery.com

Seymour, Debra

From: Robert Boone <user@votervoice.net>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI Rate Increase

Dear Commissioner Altmaier,

Commissioner:

The cost of doing business is ever increasing, and as a small business owner, we strive to provide the best wage and benefits structure to our employees. We do this by keeping other costs at a minimum. The recent court decision and subsequent impact of such, will be a detriment to growth and wages in our state. Any increase in this comp rate, will take money directly from the economics of business investment, and go directly to a non value added segments of the economy.

Our workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Robert Boone
4100 Frontage Rd S Ste 307
Lakeland, FL 33815
rjb1998@aol.com

Seymour, Debra

From: nina zubkova <nina@iplaster.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Every time I turn around, someone is stepping on the small business owner!!
give us a BREAK!!!!

Sincerely,

nina zubkova
109 Palm Bay Dr
Palm Beach Gardens, FL 33418
nina@iplaster.com

Seymour, Debra

From: George Kaser <manager@drycleanercity.com>
Sent: Friday, August 19, 2016 12:20 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

I appreciate your consideration

Sincerely,

George Kaser
3535 US Highway 17 Ste 1
Fleming Island, FL 32003
manager@drycleanercity.com

Seymour, Debra

From: William Stine <user@votervoice.net>
Sent: Friday, August 19, 2016 12:10 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

William Stine
572 Eden Dr
Saint Cloud, FL 34771
wstine2727@aol.com

Seymour, Debra

From: David Nolen <mickey@nozzlenolen.com>
Sent: Friday, August 19, 2016 12:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

David Nolen
35 Starboard Way
Tequesta, FL 33469
mickey@nozzlenolen.com

Seymour, Debra

From: Jean Adams <jeanadams09834@gmail.com>
Sent: Friday, August 19, 2016 12:00 PM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jean Adams
2532 Crown Ct
Panama City, FL 32405
jeanadams09834@gmail.com

Seymour, Debra

From: Jeannie Custer <dexterscontracting@gmail.com>
Sent: Friday, August 19, 2016 11:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jeannie Custer Owner Dexters Contracting LLC
7475 Spinola Rd
Jacksonville, FL 32217
dexterscontracting@gmail.com

Seymour, Debra

From: Sarah Rieser <sarah.areaglass@gmail.com>
Sent: Friday, August 19, 2016 11:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Sarah Rieser
2409 Pelican Bay Ct
Panama City Beach, FL 32408
sarah.areaglass@gmail.com

Seymour, Debra

From: Erin Clark <erin@maynursery.com>
Sent: Friday, August 19, 2016 11:50 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Erin Clark
178 May Nursery Rd
Havana, FL 32333
erin@maynursery.com

Seymour, Debra

From: perry lawrence <perry@innovativemarinefl.com>
Sent: Friday, August 19, 2016 11:40 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

perry lawrence
7571 Sawyer Cir
Port Charlotte, FL 33981
perry@innovativemarinefl.com

Seymour, Debra

From: R. D. Smith <user@votervoice.net>
Sent: Friday, August 19, 2016 11:40 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

R. D. Smith
311 69th St NW
Bradenton, FL 34209
bradenton.window@verizon.net

Seymour, Debra

From: Gayle Pryor <gayle@subwaypryor.com>
Sent: Friday, August 19, 2016 11:40 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Gayle pryor
301 S Tubb St
Oakland, FL 34760
gayle@subwaypryor.com

Seymour, Debra

From: James Jackson <mjackson@jackson-plumbing.com>
Sent: Friday, August 19, 2016 11:40 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

James Jackson
6947 Land O Lakes Blvd
Land O Lakes, FL 34638
mjackson@jackson-plumbing.com

Seymour, Debra

From: James Rackley, jr <jim@capitalhitch.com>
Sent: Friday, August 19, 2016 11:30 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

James Rackley
6419 Stone Street Trl
Tallahassee, FL 32309
jim@capitalhitch.com

Seymour, Debra

From: Clifford Glade <user@votervoice.net>
Sent: Friday, August 19, 2016 11:30 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

DR Clifford Glade
82771 Overseas Hwy
Islamorada, FL 33036
cglade2069@aol.com

Seymour, Debra

From: Teresa Ferris <jm_plastering@msn.com>
Sent: Friday, August 19, 2016 11:20 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Teresa L. Ferris
30947 Westchester Ave
Sorrento, FL 32776
jm_plastering@msn.com

Seymour, Debra

From: Mr. & Mrs. john malek <jmm@mroilxpress.com>
Sent: Friday, August 19, 2016 11:20 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

j.m.malek
2190 47th Ter
Vero Beach, FL 32966
jmm@mroilxpress.com

Seymour, Debra

From: Gwen Larrett <ladyblue.consulting@usa.net>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Gwen Larrett EA
21 Pittson Ln
Palm Coast, FL 32164
ladyblue.consulting@usa.net

Seymour, Debra

From: Jayne Koedding <jkoedding@reagan.com>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Jayne Koedding
13240 Tamiami Trl N Ste 207
Naples, FL 34110
jkoedding@reagan.com

Seymour, Debra

From: Gregory Pflum <gpflum@performancefeeders.com>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Gregory Pflum
251 Dunbar Ave
Oldsmar, FL 34677
gpflum@performancefeeders.com

Seymour, Debra

From: Ronald Waldrop <ronw@waldropengineering.com>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Ronald Waldrop
28100 Bonita Grande Dr
Bonita Springs, FL 34135
ronw@waldropengineering.com

Seymour, Debra

From: Margaret Bigham <margobigham1@bellsouth.net>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Margaret Bigham
1023 Woodlore Cir
Gulf Breeze, FL 32563
margobigham1@bellsouth.net

Seymour, Debra

From: francisco ruperto, jr <franksplace1@gmail.com>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

francisco ruperto jr
146 N Clarke Rd
Ocoee, FL 34761
franksplace1@gmail.com

Seymour, Debra

From: Steve Saperstein <user@votervoice.net>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Steve Saperstein
1316 SE 4th Ave
Crystal River, FL 34429
saper1947@yahoo.com

Seymour, Debra

From: Cindy Battle <battle.cc@gmail.com>
Sent: Friday, August 19, 2016 11:10 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Cindy Battle
PO Box 27004
Panama City, FL 32411
battle.cc@gmail.com

Seymour, Debra

From: Stephen Fink <swfink@terrys.net>
Sent: Friday, August 19, 2016 11:02 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Stephen Fink
524 N Dixie Hwy
Hollywood, FL 33020
swfink@terrys.net

Seymour, Debra

From: Aynsley Brown <brownayns@embarqmail.com>
Sent: Friday, August 19, 2016 11:02 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Aynsley Brown
8353 Antwerp Cir
Port Charlotte, FL 33981
brownayns@embarqmail.com

Seymour, Debra

From: Cindy Tisdale <cindy.tisdale@jensen-group.com>
Sent: Friday, August 19, 2016 11:02 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

JENSEN USA
99 Aberdeen Loop
Panama City, FL 32405
cindy.tisdale@jensen-group.com

Seymour, Debra

From: Michael Canavan <MikeC@csandl.com>
Sent: Friday, August 19, 2016 11:02 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

Michael Canavan
919 Poinciana Ln
Winter Park, FL 32789
MikeC@csandl.com

Seymour, Debra

From: steven winkler <steven@ludwigframemakers.com>
Sent: Friday, August 19, 2016 11:02 AM
To: Rate Hearings
Subject: NCCI

Dear Commissioner Altmaier,

I'm a small business owner. My workers' comp rate is already too high. I know that NCCI has requested a 19.6% rate increase. This rate increase is far too high. It would hurt my ability to run my business.

Please don't approve a rate increase for one penny more than is absolutely necessary. I also need to know as soon as possible what rate increase you will approve. As a small business owner, I have to know what my labor costs will be from month to month.

Sincerely,

steven Winkler
1299 S Dixie Hwy
Deerfield Beach, FL 33441
steven@ludwigframemakers.com

Seymour, Debra

From: Mark Blanchard <mblanchard@avelighting.com>
Sent: Friday, August 19, 2016 9:33 AM
To: John C. Blanchard
Cc: Rate Hearings; Black, Jim
Subject: Re: workmens comp increase

John, Jim - There are only 23 people on the payroll here. Where did the 25 come from.

M

On Fri, Aug 19, 2016 at 8:53 AM, John C. Blanchard <jonnybonez53@aol.com> wrote:

Hi, I employ 25 people in Jacksonville and if an increase like this goes thru we will be employing 24 people.....this craziness has to stop...John Blanchard..Avenues Lighting

--

Mark Blanchard
Avenues Lighting
10130 Philips Highway
Jacksonville, FL 32256
904-262-8113 Ext.414
F. 904-262-8121

Seymour, Debra

From: John C. Blanchard <jonnybonez53@aol.com>
Sent: Friday, August 19, 2016 8:53 AM
To: Rate Hearings
Cc: jim.black@usi.biz; mblanchard@avelighting.com
Subject: workmens comp increase

Hi, I employ 25 people in Jacksonville and if an increase like this goes thru we will be employing 24 people.....this craziness has to stop...John Blanchard..Avenues Lighting

Seymour, Debra

From: Jim Black <Jim.Black@usi.com>
Sent: Thursday, August 18, 2016 4:22 PM
To: Rate Hearings
Subject: Rate increase

Dear Sir:

I have spoken to many of my clients concerning this workers comp rate increase. First of all we don't really understand why attorneys get involved in many of the claims since the benefits are statutory. Second comment has been how can they change my rate before my policy anniversary? I understand that there is a change in the benefits so that is allowed but try explaining that to a hard working employer trying to make ends meet. Third, we don't even know the impact these rulings are going to make. Shouldn't we wait to see the impact before we jump rates nearly 20%?

Personally I think this makes Florida look bad. How can a business owner plan for the year when rates can be changed at any time. Business owners not able to pass the cost along to their customers will trim cost elsewhere which means lost hours or jobs for employees.

Based on a few articles I have read, attorneys say they are needed because insurance companies do not do what they are supposed to do. Focus on those few companies but if a company is paying what they should be by law then attorneys should not be allowed to take a case. Otherwise what protection does the employer have? Rates will continue to go up and experience modification rates will go up and soon business will shut down.

Do we really want that for the benefit of a few greedy attorneys?

Jim Black, AAI
USI Insurance Services LLC
4601 Touchton Rd Suite 3210
Jacksonville, FL 32246
Direct Dial: 904-450-4705
Cell: 904-525-6683
Fax: 877-775-0285
Email: Jim.black@usi.com

Seymour, Debra

From: Ed Cannatelli <edc@cannatellibuilders.com>
Sent: Wednesday, August 17, 2016 3:36 PM
To: Rate Hearings
Subject: Ruling

I am not sure, with all the recent increases in overhead, how a small or mid size construction company can stay in business. This increase in workers compensation will surely put some of us over the edge.

*Ed Cannatelli
Cannatelli Builders Inc.
2101 NW 33 St.
Suite 2800A
Pompano Beach FL 33069
Phone: 954-977-2775
Fax: 955-977-2795*

Sent from my Verizon Wireless 4G LTE Droid



P.O. Box 749 * Tallahassee, FL 32302-0749 * TEL: 850.386.6668 * Fax: 850.386.7371

August 8, 2016

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulations
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

Re: August 16, 2016 Rate Hearing

Dear Commissioner Altmaier:

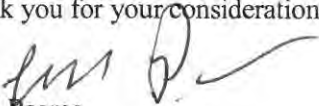
The Florida Insurance Council (FIC) and its member companies submit this letter to the OIR for its consideration as a part of the workers' compensation rate hearing scheduled for August 16, 2016.

Since the passage of Senate Bill 50A, the State of Florida has enjoyed a reduction of 60% in workers' compensation premiums. This reduction has allowed businesses to prosper and has promoted an increase in availability and affordability of workers' compensation insurance products in the State of Florida. The Florida Supreme Court's decision in the case of *Marvin Castellanos v. Next Door Company (Castellanos)* and in the case of *Bradley Westphal v. City of St. Petersburg* will drastically and negatively impact the gains made by Senate Bill 50A and subsequent legislative changes. While the National Council on Compensation Insurance (NCCI) proposed a rate increase of 19.6% (+15% per the *Castellanos* decision and +2.2% per the *Westphal decision*) it is important to note that this increase does not account for the negative retroactive impact of these decisions.

The largest threat to the recovery of our workers' compensation market is the amount of unfunded liability that must be absorbed by our member companies. Premiums collected on expired and in force policies will not be reflective of additional costs to the system due to Florida's prospective ratemaking process. The risk associated with the uncertainty of the unfunded liability may undo all of the cost containment reforms that have made Florida's workers' compensation system a competitive and effective environment where companies want to do business. As we experienced after the *Emma Murray* decision, this filing is necessary to mitigate the impact that increased litigation will have on the workers' compensation system. The *Emma Murray* decision and resulting increased litigation is proof that Florida businesses were exposed to new risk and uncertainty as a result of the unfunded liability.

FIC requests that the Florida Office of Insurance Regulation (OIR) give careful consideration to NCCI's recommendation in light of the recent Supreme Court decisions and the negative impact that increased litigation will have on Florida's insurance market. In addition, FIC encourages the OIR to approve the +19.6% rate proposed by NCCI, as filed, and not delay the 10/1/2016 effective date any further than requested as the unfunded liability will continue to grow causing further harm to insurers.

Thank you for your consideration,


Cecil Pearce
Florida Insurance Council

Seymour, Debra

From: Jacalyn N. Kolk <jackie@kbcpc.com>
Sent: Wednesday, August 17, 2016 10:52 AM
To: Rate Hearings
Subject: NCCI - Public Rate Hearing

To Whom It May Concern:

The increases proposed for workers' compensation are extreme. Would it be better to require everyone to have health insurance and totally eliminate workers' compensation insurance? The insurance companies seem to just pay claims and charge employers without determining if the employer has any responsibility for the medical condition. We are dissatisfied with the system!

Very truly yours,
Jacalyn N. Kolk
Manager/Member

King's Bay Construction, LLC
2636 East Avenue North
Panama City, FL 32405
Phone: (850) 624-9762

Seymour, Debra

From: j vallon <sunscapelandscape08@gmail.com>
Sent: Tuesday, August 16, 2016 8:15 PM
To: Rate Hearings
Subject: Workers comp rate increase

Dear Sirs, I feel that it is an unnecessary burden to business that are doing the right thing by following the laws and having workers comp. Instead of the insurance companies fleecing us out of more money, I feel the state, and local municipalities should focus on fraud and those who are paying workers under the table. The insurance companies already are making alot of money off of this system. Please let's not give them anymore. Regards,
Jonathan

Seymour, Debra

From: Andrea Laduron <andrea.laduron@lregsi.com>
Sent: Tuesday, August 16, 2016 4:27 PM
To: Rate Hearings
Subject: NCCI Rate Increase

To Whom It May Concern:

This letter is intended to express our concerns surrounding the recent hike in worker's compensation coverage.

Our organization, like many others, will see a 20% increase in workers compensation coverages this year, which will be charged retroactively back to December when the company initially renewed its policy. This is roughly a \$50,000 dollar annual increase that directly impacts the company's bottom line.

Amid the new federal regulations surrounding healthcare reform, the pending changes to the Fair Labor Standards Act (FLSA), and workers compensation hikes the organization has been forced to cut costs in order to remain profitable. This includes eliminating jobs, cutting funding for employee welfare & engagement programs, eliminating continuing education opportunities, and reducing employee benefits contributions. All of these effects and aftermaths not only hinder our organization as a whole, but namely negatively impact our employees who must unjustly suffer the consequences so that attorneys may maintain their constitutional right of "due process".

Attorneys want to shout their rights under the Fifth Amendment—let us discuss the Eighth Amendment of the United States Constitution, which covers "excessive fines". While this particular amendment is classically representative of an individual's inability to pay fines or penalties imposed upon them by the government, I beg the question, is small business and the free market not protected by our constitutional rights? The Eighth Amendment itself was adopted with the particular intent of placing limits on the powers of the government. Courts determined that "the Excessive Fines Clause was intended to limit only those fines directly imposed by, and payable to, the government." Is small business not being restricted monetarily by the government with the recent changes to healthcare, FLSA and worker's compensation?

Our organization simply wants to run advantageously while remaining competitive in the open market and providing our employees with a wonderful place to work. The government, attorneys, and the red tape surrounding small business in today's society has made this nearly impossible. We need to make a change for our future, for the future of this nation's economy, and for our future generations.

Sincerely,

Andrea LaDuron, SHRM-CP, MBA-HRM, PHR | **L.R.E. Ground Services, Inc.** | Manager of Human Resources & Administration

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Seymour, Debra

From: William Large <william@fljustice.org>
Sent: Tuesday, August 16, 2016 3:05 PM
To: Rate Hearings
Subject: NCCI
Attachments: 2016DrHelvancianReport-TR.0811.pdf; ATT00001.txt

To whom it may concern:

This is the electronic copy of the report handed out by Dr. Michael Helvacian at today's OIR hearing. Respectfully -
William Large

William W. Large, J.D., M.B.A., M.S.M., M.S.
President
Florida Justice Reform Institute
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Both William Large and the Florida Justice Reform Institute intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you have received this communication in error, please permanently dispose of the original message and notify William Large immediately at (850) 222-0170. Thank you.

Economic Report:
*Effects of Castellanos and Other Recent Court Decisions on Florida
Workers' Compensation Costs, Employment and Wages*

Prepared For:
*Florida Justice Reform Institute
210 South Monroe Street
Tallahassee, FL 32301-1824*

Prepared by:
*N. Mike Helvacian, PhD
556 Summit Street
Englewood Cliffs, NJ 07632
(201) 569-3062*

August 11, 2016

The Florida Justice Reform Institute (FJRI) commissioned this expert opinion. The FJRI's mission is to fight wasteful civil litigation through legislation, to promote fair and equitable legal practices, and to provide information about the state of civil justice in Florida.

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Summary

The Florida Supreme Court's *Castellanos* decision and two other recent court decisions--*Miles* and *Westphal* -- will have profound effects on ***all Florida employers and employees.***

- Workers' compensation system costs will go up +35.4% in the state and much higher than the NCCI proposed first year rate increase of +19.6%.
- This means an estimated increase of \$929 million per year in premium payments for insured employers and a \$361 million per year increase in self-insured employers' costs.
- The court decisions will add in total an estimated \$1.29 billion per year to employers' costs of doing business in the state.

It also means lower growth in employment and wages.

- A 1.3% point lower growth per year in employment and a 0.7% point lower growth in wages.
- Lower growth in employment translates to a loss of over 106,000 jobs per year in the state.
- Lower growth in wages translates to an average loss of \$340 in wage income per year per employee.

I. Overview of *Castellanos* Decision

I have been retained by the Florida Justice Reform Institute (FJRI) to provide expert opinion regarding the impact of the Florida Supreme Court's *Castellanos*¹ decision and two other recent court decisions--*Miles*² and *Westphal*³ -- on the Florida workers' compensation system costs. The FJRI's mission is to fight wasteful civil litigation, to promote fair and equitable legal practices, and to provide information about the state of civil justice in Florida.

NCCI evaluates the combined impact of the three court decisions on costs, and proposes a 19.6% rate increase for new and renewal policies effective October 1, 2016.⁴ In my opinion, the combined impact of these decisions on the system costs will be much greater, +35.4%, than the NCCI proposed first year rate increase.

In 2009, I prepared an economic report on the Florida system costs, which was also commissioned by the Florida Justice Reform Institute.⁵ It evaluated the effects of attorney fee provisions of SB-50A⁶, enacted in 2003, on the Florida system costs in the context of the Supreme Court's *Murray* decision (2008).⁷ I believe the analysis and the findings of the report remain

¹ *Castellanos v. Next Door Co.*, 192 So. 3d 431 (Fla. 2016).

² *Miles v. City of Edgewater Police Dep't/Preferred Gov't Claims Solutions*, 190 So. 3d 171 (Fla. 1st DCA 2016).

³ *Westphal v. City of St. Petersburg*, Case Nos. SC13-1930, SC13-1976, --- So. 3d ----, 2016 WL 3191086 (Fla. June 9, 2016).

⁴ NCCI, *Florida Voluntary Workers' Compensation Amended Law-Only Rate Filing Proposed Effective October 1, 2016*.

⁵ Helvacian, N. Mike, *Economic Analysis: The Effects of Murray Decision on Florida Workers' Compensation Costs, Employment and Wages*, Florida Justice Reform Institute, (March 3, 2009).

⁶ Florida Senate Bill 50A, (2003).

⁷ *Murray v. Mariner Health*, 994 So. 2d 1051 (Fla. 2008).

pertinent today for evaluating the impact of the *Castellanos* decision on the Florida system costs.

Prior to the enactment of SB-50A about one in three lost-time claims in Florida involved an attorney representing the claimant. The rate of attorney involvement in lost-time claims had steadily increased from 1994 to 1997, from 19% to 27%. Over the same period, the attorney fees also increased sharply, as did the costs of benefit payments, particularly the costs of lost-time claim benefits, and percentage of claims with a lump-sum payment.⁸

Prior to SB-50A, the claimant attorney fees were on a fee for service basis. The SB-50A changed this provision and based the attorney fees on the concept of benefits secured by an attorney on behalf of his claimant. Under this reform, an attorney representing the claimant could not bill for unlimited hours of service at the customary fees, but had to demonstrate value added or benefits secured on behalf of the claimant. The attorney fee schedule under SB-50A was in fact modeled similarly to an attorney fee paid on a contingency basis.

The *Murray* decision aimed to reverse this key aspect of the SB-50A reform, and revert back to rewarding claimants' attorneys on a fee for service basis. The *Castellanos* decision essentially does the same as the *Murray* decision: reverses the SB-50A reforms on attorney fees, and revives the concept of fee for service that existed in the pre reform period.

⁸ Helvacian, N. Mike and Seth A. Reed, *Compscope Benchmarks: Florida 1994-1999, Workers' Compensation Research Institute (WCRI), (September 2001).*

The 2009 report quantified the effects of the SB-50A reforms on the Florida system costs. First, using data on claims from Florida and four neighboring states, it compared claim outcomes in the pre and post reform periods in Florida with outcomes from the neighboring states. Comparisons include costs of lost-time claims and claim characteristics, such as if an attorney represented the claimant and if a claim closed within 18 months from the date of injury, among many other claim specific information.

Secondly, it used an econometric model that I had developed with Phil Borba of Milliman specifically for Florida claims, published by WCRI (2006), to measure the effects of the model's variables targeted by the SB-50A on the claim costs and frequencies.⁹ The targeted variables were percentage of lost-time claims with an attorney representing the claimant, attorney fees and whether the claims closed within 18 months of injury.

The analyses showed that the attorney fee provision of SB-50A was responsible for reducing the Florida workers' compensation costs, -28.6%, in the post reform period. The *Murray* decision would have reversed these cost savings, and *raise* system costs by the exact but reverse amount, +28.6%. This impact on costs far exceeded NCCI's then evaluation of *Murray* and proposed rate hike of 18.6% (2009).

The reform accomplished a number of changes that affected the stakeholders' claim management practices. When attorneys could not add value or were not likely to add value to the case, the claimants did not seek

⁹ Borba, P.S and N. Mike Helvacian, *Factors that Influence the Amount and Probability of Permanent Partial Disability Benefits*, WCRI, (June 2006).

attorney representation. This was particularly evident in more costly permanent impairment (PI) claims, where attorney involvement was common before SB-50A, but fell sharply subsequent to the reform.

Secondly, it encouraged employers/carriers to make the best possible first offer in order to minimize the possibility of an attorney involvement, again affecting mainly PI claims. In less severe and less costly Temporary Disability (TTD) claims, the law removed the incentives to attorneys to keep claims open longer than necessary. This helped return the claimants to gainful employment as soon as it was medically possible.

These are indeed desirable outcomes for a self-executing no fault workers' compensation system.

Data analyses underlying the NCCI's recent rate filing corroborate my 2009 quantification of the impact of SB-50A on the Florida system costs. Using more complete and developed data than was available in 2009, NCCI actuaries show that both claim frequencies and costs declined sharply in Florida in absolute terms and in comparison to other Southeastern and Gulf States following SB-50A.

Average pure loss costs decreased in Florida in excess of 32% between pre and post reform periods (NCCI, 2016, Exhibit I). The benefit costs of claims with an attorney representing the claimant declined as well, as much as 27% relative to the other neighboring states (NCCI, 2016, Exhibit II-A). NCCI attributes these cost reductions largely to the attorney fees provisions of SB-50A. NCCI's rate filing attributes a +15% first year rate increase to

Castellanos, in an overall proposed rate increase of +19.6, effective October 1, 2016.¹⁰

The 2009 report went further and evaluated the effects of SB-50A on Florida employers' costs of doing business in the state. Reducing workers' compensation costs had profound effects on the state's economy in the post reform period. Lower claim costs meant lower insurance premiums for insured employers and lower payroll related employee costs for self-insured employers. The declining costs of doing business in the post reform period had desirable and predictable effects on the state: a flourishing economy with accelerated job growth and higher wages for the employees.

The 2009 report is pertinent and its findings applicable for evaluating the impact of *Castellanos* decision, as fee for service once again becomes the prominent method for compensating claimants' attorneys. *Castellanos* removes the cost containment measures that emerged from the attorney fee provisions of SB-50A. It turns the Florida system back to those practices that existed before the reform, which made the state workers' compensation system among the most costly. The *Castellanos* decision, before considering the effects of the *Miles* and *Westphal* decisions, will increase the system costs by +28.6%, the exact opposite of the measured gains that followed the SB-50A.

¹⁰ In 2008, NCCI evaluating the impact of *Murray* decision on the system costs reported an 18.6% increase in the voluntary rates, somewhat higher than the current evaluation of 15.0%.

II. Other Confounding Court Decisions

The *Miles* and *Westphal* decisions confound the impact of *Castellanos*, and exacerbate Florida claims costs. With the *Miles* decision, the First District Court of Appeal removed certain statutory restrictions on the claimants to enter into payment arrangements with their attorneys. Under this ruling, an attorney's fee could be paid by either the claimant, union representing the claimant, employer/carrier, or some combination of the parties and agents involved. Prior to *Miles*, the employers/carriers were obligated to pay the claimants' attorney fees out of the court approved benefit payments.

The NCCI rate filing does not quantify the effects of *Miles* decision on the system costs, although the amended rate filing does state that the *Miles* decision is likely to put "additional upward pressure on system costs."

In my opinion, the *Miles* decision is likely to increase disputes between claimants and the employers/carriers, increasing litigiousness in the system above the current levels. Without the statutory restrictions on fee payments, more claims are likely to be filed for ambiguous cases, which may or may not be compensable under the workers' compensation statutes, and/or for types of injuries that are difficult to ascertain as work related. For example, the frequency of claims for back injuries and occupational diseases are likely to increase relative to claims filed for acute work injuries.

At this time, I am also unable to quantify the impact of *Miles* on system costs because of data limitations, but merely assume that there will be a

small but significant 1.2% increase in the system costs (see table below, page 12).

Recently, on June 9, 2016, the Florida Supreme Court issued another opinion, *Westphal v. City of St. Petersburg*, Case Nos. SC13-1930, SC13-1976, --- So. 3d ----, 2016 WL 3191086 (Fla. June 9, 2016), and struck down as unconstitutional a statutory limit of 104 weeks (two years) of temporary disability (TTD) payments. The statute setting the 104 week limit was enacted back in 1994. With this ruling, the court revived the limit of 260 weeks (five years) of TTD payments that existed before the 1994 statute.

The NCCI rate filing does consider the impact of the *Westphal* ruling on the system costs, and proposes a 2.2% increase in the rates attributed to the *Westphal* decision.¹¹ The proposed increase is in addition to the 15% increase in the rates attributed to *Castellanos*. The NCCI evaluations do not consider “additional stakeholder behavioral changes or interactions that may result in changes to workers compensation benefits or practices.”

The *Westphal* ruling, however, will result in additional behavioral changes and affect the stakeholders’ practices as they implement new strategies to manage claims. With regard to the claimants’ behavior, the *Westphal* decision will induce some claimants to stay out of work longer than otherwise necessary to achieve either full recovery or to reach maximum medical improvement (MMI). This is more likely with a claimant that may not qualify for Permanent Total (PTD) disability benefits at the onset of the

¹¹ See NCCI Amends Pending Florida Workers’ Compensation Rate Filing to 19.6% (June 30, 2016). In an earlier analysis, NCCI estimates the effects of the *Westphal* decision as having 2.6% impact on the system costs.

disability, and may not be willing to accept a Permanent Impairment (PI) rating and a lump-sum benefit payment before reaching MMI.

With a five year limit, the claim adjusters and risk managers will have greater urgency to settle claims to avoid longer payments of TTD benefits. This means larger impairment benefit offers to settle claims. Moreover, a claim that could have closed with just TTD benefits could now become a PI claim, as adjusters and risk managers make an impairment offer to close the claim. In these situations claimants will likely need attorneys to negotiate the settlements, which in turn will increase litigation, increase frequency of costly PI claims relative to TTD claims, and increase claim costs.

I have not independently quantified the effects of the *Westphal* decision on the system costs. In my overall assessment (below), I merely use NCCI's rather conservative 2.2% impact on the proposed rate increase attributed to *Westphal*. The NCCI rate filing also proposes a 1.8% increase in the rates due to changes in the Florida Health Care Provider Reimbursement Manual. This increase is also included in my overall cost assessment without an independent evaluation.

III. Overall Effects on System Costs

The table below (page 12) summarizes overall effects of the court decisions on the Florida system costs. The first column shows the NCCI's proposed overall first year rate increase of 19.6% and the effects of each court decision -- *Castellanos* and *Westphal* -- on the rates. Column 2 shows my assessment of the court rulings on the system costs, and the effects of each

ruling on the costs. I use the NCCI’s evaluations of *Westphal* and changes in the Florida Health Care Provider Reimbursement Manual.

As stated earlier, the *Castellanos* decision will fully reverse the cost savings that resulted from SB-50A, and increase the system costs +28.6%. The *Miles* and *Westphal* decisions will confound the effects on system costs, but their effects in my opinion have not yet been fully quantified. For my overall evaluation below, I use the NCCI’s quantifications of *Westphal*, a 2.2% increase in the rates, and assume that the *Miles* decision will increase costs by a mere 1.2%.

With the cost increases attributed to *Miles* and *Westphal*, changes in the health care provider reimbursements, and the 28.6% cost increase attributed to *Castellanos*, I believe overall system costs in Florida will increase +35.4%.¹²

Summary of Proposed Chages		
	NCCI Proposed Rate Change	Effects on System Costs
Overall Effects	19.6%	35.4%
Castellanos Decision	15.0%	28.6%
Westphal	2.2%	2.2%
Miles	0.0%	1.2%
Health Care Provider Reimburments	1.8%	1.8%

¹² The figure of 35.4% is derived in the following manner: *Castellanos* 28.6%, *Westphal* 2.2% (NCCI’s evaluation), *Miles* 1.2% (my conservative assessment), and provider reimbursements 1.8% (NCCI’s evaluation). The total impact $35.4\% = ((1.286 \times 1.022 \times 1.012 \times 1.018) - 1) \times 100$.

IV. Effects on Employers' Costs, Employment and Wages

The increase in workers' compensation costs will have profound effects on Florida employers. For insured and self-insured employers alike, the workers' compensation premiums and costs will go up on average 35.4%. This means an estimated \$929 million per year increase in the premium payments for insured employers and a \$361 million per year increase in claim costs for self-insured employers.¹³ The court decisions in total will raise employers' costs of doing business in the state by an estimated \$1.29 billion per year.

The higher workers' compensation costs are similar to raising the employers' payroll taxes, a proportional tax that is directly levied on an employer's payroll. The exact cost would depend on the employer's industry and payroll by occupational classifications, with a greater cost impact falling on employers in the high risk industries and occupations: for example, construction and manufacturing occupations and industries.

Unlike an increase in the payroll taxes, however, the employers' higher insurance premiums or claim costs is not a source of revenue to the state, but a source of income to the claimants' attorneys. The claims data I analyzed in 2009 indicated that under a fee for service a greater percentage of lump-sum benefit payments (about 42% of the benefits) would go to the attorneys

¹³ The composition of total written premium for 2015 – preliminary-- is as follows: \$2.625 billion private carriers (source: NAIC Annual Statement), and \$1.020 billion estimated combine premium of individual and group self-insured employers (source: NCCI). Premium increases are calculated as follows: \$929 million = 0.354 x \$2,625 for insured employers, \$361 million = 0.354 x \$1,020 for self-insured employers, and total employers' cost \$ 1.290 billion = \$929 million + \$361 million.

representing the claimants than under the SB-50A attorney fee provisions (about 40%).

A 35.4% increase in employers' costs will also affect the state's employees and their wages. With rising labor costs, the employers' demand for labor will decline, putting downward pressure on the growth rates of employment and wages.

To put this in perspective, an employer with \$3,000,000 payroll and a workers' compensation insurance premium of 5% on the payroll (\$150,000) will experience a \$53,100 (+35.4%) increase in its insurance premium.¹⁴ For this employer, such an increase could mean reducing its workforce by one person, or giving smaller raises to employees, and/or forgoing hiring one additional employee. The premium increase could be twice as large for an employer in the high risk industry with a similar size payroll.

In the aftermath of SB-50A -- 2003 through 2007 -- the average employment growth in Florida was nearly twice as great as the average growth in four neighboring states, 2.8% per year and 1.5% per year, respectively. Similarly, average annual wage growth in Florida exceeded the wage growth in neighboring states, 3.4% per year on average over the same period versus 2.7% average annual increase in the neighboring states. A similar but reverse impact on the business costs would mean a loss of over 106,000 jobs per

¹⁴ Calculated as $\$53,100 = 0.05 \times 0.354 \times \$3,000,000$.

year in the state, and an average loss of \$340 in wage income per year per employee.¹⁵

V. Data and Methodology

The 2009 report analyzed panel data --cross section data-- of lost-time claims, their costs and characteristics from NCCI's Detailed Claim Information (DCI) database, and frequency of Permanent Impairment and Temporary Disability claims from NCCI's Financial Data. The claims were for injuries that occurred before the SB-50A reform (January 2000 through the first half of 2002) and after the reform (from the second half of 2004 through December of 2006). The panel data includes a variety of claimant and claim characteristics: ages and genders, types of injuries by part of body, occupations, and information on an attorney representing the claimant and if the claim closed within the time of evaluation, 18 months from the time of injury.

The analysis compared the claim variables over the pre and post reform periods in Florida and in four neighboring states in the region: Georgia, Alabama, Mississippi and Louisiana. The claims data on the neighboring states for the same periods are used as a control when evaluating the effects of SB-50A in Florida.

I then used an econometric model for Florida that I had developed with Phil Borba of Milliman at WCRI for evaluating the effects of various

¹⁵ The calculations are as follows: loss of employment in the state, $106,409 = ((1.028/1.015)-1.0) \times 8,308,100$ covered employees in Florida; and, loss of wages, $\$340 = ((1.034/1.027)-1) \times 52 \times \958 average weekly wage of covered employees in Florida. The data source of employment and average wage is the U.S. Bureau of Labor Statistics, Table 3, Covered establishments, employment, and wages by state, fourth quarter 2015.

independent variables on the model's two dependent variables -- claim cost and likelihood that a lost-time claim will become a permanent impairment claim.

The model's parameters statistically measure and test the effects of each independent variable on the two dependent variables, controlling for claim and claimant characteristics. Various hypotheses regarding stakeholders' behavior may be stated, measured and statistically tested. These include the effects of variables that were targeted by the statutory reform – attorney representation of the claimant, attorney fees, and duration from time of injury to claim closure. I used the econometric model parameters to quantify the impact of the targeted variables on claim costs and frequencies.

This analysis indicated that the Florida workers' compensation costs declined, -28.6%, following the SB-50A reforms of the attorney fee provisions. The *Castellanos* decision in reversing the reform provisions will have the exact reverse effect of SB-50A, raising the system costs by the same percentage, +28.6%, without including the effects of the *Miles* and *Westphal* decisions. The *Miles* and *Westphal* decisions will exacerbate the effects of *Castellanos* on claim costs, raising the overall increase in the system costs to +35.4%.

VI. Conclusion

I believe the three court decisions – *Castellanos*, *Miles* and *Westphal* – will have profound effects on Florida workers’ compensation claim costs and employers’ costs of doing business in the state. In my opinion, the combined impact of these decisions will be to raise employers’ insurance costs and claim costs by +35.4%, much greater than the NCCI proposed first year rate increase of 19.6%.

My opinion is primarily based on an economic analysis and report that I prepared in 2009, which was also commissioned by the Florida Justice Reform Institute. The report evaluated the effects of attorney fee provisions of SB-50A (2003) on the Florida system costs in the context of the Supreme Court’s *Murray* decision (2008). The analyses and the findings of the report by and large remain the basis for my opinion today for evaluating *Castellanos*’ impact on the Florida system costs.

The *Castellanos* decision essentially reverses SB-50A reforms on attorney fees, and revives the concept of fee for service that existed in the pre reform period. Prior to the enactment of the SB-50A Florida workers’ compensation costs were among the highest in the nation, driven largely by increasing incidence of claimant attorney representation, attorney fees and attorney driven benefit costs.

The SB-50A based attorney fees on the concept of benefits secured by an attorney on behalf of his client -- the claimant. Under this reform, an attorney representing the claimant could not bill for unlimited hours of

service at the customary fees, but had to demonstrate value added or benefits secured on behalf of the claimant.

The reform altered the behavior of the stakeholders – claimants, employers/carriers, and claimant’s agent attorneys -- in the way they practice claim processing and resolution. The 2009 report shows that the attorney fee provision of SB-50A was responsible for reducing the Florida workers’ compensation costs in the post reform period -28.6%.

Data analyses underlying the NCCI’s recent rate filing corroborate my evaluations of the impact of SB-50A on the Florida workers’ compensation system costs.

Two other recent court decisions –*Miles* and *Westphal* -- confound the *Castellanos* decision and exacerbate costs in the Florida system. With the *Miles* decision the First District Court of Appeal removes certain statutory restrictions on the claimants to make direct payment arrangements with their attorneys.

With *Westphal*, the Florida Supreme Court struck down as unconstitutional the statutory limit of 104 weeks (two years) of temporary disability payments that was in effect since 1994. The court revived the limit of 260 weeks (five years) of temporary payments that existed before the 1994 statute.

While the effects of these two decisions are not yet quantified, they will fundamentally alter the way stakeholders practice claim resolution process

and exacerbate the impact of *Castellanos* on costs. The combined effects of the three court decisions will raise the Florida workers' compensation costs 35.4%.

Summary Conclusion

The three recent court decisions – *Castellanos*, *Miles* and *Westphal* -- will have profound cost impact (35.4%) on all Florida employers, both insured and self-insured employers alike. A 35.4% increase in the overall claim costs will mean the following:

- The premiums will go up by an estimated \$929 million for the insured employers, and the claim costs will increase by an estimated \$361 million for self-insured.
- The combined impact of court decisions will be to raise Florida employers' costs of doing business in the state by an estimated \$1.29 billion per year.

The state's 8.3 million employees and their wages will also be affected. With rising labor costs, the employers' demand for labor will be lower than without the cost increase, putting downward pressure on demand for employment and wages.

Using the experience in the aftermath of SB-50A (2003 through 2007) as a guide, the effects on the employees will be the following:

- The average employment growth in Florida will be a 1.3% point lower per year, and average annual wage growth in Florida will be a 0.7% point lower per year.
- These translate to a loss of over 106,000 jobs per year, and average wage loss of \$340 per year per employee.

Seymour, Debra

From: Rick Marshall <Rick@cmrpc.com>
Sent: Monday, August 15, 2016 6:46 PM
To: Rate Hearings
Subject: NCII

The additional cost of increased W/C rates will be passed along to Florida consumers. The cost of roof replacements will increase an average of \$386 per homeowner.

Rick Marshall
Coastal Metal Roofing
Panama City

Sent from my iPhone

Seymour, Debra

From: Johnny Branch <jbranch@uwf.edu>
Sent: Monday, August 15, 2016 3:12 PM
To: Rate Hearings
Subject: NCCI

There is no way total claim costs in Florida rose by 20% across all industries. There should be rate increases only up to recognized losses in each specific industry. So, if restaurant industry claims increased by 9% then we should only have a 10% increase in premiums. We should not have to pay for uncontrollable losses in other industries.

Attorney fees should be limited again to reduce overall losses to all industries within Florida.

Thanks,

Johnny D. Branch, CPA, MBA

Consultant

Certified Economic Development Finance Professional

Certified Pro Advisor for QuickBooks Desktop and Online



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College of Business**

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Panama City FL 32405-5531

850.818.0570.or.850.818.0571

jbranch@uwf.edu

www.sbdc.uwf.edu

2015 SMALL BUSINESS AND ITS IMPACT ON FLORIDA
State of Small Business Report
A new Florida SBDC Report provides an overview of the size, scope, and well-being of Florida's small businesses.
[READ MORE](#)

Seymour, Debra

From: Dennille Decker <dennille@lakecitychamber.com>
Sent: Monday, August 15, 2016 1:25 PM
To: Rate Hearings
Subject: Lake City- Columbia County Chamber of Commerce
Attachments: Lake City Chamber Workers Comp Letters.pdf

The Lake City- Columbia County Chamber of Commerce is opposed to the 19.6% rate increase in workers compensation rates. Please find the attached letters from several of our members describing how the increase would harm their business.

Thank you,

Dennille Roberts Decker
Executive Director
Lake City Columbia County Chamber of Commerce
162 S. Marion Avenue
Lake City, Florida 32025
www.lakecitychamber.com
phone: 386-752-3690
fax: 386-755-7744
dennille@lakecitychamber.com

We Appreciate Our Chamber Builders:



The logo for SERVPRO, featuring the word "SERVPRO" in white capital letters on a red, downward-pointing arrow shape.

Fire & Water - Cleanup & Restoration

of Columbia and Suwannee Counties

295 NW Commons Loop Ste 115-392, Lake City, Florida 3

August 11, 2016

Re: Workmans Compensation Rise

To Whom It May Concern;

As a small business owner offering services and needing employees to perform those services the possible compensation rise could obviously affect our business as well as our employees. We already pay high rates because of the services we perform as well as we clean carpet so the high rates sometimes don't apply. We have had only two claims in 10 years and still pay over \$13,000 annually for coverage and we have less than 6 employees being covered. This does not include my husband and I as we have opted out to save money.

Our employees appreciate annual raises and bonuses. If this rate increase takes affect, I can tell you it will make us re-evaluate our business and possibly have less employees full time & begin using a temp service. As we all know that will decrease our customer service aspect and we could possibly end up going out of business. I agree all companies should pay for workman's compensation however within reason. In addition to all of the taxation going on with small businesses this is one additional raise that could push several out and all that does is create more jobless individuals waiting on government aid.

In hopes that our government would begin listening to small business owners and understand we are just attempting to be entrepreneurs and make the world a better place we ask that you don't raise the WC rates.

Charles & Kimberly Nicholson
Franchisee Owners
Lake City, Florida

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Business: 386-754
Fax: 386-754
servpro9322@comc



Super 8 - Lake City

Aug. 11, 2016

To: Lake City Chamber of Commerce
Florida State Chamber of Commerce
Worker's Compensation Task Force

As a small business owner, we are asking for your help in lowering the workers compensation rate in the State of Florida. We are at a tipping point to generate enough income to pay for the current rates along with significant increases in payroll for ACA compliance. Enough is enough! Because of the climate of encouraging lawsuits against employers, we have to be ever vigilant to protect ourselves.

We need someone on our side, willing to stand up the lawyers who make far more than they receive for their clients, the injured party.

Thank you for taking on the task.

Sincerely,

A handwritten signature in blue ink that reads "Deborah Harrell".

Deborah Harrell
V.P.

Manhattan Loan Co., Inc. for Super 8

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August 12, 2016

To Whom It May Concern,

Having been in business for over forty years, we have experienced opportunities and challenges. The most challenging times are when we are faced with increasing overhead costs.

Having a 19.6% increase in Workers Comp is a challenge. The cost for the job will increase. The expense for employees will become higher and the profit margin on a job will become lower.

The State of Florida and Governor Scott are proud to say we are a state that encourages businesses. Having a 19.6% increase in Workers Comp is detrimental to business growth in this great state in which we live and work.

Respectfully,

Don Reed

2230 SE Baya Drive, Suite 101 • Lake City, Florida 32025
(386) 752-4072 • Fax- (386) 755-7272



FLORIDA HOUSE OF REPRESENTATIVES

Representative Elizabeth Porter

District 10

Elizabeth.Porter@myfloridahouse.gov

The Honorable Steve Chisqull
Speaker of the House

The Honorable Matt Hutson
Speaker Pro-Tempore

Committees:
Appropriations
Education
Subcommittees:
Higher Education & Workforce, Chair
Choice & Innovation
Education Appropriations

August 12, 2016

David Altmaier, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street,
Tallahassee, FL 32399

RE: Workers' Comp Public Rate Hearing

Dear Commissioner Altmaier:

It is my understanding that on Tuesday, August 16, 2016, that the Florida Office of Insurance Regulation will hold a hearing regarding the increase of Worker's Compensation Rates for the State of Florida. I would like to request that the hearing board give great consideration to freezing the rates till the completion of the 2017 Legislative Session.

In a state where small businesses create two thirds of the jobs it would be imperative to keep rates low and not infringe on the already delicate economic recovery. I am sure that with the recent Supreme Court ruling there will be viable solutions presented in the upcoming session.

For the past six years I have worked diligently to help build an atmosphere that would foster the creation and growth of small businesses in our area. I am profoundly dismayed at the recent business killing ruling by the supreme court that would allow for an over 19% rise in workers compensation rates directly affecting business. Our north Florida district made up of small rural counties and with an economy fueled by many small family owned businesses any rate increase at this time, I believe, would have a detrimental effect on the already slim profit margins achieved by these small businesses and thereby a direct effect on our recovering economy. Again I urge you to consider a freeze on current worker compensation insurance rates until a viable non job killing solution can be found.

Sincerely,

Handwritten signature of Elizabeth Porter in blue ink.

Elizabeth Porter,
Member of the Florida House of Representatives,
District 10

Koby Adams, Senior Legislative Assistant
Koby_Adams@myfloridahouse.gov

Sheree Vann, District Aide
Sheree_Vann@myfloridahouse.gov

Robert Roach, District Aide
Robert_Roach@myfloridahouse.gov

Lake City Office: 678 SE Baya Drive, Lake City, Florida 32025, Telephone: 386.719.4600 Fax: 386.719.4609
Tallahassee Office: 313 House Office Building, 402 South Monroe Street, Tallahassee, Florida 32399-Telephone: 850.717.5010



THE WHEELER AGENCY
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August 11, 2016

Lake City-Columbia Chamber of Commerce
Dennille Decker, Executive Director
162 S Marion Ave
Lake City, Florida 32025

RE: Proposed NCCI Workers Compensation Rate Increase

Dear Dennille:

Thank you for relaying my concerns about the proposed NCCI workers compensation rate increase request to the Florida Chamber.

If I think back to 2002, the year prior to legislative action reforming attorney fees in workers compensation, coverage was difficult to acquire, was offered by insurance companies with weak financials and rates were increasing every year. All of that improved dramatically when the legislature put reasonable caps on attorney fees. High quality insurance companies came back to the market place, underwriting became easier and most importantly; rates decreased nearly 60 percent over time.

When an employer needs coverage, as an independent agent, I am now able to provide it at a reasonable price. I fear that if reasonable attorney fees are not reinstated, employers will again struggle with excessive premiums and difficult underwriting requirements. Employees will also suffer as more money will again be pulled from the system to pay lawyers than to pay doctors.

Please urge the Florida Legislature to reinstate cap on attorney fees that will pass constitutional testing with the Supreme Court.

Respectfully,



John Wheeler, PCU

Seymour, Debra

From: Andrew Meadows <AndrewM@flcitrusmutual.com>
Sent: Monday, August 15, 2016 12:34 PM
To: Rate Hearings
Cc: Mike Sparks; Drew Love
Subject: comments on August 16 hearing
Attachments: Worker's Comp August 2016.doc

See attached comments from Florida Citrus Mutual. Please place them in the official record.

Thank you

Andrew Meadows
Director of Communications
Florida Citrus Mutual
(863) 944-4924
www.flcitrusmutual.com



FLORIDA CITRUS MUTUAL

411 E. Orange Street • Lakeland FL 33801 • Phone (863) 682-1111 • Fax (863) 682-1074 • www.flcitrusmutual.com

Commissioner David Altmaier

Florida Office of Insurance Regulation

200 E Gaines St, Tallahassee, FL 32301

Dear Commissioner Altmaier:

On behalf of Florida Citrus Mutual's 6,000 grower members I am writing to you to oppose the amended rate filing from the National Council on Compensation Insurance (NCCI) which increases NCCI's initial proposed combined average rate increase from 17.1% to 19.6%.

We believe this drastic an increase is bad for Florida business. Currently, Florida's workers' compensation system delivers disability benefits, medical care and rehabilitation to injured employees at no cost to them, regardless of fault, while remaining one of the most competitive markets.

The workers' compensation system in Florida has been stable for the past 13 years which has significantly bolstered economic growth. FCM is concerned the proposed rate increases will hamper our future job growth and business retention. Please keep this in mind as the issue moved forward.

Regards,

Michael W. Sparks
Executive Vice President/CEO
Florida Citrus Mutual

Seymour, Debra

From: Bhupen Bhahmbhatt <bhupen43@yahoo.com>
Sent: Saturday, August 13, 2016 11:58 AM
To: Rate Hearings
Subject: Concerned employer

Hello, if this bill passes it will become even tougher for us to manage our small business finances. In near future minimum wage is bound to go up which will also increase other costs for us (ie payroll taxes and workers comp). Entrepreneurs and small businesses are the backbone of the American economy and normally are in business to make money.

Many are still recovering from recent economic events and others are scared to go grow because of the uncertainty in the economy, new presidency, wage laws, etc.

I said we are in business to make money but a lot of us still just keeping head above water but the thrive of success in this wonderful opportunity providing country has us working harder than ever. Please don't make it more difficult for us than it already is.

Thank you

Ashish
On behalf all business owners

Seymour, Debra

From: Jackson, Ronald <rjackson@aiadc.org>
Sent: Friday, August 12, 2016 6:27 PM
To: Rate Hearings
Subject: Case No. 191880-16 - August 16, 2016 Public Rate Hearing
Attachments: AIA Letter to FL OIR re NCCI Public Rate Hearing 08.12.16.pdf

Please accept the attached comment letter for inclusion in the record of the above-referenced matter.

Ron Jackson | American Insurance Association

Vice President, State Affairs Southeast Region
2107 N. Decatur Rd., Suite 257, Decatur, GA 30033
P: (404) 261-8834 | F: (202) 495-7838 | rjackson@aiadc.org

 WWW.AIADC.ORG  [@AIADC](https://twitter.com/AIADC)  [AmericanInsuranceAssociation](https://www.facebook.com/AmericanInsuranceAssociation)

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American Insurance Association
State Affairs - Southeast Region

2107 N. Decatur Road
Suite 257
Decatur, GA 30033
404.261.8834
Fax: 202.495.7838
www.aiadc.org

August 12, 2016

VIA ELECTRONIC & U.S. MAIL

Honorable David Altmaier
Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street, Suite 101
Tallahassee, Florida 32399

RE: August 16, 2016 Public Rate Hearing, Case No. 191880-16

Dear Commissioner Altmaier:

I am writing regarding the above-referenced matter on behalf of the American Insurance Association, the leading property-casualty insurance trade association whose members write all types of property - casualty insurance, including almost 40% of the workers' compensation market in Florida.

As has been widely noted, the State of Florida has enjoyed a 60% reduction in workers' compensation premiums following the enactment of Senate Bill 50A in 2003. As a result, Florida businesses have thrived in no small part due to the increased availability and affordability of workers' compensation insurance in the state. Unfortunately, the Florida Supreme Court's recent decision in *Marvin Castellanos v. Next Door Company* ("*Castellanos*") invalidating the statutory attorneys' fee schedule and its decision in *Bradley Westphal v. City of St. Petersburg* (eliminating the cap on TTD benefits) could reverse those gains and severely affect the Florida market. While the National Council on Compensation Insurance ("NCCI") has proposed an overall rate increase of 19.6% (+15% for the first year impact of *Castellanos* & +2.2% for *Westphal*), this of course does not account for the negative retroactive impact of the *Castellanos* and *Westphal* decisions.

Commissioner David Altmaier
Case No. 191880-16
August 12, 2016

NCCI has estimated that the combined total statewide unfunded liabilities resulting from the Florida Supreme Court's decisions could exceed \$1 billion. Of course, paid premiums and reserves do not reflect this increased exposure leaving our member companies, other insurers and Florida's self-insured businesses to absorb any additional costs incurred in the workers' compensation system. This unfunded liability, along with increased litigation costs could well lead to another workers' compensation insurance crisis in Florida.

AIA strongly recommends that the Office consider not just the impact of higher attorneys' fees, but also the increases in lost wages and medical costs brought about by increased attorney involvement and the resulting behavioral changes within the claims paying system. In short, AIA shares the concern that given the ultimate 60% decrease in rates following the prior reforms, NCCI may have underestimated the initial (and eventual) impact of the Florida Supreme Court's decisions.

AIA encourages the OIR to approve at a minimum the +19.6% rate proposed by NCCI. We also urge approval of the proposed October 1, 2016 effective date so as to avoid any further growth of the unfunded liabilities which would only further harm the Florida workers' compensation market.

Sincerely,



Ron Jackson
Vice President, State Affairs

Seymour, Debra

From: McFaddin, Logan <logan.mcfaddin@pciaa.net>
Sent: Friday, August 12, 2016 11:44 AM
To: Rate Hearings
Cc: Nowak, Rita; Gillespie, Trey
Subject: PCI Support Letter
Attachments: PCIFLWCCommentsNCCIFiling OIR Hearing.pdf

Please find attached PCI's letter in support of NCCI's proposed overall average statewide rate increase of 19.6% for workers' compensation insurance.

Thank you,
Logan



Property Casualty Insurers
Association of America
Advocacy. Leadership. Results.

August 11, 2016

David Altmaier
Insurance Commissioner
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399
RateHearings@flor.com

Re: National Council on Compensation Insurance (NCCI) Public Rate Hearing, August 16, 2016

Dear Commissioner Altmaier:

PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write \$202 billion in annual premium, 35 percent of the nation's property casualty insurance. Member companies write 42 percent of the U.S. automobile insurance market, 27 percent of the homeowners market, 33 percent of the commercial property and liability market and 34 percent of the private workers compensation market. Our members write over 43 percent of the Florida workers compensation market.

We appreciate the opportunity to provide comments on NCCI's workers compensation filing, which is proposing an overall average statewide rate increase of 19.6%. This rate filing is being submitted primarily as a result of recent Florida Supreme Court decisions on *Westphal v. City of St. Petersburg* and *Castellanos v. Next Door Company*. The decisions struck down Florida laws that restricted the fees for claimants' attorneys to a statutory formula tied to the benefits secured by the claimant and limited the recovery of benefits to 104 weeks for temporary total disability. The individual components of the rate filing are as follows:

- A 2.2% projected rate increase for the Florida Supreme Court decision in the case of *Westphal v. City of St. Petersburg*, in which the Florida Supreme Court found the 104-week statutory limitation on temporary total disability benefits in Section 440.15(2)(a), Florida Statutes, unconstitutional because it causes a statutory gap in benefits in violation of an injured worker's constitutional right of access to courts. The Supreme Court reinstated the 260-week limitation in effect prior to the 1994 law change.
- A 15% projected rate increase for the Florida Supreme Court decision in the case of *Castellanos v. Next Door Company*, which found the mandatory attorney fee schedule in Section 440.34,

Florida Statutes, unconstitutional as a violation of due process under both the Florida and United States Constitutions.

- A 1.8% projected rate increase related to updates within the Florida Workers' Compensation Health Care Provider Reimbursement Manual per Senate Bill 1402. The manual is effective on July 1, 2016.

Florida is a critical state for our members. Since the enactment of the 2003 reforms, the Florida workers compensation system provided a high level of benefits to injured employees, while keeping costs reasonable for businesses. PCI believes that one of the major reasons that workers compensation rates decreased over 60% since the enactment of the 2003 reforms was the implementation of a statutory attorney fee formula. The 2003 reforms stabilized the workers compensation system. As a result, Florida has a very competitive system with over 250 insurers providing workers compensation insurance to employers across the state.

However, the system may become unbalanced impacting all stakeholders, especially injured workers as a result of these court decisions. Unfortunately, to maintain balance within the system, a rate increase is needed at this time.

PCI is also concerned that NCCI's proposed overall rate filing of +19.6% may be too conservative. In the filing, the NCCI indicates that the rate filing does not include the following: *"Unanticipated cost impacts not otherwise reflected in this filing that may emerge overtime such as additional stakeholder behavioral changes and interactions with subsequent changes to workers compensation benefits or practices in Florida."*

NCCI has estimated that the combined total statewide unfunded liability related to the Florida Supreme Court's decisions in Emma Murray, Castellanos, and Westphal could potentially exceed \$1B. The unfunded liability cannot be recouped through revising Florida workers compensation rates. This cost will be borne by insurers, individual self-insured employers, and employers with deductible policies. These court decisions may change the current competitive structure of Florida's workers compensation market.

The NCCI's mission is to foster a healthy workers compensation system. The NCCI fulfills this mission by providing independent and objective analysis. We believe that NCCI's filing justifies the need for a rate increase to sustain a healthy and balanced workers compensation system for all stakeholders.

We respectfully urge your careful consideration of NCCI's recommendation and we urge you to approve the NCCI filing in its entirety. If you should have any questions, please feel free to contact us.

Rita Nowak
Property Casualty Insurers Association of America
VP, Workers Compensation & Commercial Lines
rita.nowak@pciaa.net
847-553-3821

Logan Mitchell McFaddin
Property Casualty Insurers Association of America
Regional Manager of State Government Relations
Logan.McFaddin@pciaa.net
850-681- 2615

Seymour, Debra

From: Jeff Drury <jdrury@armellini.com>
Sent: Thursday, August 11, 2016 3:32 PM
To: RateHearings@floop.com.
Subject: FW: NCCI proposed rate increase

Wouldn't it make more sense to fix the entire system? To begin with the workers compensation system is for injured workers, legitimately injured on the job and, assuming the employer has real insurance. Said insurance is supposed to make it unnecessary for the injured worker to sue his / her employer. It is an efficient way for the injured to get replacement of lost wages and medical coverage. Originally the system was to be used by the injured to file a claim and navigate through the process. It is impossible for the average worker to do so without an attorney, not to mention workers with language or other issues, just cannot be done without an attorney. The rate pendulum has swung both ways far too many times, for years. Rather than just arbitrarily allowing insurance companies,(NCCI) to raise rates, in anticipation of possibly being overwhelmed with fee adjustment claims is outrageous. I would like to see all sides sit down with legislators and fix the system for the worker, employers, insurance companies, and lawyers on both sides. This should not be about how much lawyers get paid, it's about insuring injured employees have access to the system and their return to the work force and being a productive citizen. Employers / businesses should not bear the burden of the lack of intestinal fortitude in Florida's legislature to do the right thing, which is, fair treatment at a reasonable cost to business for legitimately injured employees.

J.B."Jeff"Drury
VP RM, Safety, & HR
Armellini Express Lines, Inc
jdrury@armellini.com
(772)287-0575 ext 11814 & 11815
Cell (772)285-9978

Seymour, Debra

From: Alan Bender <Alan.Bender@publix.com>
Sent: Thursday, August 11, 2016 1:05 PM
To: Rate Hearings
Subject: NCCI Rate Hearing - 8/16/2016
Attachments: 20160811105211.pdf

Dear Commissioner Altmaier:

I have attached a letter authored by Marc Salm, Vice-President of Risk Management for Publix Super Markets, with respect to the upcoming rate hearing on August 16, 2016. A hardcopy of this letter to follow under separate cover.



August 9, 2016

Mr. David Altmaier
Commissioner
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0330

Re: NCCI Rate Filing

Dear Commissioner Altmaier:

I am writing to you in reference to the NCCI recommended rate increase of 19.6%, which is largely attributable to the recent Florida Supreme Court ruling in *Castellanos vs. Next Door Company*. We believe this ruling will quickly undo the positive impact of the Florida 2003 reforms. Premium rates will spiral upward to pre-2003 levels and Florida will once again have some of the highest workers' comp rates in the nation.

Following the 2003 reforms, Publix witnessed a dramatic drop in both accident frequency and costs. The number of accidents declined more than 43% between 2003 and 2015, and our costs fell 55%. These declines occurred despite the fact we were growing and continue to grow in Florida. We attribute these declines largely to the 2003 workers' comp reforms, and specifically the reforms pertaining to attorney fees.

Prior to 2003, an employer was responsible to pay an injured worker's attorney fees, if the worker sought a benefit that was not being paid and the worker prevailed. There was generally no cap on the fee regardless of the amount being sought; in the case of *Castellanos* for instance, the benefits in dispute totaled \$822.70. The injured worker's attorney fees were \$37,750.

The potential for large fees, regardless of the amount of benefits in dispute, created a climate that promoted litigation. This was happening in a system that was supposed to be self-executing. The reforms of 2003 did not relieve the employer of being responsible for paying the injured worker's attorney fees; it did, however, establish a sliding scale that tied the amount of a fee directly to the benefits in dispute. In other words, the smaller amount of benefits in dispute, the smaller the fee. This discouraged litigation on low value issues and encouraged the parties to work things out amicably; or said another way, it made the system more self-executing.

Those financial incentives that the 2003 reforms sought to remedy are now back in play. Based on our experience, we expect claim costs will rise rapidly; likewise, premiums rates must rise. At Publix we expect to see an increase in number and percentage of litigated workers' compensation claims, including additional litigation over matters of very small value, the length of time claims are opened, increased legal costs and additional reserves. Although the amount of the increase costs are difficult to accurately predict at this point, we expect Publix's eventual costs increases to be within the range set forth by NCCI.

I am not an actuary or economist, but I have always found the analysis provided by NCCI to be credible and reliable. That said, I believe the rate increase proposed by NCCI is warranted. A rate increase of this magnitude will have a negative impact on all businesses in Florida, large and small. That however must be balanced with maintaining a marketplace where workers' compensation is both available and affordable.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'M H Salm', with a long horizontal flourish extending to the right.

Marc H. Salm
Vice President of Risk Management
Publix Super Markets, Inc.

MHS:clm

Seymour, Debra

From: Terry Frank <tfrank@harmsco.com>
Sent: Thursday, August 11, 2016 6:44 AM
To: Rate Hearings
Subject: 19.6% increase

I work for a company of approximately 100 people located in Palm Beach County, 80% being Latino. This increase could cause us to down size. Meaning a lot of good people could be out of a job. The increase in raw materials, power cost, and competition makes our business very difficult to maintain a profit margin and to increase worker wages.

As I see it there should be an effort to decrease cost in Workers Comp. Insurance, by controlling Lawyers hourly rate charges and eliminating the lawyers from getting any percentage of settlement to their client. Eliminate the overcharging by hospitals and clinics and the pharmaceutical companies by putting a reasonable limitation on their profits (that in the billions) and control insurance company profits. I know this is not the American way of free enterprise, but it is a fair way to deal with the public. This statement means little because the majority of the people in charge have no dignity, honor, or moral values.

Best Regards
Terry

Seymour, Debra

From: Hank Harms <hharms@harmsco.com>
Sent: Thursday, August 11, 2016 1:01 AM
To: Rate Hearings
Subject: Proposed 19.6% rate hike to Florida's Worker's Comp policy holders

Importance: High

We are a third generation Family Manufacturing company in Palm Beach, and Polk Counties. We employ almost 100 people. We are struggling to maintain our Competitiveness in a World market with approximately 30% of our products being Exported. A worker's Comp rate increase of 19.6% will push our costs of doing business in Florida over the top. It will prevent us from employing more people, and from providing much needed wage increases to almost 100 Florida Families.

A 19.6% increase in Worker's Comp rates will devastate Florida Manufacturing!

Hank Harms, Harmsco Filtration Products
Riviera Beach and Lake Wales
561-848-9628

Seymour, Debra

From: Steve Alexander <salex.actuary@gmail.com>
Sent: Tuesday, August 09, 2016 3:30 PM
To: Rate Hearings
Cc: 'Christopher Smith'; 'James Fee'; salex.actuary@gmail.com; Cooper, Cyndi
Subject: NCCI Rate Hearing August 16 Pre-Filed Written Testimony
Attachments: Alexander Pre-Filed Testimony with Attachments 8-9-16.pdf

Attached please find my pre-filed written testimony for the NCCI rate hearing on Tuesday, August 16, 2016.

Stephen A. Alexander, FCAS, FSA, MAAA
84 Pimlico Dr.
Crawfordville, FL 32327
850-339-5233
salex.actuary@gmail.com

State of Tennessee
County of Sevier

BEFORE ME, the undersigned Notary, Regina Fugate
(name of notary before whom affidavit is sworn), on this
9th (day of month) of August, 2016, personally
appeared Stephen A. Alexander, known to me to be a credible person
and of lawful age, who being by me first duly sworn on his oath,
deposes and says:

I declare the following information herein is true, accurate, complete,
and correct:

My name is Stephen A. Alexander. My address is 84 Pimlico Dr.,
Crawfordville, Florida. I am an actuary based in Crawfordville, Florida
with the credentials set forth in attachment A.

I was retained by James Fee, Jr., Esq. of the law firm of Druckman and
Fee, P. A. for the purposes of reviewing the entire 17.1%/19.6% 2016
workers' compensation rate filings submitted by NCCI to the Florida
Office of Insurance Regulation.

In the above capacity, I conducted an in – person review of NCCI's
filings at the Florida Office of Insurance Regulation offices on June 9,
2016 and July 15, 2016.

In addition, I reviewed on August 3, 2016 the 259 pages of rate filing
OIR number 16-12500 documentation made available on the OIR
website, effective August 3, 2016 subsequent to which I prepared a
data request attached herein as Attachment B.

In accordance with the filing reviews referenced above, I was able to
formulate my actuarial opinion set forth in the document entitled
"Actuarial Expert Testimony, prepared by: Stephen A. Alexander,
FCAS, FSA, MAAA, August 7, 2016", attached herein as Attachment C.

The opinions expressed by me in that document are true, correct, and
consistent with generally accepted actuarial standards of practice.

A. Alexander
(signature)

Stephen A. Alexander

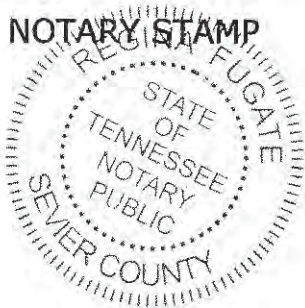
84 Pimlico Dr.
Address of affiant, line 1

Crawfordville, FL 32327
Address of Affiant, line 2

State of Tennessee
County of Sevier

Sworn to (or affirmed), and subscribed before me this 9th day of August, 2016, by Stephen A. Alexander.

Regina Treate
(Signature of Notary Public - State of Tennessee)
expires March 4, 2019



STEPHEN A. ALEXANDER, FCAS, FSA, MAAA

84 Pimlico Drive
Crawfordville, Florida 32327
(850) 339-5233

Employment:

**2015-
Present**

**Alexander Actuarial Consulting
Allegiant Actuarial Group**

- Provides actuarial expert testimony.
- Reviews rate filings.
- Conducts pricing and reserve reviews for insurance companies.

2005-2015

**State of Florida
Office of the Insurance Consumer Advocate and
Office of Insurance Regulation**

Actuary
Tallahassee, Florida

- Developed a predictive model of sinkhole frequency for the sinkhole prone counties in Florida using R open source statistical software.
- Examined private passenger and commercial auto, homeowners, medical malpractice, workers compensation, general liability and other property and casualty rate filings.
- Testified at rate hearings and before legislative committees.
- Prepared a comprehensive review of the Florida title insurance industry.
- Developed a proposal to reform the Florida property insurance market.
- Prepared analyses of various legislative proposals to modify the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation.
- Developed an Annual Report Card to grade residential property insurance companies in Florida.

2003-2004 **Mercer Oliver Wyman**
Senior Consultant
Atlanta, Georgia

- Performed reserve and funding studies for self-insurers and captive insurance companies.
- Areas of involvement included hospital and nursing home professional liability, workers compensation, product and product recall liability, commercial auto liability and commercial property.
- Completed an alternative retention analysis for a large self-insurer with extensive property and liability exposures in the state of Florida.

1999-2003 **Ernst & Young**
Manager
Atlanta, Georgia

- Conducted numerous actuarial audits of insurers and self-insurers.
- Conducted several medical malpractice reserve and funding studies for self-insureds, a large physician and surgeon trust fund and a mutual insurer.
- Completed a feasibility study for the formation of a lawyer's professional liability insurance company including recommended marketing strategy, policy forms and rates.
- Reviewed the adequacy of the reinsurance program of a large property insurer in the state of Florida.
- Conducted a statistical analysis of the workers compensation closed claim data of a large railroad.
- Completed reserve and funding studies for a state petroleum storage tank pollution liability insurance program.
- Conducted a reserve review of a large insurer with extensive product liability exposures.
- Developed IBNR reserves for a large Japanese reinsurer.

Prior Prior work history includes employment in the insurance industry and state government as an agent, risk manager and actuary.

Education:

- MBA - University of Utah, 1978
- BS Meteorology - University of Utah, 1967
- BS Mathematics - University of Michigan, 1965

Professional:

- Fellow - Casualty Actuarial Society, 2001
- Fellow - Society of Actuaries, 2014
- Member - American Academy of Actuaries, 2000

Stephen A. Alexander, FCAS, FSA, MAAA
Alexander Actuarial Consulting

84 Pimlico Dr., Crawfordville, FL 32327
(850) 339-5233
salex.actuary@gmail.com

8/3/2016

David Altmaier, Commissioner
Mrs. Cynthia Rachel Cooper, ACAS, Actuary
Anoush Arakalian Brangaccio, General Counsel
Florida Office of Insurance Regulation
200 East Gaines Street
Larson Building, Suite 238C
Tallahassee, FL 32399

I have been retained by James Fee of Druckman & Fee, P.A. to review Florida Office of Insurance Regulation rate filing number 16-12500 made by the National Council for Compensation Insurance on May 27, 2016. In order to do a comprehensive independent actuarial review of the filing, the following data, information and answers to interrogatories are requested (all exhibits, data, analyses and text to be provided in Excel or Word format).

These formats are necessary so that my analysis can be performed without having to rekey or reenter the information and data into Excel spreadsheets and Word documents. It is recognized that you may not have the requested data, information and responses to interrogatories, and therefore it is requested that you request on my behalf from the NCCI any such data, information and responses to interrogatories that you cannot provide.

It is believed the requested information and data is available in the proper formats or can easily be converted. Not providing the information and data in the proper formats (for example only providing data in pdf format) severely limits my ability to do my analysis. For the record, it should be noted that in order to have sufficient time to do an appropriate independent actuarial analysis, the following information, data and satisfactory answers to interrogatories should be provided at least 15 days in advance of my rendering an unqualified opinion.

Beginning today, the public has access to NCCI rate filings on the OIR's EDMS rate filing system, and consequently, I was able to download all 259 pages of rate filing 16-12500 in pdf format. At the time of my last review on 7/15/16, the file materials consisted of far fewer pages. The items requested below were based upon information I believed to be essential, but missing, at the time of the 7/15/16 review. Therefore, I cannot determine whether all of the following requests for additional information and interrogatories are now included in the filing. However, I am confident that my requests for additional data, information and interrogatories related to *Castellanos* for the time period 2008 through 2011 are not included.

1. All of the Aggregate Data Call and Detailed Claim Information (DCI) data used by NCCI to produce its pre- and post-reform indemnity and medical severity and frequency estimates. Such data to separately display paid and incurred losses, Defense and Cost Containment Expense (DCCE) and claimant attorney fees as well as any loss development factors to bring such data to their ultimate values.
2. The NCCI applied several adjustments to the data displayed in the exhibits in filing number 16-12500 to bring the data to current wage, cost, rate and benefit levels. Please provide the reasoning underlying such adjustments, all assumptions made and the specific adjustments and adjustment factors applied as well as the underlying data and supporting exhibits used to derive such adjustments and adjustment factors.
3. How did the NCCI audit for accuracy, lack of bias and completeness each individual insurer's reported loss reserves, defense and cost containment expenses and all other data provided in the Aggregate Data Call and DCI data used in filing 16-12500?
4. The NCCI's review of the 2003 reforms estimated a 12.35% overall impact with a 2.0% impact for attorney fees. In filing 16-12500, why is it reasonable and appropriate to assume that the NCCI's initial estimate of 10.15% (1.1235/1.02-1) for all the other reforms was correct and the only estimate that was incorrect was the 2.0% estimate for attorney fees?
5. All the NCCI's evaluations of the 2003 reforms provided to Florida legislators and the associated rate filing made with the OIR including all supporting exhibits, analyses and data in support of the 12.35% overall impact and 2.0% impact for attorney fees of the 2003 reforms.
6. All of the data used by NCCI to produce its estimate of an overall average rate increase of 1.8% to update the Florida Workers Compensation Health Care Provider Reimbursement Manual. Additionally, please provide the reasoning and methodology underlying such estimate, all assumptions made and the supporting exhibits used to derive the estimated 1.8% rate increase.

Supplemental interrogatories related to Westphal

7. In reference to the Amended Law Filing (OIR filing # 16-12500), Exhibit IV, please provide the following data referenced in the footnotes of this exhibit as well as all intermediate exhibits and calculations resulting in the numbers that appear on Exhibit IV. All data and exhibits to be provided in Excel format:
 1. Division of Florida Workers Compensation data used to derive Rows (1), (10) and (11).
 2. Transactional data licensed to the NCCI to derive Row (3).
 3. NCCI Workers Compensation Statistical Plan data in support of Rows (4), (12) and (15).
 4. All NCCI Financial Call Data in support of Row (7).

8. The OIR Request 15 is: "provide a revised Exhibit 1 which includes PYs 1998, 1999, 2004 and 2007 - 2014. The NCCI referred OIR to its Response 14 and exhibit OIR-14 and also provided OIR-20. However, both these exhibits are limited to 2008 and prior years. It is believed critical that the NCCI prepare a revised Exhibit 1 for the years 2007, 2008, 2009, 2010 and 2011 as requested by OIR, because the Murray decision introduced an 8 month period of reasonable attorney fees that could have been used by the NCCI to assess the impact of a return to the fee schedule effective July 1, 2009 based upon HB930. Why did the NCCI limit its response to years 2008 and prior?"

10. In reference to 8. above, Actuarial Standard of Practice 23, Data Quality specifies that an actuary should consider "whether the data are sufficiently current":

3.2 SELECTION OF DATA

In undertaking an analysis, the actuary should consider what data to use. The actuary should consider the scope of the assignment and the intended use of the analysis being performed in order to determine the nature of the data needed and the number of alternative data sets or data sources, if any, to be considered. The actuary should do the following:

- a. consider the data elements that are desired and possible alternative data elements; and
- b. select the data with due consideration of the following:
 1. appropriateness for the intended purpose of the analysis, including whether the data are sufficiently current [emphasis added];
 2. reasonableness and comprehensiveness of the necessary data elements, with particular attention to internal and external consistency;
 3. any known, material limitations of the data;
 4. the cost and feasibility of obtaining alternative data, including the ability to obtain the information in a reasonable time frame;
 5. the benefit to be gained from an alternative data set or data source as balanced against its availability and the time and cost to collect and compile it; and
 6. sampling methods, if used to collect the data.

Why is data pre- and post- the 2003 reforms deemed "sufficiently current" and more appropriate by the NCCI when more recent data from 2008 through 2011 related to Murray is available for the same purpose and is not confounded by other reforms?

Sincerely,

A handwritten signature in cursive script that reads "A. Alexander". The signature is written in black ink on a white background.

Steve Alexander

THE OFFICE OF INSURANCE REGULATION

National Council on Compensation Insurance (NCCI) Public Rate Hearing

August 16, 2016

Actuarial Expert Testimony

Prepared by: Stephen A. Alexander, FCAS, FSA, MAAA

August 9, 2016



Stephen A. Alexander, FCAS, FSA, MAAA

I represent James F. Fee, Jr. of the law firm Druckman & Fee, P.A. in conjunction with his status as a workers compensation policyholder. Mr. Fee's workers compensation insurance carrier is Technology Insurance Company, policy numbers TWC3473081 and TWC3546391. My qualifications to provide my testimony are attached in my resume.

The basic assumption underlying the NCCI's analysis of *Castellanos* is that its initial estimate of 10.15% for all of the 2003 reforms except for attorney fees was correct and the only estimate that was incorrect was its initial estimate of 2.0% for the attorney fee schedule. Senate Bill 50A, The Workers Compensation Reform Act of 2003 was a comprehensive reform with many changes.

It is only known what happened to workers compensation losses in total after these reforms. In my opinion, there is no actuarially sound way of quantifying the effect of any individual reform such as the attorney fee schedule, because all these reforms are inextricably intertwined, and the NCCI's attempt to do so is misleading and deceptive.

This was made clear at the OIR hearing on December 16, 2008 subsequent to the Murray decision as reported by WorkCompCentral:

"The greater than 60% rate decrease experienced by industry since 2003 could be attributed to many reasons including improved claims closure rates, improved return to work procedures, declines in accident frequency, increased emphasis on compliance, redefinitions of permanent to[tal] compensable accidents, increased emphasis on fraud detection, and changes in attorney fees payable to injured workers attorneys.

The difficulty in determining whether there should be a rate increase based only on the Emma Murray decision is quantifying the impact of reducing attorney fees payable as a component of the experienced rate decreases since 2003. Surveys of insurance carriers indicated the substantial cost reductions realized were in significant part as a result of the changed provisions relating to how much attorney fees were paid to injured workers attorneys."¹

Actuarial Standard of Practice 23, Data Quality specifies that an actuary should consider "whether the data are sufficiently current". The NCCI has disregarded more recent experience data reflective of the change from a fee schedule to reasonable fees and back again as a result of the Florida Supreme Court decision in the *Emma Murray* case and HB930 effective July 1, 2009.

The NCCI's justification for not reviewing this time period is based on the assumption that stakeholder's adopted a "wait and see attitude" after *Murray* assuming that "stakeholders knew that the Legislature could easily address the *Emma Murray* decision by removing the word "reasonable" and restore the sliding scale of attorney fees based on benefits secured."²

However, the NCCI did not offer any objective evidence to support this assumption. In my opinion, the analysis of industry and individual company experience impacted by *Murray* is absolutely essential, because it is more recent and is not confounded by multiple other reforms.

¹ "*Emma Murray*" Decision Will Spark Work Comp Changes in Florida: [2009-01-17], WorkCompCentral.

² Response 23 To Requests from The Office of Insurance Regulation, June 7, 2016. National Council On Compensation Insurance, Inc., Florida, Workers Compensation Filing, August 1, 2016, OIR Filing 16-12500.

Moreover, the uncertainty surrounding the impact of *Castellanos* presents the OIR with the opportunity to encourage members and subscribers to NCCI rates to file rate deviations based upon their independent evaluations of their own and industry experience. Florida law provides that any NCCI member or subscriber company may file for a deviation from NCCI approved rates:

"Every member or subscriber to a rating organization shall, as to workers' compensation or employer's liability insurance, adhere to the filings made on its behalf by such organization; except that any such insurer may make written application to the office for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, for a class of insurance which is found by the office to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of workers' compensation or employer's liability insurance."³

The NCCI attempts to buttress its rate need by including in its rate filing the following statement: "Increased system costs which will result from the *Castellanos* decision were not contemplated in the development of workers compensation rates for all policies affected." This statement is disingenuous, because the essence of the insurance business is to assume risk and not all risks can be known in advance of setting rates.

For this reason, the OIR includes a profit and contingency provision in the NCCI's approved rates, which is intended to compensate insurers for the assumption of known and unknown risks. Furthermore, my analysis of the profitability of Florida workers compensation for the last ten years shows that it has been significantly more profitable than countrywide (see attached exhibit).

Florida workers compensation insurers' excess profits were approximately \$1.8 billion (8.0% of \$23 billion of direct earned premium over the last ten years). Therefore, the potential for increased and decreased system costs has historically been included in NCCI rates, and historically favorable system costs are reflected in the substantially greater profits of Florida insurers.

Before August 3, 2016, I was only permitted to view filings on a computer terminal at the OIR offices in the Larsen Building on two separate occasions on June 9, 2016 and July 15, 2016. I was not allowed to copy any of the data or information. I did not have any data in the proper formats to perform an analysis as detailed in my attached data request. It would have been extremely difficult for any actuary to conduct a fair and complete analysis under these circumstances.

Additionally, such data and analyses that was available for viewing for the purpose of evaluating NCCI's proposed 15.0% increase regarding *Castellanos* was too old and inappropriate, as detailed above, to be of any value in forming an opinion as to the reasonability of the NCCI's requested 15.0% portion of its total rate need. On August 3, 2016 I was able to download into pdf format 259 pages of filing 16-12500.

³ 627.211(1), F.S.

The attached data request lists all of the data that appeared to be missing from the filing as of August 3, 2016. In my opinion, it cannot be determined based on the data and information in the filing that the NCCI's requested rate need is either "...excessive, inadequate, or unfairly discriminatory under the law," as per 627.031(2) FS. specifically, as it pertains to the 15.0% requested rate increase for *Castellanos* with the possible exception of as much as a 2.0% increase as noted below.

I have reviewed all the data, information, interrogatories and responses to interrogatories in support of the requested 2.2% rate increase for *Westphal* and the 1.8% proposed rate increase to update the Florida Workers Compensation Health Care Provider Reimbursement Manual (Manual). In my opinion, the requested rate increase for the Manual appears to be adequately supported. For *Westphal*, the NCCI speculates that:

“claimants may [emphasis added] alter their behavior and attempt to delay reaching MMI in order to continue receiving TTD benefits. To the extent claimants are successful at delaying a finding of MMI, in addition to the impacts on indemnity benefit costs described above, a different mix of medical services may be provided resulting in an increase in medical costs.”

It is my understanding that insurers uniformly choose Florida physicians who will restrict the number of days the claimant is kept on temporary disability. Even the most moderate physicians recognize that they are under constant pressure to return claimants to a point of maximum medical improvement as quickly as possible.

In my opinion, *Westphal* will have no effect on increased medical costs, because every medical service has to be specifically approved by the insurer. An insurance company is not going to be any more willing to authorize an injection, MRI, x-ray, diagnostic study, surgery, etc. at the 110th week of temporary disability than they would have at the 90th week merely because of *Westphal*. All medical services have to be approved as being medically necessary. Therefore, no more than 1.8% should be approved for *Westphal* (1.022/1.004 -1).

If the OIR feels compelled to approve some rate increase at this time, it would be reasonable to approve no more than a 2.0% rate increase for *Castellanos* based upon the NCCI's initial estimate of a 2.0% rate impact and in consideration of the OIR's prior approval of a 14.0% decrease in rates effective October 1, 2003. The OIR's prior approval of a 6.4% rate increase in December, 2008 for *Murray*, in my opinion, is not relevant, because actual experience now exists for the eight-month period of reasonable fees following *Murray*.

Given the lack of transparency in this process related to *Castellanos*, I see no need to rush to judgment, and it is my opinion that the OIR should not approve any increase in rates related to *Castellanos* until a full and complete disclosure has been made as I have outlined in my testimony and attached data request for the *Murray* impacted 2008 through 2011 years. Furthermore, in my opinion, the OIR should encourage individual insurers to file deviations from NCCI approved rates based upon their independent evaluations of the impact of *Castellanos*.

Therefore, in conclusion, if the OIR feels compelled to approve some rate increase at this time to account for all three components of the overall 19.6% rate increase, it would be reasonable in my opinion to approve no more than a 5.7% rate increase (1.02 x 1.018 x 1.018 - 1) to account for all aspects of the proposed rate increase, i.e. the impact of the Florida Supreme Court's decision in *Castellanos*, to account for the Florida Supreme Court's decision in *Westphal* and to update the Florida Worker's Compensation Health Care Provider Reimbursement Manual.

Florida versus Countrywide
Net Profit Before Federal Income Taxes
Workers Compensation Insurance
2006 - 2015

	Countrywide				Florida				Profit Difference
	Net Underwriting Profit	Net Investment Income from Insurance Transactions	Net Investment Income from Capital and Surplus	Net Profit Before Federal Income Taxes	Net Underwriting Profit	Net Investment Income from Insurance Transactions	Net Investment Income from Capital and Surplus	Net Profit Before Federal Income Taxes	
2006	-3.1%	12.2%	5.6%	14.8%	10.3%	12.2%	5.6%	28.1%	13.4%
2007	1.2%	12.5%	7.1%	20.8%	9.0%	12.5%	7.1%	28.6%	7.8%
2008	-3.9%	15.2%	9.5%	20.8%	4.6%	15.2%	9.5%	29.3%	8.5%
2009	-4.5%	11.8%	6.8%	14.1%	-3.5%	11.8%	6.8%	15.1%	1.0%
2010	-10.0%	15.8%	9.2%	15.0%	-15.3%	15.8%	9.2%	9.7%	-5.3%
2011	-18.9%	23.0%	11.8%	16.0%	10.4%	23.0%	11.8%	45.3%	29.3%
2012	-17.9%	17.6%	10.9%	10.6%	-5.3%	17.6%	10.9%	23.2%	12.6%
2013	-11.3%	17.2%	11.0%	16.9%	4.4%	17.2%	11.0%	32.6%	15.6%
2014	-2.4%	13.4%	9.5%	20.4%	-3.0%	13.4%	9.5%	19.9%	-0.5%
2015	3.6%	12.7%	8.5%	24.8%	0.0%	12.7%	8.5%	21.2%	-3.6%
Total	-6.0%	14.8%	8.8%	17.7%	2.5%	14.6%	8.6%	25.7%	8.0%

Notes:

Data sources are the state pages of the statutory annual statements and insurance expense exhibits. Includes all sources of net profit as percentage of net earned premium. Net underwriting profits for Florida estimated based upon Florida direct experience and countrywide direct and net experience. Investment income percentages for Florida assumed to be equal to countrywide percentages. Since Florida underwriting profits averaged 8.5% more than countrywide, the assumption that Florida net investment income from insurance transactions equals countrywide likely understates this source of Florida income.

Seymour, Debra

From: Steve Henderson <HendersonS@nefec.org>
Sent: Tuesday, August 09, 2016 11:40 AM
To: cjohnson@flchamber.com
Cc: Rate Hearings
Subject: Workers' Comp Public Rate Hearing- NEFEC

Lawyers run for public office. "We the people" vote candidate into positions of public service, responsibility and power. Then "they" (lawyers) make law! How is that working?

The Florida Chamber of Commerce and its Workers' Compensation Task Force will testify on Tuesday, August 16, before the Office of Insurance Regulation (OIR) on behalf of businesses across Florida specific to two recent Florida Supreme Court rulings that will drive significant increases in Workers' Compensation rates.

The OIR will accept comments until 5:00 p.m. Tuesday, August 23, 2016 state regulators @ RateHearings@flor.com

Accordingly, I offer:

Comment: Adverse financial expense consequences will be certain for all of Florida's Self Insured Governmental entities and all State, County, City, and School Districts. Our NEFEC Member school districts, as well as Tri-Consortium members PACE and HEC, will certainly experience increased expense pressures taking a larger share of the limited classroom dollars due to the recent law changes.

Comment: The State of Florida, with approximately 200,000 employees experience approximately 15,000 Notice of Injuries per year and is a self-insured employer that has a STAGGERING workers' comp unfunded liability. A taxpayer liability that because of these laws will increase tax burden to everyone in Florida. As has been historical past practice, (worst practice example) at year-end the Legislature chooses to simply "write off" the expenses with a budget adjustment!

Interesting that apparently our state government is allowed to "pay as you go", an option Not provided to other self-insured Public Tax Dollar funded entities, to include NEFEC. Nor should it be!

Comment: Clearly a double whammy that hurts both educational entities as well as Florida corporate business owners. Less money for the classrooms, and likely limiting wage increases and the number of new employees hired by corporate and private entities.

Comment: As it was prior to 2003, Florida once again will be.

Best Regards,

Steve Henderson
Director of Risk Management Services
North East Florida Educational Consortium
3841 Reid Street
Palatka, FL 32177
(386) 329-3800
hendersons@nefec.org

Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

Seymour, Debra

From: Ana Trinique <anatrinique@tampabay.rr.com>
Sent: Monday, August 08, 2016 4:39 PM
To: Rate Hearings
Subject: Workers Comp Rate Increase

Importance: High

Dear Committee;

I was just informed of the possibility that you may be considering increasing workers comp by as much as 19.6%!! As a business owner, this to me sounds quite exhorbitant and a burden to business. I thought Florida was trying to attract more business and make it easier for businesses to expand and grow here in FLORIDA?? Increasing workers comp to this amount would be a hindrance not a help. Please reconsider and keep FL a place to conduct business and make it business friendly.

Thank You.

Best Regards,
Ana Trinique
Home Visions Realty
2931 Landover Blvd
Spring Hill, FL 34608
352-684-1234

Seymour, Debra

From: Teri Nichols <terinichols@spherion.com>
Sent: Monday, August 08, 2016 11:07 AM
To: Rate Hearings
Subject: Workers Comp Rate Increases

I am the owner of a small staffing service in Brooksville, FL. We currently employ over 350 employees daily throughout a 3 county area. Our business is mostly made up of companies that employ less than 25 permanent staff on their own who rely deeply on the Human Resource and Recruiting skills that are the core of my company to build their workforces. Increased workers compensation rates will cause us to raise our rates to cover those costs which in turn will make us NOT a choice to help these small businesses with their needs. This will definitely impede our business and many others production as well! Please do not raise the WC rates.

Teri Nichols
License Owner
Spherion Staffing

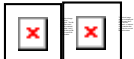
Recruiting and Staffing Excellence

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terinichols@spherion.com
www.spherion.com

To apply online for a job with Spherion go to www.spherionjobcentral.com



Join us on Facebook and LinkedIn



Please know I've received your message and will do my best to respond as quickly as possible, however, I may not always be readily available, if you do not hear back from me within a couple hours, please don't hesitate to contact our office at [352-796-6000](tel:352-796-6000).

Thank you for choosing Spherion Nature Coast as your staffing partner! We look forward to continuing to grow throughout Pasco, Hernando and Citrus Counties!

Seymour, Debra

From: COVEY _ Fashion <coveycant@aol.com>
Sent: Thursday, August 04, 2016 10:07 PM
To: Rate Hearings
Subject: W/C proposed increase

I would like to suggest that almost 20 % rate increases are significantly high, and would assume the higher the rate the more pressure on business and the more likely that people would find a way to attempt to cheat on payroll reporting. Running a business, my feedback is that there seems to be many people who are scamming the system with false or exaggerated claims. Making sure those folks hurt or injured are taken care of and those that prefer taking the money in lieu of working are separated.

Seymour, Debra

From: Ana Santa Ana <AnaSA@pteintl.com>
Sent: Thursday, August 04, 2016 2:53 PM
To: Rate Hearings
Cc: Sergio Jr; Sergio (sergiopdal@gmail.com); Brenda Hamilton; bbryant@bgsagency.com
Subject: Worker's Compensation Rate Increase [COMMENTARY FROM BUSINESS OWNERS]
Attachments: DOC080416-08042016143511.pdf

Dear Sir and/or Madam:

Attached is our commentary on the rate increase that you are contemplating to pass and take effect on October 1, 2016. Thank you for your attention to this submittal.

Sincerely,

Ana Santa Ana, CP
Certified Paralegal
In-House Legal Professional



PTE Systems International, LLC
1950 W. 8th Avenue
Hialeah, FL 33010
Ph: (305) 863-3409, Ext. 329
Email: anasa@pteintl.com

August 4, 2016

Department of Financial Services
Division of Worker's Compensation
Tallahassee, Florida

Re: *Worker's Compensation Rate Increase*

Dear Sir and/or Madam:

We have been kept abreast and notified by our Worker's Compensation Insurance ("WCI") agent of the public hearing to be held on August 16th to discuss the proposed 19.6% rate increase in WCI. As a result, we take this opportunity to voice our company's concern about the impact this drastic rate increase will have on our business which employs approximately 140 workers.

PTE Systems, LLC and PTE Systems International, LLC (collectively, "PTE") is a manufacturer, material supplier and contractor in the South Florida area whose ownership and origins go back to 1979. As a manufacturer of post-tensioning systems for condominiums and other high rise buildings, we not only provide employment to many individuals, but are part of the infrastructure that is giving rise to the skylines of downtown Miami, Midtown, South Beach and other South Florida areas.

Before construction commences on a building, PTE has already bid and been awarded the job of providing post-tensioning materials and labor for all the floors of a large percentage of the condominiums and hotels that frame our skyline. The prices that PTE quotes contain a markup based on today's prices. When we actually start providing materials and/or working on the structures could be one to two years away. Obviously, this WCI increase will have a deleterious impact on our existing work costs and future bids. PTE's already contracted projects will not allow for escalation of prices to meet this WCI increase, even if the increase for existing policies will be prorated for the policies in effect as of October 1, 2016.

This huge increase in WCI will undoubtedly affect every individual and companies in the construction supply business. PTE will need to consider this increase as it bids on new projects, yet, not knowing what others with whom we're bidding against are doing about this news. PTE may be left out of jobs in which we have tried to compensate for such an increase. Between hurricane season and this WCI tempest, we venture to say that some will be swept away during this 2016 fall season, and all the uncertainties it brings.

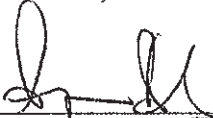
Letter to Department of Financial Services
August 4, 2016
Page Two

We ask that you consider and reconsider your position on the rate of increase on WCI, and how many employers will be affected. Employees will also be affected because they might end up facing layoffs in the construction industry.

Thank you for your time, attention and consideration regarding PTE's position to this increase.

Sincerely,

PTE SYSTEMS, LLC



Sergio P. Dalmau
President

PTE SYSTEMS INTERNATIONAL, LLC



Sergio P. Dalmau
President

Seymour, Debra

From: Benjie <Benjie@bates-hewett.com>
Sent: Thursday, August 04, 2016 1:41 PM
To: Rate Hearings
Cc: deedy@trippconstruction.net
Subject: FW: PROPOSED WORKERS COMPENSATION RATE INCREASE
Attachments: Insurance letter.doc

To Florida Department of Insurance:

Please read the letter and the impact this is going to have on one of our valued clients. As you read you can see this letter was written before the second rate adjustment request.

For Tripp Construction and many of our clients this ruling and rate increase will have drastic and negative impacts on their business'. The system as working great by limiting the attorney fee's and business have enjoyed reduced rates as a result of previous work comp reform and to un-do that progress would be devastating to millions of Floridians.

I urge you not to take NCCI's recommendation on the proposed increase.

Thank you for your consideration.

Benjie Bates

Bates Hewett & Floyd

From: Deedy Tripp [mailto:deedytripp@att.net]
Sent: Thursday, June 16, 2016 7:22 PM
To: Benjie <Benjie@bates-hewett.com>
Subject: RE: PROPOSED WORKERS COMPENSATION RATE INCREASE

Please find attached letter to take with you to fight this increase. Thank you for keeping us informed and fighting against it.

Deedy Tripp
Tripp Construction Co., Inc.
(386) 325-5456
deedy@trippconstruction.net
www.trippconstruction.net

TRIPP CONSTRUCTION CO., INC.

STATE CERTIFIED BUILDING CONTRACTOR
STATE CERTIFIED PLUMBING CONTRACTOR
STATE CERTIFIED ROOFING CONTRACTOR

#CBC1260754,#CBC1260707,#CBC054602
#CFC1428664
#CCC1330044

June 16, 2016

To My Elected Representatives and
To Whom It May Concern:

In reference to the proposed 17.1% increase in workers compensation premiums, please know I strongly request you do whatever is necessary to fight the implementation of this rule, or any other rule that will increase our rates. An increase in our premiums like that proposed would most likely crush our business, as we could not afford to pay for it. The increase in unemployment would skyrocket as well, since we would be forced to terminate the employment of most of our employees. It would also very likely force us out of business as we would have to increase the cost to our customers to cover this expense. This will result in less sales of our construction services, and will trickle down to many other businesses who are our suppliers and subcontractors. Our local economy is just now starting to recover from the crash of 2008 and now we face the possibility of having this heavy burden placed on us. Please honor the wishes of the people who pay the premiums. We do everything in our power to keep our employees safe and free from injury, and in fact have not had any injuries in many years. An increase in our premiums would be completely unacceptable and unaffordable.

Sincerely,

Deedy Tripp

Deedy Tripp
President

QUOTES GOOD FOR 3 DAYS

202 STATE ROAD 20, PALATKA, FLORIDA 32177, (386) 325-5456, FAX (386) 325-5456

Seymour, Debra

From: Richard J Lorenz <RJ-demoace@usa.net>
Sent: Thursday, August 04, 2016 1:38 PM
To: Rate Hearings
Cc: 'Nicole Stefan'; TCLARK.CES@GMAIL.COM; Craig Stefan
Subject: INCREASING WORKER COMP.

TO WHOM IT MAY CONCERN : MY FAMILY AND I HAVE BEEN IN BUSINESS IN THE ORLANDO AREA FOR OVER 30 YEARS. WE HIRE VETERANS AND PEOPLE OFF THE STREET AND TEACH THEM IN HOUSE THE DEMOLITION TECHNICS, SAFETY, AND MOST OF ALL A SECURE WORK PLACE WITH PAYCHECKS EVERY WEEK. WE CANNOT EXCEPT AN INCREASE IN WORKER COMPENSATION. WORKERS COMPENSATION IS DELUGED BY FRAUD AND ILLEGAL AND UN NECESSARY CLAIMS WHICH HURT SMALLS BUSINESSES BIG TIME. IF YOU DO ANYTHING I SUGGEST YOU POLICE THE HUNDREDS OF THOUSAND ROTTEN CLAIMS. THEN YOU COULD SAVE SMALL BUSINESSES NOT INSURANCE COMPANIES. AND OUR STATE FROM BAD CLAIMS THAT ARE MADE . **BE RESPONSIBLE AND PROTECT JOBS IN FLORIDA**

SINCERELY
RICH J. LORENZ

Richard J. Lorenz

C.E.O./ President



2722 Apopka Blvd.
Apopka, FL 32703
P: 407-295-7005
F: 407-295-7004
C: 407-509-3196
Rj-demoace@usa.net
www.centralenvironmental.com

PLEASE EXCUSE MY CAPS LOCK IS ALWAYS TURNED ON.

This message (including any attachments) is intended only for the use of the individual or entity to which it is addressed and may contain information that is non-public, proprietary, privileged, confidential, and exempt from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication. Thank you.

Seymour, Debra

From: InsuranceCommissioner
Sent: Wednesday, July 06, 2016 8:57 AM
To: 'Scott Buchanan'; InsuranceCommissioner
Cc: Rate Hearings
Subject: RE: Workers Compensation Rates

Dear Mr. Buchanan:

On behalf of Commissioner Altmaier, thank you for your correspondence. We appreciate your taking the time to share your comments and concerns, and will take these under advisement.

The Office will hold a public hearing for NCCI's rate filing on August 16th at 9:00 A.M. in Room 401 of the Senate Office Building at the Capitol. You may view the Office's press release regarding the amended rate filing and upcoming hearing at <http://www.floir.com/PressReleases/viewmediarelease.aspx?id=2162>.

Again, thank you for writing. The Commissioner values the views of citizens like you.

Sincerely,

Christina Huff
Office of the Commissioner



From: Scott Buchanan [mailto:sbuchanan@coastalmetal.biz]
Sent: Wednesday, July 06, 2016 7:02 AM
To: InsuranceCommissioner
Subject: Workers Compensation Rates

Hello David Altmaier:

I am contacting you today because I understand that workers compensation rates are looking to increase over 19% soon. Please do not allow this to happen. This would drive large numbers of contractors to let their employees go and rehire them as subcontractors who claim the exemption. I hope you are factoring this aspect into your models. This would undermine the whole system. Please be a leader and do not allow this to happen. "A good leader will occasionally pause and see if people are still following them". I think this rate increase will cause a mass exodus from the system.

Sincerely,

R. Scott Buchanan



--

Scott Buchanan

561-819-0308 (office)

321-917-4605 (cell)

561-819-0309 (fax)

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120 Southridge Rd

Delray Beach, FL 33444

Seymour, Debra

From: Cooper, Cyndi
Sent: Wednesday, June 29, 2016 10:50 AM
To: 'gdambrosio@praxiom-rm.com'
Subject: FW: FI rate Hearing on Proposed 17..1% Increase

Good morning,

The Office will conduct a public rate hearing for the pending NCCI rate filing. Given the recent *Westphal* decision, NCCI will be amending the filing that was submitted at the end of May for the *Castellanos* decision for the impact of the additional decision. Once the amended filing is received, the Office will set the hearing date.

Sincerely,

Cyndi Cooper, ACAS, MAAA
Actuary
Florida Office of Insurance Regulation
Property & Casualty Product Review
200 East Gaines Street, Suite 212F
Tallahassee, Florida 32399-0330
Telephone: 850-413-5368
Fax: 850-922-3865

From: Greg D'Ambrosio [<mailto:gdambrosio@praxiom-rm.com>]
Sent: Monday, June 27, 2016 5:35 PM
To: Rate Hearings <RateHearings@myfloridacfo.com>
Subject: FI rate Hearing on Proposed 17..1% Increase

To Whom it May Concern:

I was wondering if a hearing has been scheduled for NCCI's proposed rate increase due to the most recent supreme court ruling.

Greg D'Ambrosio, ARM
Risk Management Advisor



123 W. Bloomingdale Avenue #300
Brandon, FL 33511

Office: [888.350.7729](tel:888.350.7729) Ext. 307
Mobile: 813-334-4714

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Seymour, Debra

From: Rate Hearings
Sent: Wednesday, June 29, 2016 10:41 AM
To: Merritt, Gloria
Subject: Auto Response Message

Thank you for taking the time to provide your comments to the Florida Office of Insurance Regulation regarding a recent or upcoming rate hearing. Your comments will become part of the hearing record.

Under Florida law, written communications to the Office are public record; this would include email addresses. They are subject to public disclosure, including being available to the public and media if requested. For more information visit the Office of Insurance Regulation's Internet Privacy Policy.

For questions regarding your insurance policy or to file a formal complaint, please contact the Department of Financial Services, Division of Consumer Services by visiting www.myfloridacfo.com/Division/Consumers/ or calling the statewide toll-free helpline, 1-877-693-5236.

Seymour, Debra

From: Merritt, Gloria
Sent: Wednesday, June 29, 2016 10:41 AM
To: Cooper, Cyndi
Cc: Rate Hearings
Subject: FW: FI rate Hearing on Proposed 17..1% Increase

Hi Cyndi,

Please see email below.

Gloria Merritt
Senior Management Analyst I
Florida Office of Insurance Regulation
Property & Casualty Product Review
850-413-5356 (Phone)
850-922-3865 (Fax)
Gloria.Merritt@florir.com

From: Greg D'Ambrosio [mailto:gdambrosio@praxiom-rm.com]
Sent: Monday, June 27, 2016 5:35 PM
To: Rate Hearings <RateHearings@myfloridacfo.com>
Subject: FI rate Hearing on Proposed 17..1% Increase

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Greg D'Ambrosio, ARM
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123 W. Bloomingdale Avenue #300
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