

## NEWS FROM THE OFFICE

**FOR IMMEDIATE RELEASE**

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### **Office Takes Action on Workers' Compensation Insurance Rates**

**TALLAHASSEE, Fla.** – After a thorough review of the workers' compensation insurance rate filing submitted by the National Council on Compensation Insurance (NCCI) and careful consideration of hundreds of public comments and testimony received from interested stakeholders, the Florida Office of Insurance Regulation (Office) has issued an [Order](#) that gives contingent approval to an overall combined average statewide rate increase of 14.5% versus the requested 19.6%. Approval of the revised rate increase is contingent on NCCI amending the filing to include the recommended changes stipulated within the Order. As ordered by the Office, the revised rate increase would become effective on December 1, 2016 for new and renewal business, with no change in rates for current in-force policies. The amended rate filing must be filed with the Office for review and approval no later than October 4, 2016.

The NCCI rate filing was originally submitted in May of this year and amended in June to address the impact of three recent legal changes, including two Florida Supreme court case decisions (*Castellanos v. Next Door Company* and *Westphal v. City of St. Petersburg*) and legislatively-mandated updates to the Florida Workers' Compensation Health Care Provider Reimbursement Manual (HCPR Manual).

If NCCI submits the required amended rate filing and it is subsequently approved by the Office at an overall combined average statewide rate increase of 14.5%, the individual rate impacts will include:

- A 10.1% statewide average rate increase for the April 28<sup>th</sup> Florida Supreme Court decision in the case of *Castellanos v. Next Door Company*, which found the mandatory attorney fee schedule in [Section 440.34](#), Florida Statutes, unconstitutional as a violation of due process under both the Florida and United States Constitutions.
- A 2.2% statewide average rate increase for the June 9<sup>th</sup> Florida Supreme Court decision in the case of *Westphal v. City of St. Petersburg*, in which the Florida Supreme Court found the 104-week statutory limitation on temporary total disability benefits in [Section 440.15\(2\)\(a\)](#), Florida Statutes, unconstitutional because it causes a statutory gap in benefits in violation of an injured worker's constitutional right of access to courts. The Supreme Court reinstated the 260-week limitation in effect prior to the 1994 law change.
- A 1.8% statewide average rate increase related to updates within the Florida Workers' Compensation HCPR Manual per [Senate Bill 1402](#). The manual became effective on July 1, 2016.

For more information about the NCCI public hearing and rate filing, visit the Office's "NCCI Public Rate Hearing" [webpage](#).

#### **About the Florida Office of Insurance Regulation**

The Florida Office of Insurance Regulation has primary responsibility for regulation, compliance and enforcement of statutes related to the business of insurance and the monitoring of industry markets. For more information about the Office, please visit [www.floir.com](http://www.floir.com) or follow us on Twitter [@FLOIR\\_comm](#) and [Facebook](#).

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