



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

July 29, 2022

Mr. Bill Mudge
President and Chief Executive Officer

Mr. Dave Bellusci, FCAS, MAAA
Executive Vice President and Chief Actuary
Workers' Compensation Insurance Rating Bureau
1901 Harrison Street, 17th Floor
Oakland, CA 94612

SUBJECT: My Pure Premium Rate Order Dated July 15, 2022

Dear Mr. Mudge and Mr. Bellusci:

In my July 15, 2022 Decision and Order, I ordered that the approved advisory pure premium rate of \$1.45 should remain unchanged. I am confirming that the advisory pure premium rates for individual classifications should be adjusted based on the classification relativities that I adopted in my June 28, 2022 Order on the September 1, 2022 Regulatory Filing.

My Pure Premium Rate Order is intended to be read consistent with, and applied in tandem with the Regulatory Filing Order, which approved various classification changes including up-to-date classification relativities. My two orders are mutually dependent to provide a cohesive classification and rating system pursuant to Insurance Code sections 11730, 11734, and 11751.5.

My Pure Premium Rate Order was premised on the updated classification relativities adopted in my June 28th Order. Otherwise, I believe applying my Pure Premium Rate Order without including the legal effect of the associated Regulatory Order would be inconsistent, conflict with the law, and be confusing to stakeholders and workers' compensation insurance companies. My Regulatory Order applies to all policies incepting or renewing on or after September 1, 2022.

Thank you for your attention to this important matter. Please let me and my staff know if you have any further questions.

Sincerely,

RICARDO LARA
Insurance Commissioner