



**State of Rhode Island and Providence Plantations  
DEPARTMENT OF BUSINESS REGULATION  
1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920**

**Insurance Division**

April 16, 2021

Justin Moulton, CPCU  
State Relations Executive  
National Council on Compensation Insurance, Inc. (“NCCI”)

Re: NCCI 2021 Rhode Island Advisory Loss Costs and Rating Values Filing

Dear Mr. Moulton:

On November 19, 2020, NCCI made a filing requesting an overall decrease in advisory loss costs of -7.0% for industrial classes, -10.7% for “F” classes, and -0.5% for USL&HW classes effective August 1, 2021. After careful review and analysis of the filing and all supplemental material provided, the Department finds that an overall decrease of -7.0% for industrial classes, an overall decrease of -10.7% for “F” classes, and an overall decrease of -0.5% for USL&HW classes is supported and is hereby approved. Further discussion of the process is included below.

This filing requests approval of “advisory loss costs” which, once approved, all insurers electing to write workers compensation insurance in Rhode Island must use as one component in setting the rates charged to employers. The Department’s statutory directive is to determine whether the advisory loss costs are “excessive, inadequate or unfairly discriminatory.” In concluding this matter, the Department solicited comment from the public and interested parties. The Department then reviewed all information obtained with the goal of achieving actuarially justified lost costs which are intended to produce a rate charged to employers that will adequately cover the costs incurred in providing benefits to injured employers while at the same time producing rates that are not excessive.

The actuarial review of this filing was instituted by the Department on December 4, 2020. On December 14, 2020, the Insurance Advocacy Unit of the RI Office of the Attorney General (“Insurance Advocacy Unit”) notified the Department of its’ intent to not undertake an actuarial review of the Filing this year and instead provide non-actuarial comments on behalf of the consumer. In accordance with the notice of solicitation of public comment, the Insurance Advocacy Unit provided the Department with written recommendations on February 26, 2021. Beacon Mutual, who had received all communications in this matter, did not offer comment. No other comments were received.

The Department appreciates and values the information provided by interested parties, especially that of the Insurance Advocacy Unit and has carefully considered each issue raised with an eye toward its statutory obligation. The conclusions reached by the Department are included in the attached actuarial report and available to the public.

The Department hereby approves an overall decrease in advisory loss costs of -7.0% for industrial classes, -10.7% for "F" classes, and -0.5% for USL&HW classes for use in Rhode Island beginning August 1, 2021. NCCI shall issue a Circular advising member insurers to notify the Department no later than June 30, 2021, of their intention to adopt NCCI's advisory loss costs along with proposed loss cost multipliers. Any insurer electing not to adopt the 2021 Advisory Loss Costs, to delay adoption of the new loss costs, and/or to maintain its current loss cost multiplier must provide an explanation to the Department supporting its position, including statistical support. All notices and filings must be submitted electronically in SERFF.

Very Truly Yours,



Beth Vollucci  
Chief of Consumer and Filing Service

cc: Liz Tanner, Director

Elizabeth Kelleher Dwyer, Superintendent of Insurance

John Herzfeld, Milliman, Inc.

Maria Lenz, Assistant Attorney General

Amy Vitale, General Counsel, The Beacon Mutual Insurance Company

Brian Spero, CEO and President, The Beacon Mutual Insurance Company