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# MILLISOR & NOBIL

A LEGAL PROFESSIONAL ASSOCIATION

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FEBRUARY 6, 2009

## **GROUP RATING UPDATE**

To all of our client's participating, or thinking about participating, in group rating for the policy year beginning 7/1/09, we wanted to give you an update on some significant activity that has occurred in the last couple of weeks.

In January, the BWC Board of Directors implemented a number of things that have, at least temporarily, changed the group rating landscape as we know it, by doing the following:

- Extending the group rating filing deadline from *February 28, 2009* to *April 24, 2009*.

### WHAT DOES THIS MEAN?

- More than anything else, this is an attempt by the BWC to have more time to review and implement changes in both group and non-group rating programs. We are uncertain exactly as to what changes will be made, but rest assured, as we will keep you apprised of any information as it becomes available to us. The BWC Board will meet again on February 19<sup>th</sup> to decide what changes will be implemented.
- Declining the BWC's recommended 30% rate cap per year (which would have helped employers at the higher end of the discount group rating scale).

### WHAT DOES THIS MEAN?

- The maximum discount any employer can receive for group rating will be 77%. (With the rate cap, an employer could have exceeded the maximum discount of 77% and received an 80% discount.)
- Approving a 100% EM% cap for employers not participating in a July 1, 2009 group rating program.

### WHAT DOES THIS MEAN?

- This will have no impact on group rating but will benefit large employers who are not in group rating.

## **WHAT SHOULD YOU DO NOW?**

- BWC wants to change the system but we are unsure how sweeping those changes may be. Until we know the results of the BWC Board February meeting, we advise you to "stay the course" at this point.
- One thing to keep in mind is that this change affects all group rating pools and their sponsors — this is not an issue that is just affecting our clients. Again, we advise you to wait until after the February meeting before you consider making any changes to your group rating affiliation.

- If you have already signed up for group rating there is nothing to do until the BWC Board meets and a determination is made as to how the system will operate on a go-forward basis.

As soon as additional information becomes available to us, we will pass on it to you immediately!

February 6, 2009