Tennessee Workers' Compensation Advisory Council

Review of:

NCCI Tennessee Workers' Comp Loss Cost Filing Effective March 1, 2016

Presented by:
Christopher J. Burkhalter, FCAS, MAAA
Vice President & Principal

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Major Areas of Review

- *Loss development factors*
- *Loss ratio trends*
- *LAE provision selection*
- *Experience period*
- *Additional method*

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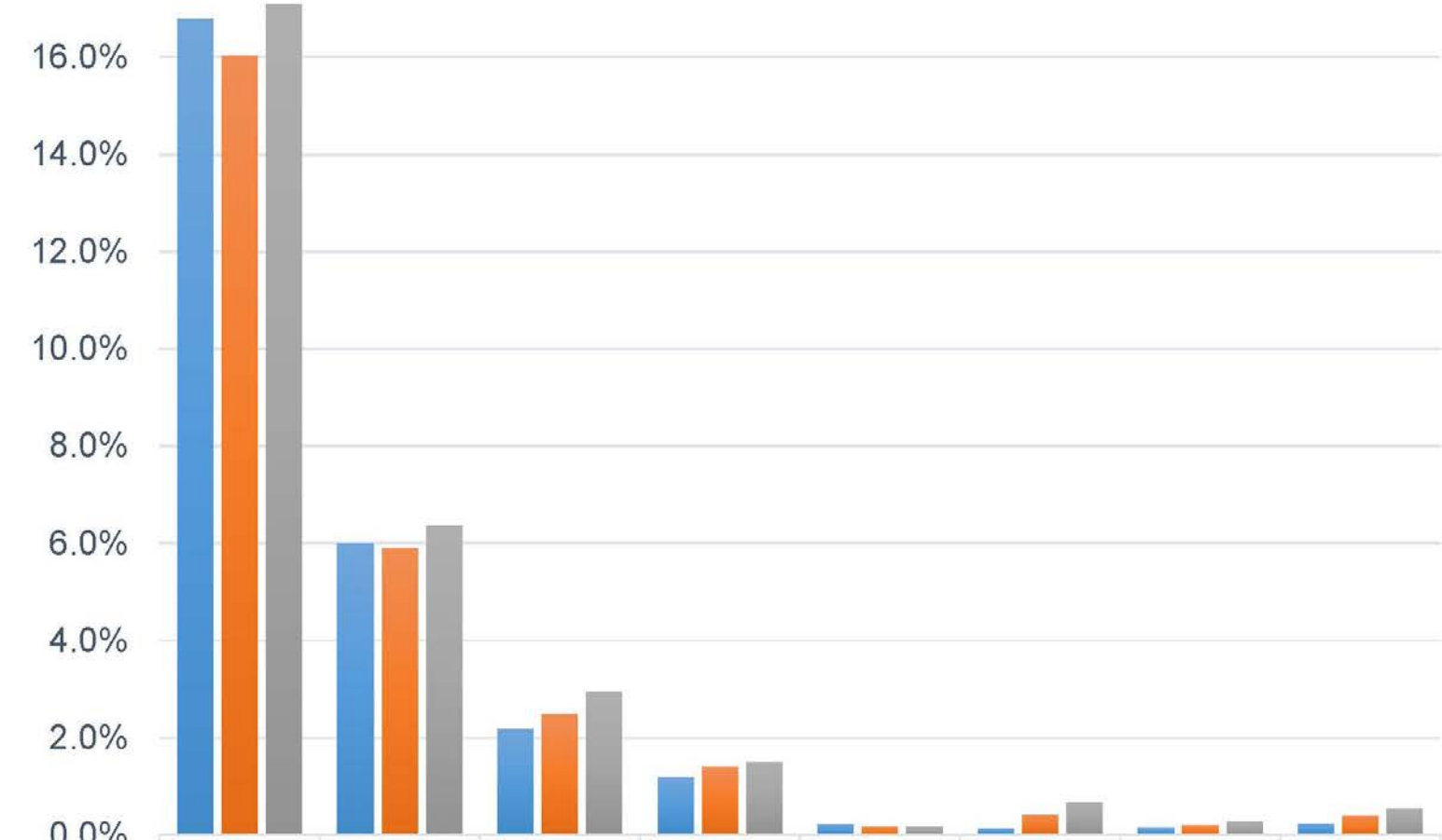
Indemnity Paid+Case Loss Development Factors



	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9
8 Yr Avg	16.8%	6.0%	2.2%	1.2%	0.2%	0.1%	0.1%	0.2%
5 Yr Avg	16.0%	5.9%	2.5%	1.4%	0.2%	0.4%	0.2%	0.4%
3 Yr Avg	17.1%	6.4%	2.9%	1.5%	0.2%	0.7%	0.3%	0.5%

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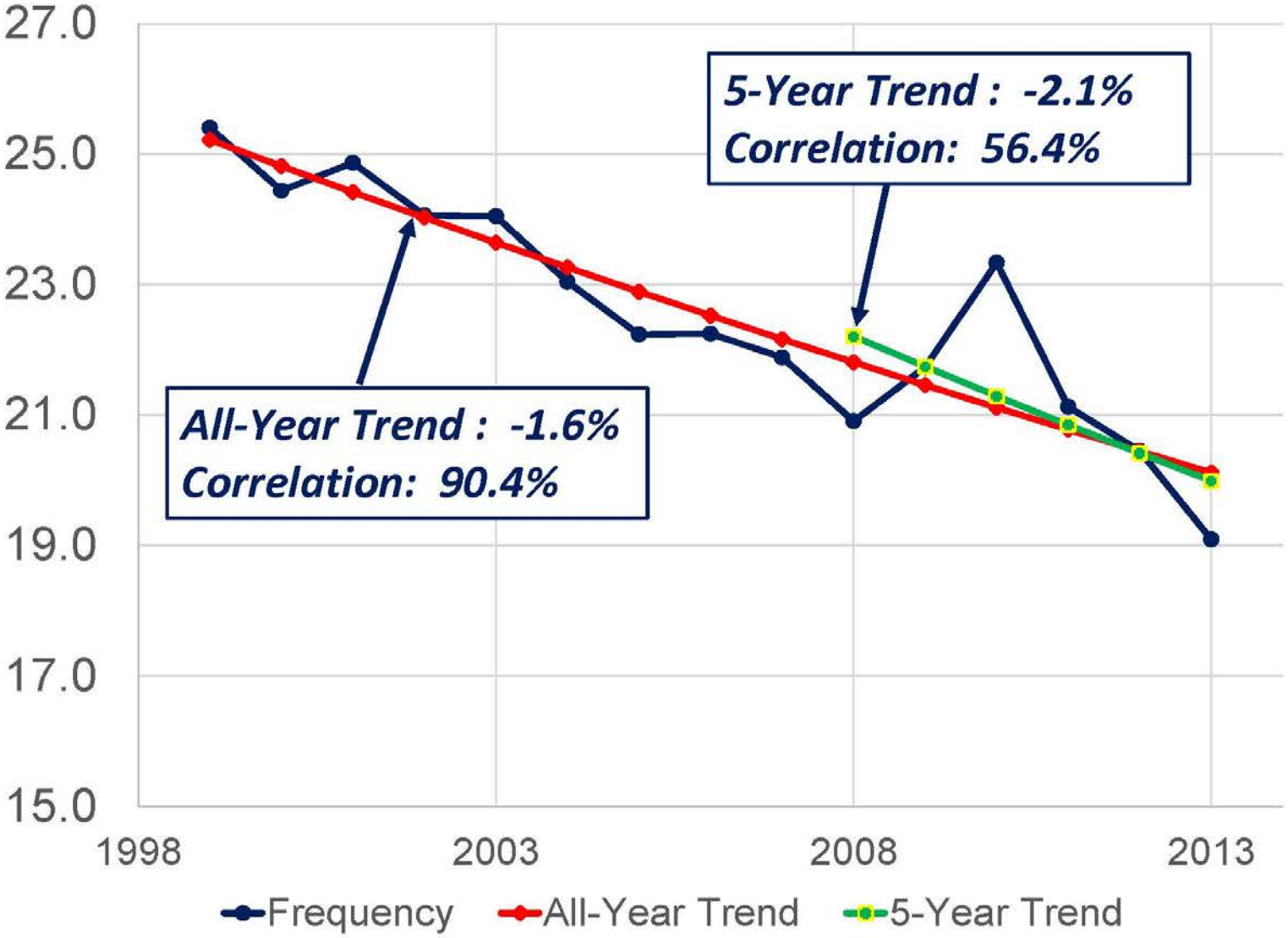
Trends in Claim Frequency



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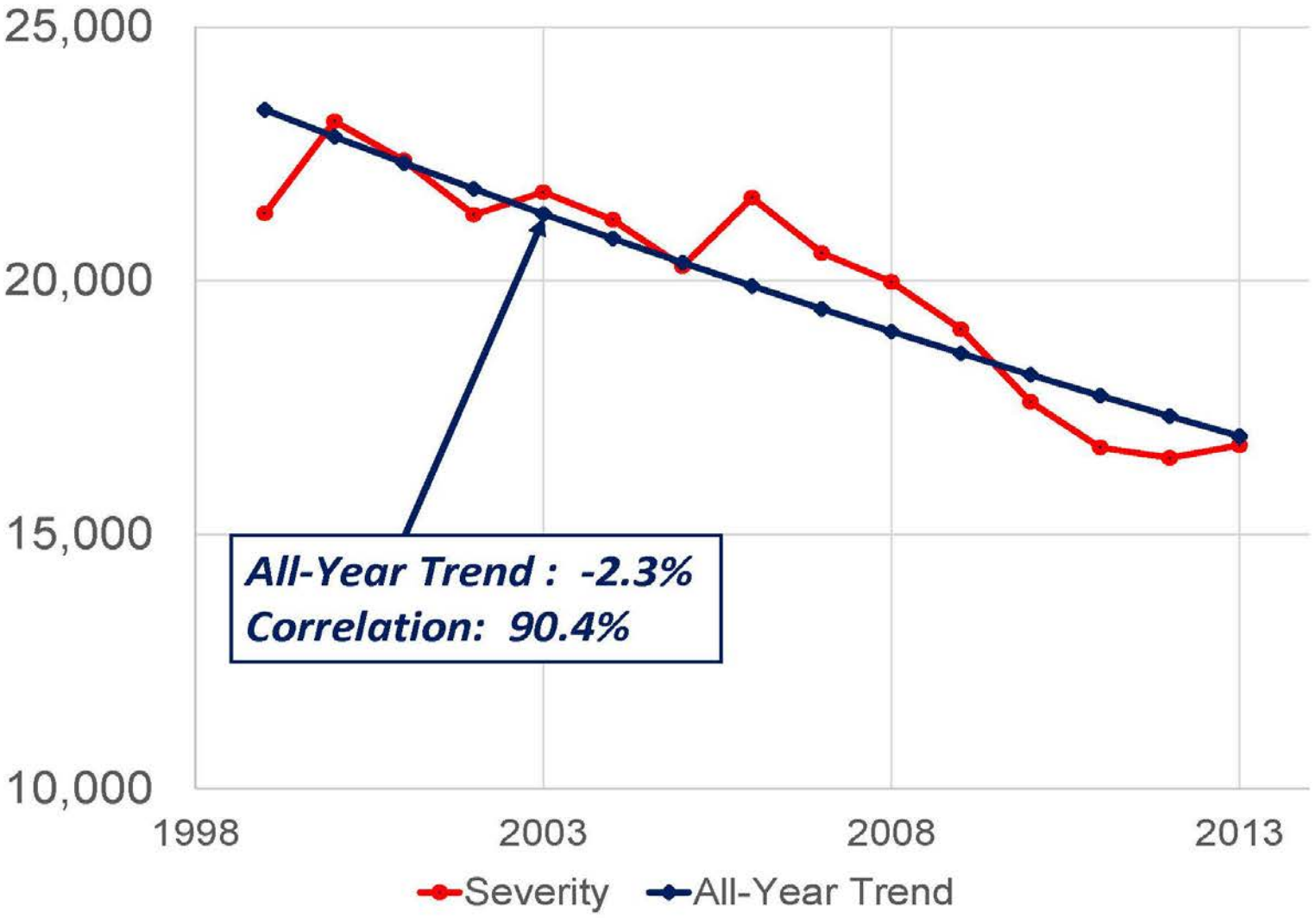
Indemnity Severity



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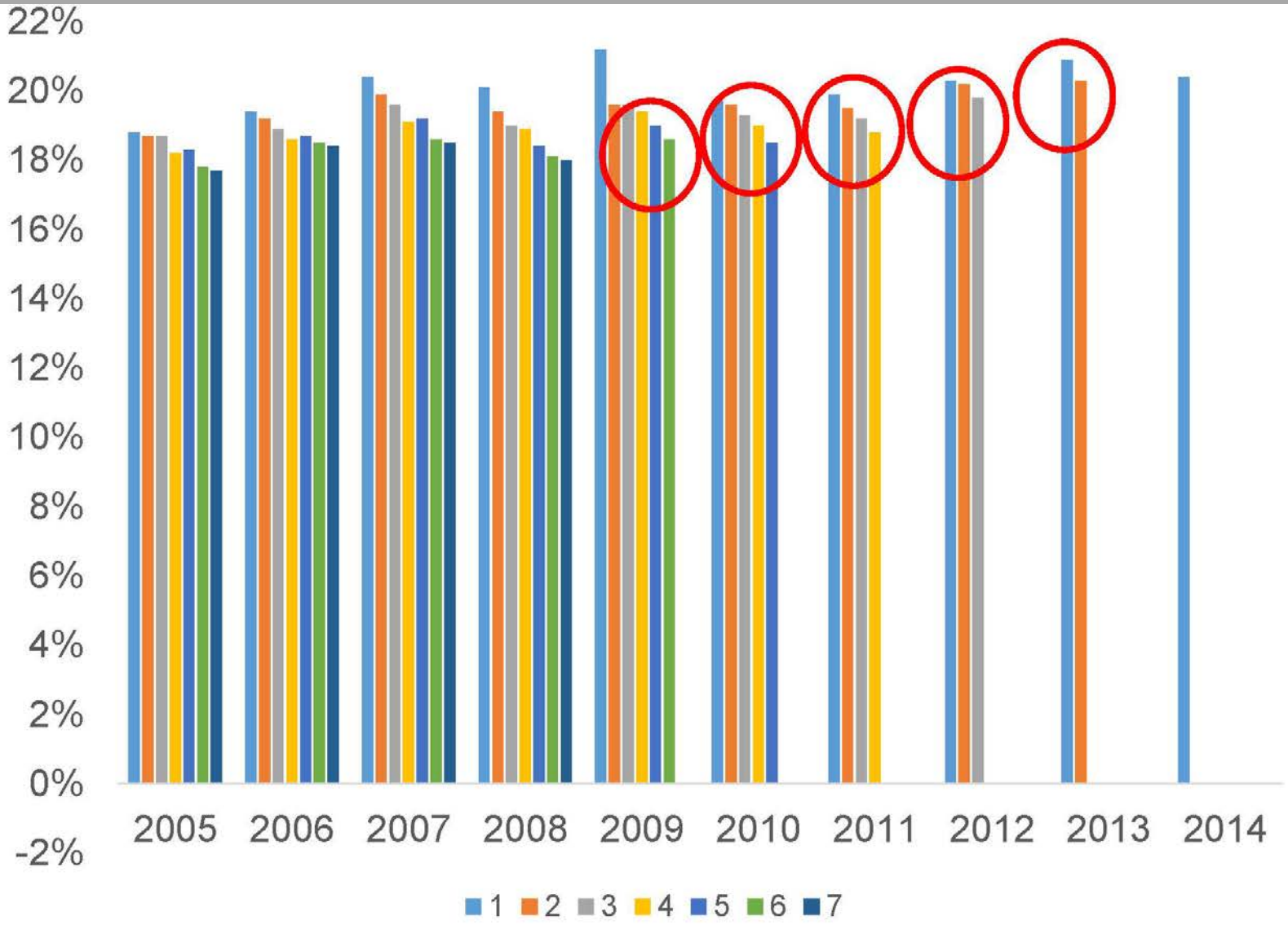
Ratio of LAE to Loss



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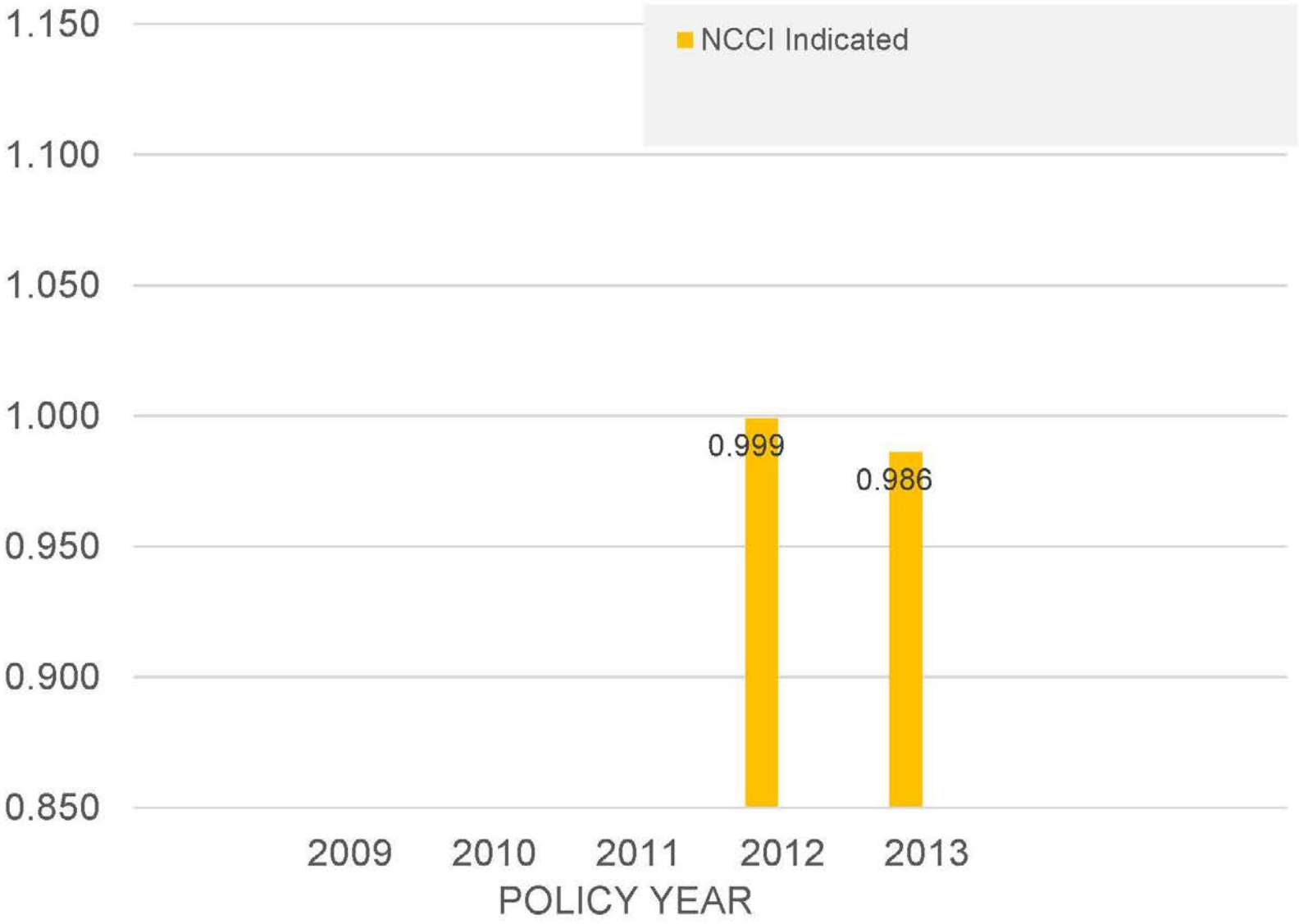
Projected Cost Ratios



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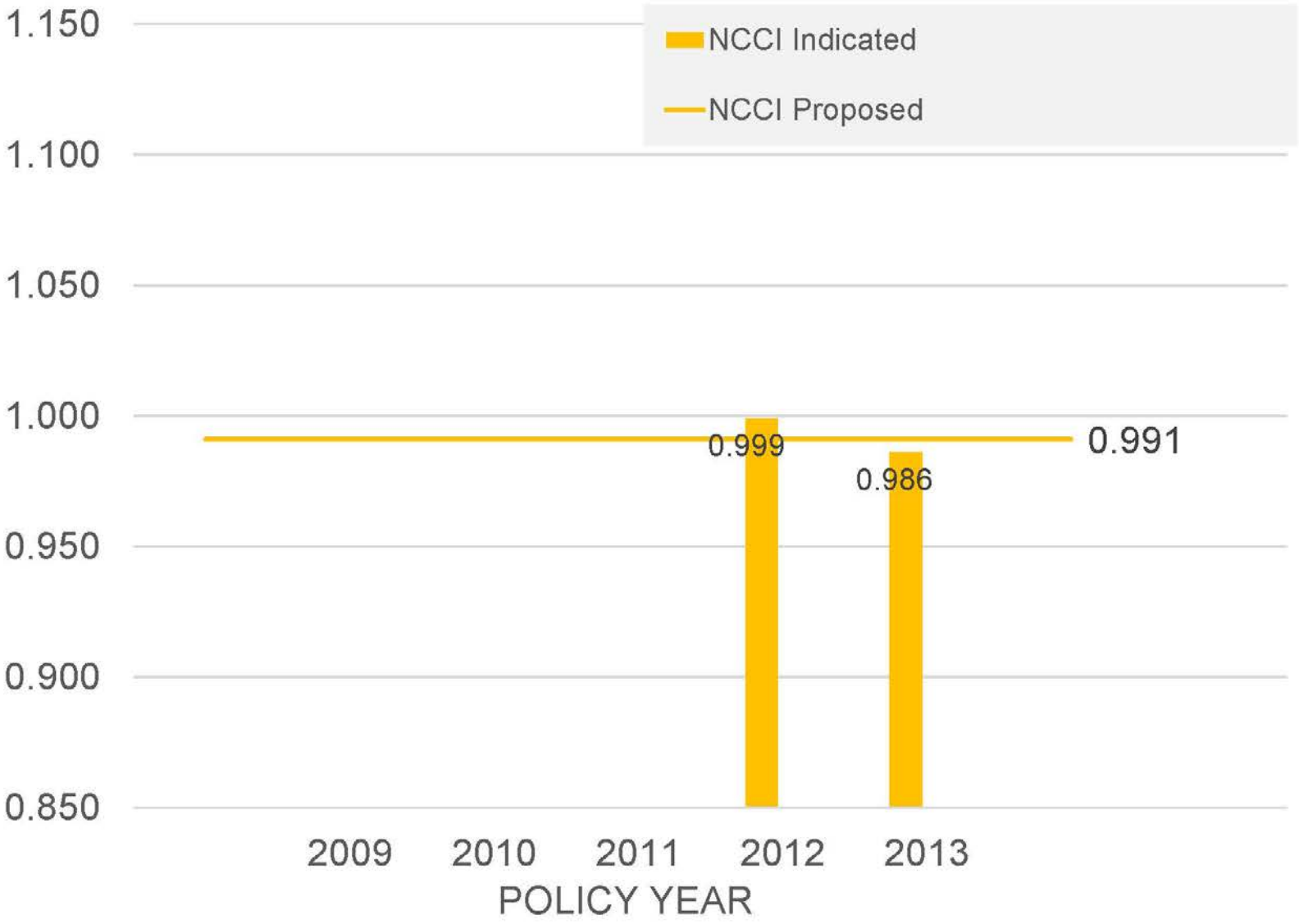

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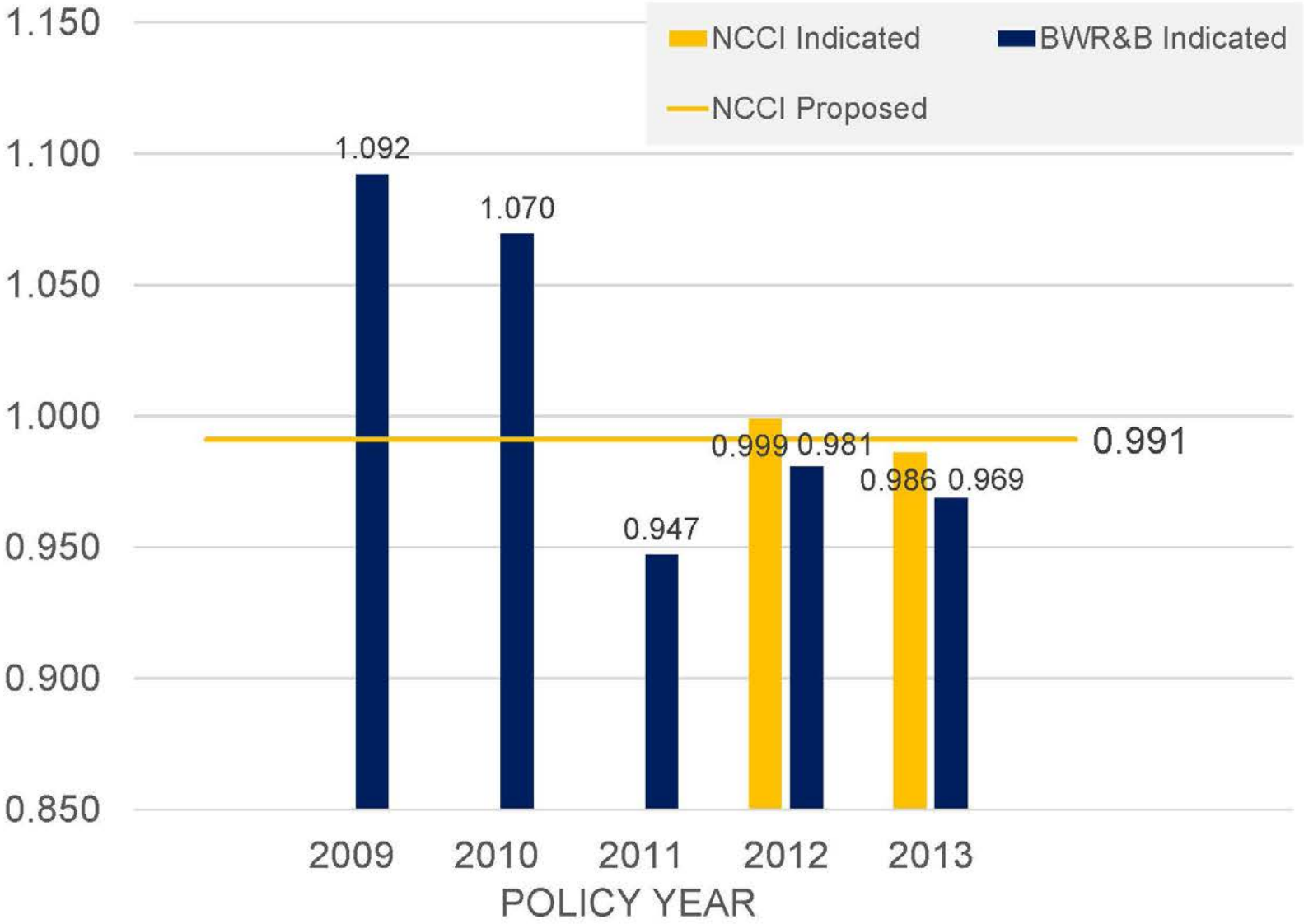

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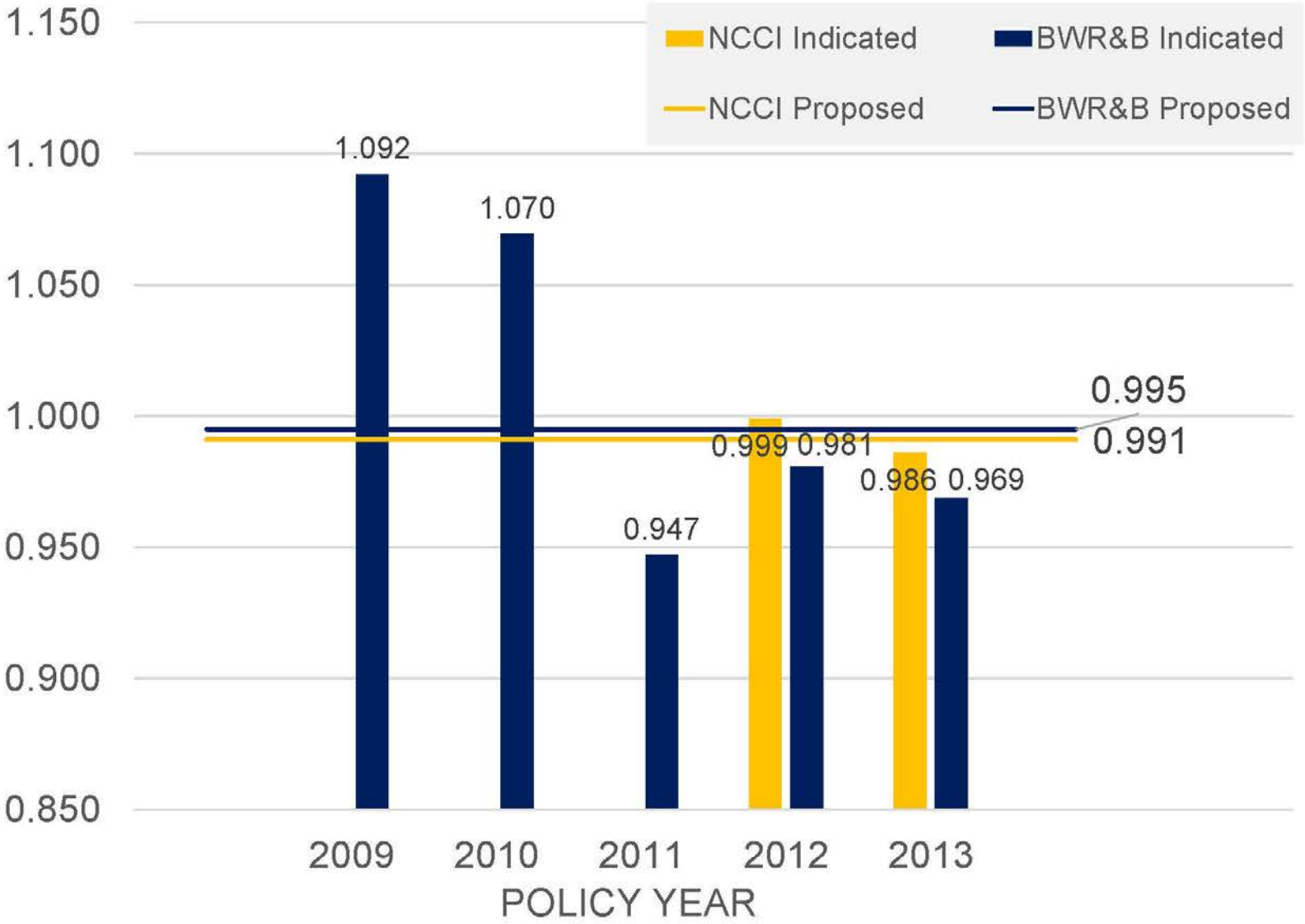

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Major BWR&B Actuarial Assumptions

- *Selected shorter-term average of LDFs & tails*
- *Used NCCI trends of -4.0% indem. and -0.5% medical*
- *Selected 18.5% LAE ratio (NCCI: 19.8%)*
- *Used five-year weighted-average for indication*
- *Used straight average of paid and incurred methods*

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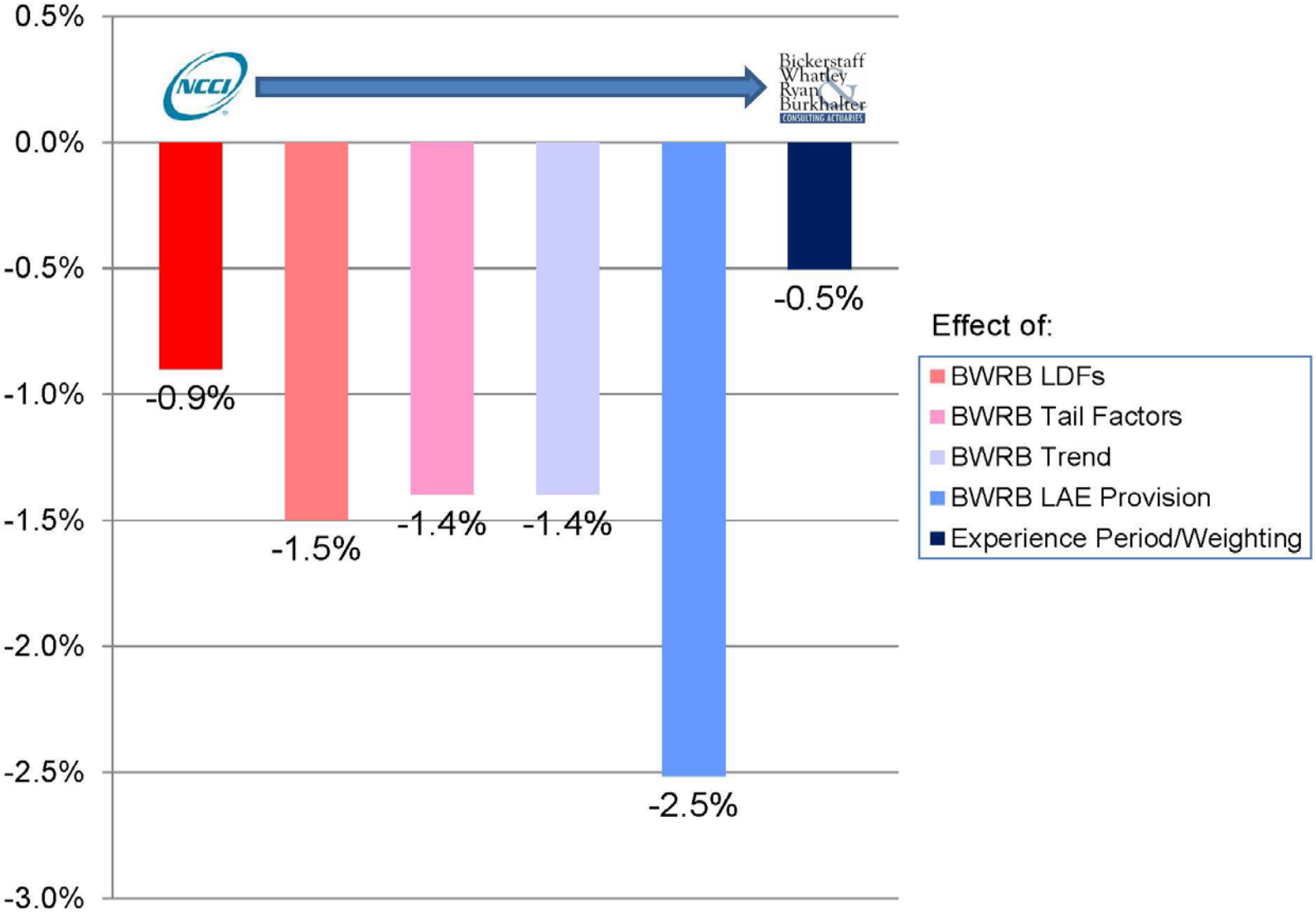
NCCI & BWR&B Indications



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