

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

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### **Bulletin 97-14**

**To: Workers' Compensation Insurers and Producers**

**Re: 1998 Workers' Compensation Rates**

The Division of Insurance has approved three changes to the workers' compensation rating plan filed by the National Council on Compensation, Inc. (NCCI).

1. The expense constant is deleted. Policies based upon the NCCI rates, effective on or after January 1, 1998, will no longer have an expense constant applied to them.
2. There is an amendment to the formula by which minimum premiums will be calculated. Under the new formula, the minimum premium amounts will range from \$150 to \$500. The former method capped the minimum premium at \$1500.

Both of these changes are intended to benefit small employers who have been less likely to see the results of the continuing improvement in loss experience when expense costs continue to increase.

3. The Division of Insurance has approved the initial NCCI filing of prospective loss costs for workers' compensation insurance. During 1998, an NCCI member or subscriber may elect to continue using the NCCI rates or to file a loss cost adjustment filing that will be used in conjunction with NCCI loss costs. An NCCI member or subscriber may convert from rates to loss costs at any time during 1998 by filing a loss cost adjustment filing. However, NCCI members or subscribers must have loss cost adjustment filings approved to be used for policies effective on or after January 1, 1999. Beginning with the calendar year 1999, the NCCI will only file prospective loss costs; rates will no longer be filed.

If you have any questions about the changes in the rating plan or this bulletin, please contact Sarah McNairGrove, Division of Insurance, P.O. Box 110805, Juneau, Alaska 998110805, (907) 4654613, or [sarah\\_mcnair@commerce.state.ak.us](mailto:sarah_mcnair@commerce.state.ak.us) via electronic mail.

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Marianne K. Burke  
Director of Insurance