



Review of NCCI Tennessee Workers
Compensation Loss Cost Filing
Effective March 1, 2017

PROPOSED CHANGE IN VOLUNTARY LOSS COST LEVEL:

Component	NCCI	BYNAC
<ul style="list-style-type: none">• Experience• Trend• Benefits• LAE• Min Prem Offset	<ul style="list-style-type: none">• -9.8%• -3.8%• +0.4%• +0.3%• -0.2%	<ul style="list-style-type: none">• -7.3%• -2.6%• +0.4%• 0.0%• -0.2%
Overall Loss Cost Change	-12.8%	-9.5%

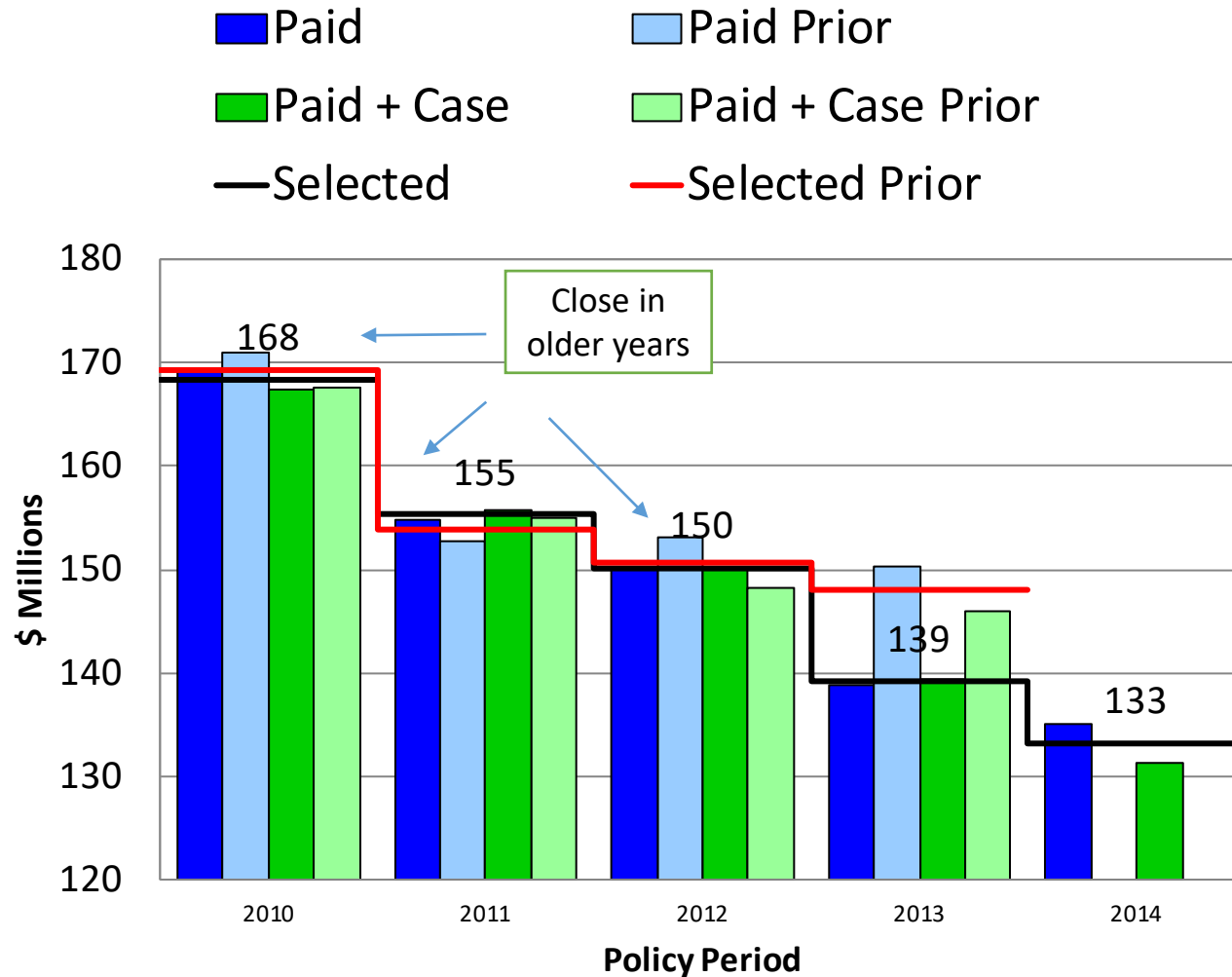
COMPARISON TO PRIOR ESTIMATES

PROJECTED COST RATIOS

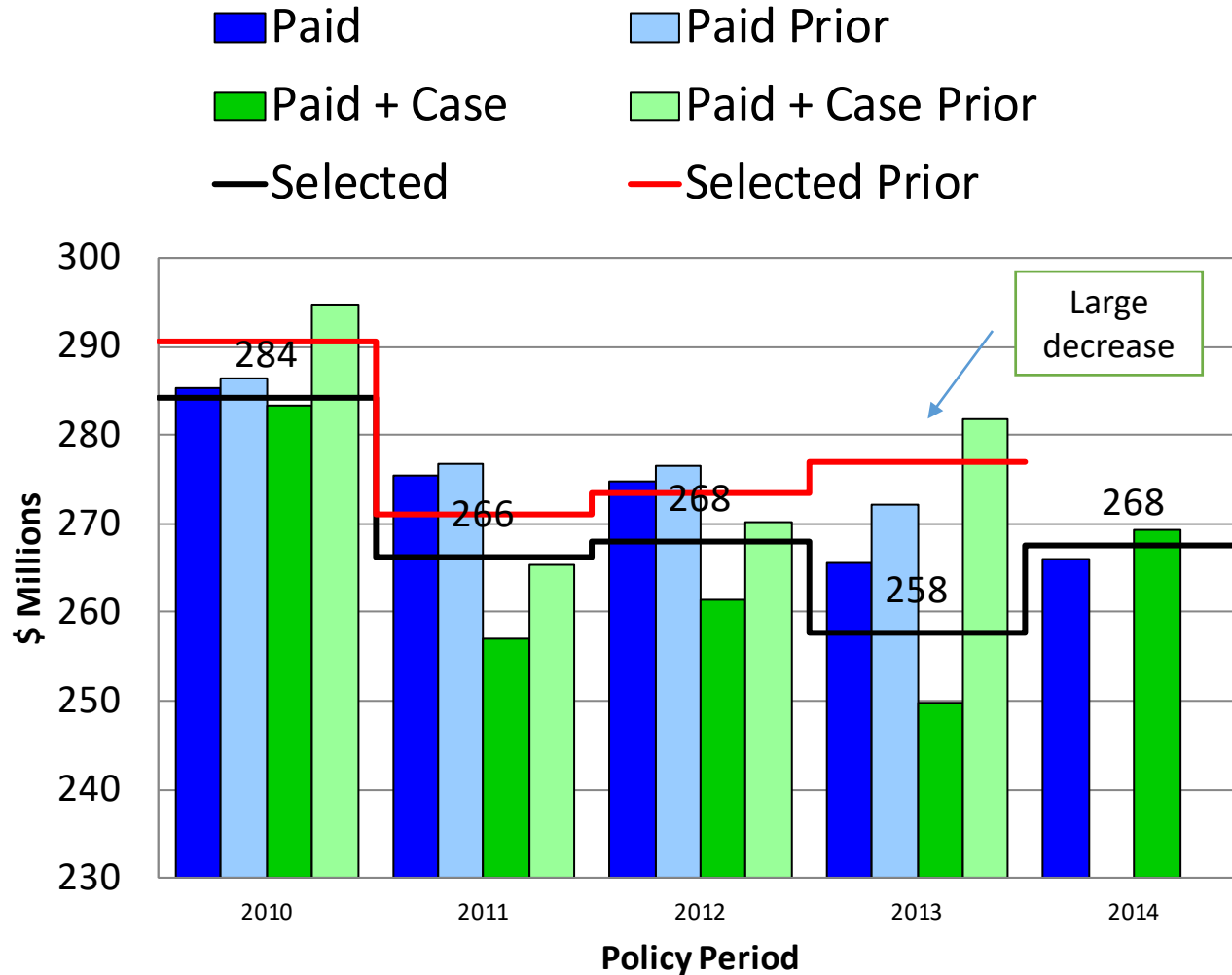
LOSS ADJUSTMENT EXPENSE

FINDINGS

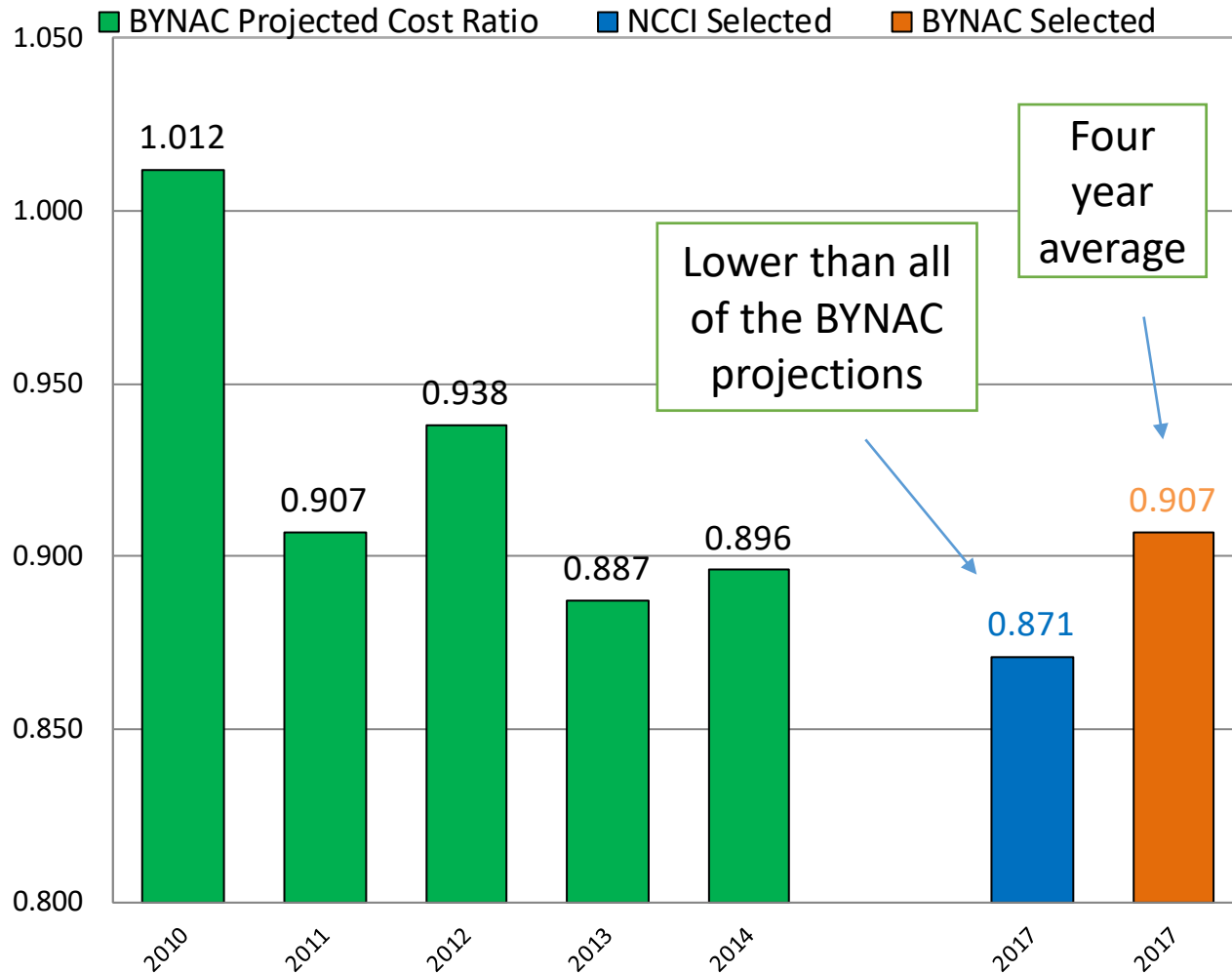
INDEMNITY SELECTED ULTIMATE INCURRED LOSSES



MEDICAL SELECTED ULTIMATE INCURRED LOSSES



PROJECTED COST RATIOS



LAE RATIO

<u>Accident Year</u>	<u>NCCI Accident Year Developed LAE Ratio as of 12/31/15</u>	<u>NCCI Accident Year Developed LAE Ratio as of 12/31/14</u>	<u>Change</u>
2006	18.2%	18.2%	0.000
2007	18.0%	18.3%	(0.003)
2008	17.7%	18.0%	(0.003)
2009	18.4%	18.6%	(0.002)
2010	18.5%	18.5%	0.000
2011	18.8%	18.8%	0.000
2012	19.9%	19.8%	0.001
2013	20.4%	20.3%	0.001
2014	21.0%	20.4%	0.006
2015	20.4%		

FINDINGS

The proposed change of -12.8% effective 3/1/17 has been reasonably calculated in accordance with actuarial standards of practice.

Volatility in estimated ultimate selections compared to prior analysis supports use of longer experience period in projections.

FINDINGS

