



NYCIRB

New York Compensation
Insurance Rating Board
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September 13, 2019

R.C. 2492

Re: Annual Letter to the Membership

Members of the Rating Board:

I write knowing how much the Rating Board's progress means to the marketplace and how our work impacts New Yorkers. This annual letter is a key opportunity to share our vision with you, rededicate ourselves to it, and update you on our efforts to transform our customer offerings and role in the New York State workers' compensation system.

In previous years, I have written about the steps we have taken to position ourselves to realize our vision – to serve as the objective and trusted thought-leader in the New York State workers' compensation industry. As I reflect on the past year at the Rating Board and assess our progress, I ask myself questions that go to the heart of who we want to be and the role we want to play in the marketplace. Did we learn new things? Have we communicated the story of the New York marketplace effectively? Did we inform the political discourse and pursue answers to questions driving the conversation today? Have we strengthened our relationships with industry stakeholders, *e.g.*, claimants, medical providers, attorneys, regulators, insurers, employers, labor, brokers, agents, and safety groups? What am I excited about? What could we have done better?

Having examined our work over the past 12 months through these questions, I am pleased to report to you that we have remained faithful to our vision and our transformation is on track. We have advanced initiatives that engender trust and support, engage our stakeholders, provide value to the industry, and we are achieving results for both our public and private sector partners.

The Rating Board has remained committed to its partnership with New York State's public sector. We regard collaborating with our regulators and the legislature a top priority and provide them with data analysis, pricing, and expertise throughout the year. In doing so, we believe that we can provide information to aid policymaking and foster close working relationships in the process.

Our growing actuarial team has also continued to publish reports and studies bringing transparency to the State's workers' compensation system. The 2019 State of the System Report provides the latest marketplace insights and trends while our 2019 Large Claims Study drills down into some of the most significant cost drivers. Together, these publications add to our growing body of work available to all those who want a deeper understanding of our industry.

In the third year of the Rating Board's five-year plan, our focus on customer experience remains front and center. In December of 2018, we released insurer group-specific business analytic benchmarking reports, which was the first of what will be an annual offering. Beginning in December of 2019, we will release insurer-group specific medical benchmarking reports each year as well. Further, before year end, improvements to the Data Genie, our Data Warehouse ad-hoc query tool, will go live and enable queries of our medical database. We will also soon release phase III enhancements to Manage Data, our data submission application, which will improve the data submission experience and introduce a newly designed dashboard for underwriters.

In addition, in 2019, the Rating Board completed a multi-year re-write and enhancement of its core manual – the New York Workers' Compensation and Employers' Liability Manual ("Manual"). The new edition of the Manual, which is currently under review by our regulator, will be up to date, easier to understand, and more consistent with other jurisdictions, while preserving rules unique and important to the New York marketplace. This fall, the Rating Board will introduce a new Digital Library product, which will make researching and viewing the Manual an intuitive experience.

While educating stakeholders and enhancing customer tools is a priority, we also know that the integrity of our ratemaking process is central to earning and maintaining the trust of our regulators and the broader community. To this end, in 2019, we engaged an independent actuarial consulting firm to examine the Rating Board's data collection, validation, and ratemaking procedures. I am happy to report that our processes and procedures received a clean bill of health, and that in July of 2019, for the fourth consecutive year, the New York State Department of Financial Services approved the Rating Board's actuarially recommended loss cost level change – loss costs in the State remain at an adequate level.

Indeed, the New York State marketplace is healthy. In 2018, 185 individual insurers wrote premiums in excess of \$1M and total private insurer and premium levels increased .3%. Pricing is competitive with a wide range of approved loss cost multipliers in the State, and the workers' compensation line continues to demonstrate short-term profitability with a calendar year 2018 combined ratio of 82.4%.

We prepare for next year's challenges knowing that our goals are aligned with yours: the maintenance of a healthy workers' compensation marketplace, best in class customer experience, and a deeper understanding of our system. We believe that every stakeholder has the ability to shape our future, build trust in our industry, and that our collective vision and leadership can shape our future together. I am filled with a sense of gratitude and pride about



the Rating Board, and I am thankful for the support and involvement of our membership. I wish you all much continued success and I look forward to continuing our work together.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JA", is written over a light blue horizontal line.

Jeremy Attie
President and CEO