



Commonwealth of Kentucky
Public Protection Cabinet
Department of Insurance

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FOR IMMEDIATE RELEASE

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ANNUAL WORKERS' COMP FILING APPROVED
Overall loss costs decrease for 12th consecutive year

FRANKFORT, Ky. (Oct. 10, 2017) – Today, the Kentucky Department of Insurance (DOI) announced the approval of the 2017 rate filing used to develop rates for workers' compensation coverage.

For the twelfth consecutive year, the filing shows an overall decrease in Kentucky's loss costs. A loss cost is the average compensation for lost wages based on the level of disability, plus medical benefit payments.

DOI Commissioner Nancy Atkins attributes the decrease to the hard work of Kentucky employers and workers. "We were very pleased to see another decrease," said Atkins. "This shows that the workers' compensation insurance market in the Commonwealth is strong, and Kentucky employers are committed to keeping costs down and improving safety records."

The National Council on Compensation Insurance Inc. (NCCI) develops and submits the filings each year and is the oldest provider of workers' compensation and employee injury data and statistics in the nation. NCCI works with insurance carriers to collect data and develop loss costs each year. Use of the information is voluntary, but most workers' compensation carriers use the NCCI loss cost values as the base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

According to the loss costs figures submitted in the 2017 rate filing, there is an average reduction of 4.6 percent for the 592 industrial classes used in Kentucky. The industrial classes include manufacturing, office and clerical, contracting, and goods and services.

Not all classes experienced a reduction. Coal classes increased 28.4 percent for surface mining and 29.5 percent for underground mining. However, upon review, the Department approved a slightly lower 25 percent increase for both classes.

Atkins said the coal class increases were necessary due to federal pneumoconiosis (black lung) benefits covered under the workers' compensation policies.

The approved rate filing is effective Oct. 1.

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The Kentucky Department of Insurance regulates the Commonwealth's insurance market, licenses agents and other insurance professionals, monitors the financial condition of companies, educates consumers to make wise choices, and ensures Kentuckians are treated fairly in the marketplace. To learn more about DOI, visit <http://insurance.ky.gov/>.