



Rhode Island—Advisory Loss Costs and Rating Values to Be Effective August 1, 2014—Revised Company Action Date

ACTION NEEDED

The Rhode Island Department of Business Regulation (Department) has approved an overall increase of 2.5% in advisory loss costs for use in Rhode Island effective August 1, 2014.

The Department has provided the following instructions concerning filing requirements related to the approved advisory loss costs. **Please note the updated action date:**

Company Action Table

If	Then, by June 30, 2014, the insurer must ...
An insurer intends to not adopt the advisory loss costs	Notify the Department of the insurer’s intention to not adopt and provide an explanation to the Department supporting its position, including statistical support.
An insurer intends to delay adoption of the advisory loss costs	Notify the Department of the insurer’s intention to delay adoption and provide an explanation to the Department supporting its position, including statistical support.
An insurer intends to adopt the advisory loss costs and not change their loss cost multiplier (LCM)	Notify the Department of the insurer’s intention to adopt and provide an explanation to the Department supporting its position, including statistical support.
An insurer intends to adopt the advisory loss costs with modifications to their loss cost multiplier (LCM)	Notify the Department of the insurer’s intention to adopt NCCI advisory loss costs along with proposed loss costs multipliers, including statistical analysis.

All notices and filings referenced in the table above must be submitted through SERFF (System for Electronic Rate and Form Filing). All of the requisite forms are located in SERFF. In addition, the Loss Costs Reference Adoption Form is located on the Department’s website at www.dbr.ri.gov/documents/divisions/insurance/property_casualty/Loss_Costs_Reference_Adoption_Form.pdf.

BACKGROUND

This revised approval circular is a supplement to Filing Circular RI-2013-03, Filing Supplement Circular RI-2013-04, and Approval Circular RI-2014-01.

On November 25, 2013, NCCI submitted an advisory loss costs and rating values filing to the Director of the Department. The filing was proposed to be effective August 1, 2014, for new and renewal policies. The filing proposed an overall loss cost level increase of 3.0% for industrial classes and a loss cost level increase of 5.9% for F-classes.

On May 15, 2014, the Department issued its final rate order. NCCI submitted a compliance filing to the Department on May 23, 2014, and received approval of that filing on May 28, 2014.

The Department approved a change resulting in an overall loss cost level increase of 2.5% for industrial classes and a loss cost level increase of 5.4% for F-classes to be effective August 1, 2014, for new and renewal policies.

The following class codes are of special note as a result of item filings approved in Rhode Island:

- As a result of Item E-1402, the split point for experience rating in this filing was changed from \$10,000 to \$13,500.
- As a result of Items R-1406 and R-1407, the advisory loss elimination ratios and retrospective rating plan parameters were updated.
- As a result of Item B-1426, the Per Passenger Seat Surcharge for Class Code 7421 is discontinued effective January 1, 2015.

IMPACT

The approved compliance filing follows the Department's rate order to implement an overall voluntary loss cost level (including loss adjustment expense [LAE]) increase of 2.5% for industrial classes and an overall loss cost level (including LAE) increase of 5.4% for F-classes. The loss costs (including LAE) and rating values are effective August 1, 2014, for new and renewal policies.

NCCI ACTION

Revised manual pages will be mailed shortly to subscribers of NCCI's *Basic Manual*, *Experience Rating Plan Manual*, and *Retrospective Rating Plan Manual*. If you would like to subscribe to any of our manuals, please contact our Customer Service Center at 800-NCCI-123 (800-622-4123).

We will post this approval circular on ncci.com.

PERSON TO CONTACT

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