



Workers Compensation Assigned Risk Differentials

The current NCCI state assigned risk differentials are shown below. The differential is applied to reflect the difference in the aggregate loss experience between the voluntary and assigned risk markets. In some states surcharges are applied.

Approved Assigned Risk Differentials

State	Filing Effective Date	DIFFERENTIAL/ SURCHARGE
Alabama	3/1/2018	105.3%
Alaska	1/1/2018	25% is applied in excess of \$3000 of the modified premium on assigned risk policies
Arizona	1/1/2018	35%
Arkansas	7/1/2017	50.0%
Connecticut	1/1/2018	33.64% -- includes impact of premium discount
District of Columbia	11/1/2017	35%
Georgia	3/1/2018	150.0%
Idaho	1/1/2018	60% surcharge
Illinois	1/1/2018	55.0%
Indiana	1/1/2018	25% surcharge is applicable to premium in excess of \$2500 of standard premium
Iowa	1/1/2018	30%
Kansas	1/1/2018	25%
Mississippi	3/1/2018	70.0%
Nevada	3/1/2018	30.0%
New Hampshire	1/1/2018	18.0%
New Mexico	1/1/2018	65% differential and a 10% surcharge
North Carolina	4/1/2018	97.9%
Oregon	1/1/2018	36.0%
South Carolina	4/1/2018	59.7%
South Dakota	7/1/2017	27.5%
Tennessee	3/1/2018	35.0%
Vermont	4/1/2017	25.0%
Virginia	4/1/2018	39.4%
West Virginia	11/1/2017	40.0%

Determining the differential is one of several steps taken to develop workers compensation assigned risk rates. The assigned risk rates use the loss costs as a starting point. A loss cost multiplier is applied to the loss costs which result in the assigned risk rates. The loss cost multiplier consists of several factors: the assigned risk differential, as shown above, uncollectible premium provision, and assigned risk expenses, such as agent commissions, taxes and general expenses. The resulting loss cost multiplier is then applied to the loss costs to develop the final residual market class code rate, which is filed and approved in each state.

In addition, the final premium charged to a residual market policyholder can be further adjusted by applying the Assigned Risk Adjustment Plan, Loss Sensitive Rating Plan and removing premium discounts for those policies where these programs apply. Other programs may apply in some states. The final result of these various adjustments is to tailor the premium for the residual market policyholder to the expected losses and expenses. The loss experience, expenses and other factors can differ substantially by state.