



NYCIRB

New York Compensation
Insurance Rating Board
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September 10, 2020

RC Bulletin 2523

Re: Annual Letter to the Membership

Members of the Rating Board:

This year has brought personal tragedy to many and change to all of us. The COVID-19 pandemic has impacted every industry, business, and American and it promises to continue wreaking havoc on our way of life for some time. The pandemic changes shape by the day and brings significant uncertainty and an endless parade of unknowns to our industry – one that relies on historical experience to make future projections. As we plan for a future that may look very different from the past, we serve the marketplace by listening, learning in real-time, and studying data in new ways. I am proud to report that we are well positioned to do this work.

Over the past several years, we have reshaped our business, reset our strategy, and rebuilt relationships while making significant investments in technology and talent. These efforts, together with our hard work and vision, are helping us navigate these uncertain times.

We have benefited from years of investment in our information technology infrastructure and robust business continuity program. At the beginning of the pandemic, we prioritized the health and safety of our workforce by transitioning all Rating Board employees to a remote work environment while providing uninterrupted service to our members and the broader marketplace.

As the world changed around us, our team partnered with regulators and rating bureaus nationwide to prepare for the challenges ahead. We established a new class code for those working from home in response to Governor Cuomo's Executive Order and amended our rules to ensure that our member insurers could conduct audits virtually rather than in-person to reduce the risk of virus transmission. We also collaborated with our fellow rating bureaus to amend data reporting protocols to identify COVID-19 claims.

In the spring of 2020, our growing actuarial team recognized that serious and thoughtful study of the pandemic's impact on our industry could not wait until it concludes and all claims and data have been submitted. So, we published a COVID-19 study to provide a framework for understanding the potential cost impact of COVID-19 claims and describe how the pandemic's indirect impact on our industry may be just as significant.



While we prepared for the unknown, we have also remained faithful to our core mission, commitments, and work. Multi-year efforts to refine and optimize some of our actuarial methodologies are being realized this year. In the spring, we implemented a new ratemaking methodology that provides pricing stability for New York employers. And in the fall, we will propose an overhaul to our experience rating program to enhance fairness and safety incentives.

I am happy to report that in July of 2020, the New York State Department of Financial Services approved the Rating Board's actuarially recommended loss cost level change for the 5th consecutive year. The overall loss cost level in New York State will decrease by 1% on October 1, 2020, providing some level of stability at a time when we need it most.

Our work to make data reporting more consistent across jurisdictions is also taking shape. The Manage Data application partnership grew as the New York, New Jersey, and North Carolina rating bureaus welcomed the Wisconsin Rating Bureau into the fold in 2020. All four bureaus worked together to develop the next phase of enhancements. In New York, these enhancements will go live in December 2020 and provide several improvements for data submitters.

We have also sought to continue our work bringing transparency to the State's workers' compensation system. The 2020 State of the System Report provides marketplace insights and trends while our 2020 Frequency Study and COVID-19 Study drill down into some of the most important issues in our industry. The Rating Board also collaborated with rating bureaus nationwide to publish the 2020 Mega Claims Study, which provides insight into large workers' compensation claims across jurisdictions. We are proud of our expanding body of research and studies, which provide a deeper understanding of important issues facing our industry in New York.

We prepare for next year, and all that it brings, knowing that the pandemic leaves us with more questions than answers. But we also know that we have weathered serious events together before and can draw upon our collective history for strength and wisdom. As scientists race to develop a vaccine, we will do our part to support our members, stakeholders, and marketplace. As always, 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 Attie", is written over a light blue circular watermark that contains the letters "NYCIRB".

Jeremy Attie
President and CEO