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# NEWS

## Illinois Department of Insurance

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### State Insurance Department Reviews Reduction of Workers Compensation Advisory Rate

#### *NCCI Proposed Decrease for Workers Compensation Advisory Rates and rate reduction of 3.8% effective January 2013*

**SPRINGFIELD – August 10, 2012.** Illinois Department of Insurance (DOI) Director Andrew Boron today announced that the National Council on Compensation Insurance (NCCI) has filed for a reduction in workers' compensation advisory and loss cost rates with the Department. The NCCI proposed an overall decrease of 3.8 percent effective January 1, 2013.

The NCCI advisory rates determine the premiums businesses pay for workers compensation insurance. Department of Insurance actuaries must confirm the calculations submitted by NCCI, a process that typically takes about 60 days.

The NCCI's proposed rate could result in a projected overall premium reduction of up to \$91 million for Illinois employers. This estimate is based on the credit rating organization A.M. Best's calculations based on 2011 premiums and may vary based on claims experience, payroll, and other factors.

"We're pleased about the proposed rate reduction and look forward to the review process to confirm the results," said DOI Director Boron. "The lower rate would benefit Illinois employers with cost savings."

If the Department accepts the filing to be effective January 1, 2013, employers should contact their insurance agent prior to their 2013 renewal date to determine the impact on their premium.

With the implementation of the proposed rate reduction, the advisory rate level will be 9.2 percent below the advisory rate level prior to the 2011 Workers Compensation Reform Legislation.

About the Illinois Department of Insurance

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. Consumers who have any questions or concerns about their insurance should contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

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