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# State of the Line: At a Glance

## 2024 Key Values\*

### Profitability

86% | Reported Calendar Year Combined Ratio

92% | NCCI Selected Accident Year Combined Ratio

### Premium

\$41.6B | Private Carrier Net Written Premium

-3.2% | Change in Private Carrier Net Written Premium

5.4% | Payroll Increase

1.1% Employment Gain

4.2% Wage Growth

-6.1% | 2025 Bureau Loss Cost Level Change

### Loss

-5% | Wage-Adjusted Claim Frequency Change

6% | Indemnity Severity Change

4.5% Wage Growth

6% | Medical Severity Change

2.8% WCWMI Change

-4% | Accident Year Loss Ratio Change

\* All changes reference year-over-year changes.

### Both indemnity and medical severity outpace their price proxies

Indemnity severity grew faster than wages, and medical severity grew faster than the Workers Compensation Weighted Medical Price Index (WCWMI). For medical, price is only one part of the story. The other part is utilization, and this year utilization contributes to a majority of the increase.

### Claim frequency continues its long-term decline

The latest year's frequency decline outpaces the long-term average, although not to the extent of the prior year. More than half of this decrease is due to the reduction in number of claims.

### Premium has been generally flat over time

For this latest year, premium declined modestly. There are two contributing factors: payroll and rate on payroll, mostly represented by the loss cost. Payroll growth is slowing, reverting back to the long-term average. Loss costs continue to decline, but more moderately.

### Key metrics remain consistent for over a decade

Workers compensation (WC) has one of the lowest combined ratios among property/casualty. In fact, 2024 was the 8th consecutive year with a combined ratio under 90% and the 11th consecutive year of underwriting gains.

### Redundant reserve position

NCCI estimates a redundant industry reserve position of \$16B. That's a decrease from the \$18B estimated redundancy in 2023. While still a strong financial position, this is the first year with a slight reduction in the estimated redundancy.

### Remaining vigilant ...

Workers compensation has been relatively unaffected by the stressors of other P/C lines. However, its exposure base is susceptible to economic shocks. It will be important to stay tuned to the monthly economic data during this year given potential disruptors.