



FOR IMMEDIATE RELEASE

December 27, 2013

Louisiana Workers' Compensation Insurance Rates Decreasing

Commissioner of Insurance Jim Donelon announced today that rates for workers' compensation insurance will decrease in Louisiana effective May 1, 2014. Commissioner Donelon recently approved a 5.1 percent decrease in workers' compensation loss costs submitted by the National Council on Compensation Insurance (NCCI). NCCI is a national organization which analyzes workers compensation data and files loss costs or rates in 35 states.

Most workers' compensation carriers in Louisiana use the NCCI annual loss cost filing to formulate their insurance rates. This loss cost reduction marks a cumulative drop of 35 percent since 2004. The most recent reduction in workers' compensation loss costs was a 4.3 percent reduction in 2010. Prior loss costs reductions include a 17.4 percent decrease in 2009, an 8.6 percent reduction in 2008 and a 15.8 percent reduction in 2007.

"The reduction in the cost of workers' compensation insurance is good news for our state's business community as businesses continue to struggle faced with new mandatory health insurance provisions of the Affordable Care Act and with recovery efforts since the national economic recession of 2008," said Commissioner Donelon. "Louisiana's workers' compensation insurance market is competitive and showing signs of improvement, especially in the area of improved worker safety." Donelon notes that improved worker safety leads to fewer workplace injuries and less severe injuries across most employment classes, which combined are the cause of these recent rate reductions.

The total Louisiana workers' compensation market is estimated to be \$900 million in total premium. The top five writers of workers' compensation insurance in Louisiana in 2012 were Louisiana Workers' Compensation Corporation with 21.0 percent, Liberty Mutual Group with 12.6 percent, LUBA Casualty Insurance Co. with 8.8 percent, American International Group with 7.4 percent and Zurich Group with 7.2 percent.

About the Louisiana Department of Insurance: *The Louisiana Department of Insurance works to improve competition in the state's insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting www.ldi.la.gov.*