



State of Nevada Department of Business & Industry

Division of Insurance

1818 College Parkway, Suite 103
Carson City, Nevada 89706
Phone (775) 687-0700 | Fax (775) 687-0788
doi.nv.gov

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CONTACT: Elisabeth Daniels, Public Information Officer

PHONE: (702) 486-2756 E-MAIL: edaniels@business.nv.gov

Fewer Claims Result in Lower Workers' Comp Costs for Employers **Changes take effect on March 1**

CARSON CITY – Insurance Commissioner Brett Barratt has approved a filing for an average decrease of 3.9 percent for Nevada workers' compensation voluntary insurance loss costs and an average decrease of 2.2 percent for workers' compensation insurance assigned risk rates.

Loss costs are the expected costs of medical and wage loss benefits including the costs to administer the benefits by employment classification. Insurers convert the loss costs to full rates by factoring in the insurer-specific loss cost multiplier which contemplates the insurers' administrative expenses and profit.

The proposed loss cost changes are expected help Nevada employers save money on workers' compensation insurance, which will be a welcome relief to businesses during these economically challenging times and will help to make Nevada an even more attractive place to do business.

Workers' comp claims costs have been decreasing over the past decade, which is largely the reason for the proposed decreases. Fewer claims offset generally increasing average indemnity and medical costs per claim and cost-of-living adjustments. Both medical costs and indemnity costs per claim appear to be leveling off and are projected with this filing to increase more slowly than wage growth.

Reasonable workers' compensation rates are among many reasons that Commissioner Barratt encourages businesses to establish themselves in Nevada. Companies relocating to Nevada also will find it easy to do business here with a favorable tax climate and affordable housing. For more information on the benefits of doing business in Nevada, visit the Nevada Commission on Economic Development's web site:
www.expand2nevada.com.

When comparing Nevada's costs and rates to those in other states, keep in mind that the Nevada exposure base, payroll, is capped at \$36,000 per employee per policy year. In other states, the full payroll is generally used to compute the premium.

As always, Commissioner Barratt urges employers to comparison-shop for the best rate. The market remains competitive, so it pays to review all your options.

By industry group, the proposed average changes are as follows:

Industry Group	Voluntary	Assigned Risk
Contracting	-2.5%	-0.7%
Goods & Services	-4.1%	-2.4%
Manufacturing	-4.4%	-2.7%
Office & Clerical	-6.7%	-5.0%
Miscellaneous	-4.8%	-3.1%

The changes vary by classification. Class changes are as much as 20 percent above or below the average for the classification's industry group. For example, for classification 5645, "carpentry – detached one or two family dwellings," the proposed change in the loss cost is -6.4 percent.

If you have additional questions about workers' compensation insurance, or if you'd like to learn more about health, home, life and auto insurance options, and tips for choosing the coverage that is right for you and your family, contact the Nevada Division of Insurance at <http://doi.nv.gov>.

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