



NYCIRB

New York Compensation
Insurance Rating Board
733 Third Avenue
New York, NY 10017
Tel: (212) 697-3535

September 20, 2017

R.C. 2444

Re: Annual Letter to the Membership

Members of the Rating Board:

In its 104th year of operation, the Rating Board is welcoming change and embracing challenges with a renewed sense of purpose. The result will be a Rating Board which is trusted and relied upon by industry stakeholders to educate, inform, and maintain a healthy marketplace. While we are only one year into our transformation, we have made meaningful progress toward realizing this end and our vision of serving as the objective thought-leader in the marketplace.

Over the course of the past year, we operated with clarity of purpose – to rededicate ourselves to developing partnerships and relationships with industry stakeholders and provide best in class service. First, we delivered the story of the marketplace by examining our data in new ways in two State of the System Reports, and two research studies (*i.e.*, a regional study and a drug study), all of which are available on our website. We took care to write these reports and studies in a way that is accessible to everyone, because we believe that you should not have to be an actuary or an insurance expert to understand the marketplace. In addition to making these reports publicly available, we also presented them to a variety of stakeholders ranging from the Commissioners of the New York State Workers' Compensation Board, the Commissioners of the New York State Insurance Fund, and the New York State Department of Financial Services to State legislative staff, member carriers, and representatives of employer and labor groups.

Second, we sought to educate our partners and enhance transparency. We delivered ratemaking seminars to stakeholders to demystify the process because we believe that before we can earn trust, we must develop mutual understanding.

Third, we provided an objective voice in the legislative process in the spring of 2017. During the New York State budget negotiations, we presented legislative staff, regulators, and stakeholders with information on the system, and in doing so helped form the foundation for the negotiations that followed. In addition, we provided preliminary cost analyses of the 2017 workers' compensation reform as it evolved in negotiations.

Fourth, we listened to our members, solicited feedback, and acted on it. We embarked on a member tour during which we visited 12 member carriers in four cities, hosted a data



management forum attended by 13 member carriers, held multiple focus groups, and have begun to respond to the feedback we received. By way of example, we are in the process of consolidating three data submission applications into one that will offer improved functionality, real-time feedback, as well as dynamic analytics for our member carriers. We have also initiated a multi-phase effort to build a data warehouse that will facilitate enhanced research for both member carriers and our staff.

Fifth, we recognize that the key to our success is our people. We have made organizational changes so that we can attract and retain the best talent available. We have also invested in our staff because we believe in them, and know that doing so benefits all stakeholders.

Sixth, we held our first New York State Workers' Compensation Forum – an important step toward achieving our vision of leading the industry with insightful research, discussion, and marketplace statistics, and acting together as one community to fulfill our shared goals of encouraging safe workplaces and maintaining fair pricing for workers' compensation insurance in New York State.

I am proud to report that our work is already bearing fruit. In April of 2017, the Rating Board's authorization to file loss costs was extended in statute by 10 years to 2028. Further, in July of 2017, for the second consecutive year, the New York State Department of Financial Services approved the Rating Board's actuarially recommended loss cost level change – a rare feat in New York State as of late. Loss costs in the State remain at an adequate level.

While our transformation continues, a strong foundation is now in place. We will build upon our early success without losing sight of the reason we are here: to serve our member carriers, our regulators, employers, workers, and the broader community. 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 "Jeremy Attie", written in a cursive style.

Jeremy Attie
President and CEO