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Kevin,

The Florida Office of Insurance Regulation announced on September 27th, 2016 that Workers' Comp rates will increase 14.5% beginning December 1st, 2016. Yesterday afternoon, the NCCI revised their filing to comply with the OIR's order.

This rate increase applies to your renewal date after December 1st. Until your renewal date, this rate increase does not apply. Your premium is not affected until your renewal date. For example, if your current policy started on 3/1/2016, you will not see this 14.5% rate increase until the policy renews on 3/1/2017.

WHEN WILL YOU NOTICE THIS ON YOUR BILLING?

You will notice the rate increase when your renewal billing is due. Until that date, your rates will remain the same as before.

WHY HAS THIS UNWELCOME RATE INCREASE HAPPENED?

The Florida Supreme Court's decision to rule the claimants' attorney fee schedule unconstitutional has caused most of this rate increase. A second ruling now allows claimants to receive up to 260 weeks of temporary total disability benefits which is up from the current 104 week limit.

HOW LONG WILL THIS RATE INCREASE REMAIN?

This answer depends on the action taken by the Florida Legislature next session. Their actions could prevent this untimely rate increase from becoming an unwanted cycle of several annual

increases.

WHAT CAN WE DO TO ROLLBACK THIS INCREASE?

First, ask your elected officials to fight for us. Secondly, we will be exploring options to rollback some of this increase at your renewal date.

Selecting options such as deductibles, coinsurance possibilities and different plans can only take place at your renewal date.

We will offer whatever options make sense.

FINALLY, WHAT CAN YOU DO RIGHT NOW?

Workers' comp expense is primarily driven by payroll. Look at your overtime pay. Factor this 14.5% increase into your budget.

Continue to make good business decisions that made you successful.

Please, call me personally to discuss. My cell number is 850-832-7699.

Allow me to share a hopeful prediction about this unfavorable turn of events.

Since 2003, we have enjoyed many years of welcome rate reductions totaling almost 60%. The Florida Supreme Court has ruled that claimants' attorneys should play a larger role in the workers' comp "thicket". The expected cost of this role is paid by employers in workers' comp premiums.

A legislative compromise between attorneys for claimants and pro-business groups is necessary to return to normal rates and continued economic growth in our great state. I'll bet that happens, sooner rather than later.

Best regards,

Kevin