



BULLETIN B 06-13

TO: ALL INSURERS WRITING AND ALL LICENSEES SELLING WORKERS' COMPENSATION INSURANCE IN ALASKA IN 2003, 2004, 2005, AND 2006 AND OTHER INTERESTED PARTIES

RE: REVISED WORKERS' COMPENSATION VOLUNTARY LOSS COSTS AND ASSIGNED RISK RATES

The division has been notified that the payrolls used by the National Council on Compensation Insurance, Inc. (NCCI) to determine the classification voluntary loss costs, assigned risk rates, and rating values in the 2003, 2004, 2005, and 2006 workers' compensation filings were understated. This understatement of payroll has resulted in an overstatement of the loss costs for some classifications. The division has asked NCCI to correct the loss costs and assigned risk rates for the affected classifications.

NCCI will provide each insurer that has written workers' compensation insurance in Alaska and the division, with a list of affected policies, including all the information that is needed to make necessary changes. Once that information is received, the division will be issuing an order to the affected insurers that requires the following:

- 1) all affected Alaska policies must be endorsed to reflect the corrected loss costs and assigned risk rates;
- 2) refunds must be provided to any policyholder who is owed \$10 or more per policy for all affected classifications;
- 3) under NO circumstance may an insured be charged an increase in premium.

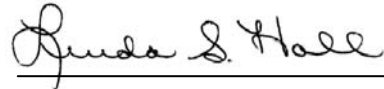
These insurers will be required to endorse all affected 2003, 2004, 2005, and 2006 policies with the revised NCCI voluntary loss costs. The order will require that assigned risk policies be endorsed with the revised assigned risk rates. For policies currently in-force, the order will allow premium adjustments to be made either now or at audit.

Within 30 days after receiving the information from NCCI, each insurer must provide the division with a list of the names of the affected policyholders and the amounts of the premium adjustment for each year for 2003, 2004, 2005, and 2006. If, before the order is issued, an insurer has made the necessary endorsements, refunds, etc., the insurer should

provide the division with that information as well. Information should be sent to the attention of Sarah McNair-Grove, Division of Insurance, P.O. Box 110805, Juneau, AK 99811-0805.

If you have questions regarding this bulletin, please contact the Division of Insurance, P.O. Box 110805, Juneau, AK 99811-0805; (907) 465-2515; or via electronic mail at insurance@commerce.state.ak.us.

Dated this 25th day of August, 2006 at Anchorage, Alaska.

A handwritten signature in cursive script that reads "Linda S. Hall". The signature is written in black ink and is positioned above a horizontal line.

Linda S. Hall
Director