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August 26, 2025

What's New In Our Workers' Compensation Industry Florida

Workers Compensation Rate Filing Effective January 1, 2026

Below is a summary of the latest Florida Workers Compensation rate filing made by NCCI effective, January 1, 2026.

- Proposed -6.9% overall rate decrease effective January 1, 2026.
- Jan. 2010 through Jan. 2025, a cumulative decrease of -44.3%. If filing is approved, the cumulative decrease would be -48.1%.
- Oct. 2003 through Jan. 2025, a cumulative decrease of -78%. If filing is approved, the cumulative decrease would be -79.5%.
- Experience (losses and frequency) for policy years 2022 and 2023 are good. Claim frequency per million in premium decreased -9.2% in PY 2023. 44% decrease in frequency from PY 2009 to PY 2023.
- Claim severity (medical and indemnity) remained flat during the experience period.

NCCI's Summary information in support of the filing is attached.



Florida

January 1, 2026

Workers Compensation Rate Filing

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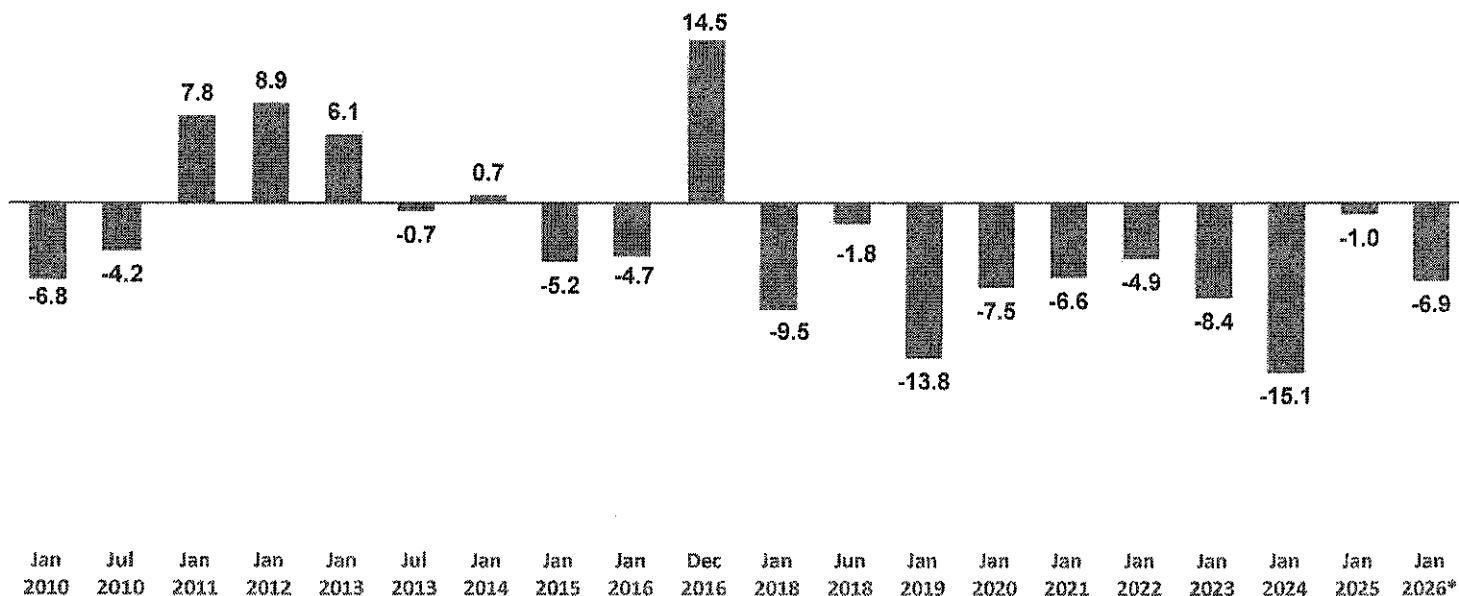
561-893-3121

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Florida's Historical Rate Level Changes (%)

Cumulative Change: -44.3%
(Jan 2010 to Jan 2025)



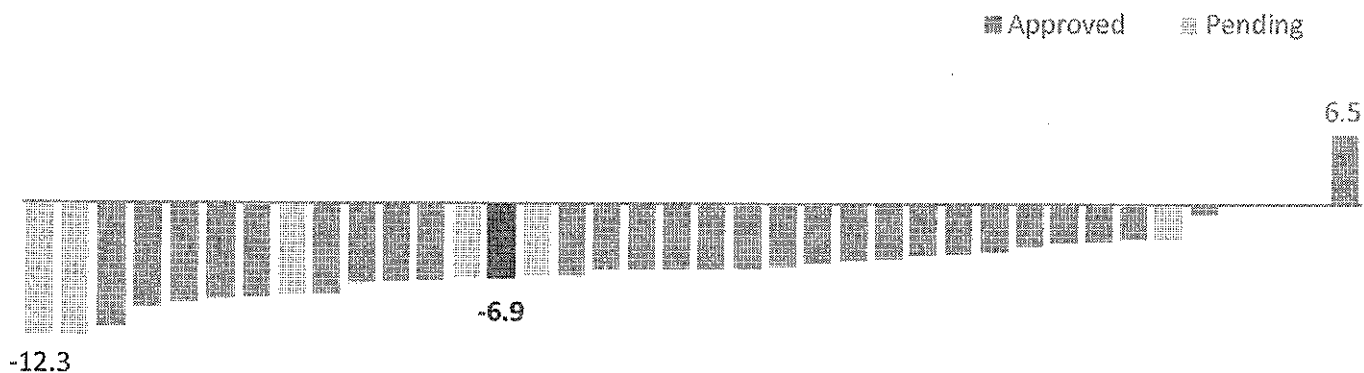
* Pending

Filing Effective Date

The Cumulative Historical Rate Level Change from Oct 2003 Through Jan 2025 equals -78.0%

Current NCCI Voluntary Market Loss Cost/Rate Level Changes (%)

Excludes Law-Only Filings



WV MD TX ME OK AR LA VA KY VT IN IA CO FL AZ ID AL CT KS NH NM UT AK MO NC RI MS DC SD TN HI GA OR NE IL SC MT NV

*The WV loss cost change excludes Traumatic Underground Coal Mine.

~Value shown is a rate level change; the IN and IL loss cost level changes are -6.8% and -1.2%, respectively.

Reflects the most recent experience filing in each jurisdiction as of 8/15/2025.

Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Decimal Extension

- Rates and Expected Loss Rates have been extended to three decimal places in this filing.
- This change will be proposed in all NCCI states this filing season.
 - Many independent bureaus have also announced plans to propose this change.
- Proposed change will facilitate more precise adjustments.
 - Hypothetical Example: increase of 0.01 vs. 0.001
 - From 0.04 to 0.05 → 25% increase
 - From 0.04 to 0.041 → 2.5% increase
- Proposed change is premium neutral on an industry group and statewide basis.

Florida January 1, 2026 Rate Filing

Component	Impact
Change in Experience and Trend	-6.9%
Change in Benefits	-0.4%
Change in Production and General Expenses	+0.3%
Change in Loss-Based Expenses	+0.1%
Proposed Overall Average Rate Level Change	-6.9%

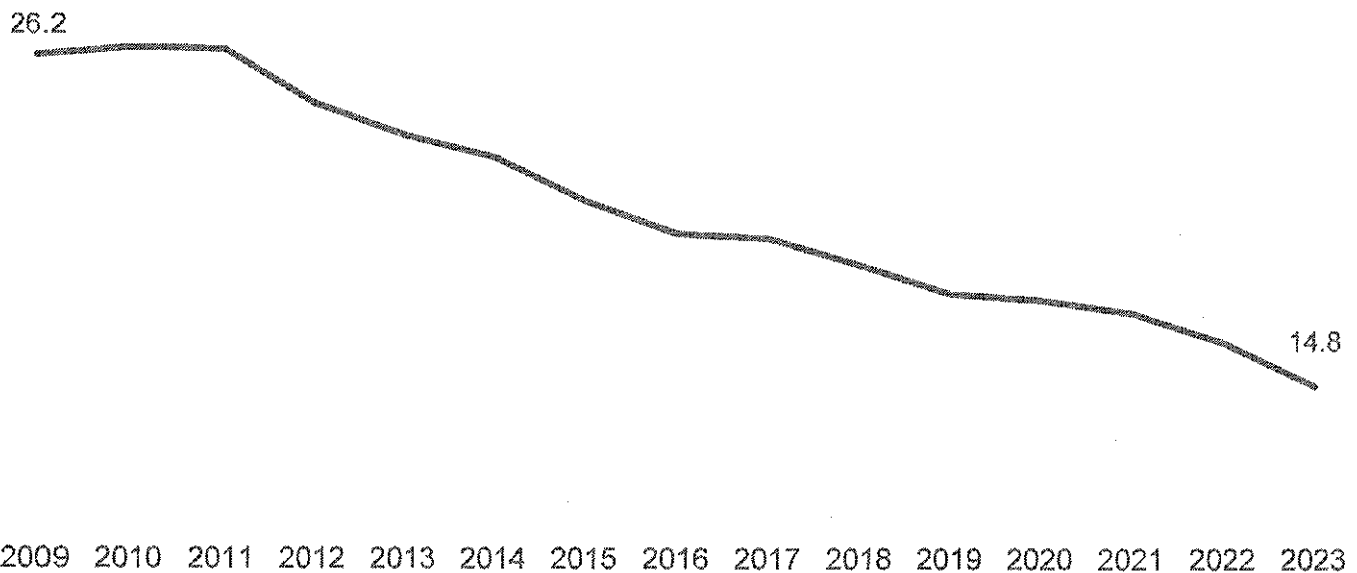
Filing Methodology

Calculation	Methodology Used
Experience Period	Most recent two full policy years
Loss Development	Average of the results produced by the paid and paid plus case loss aggregations
Trend	Indemnity: Selected -4.5% per year Medical: Selected -4.5% per year



Florida Lost-Time Claim Frequency

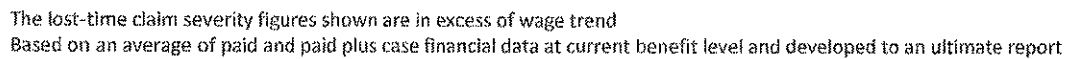
Policy Year, Frequency per Million on On-Leveled, Wage-Adjusted Premium



Based on NCCI's financial data

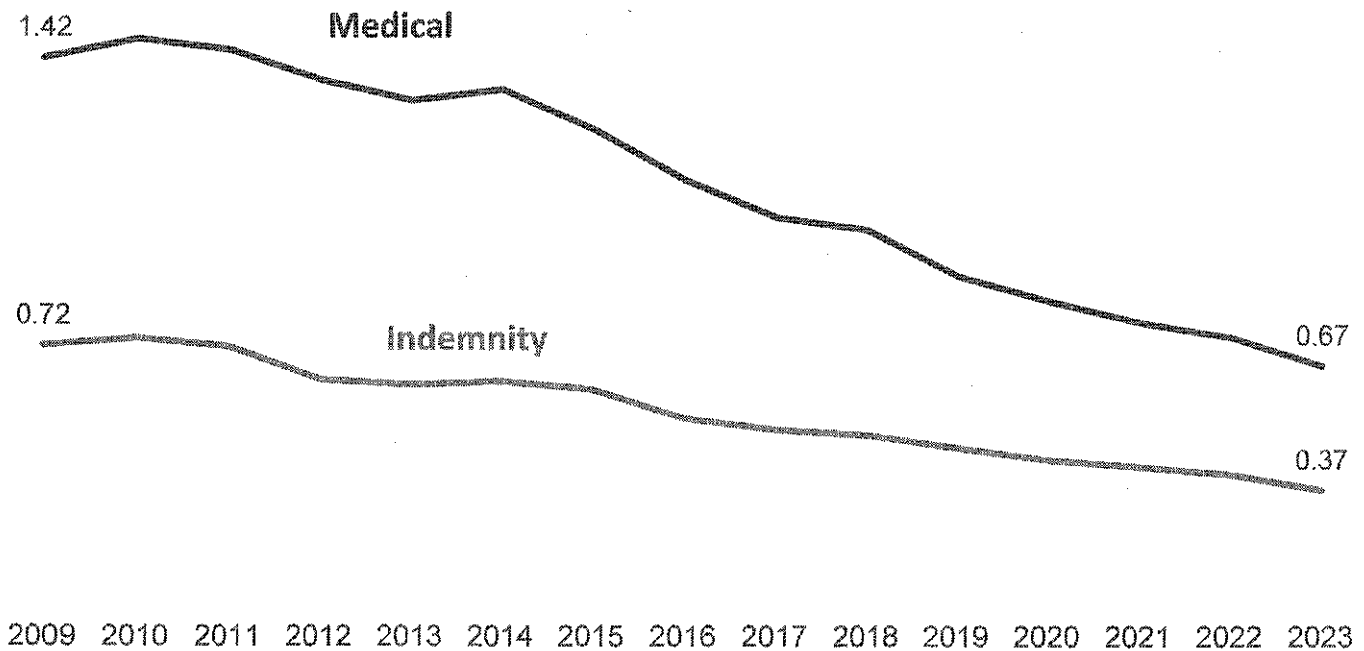


Policy Year



Florida Loss Ratios

Policy Year



Based on an average of paid and paid plus case financial data at current benefit level and developed to an ultimate report



Florida Expense Provisions

Component	Current Provision	Proposed Provision
Production and General Expenses	24.6%	24.8%
Loss Adjustment Expense Provision	23.0%	23.1%
Profit and Contingency Provision	—0.5%	—0.5%





Summary of the Florida Workers Compensation Rate Filing Recommendation Effective January 1, 2026

The National Council on Compensation Insurance (NCCI)¹ is pleased to provide this summary of the accompanying workers compensation insurance rate filing recommendation that was filed under separate cover on August 22, 2025, with the Florida Office of Insurance Regulation for its review and approval.

The filing recommends a –6.9% decrease to the current rates for the voluntary market, effective January 1, 2026.

Florida Overview

The recommended filing is based on experience data for Policy Years 2022 and 2023 as of year-end 2024. Improved loss experience has been observed in these time periods—the primary driver of the rate decrease recommended in the filing. This improved loss experience is the result of continued lost-time claim frequency declines in both Policy Year 2022 and 2023.

The recommended rate level change also reflects the estimated impact of the Health Care Provider Fee Schedule changes effective January 1, 2026, and updates to the expense provisions underlying the proposed rates.

Multistate Overview

The Calendar Year 2024 combined ratio for workers compensation was under 100% (the break-even point) at 86%, a measure of underwriting profitability for the overall system. The net written premium in the voluntary market decreased slightly, and the residual market premium in states serviced by NCCI remained approximately the same as last year.

The number of claims occurring, as measured by frequency, and the cost of claims, as measured by severity, continue to be key metrics for the health of the workers compensation system. The frequency of workers compensation lost-time claims continues its long-term decline across all NCCI states. In fact, claim frequency declined at a faster pace in 2024 than the long-term average rate of decline, an indication of safer workplaces and fewer injured workers.

Claim severity increased for both the medical and wage replacement components in 2024. Medical cost increases were driven in part by some inflationary pressures. However, the primary driver of the increase in medical costs was the increased utilization of medical services by injured workers. Physician services account for more than 40% of all workers compensation medical services, although the cost of these services only increased by 1.5% over the past three years. The increase in indemnity benefits is primarily driven by an increase in wages.

Decimal Extension of Loss Costs, Rates, and Expected Loss Rates

¹ NCCI is a licensed rating organization authorized to make recommended rate filings on behalf of workers compensation insurance companies in Florida. NCCI's filings are objectively prepared, utilizing widely accepted actuarial ratemaking methodologies.

In this year's filing, NCCI recommends the application of an additional digit to its published rating values to extend them from two to three decimal places. This change, known as "decimal extension," allows for more precise adjustments to rates and Expected Loss Rates (ELRs). Decimal extension will be particularly beneficial for classification codes with lower rates because it will minimize rounding limitations that are currently more likely to impact these class codes. Currently, the smallest change in one of these values has to be at least 0.01, but after decimal extension, changes can be as small as 0.001. The methodology for determining the filed rates and ELRs is unchanged. The proposed decimal extension is premium-neutral on both a statewide and industry group basis.

For more information on decimal extension, visit https://www.ncci.com/Articles/Pages/II_Decimal-Extension-Loss-Costs-Rates-Expected-Loss-Rates.aspx.

Conclusion

The workers compensation system remains healthy. For the last decade, the system has broadly benefited from a steady drop in claim frequency, rising wages, and moderate severity. The changing workforce and evolving economy also continue to impact workers compensation. Overall payroll growth persists, driven by an increase in employment and wage rates year over year. Preliminary data indicates a decrease in workers compensation net written premium in 2024, notwithstanding the growth in payroll. The combination of frequency declines and moderate benefit costs have contributed to reductions in overall workers compensation system costs.