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To Our Valued Clients:

October 2012

18.8% Workers' Comp Rate Increase for Massachusetts Rejected by Division of Insurance

In early March the Worker's Compensation Rating and Inspection Bureau of Massachusetts (Bureau) submitted a filing to the Division of Insurance which ultimately requested an overall worker's compensation rate increase of 18.8% along with further increases from changes to various rating values. All this was to be effective September 1, 2012.

The Bureau argued that an increase was necessary, in part, because rates have not increased since 2001. Approval, the Bureau asserted, would ensure adequate rates and encourage a competitive workers' compensation market in Massachusetts. They felt continuing with inadequate rates would lead to a less competitive market and force more insureds to the assigned risk pool.

The ultimate decision followed a five-month public hearing process that was conducted by the Commissioner of Insurance to determine whether the classifications and rates requested were reasonable. **The Commissioner** concluded that the evidence did not support approval of the rate increase requested in the Bureau's Filing and formally **disapproved the Bureau's rate filing on August 31, 2012**. The Commissioner did say the Bureau could submit a new rate filing for approval, but the feeling is that will not likely happen.

Very truly yours,

DeSanctis Insurance Agency, Inc.