

Minutes

*Tennessee Advisory Council on Workers' Compensation
Thursday, August 27, 2015, 10:00 A.M. Central
Legislative Plaza, Room 30
301 Sixth Avenue North
Nashville, Tennessee 37243*

Members Present:

Voting Members

Chairman David H. Lillard, Jr.

Kerry Dove

Bruce Fox

John Garrett

Bob Pitts

Gary Selvy

Paul Shaffer

Non-Voting Members

Jason Denton

Sandy Fletchall – on telephone

Troy Haley

John Harris – on telephone

Lynn Lawyer

Jerry Mayo

Gregg Ramos

Mike Shinnick

Representative Jimmy Eldridge

Lynn Schroeder, Administrator

At 10:03 a.m. on August 27, 2015, the Chair, State Treasurer David H. Lillard, Jr, congratulated Council members Jerry Mayo (insurance representative) and Lynn Lawyer (attorney representative) on their reappointments to the Council and introduced Jason Denton as a new attorney representative member of the Council, all of whom were appointed by Governor Haslam. He then called the meeting to Order, ascertained that there was a quorum of voting members via roll call and called the next item on the agenda, approval of the minutes of the Council's March 23, 2015 meeting. Council member Gary Selvy moved to accept the minutes,

seconded by Representative Eldridge and Treasurer Lillard, and approved upon a unanimous vote.

The chair called the next item on the agenda, a presentation by Council member Mike Shinnick, Workers' Compensation Manager of the Department of Commerce and Insurance, entitled Overview of Tennessee's Workers' Compensation Market Conditions and Environment.

Mr. Shinnick's full report may be viewed in its entirety at the Advisory Council on Workers' Compensation website at the following link:

http://www.treasury.state.tn.us/claims/wcac/2015Overview_TN_WCMarket_Conditions_Environment.pdf

Chairman Lillard opened the floor for comments and questions. Mr. Pitts inquired as to the timing when the reform will appear in the numbers of the reports was discussed as being 2017.

Mr. Mayo noted that he had never heard the business called "calm" in 45 years, but hoped that was correct.

Mr. Gregory Ramos noted that the numbers were moving in a positive direction for the industry for years and remarked that he has yet to see the reason or need for the 2013 reform.

The Chair called for other comments and questions of the Advisory Council members on Mr. Shinnick's presentation and thanked him for a good report.

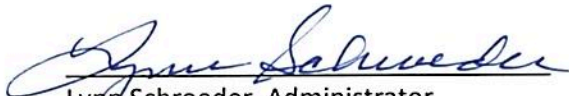
The Chair then called to the attention of the Advisory Council the letter that was received dated August 27, 2015 from Commissioner McPeak of the Department of Commerce and Insurance, informing of her intent to increase the assigned risk plan loss cost multiplier (LCM) from 1.58 to 1.66 effective March 1, 2016. The Advisory Council may provide written comment and recommendation back to the department related to this intended action within 15 days of the receipt of the notice. The Chair opened the floor as to the Council's preferred method of proceeding.

Mr. Pitts moved that the Council submit a positive recommendation in support of the Commissioner's proposed action. He indicated it seems to be in keeping with trending and with the efforts to continue to depopulate the pool. He pointed out that it would also widen the gap between the assigned risk plan and the voluntary market. Mr. Bruce Fox seconded the motion. The Chair called for further discussion or comment about the motion. Roll was called which resulted in a unanimous vote in favor of the motion, which was adopted.

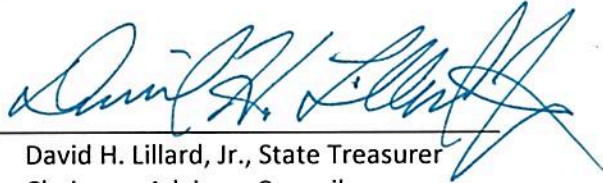
The Chair thanked Chairman Jimmy Eldridge of the House Consumer and Human Resources Committee for being in attendance as the Council appreciates the Chairman's leadership and the Committee's leadership and the good work that's being done in the area of workers' compensation and other issues.

The Chair noted that the next meeting of the Council is scheduled for Wednesday, October 14, 2015 at 10:00 A.M. here in Room 30. The Chair called for any further business to come before the Advisory Council on Workers' Compensation. Mr. Pitts requested some education as to the differences on how things will be organized under the transition from AON to NCCI. Mr. Shinnick indicated that NCCI would prepare that for the October meeting.

The Chair thanked Mr. Shinnick and asked for other comments or a motion to adjourn. Motion to adjourn was made by Bob Pitts and seconded by Treasurer Lillard, who called for a voice vote resulting in adjournment of the meeting, subject to the call of the chair.



Lynn Schroeder, Administrator
Advisory Council on Workers'
Compensation



David H. Lillard, Jr., State Treasurer
Chairman Advisory Council on
Workers' Compensation