

From Demographics to Claims: Turning Data Into Insights

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NCCI





**Aging
Workforce**



**Trends in
Tenure**



**Industry
Stories**



**On the
Horizon**

Chapter 1: Aging Workforce



**Aging
Workforce**



**Trends in
Tenure**

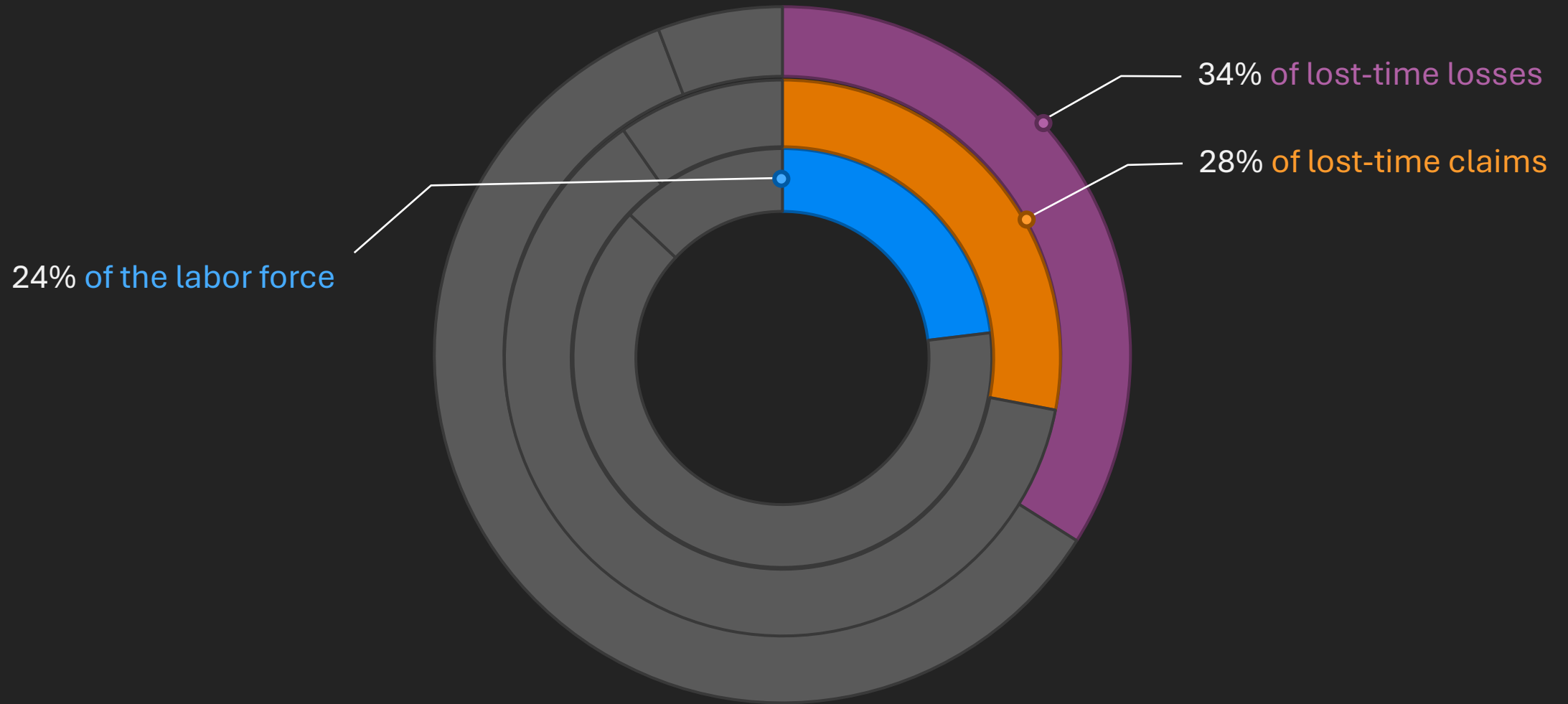


**Industry
Stories**

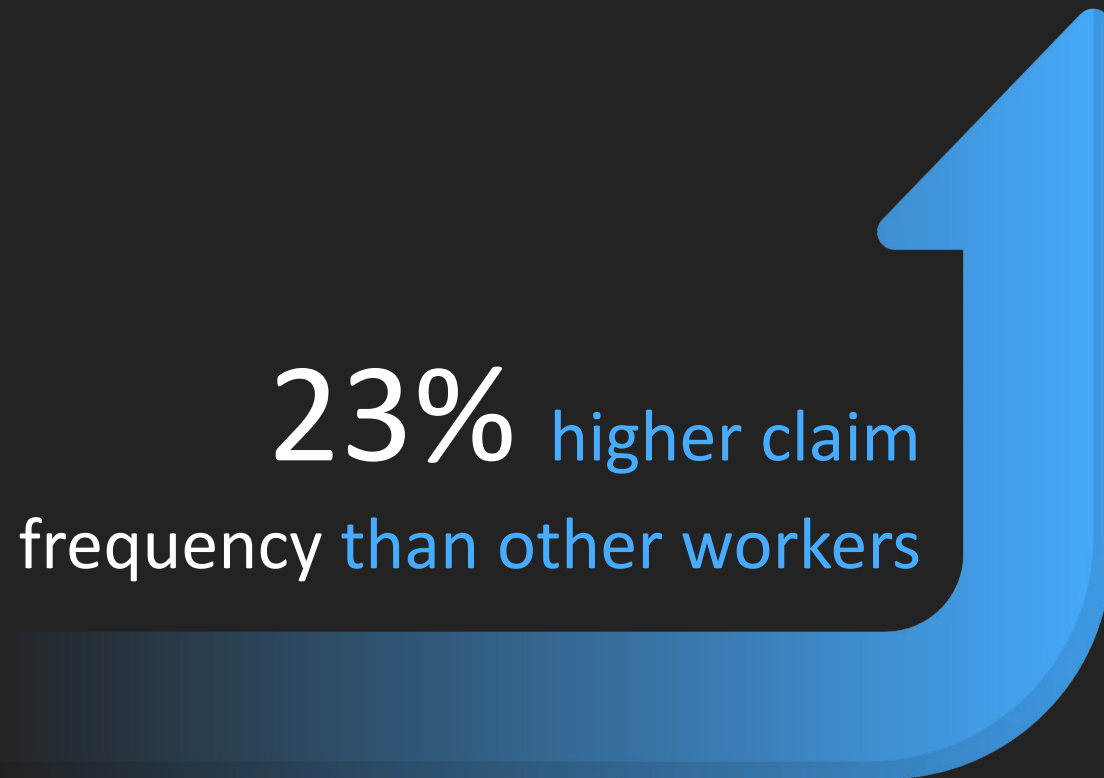


**On the
Horizon**


55+ Workers Make Up ...



Workers 55+ Experience ...



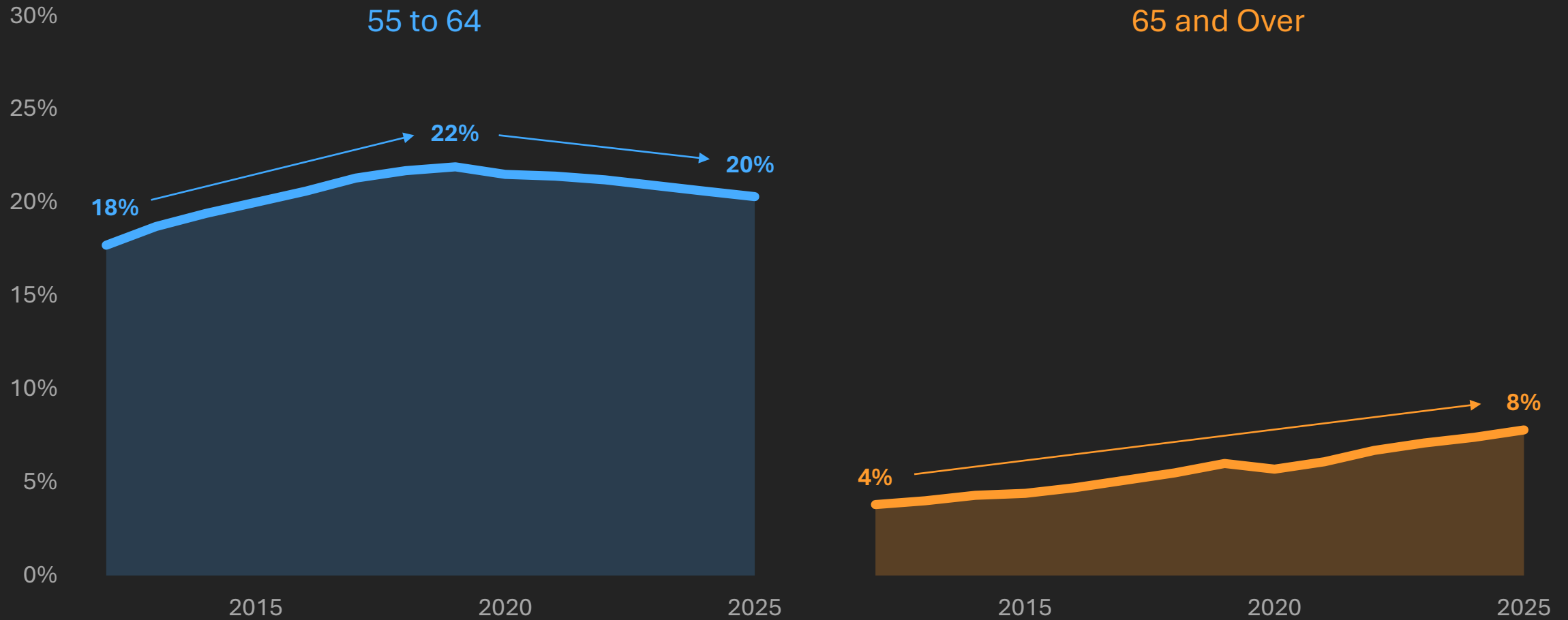
23% higher claim
frequency than other workers



32% higher claim
severity than other workers

What Do We Mean by the Aging Workforce?

Share of Lost-Time Claims for 55+ Workers

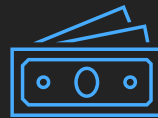


Will This Trend Continue? NCCI Projects Yes

Improvements in
medicine and lifespan



Lack of
savings to retire

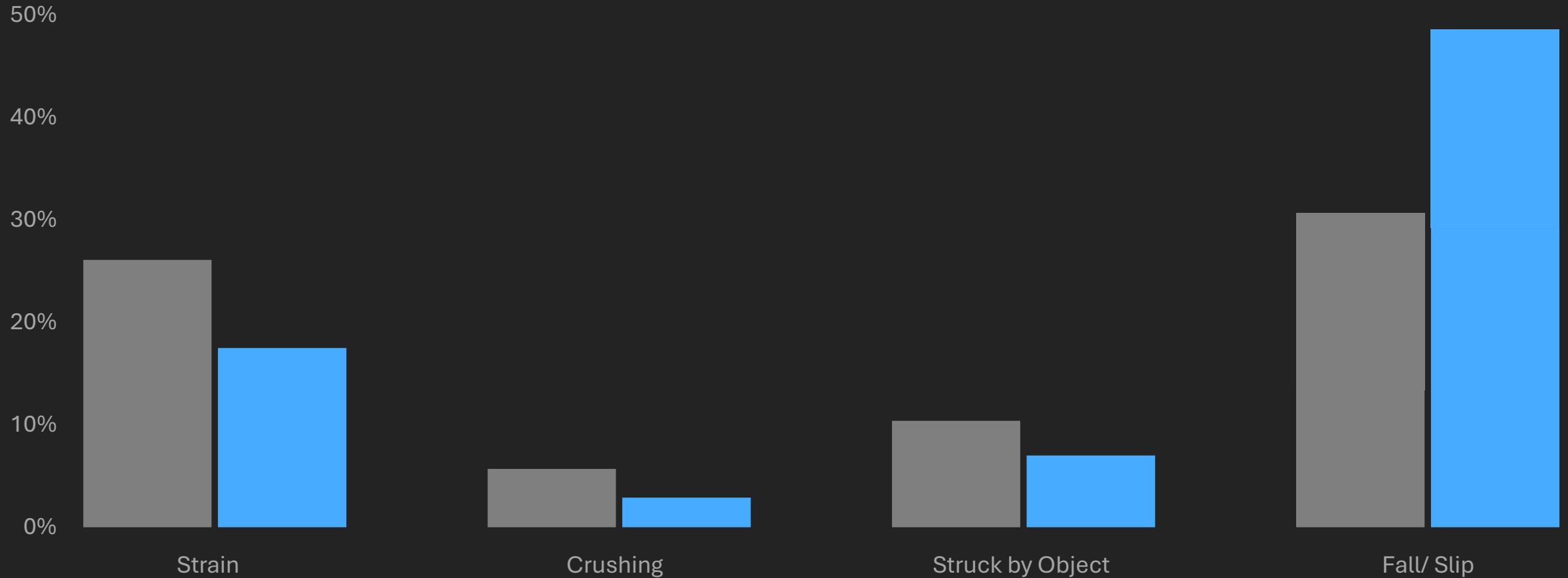


Desire for
human connection



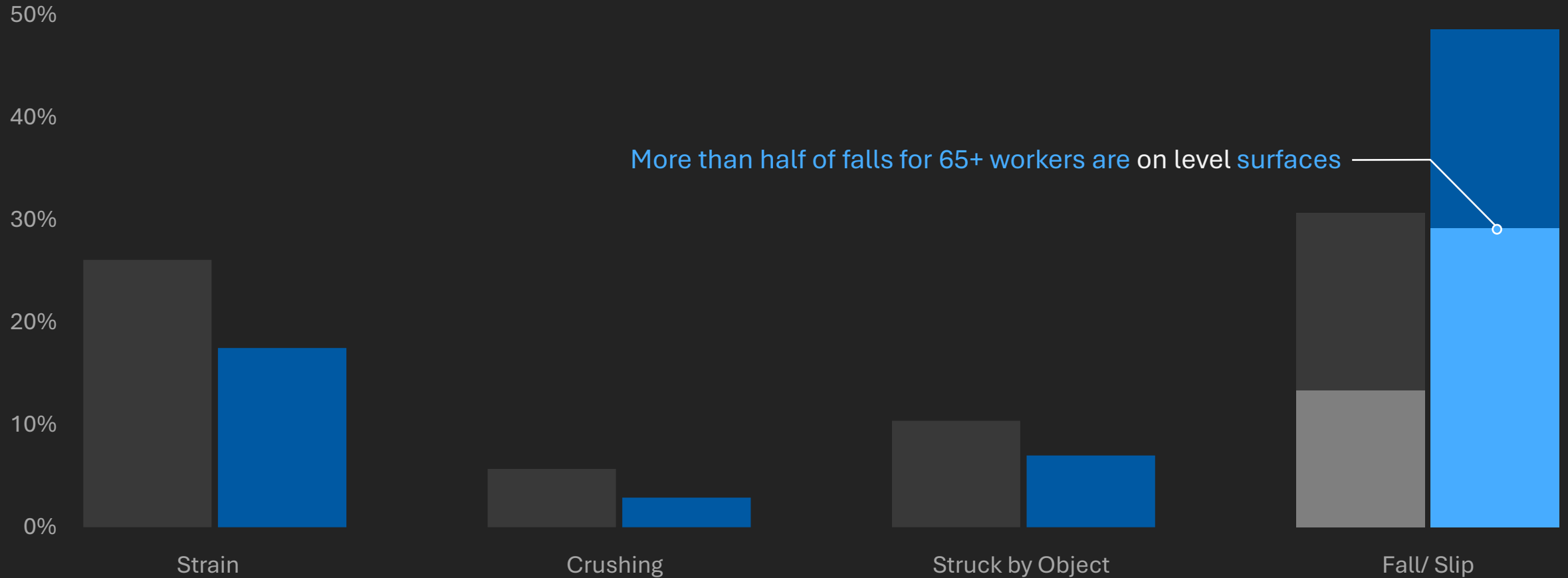
Share of Losses by Cause of Injury for 65+ Workers

All Other Workers and 65+ Workers



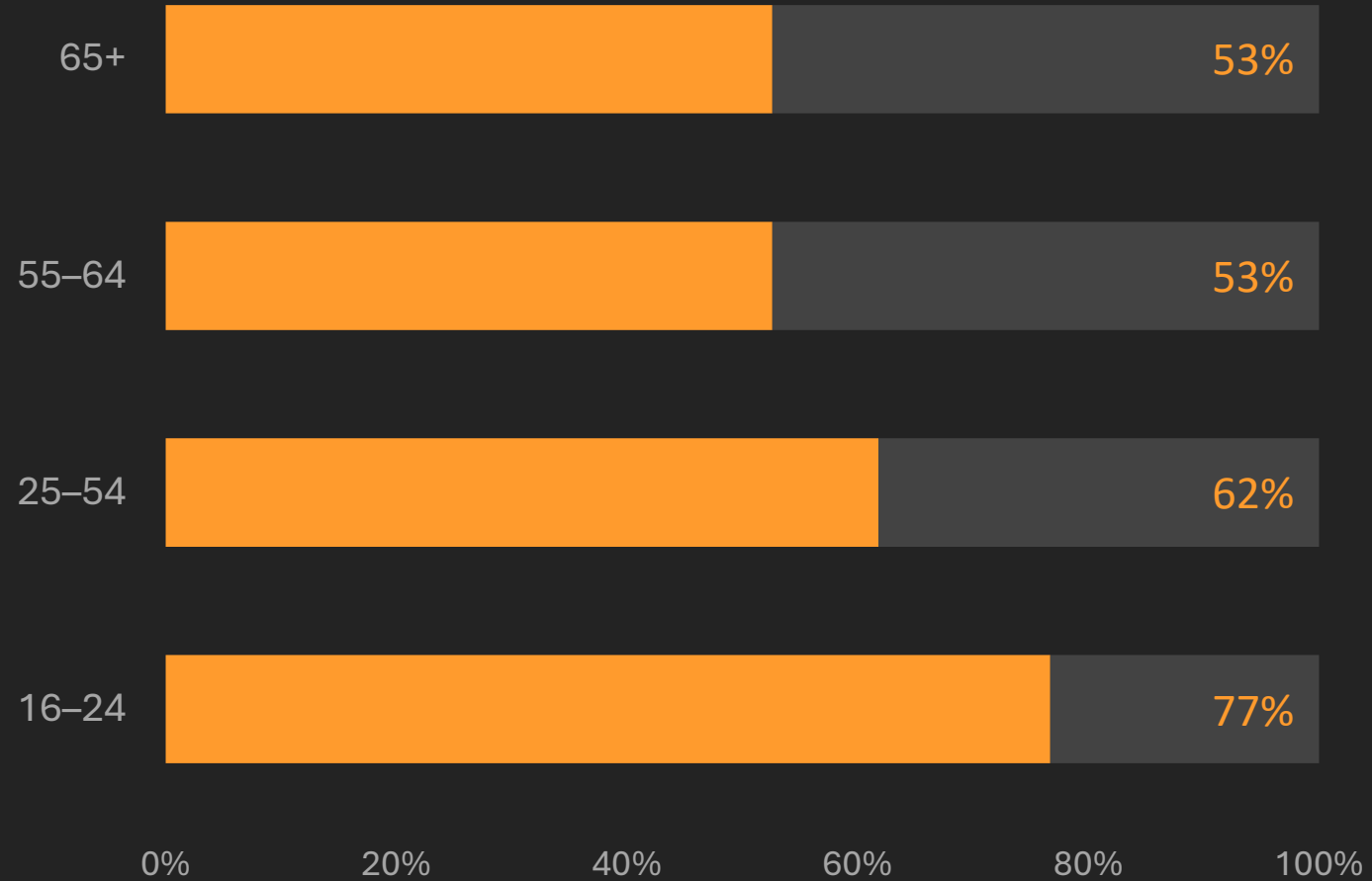
Share of Losses by Cause of Injury for 65+ Workers

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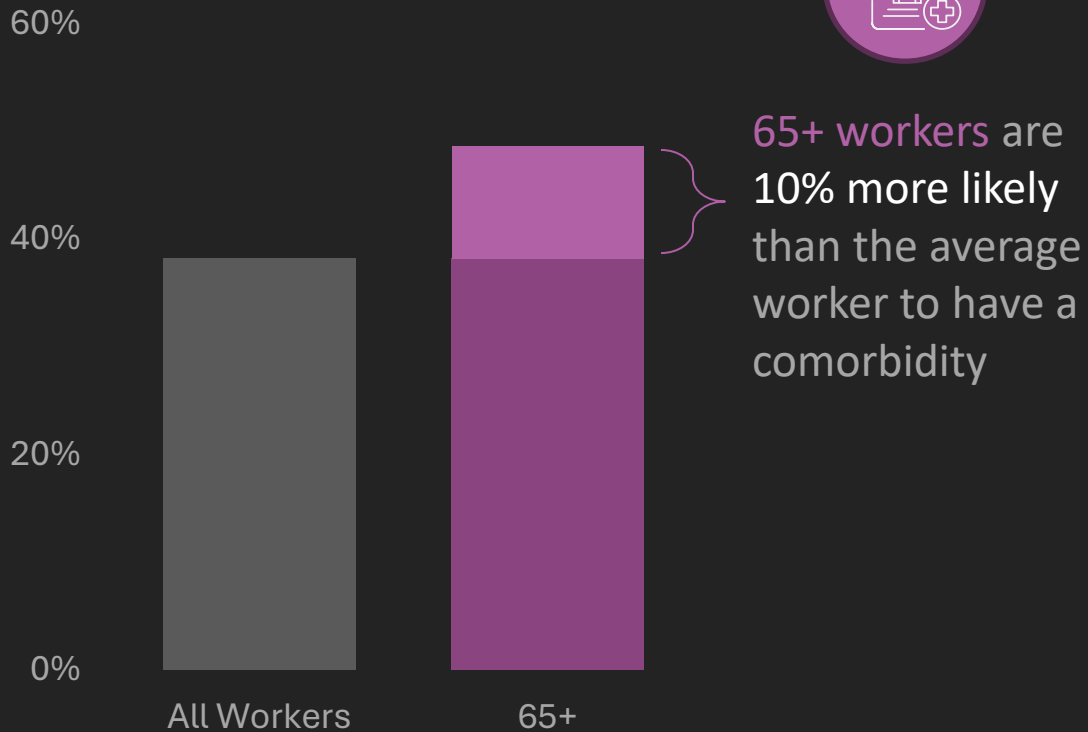
Claims for Older Workers Take Longer to Close

Percentage of Claims Closed at 1st Report

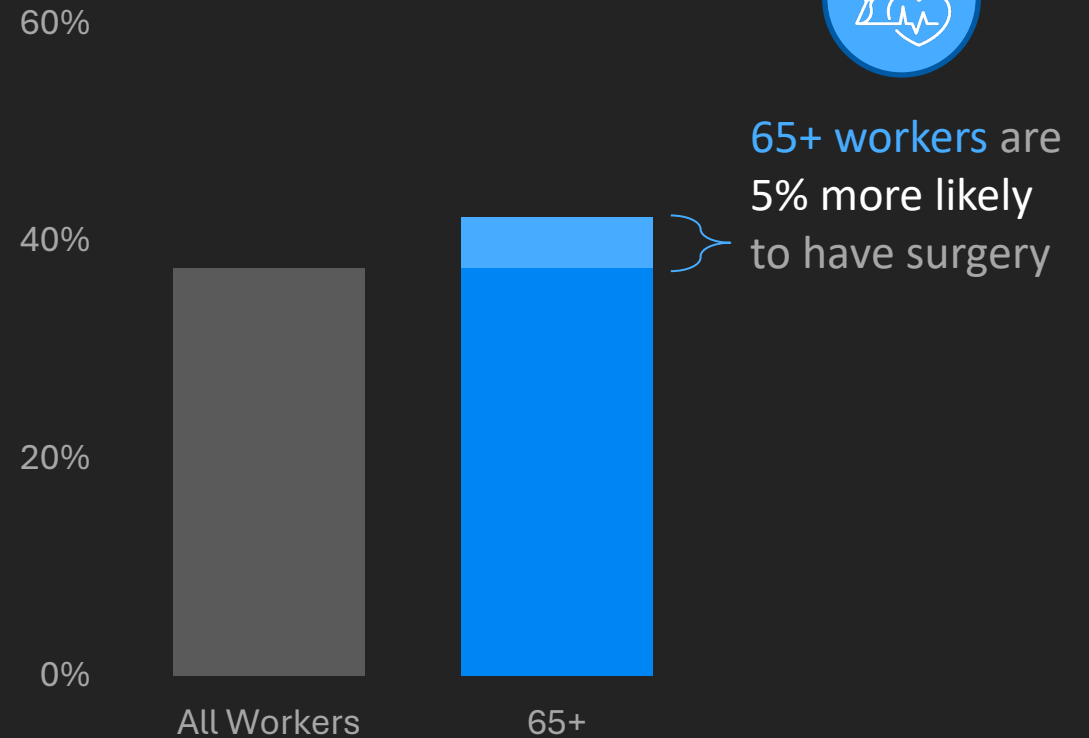


What Are Medical Cost Drivers for 65+ Workers?

Share of Lost-Time Claims With Comorbidities



Share of Lost-Time Claims That Include Surgeries



Aging Workforce—Key Takeaways



1 Older workers represent a growing share of claims

2 They have higher claim costs, driven by both frequency and severity

3 Workers over 65 have a particularly unique risk profile

Chapter 2: Trends in Tenure



**Aging
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**On the
Horizon**

New Hires Are a Frequency Driver

Represent just over **2 out of 10** in labor force

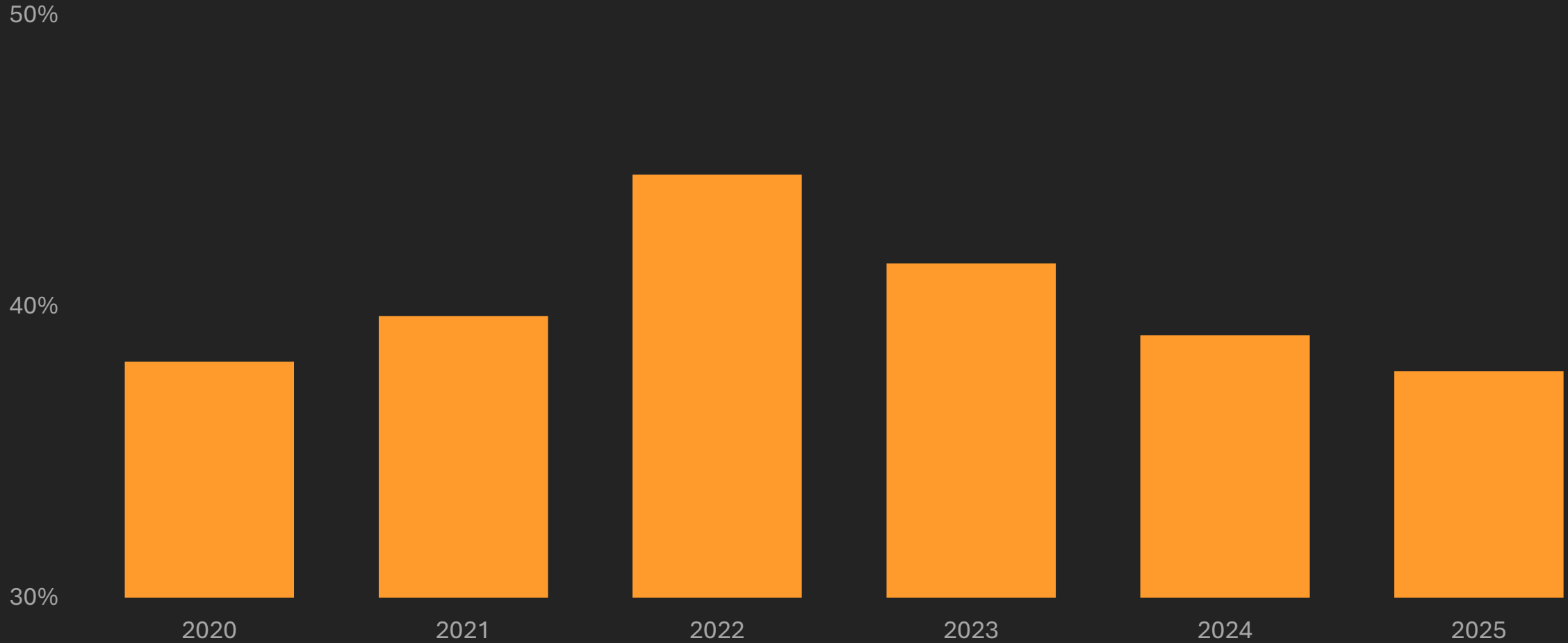


But **4 out of 10** in lost-time claims



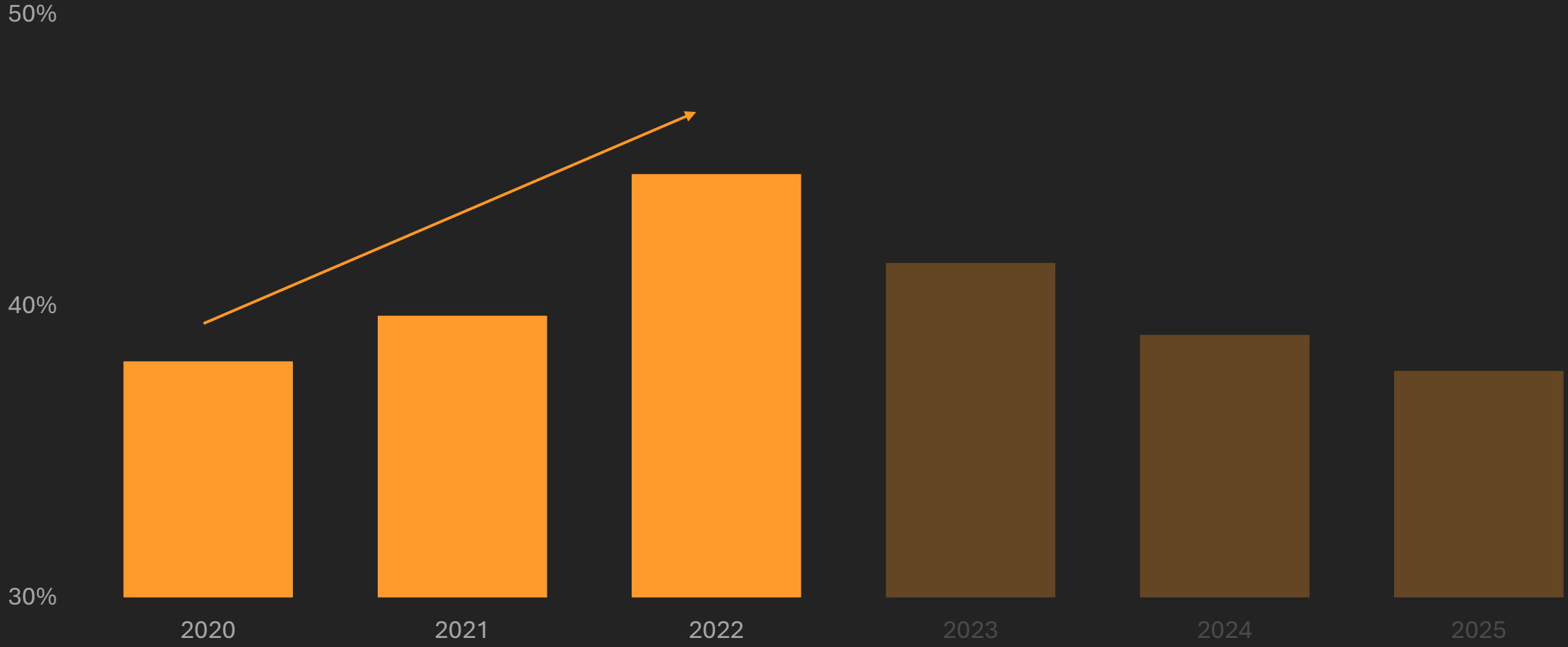
The Share of New Hire Claims Has Been Declining Since 2022

Share of **New Hire (Less Than 1 Year of Experience)** Claims



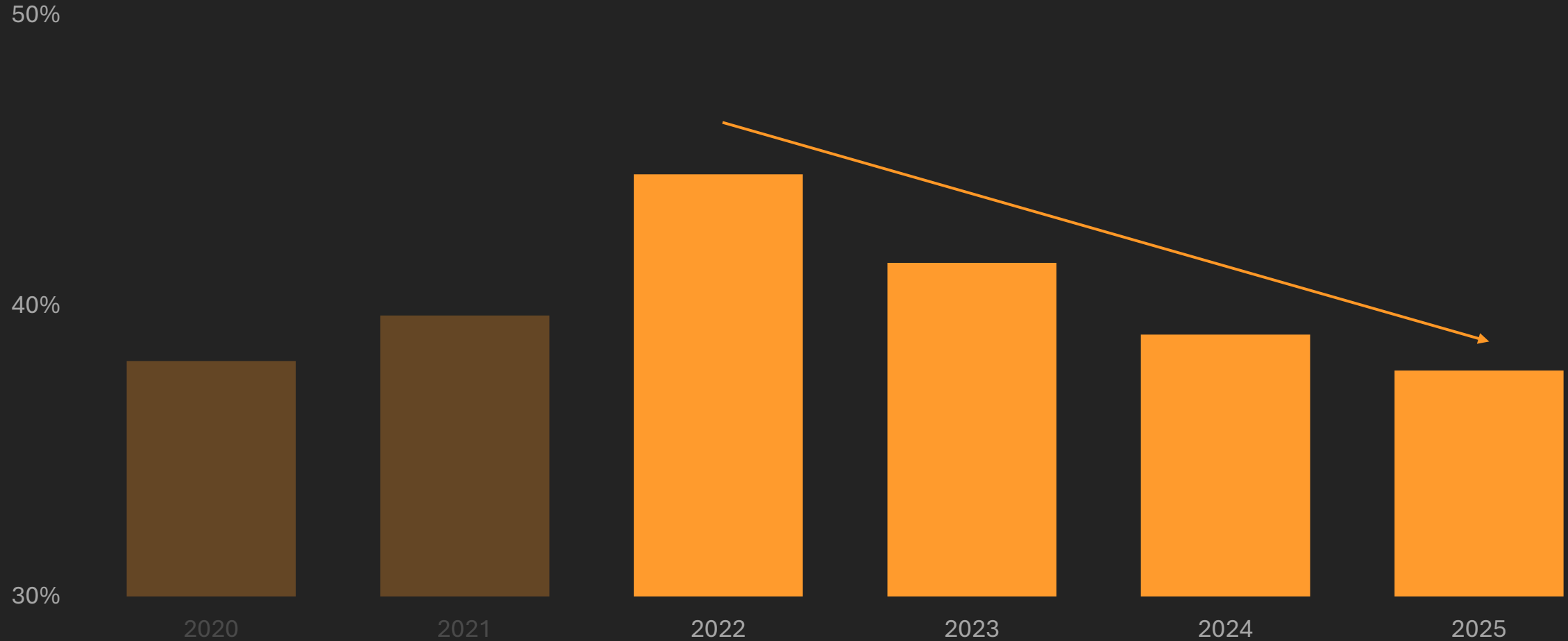
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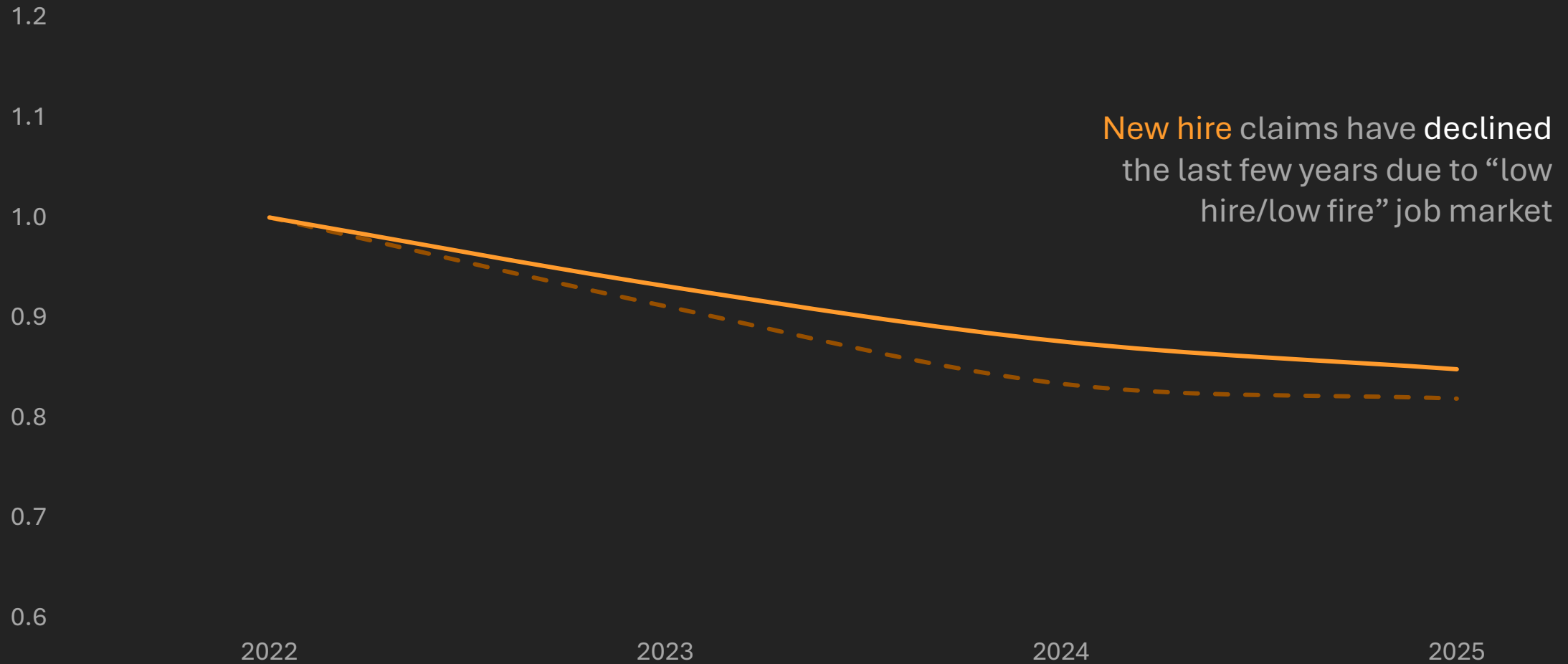
The Share of New Hire Claims Has Been Declining Since 2022

Share of **New Hire (Less Than 1 Year of Experience)** Claims



The Share of New Hire Claims Is Heavily Tied to the Economy

Cumulative Change in **New Hires** Claim Share Compared to **JOLTs Hires** Rate Relative to 2022



Will This Trend Continue? ... Maybe

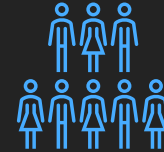
Continuation of
economic uncertainty



Disruptions from
artificial intelligence



Slow down in
population growth



What's Different About New Hire Claims?



Higher Frequency

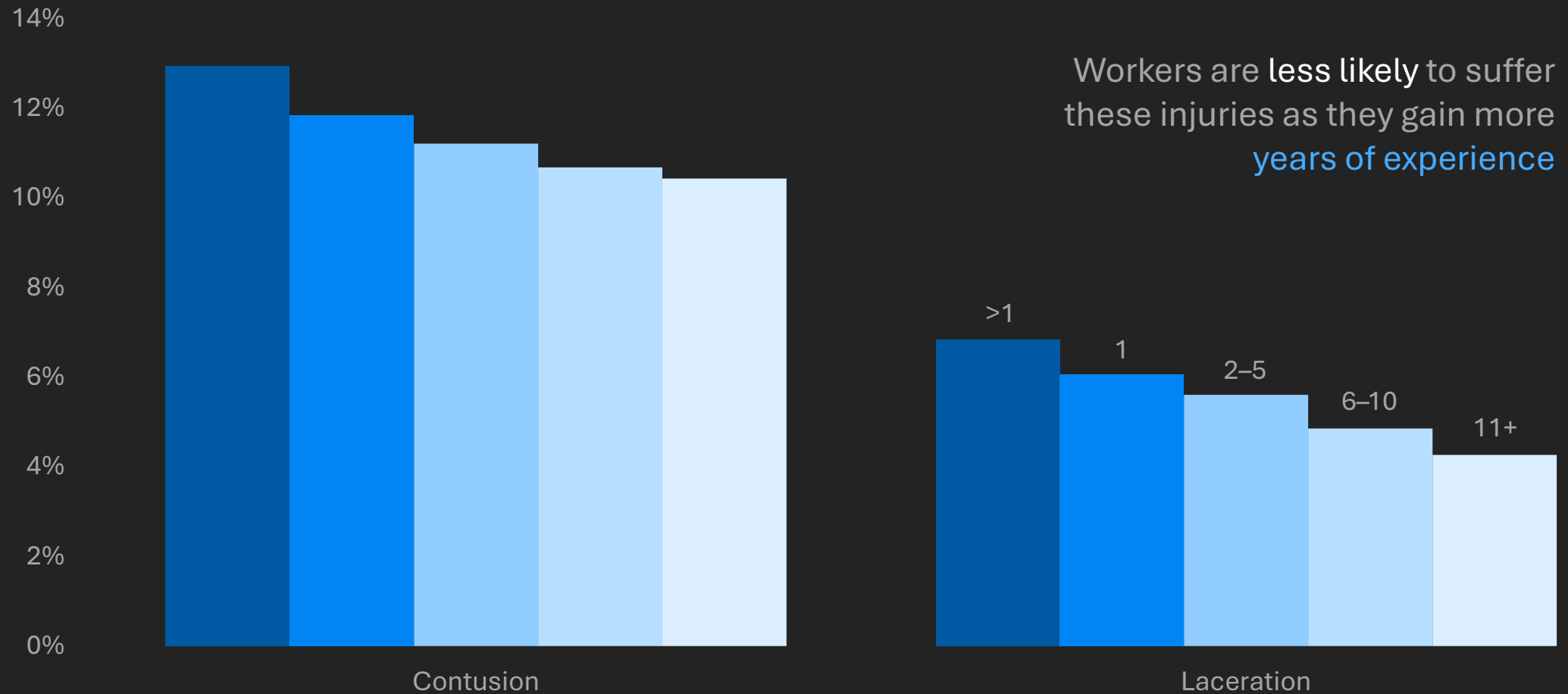
The claim frequency of new hires is double that of all workers

Lower Severity

New hires have a lower average severity than the overall average

New Hires Are More Prone to Contusions and Lacerations

Lost-Time Claim Shares for Nature of Injuries by Years of Experience



A Continuing Decline in New Hire Claims Could Mean ...



Lower frequency and
higher average severity



Different **claim mix** for
insurers to consider

Trends in Tenure—Key Takeaways



- 1 New hires are a key driver of claim frequency

- 2 The prevalence of new hire claims tracks the job market

- 3 Changes in workforce tenure may shift the mix of claims over time

Chapter 3: Industry Stories



**Aging
Workforce**



**Trends in
Tenure**



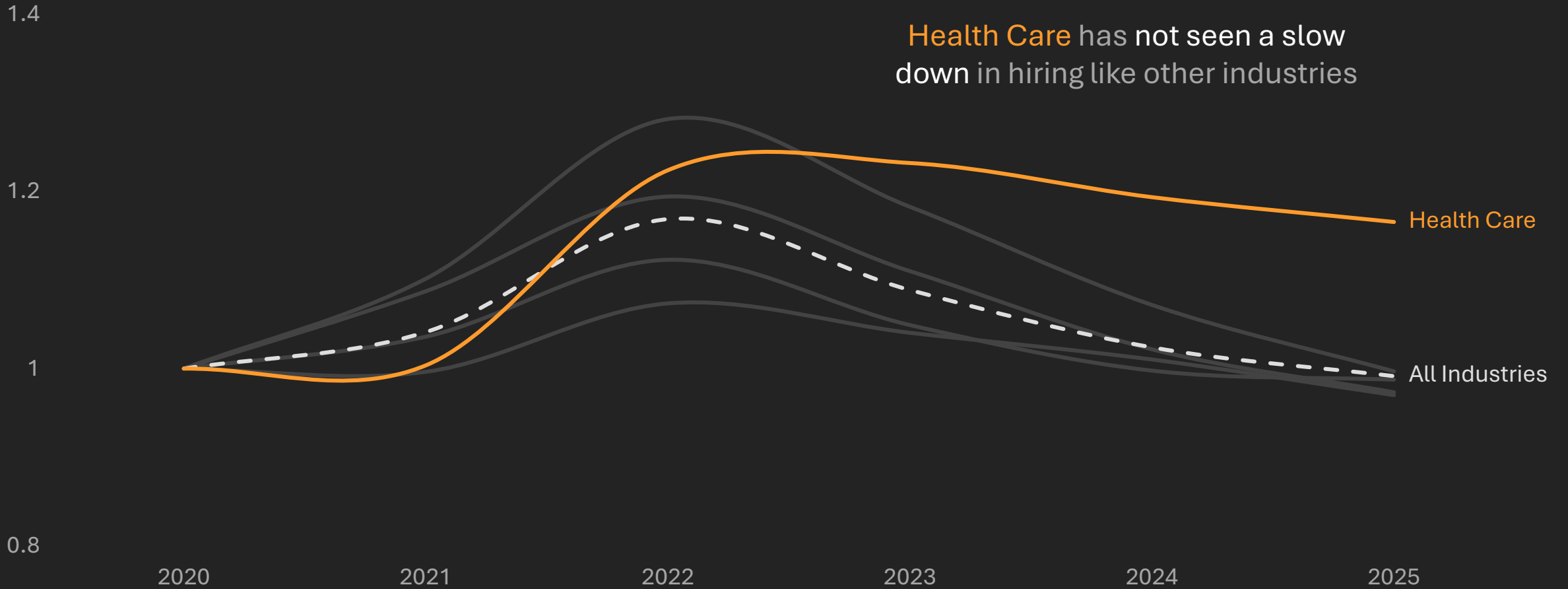
**Industry
Stories**



**On the
Horizon**

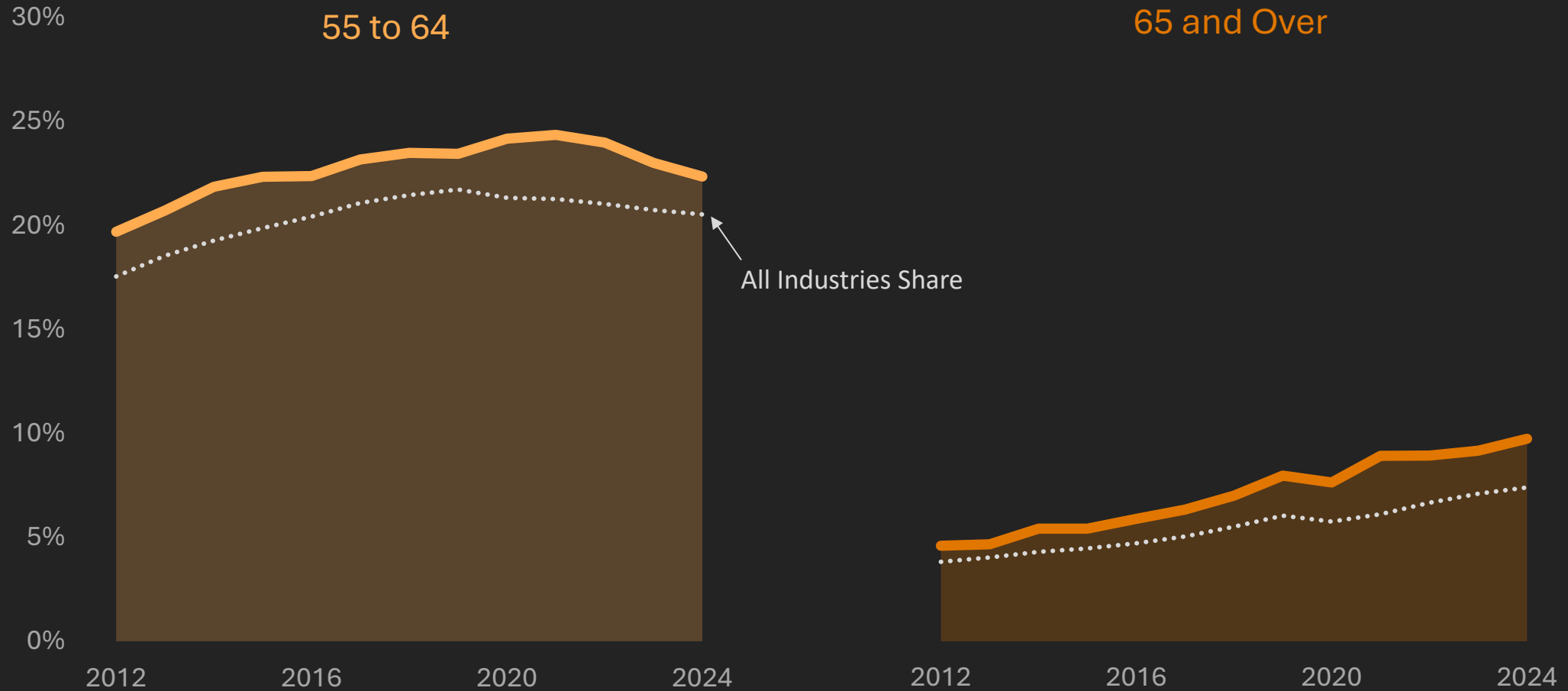
New Hire Claims From Health Care Remain Elevated

Cumulative Change in New Hire Claim Share Relative to 2020



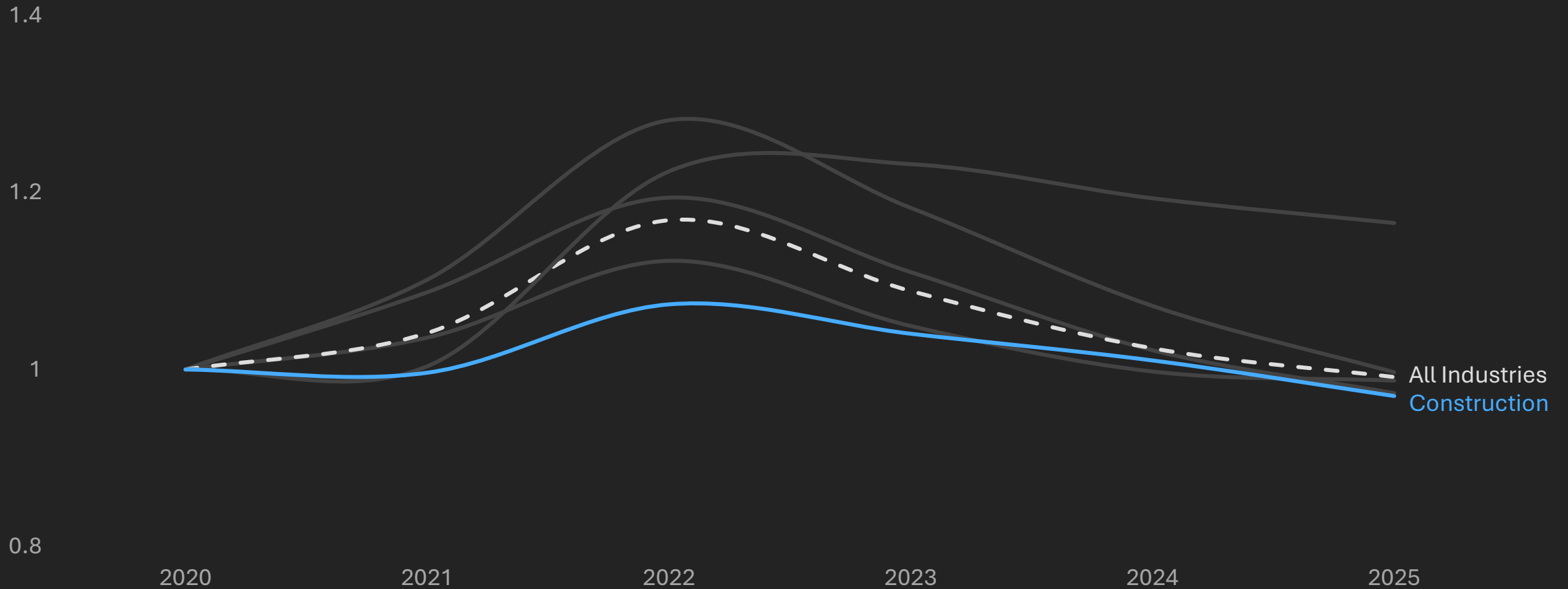
55+ Workers Are Overrepresented in Health Care

Lost-Time Claim Share for 55+ Workers in Health Care



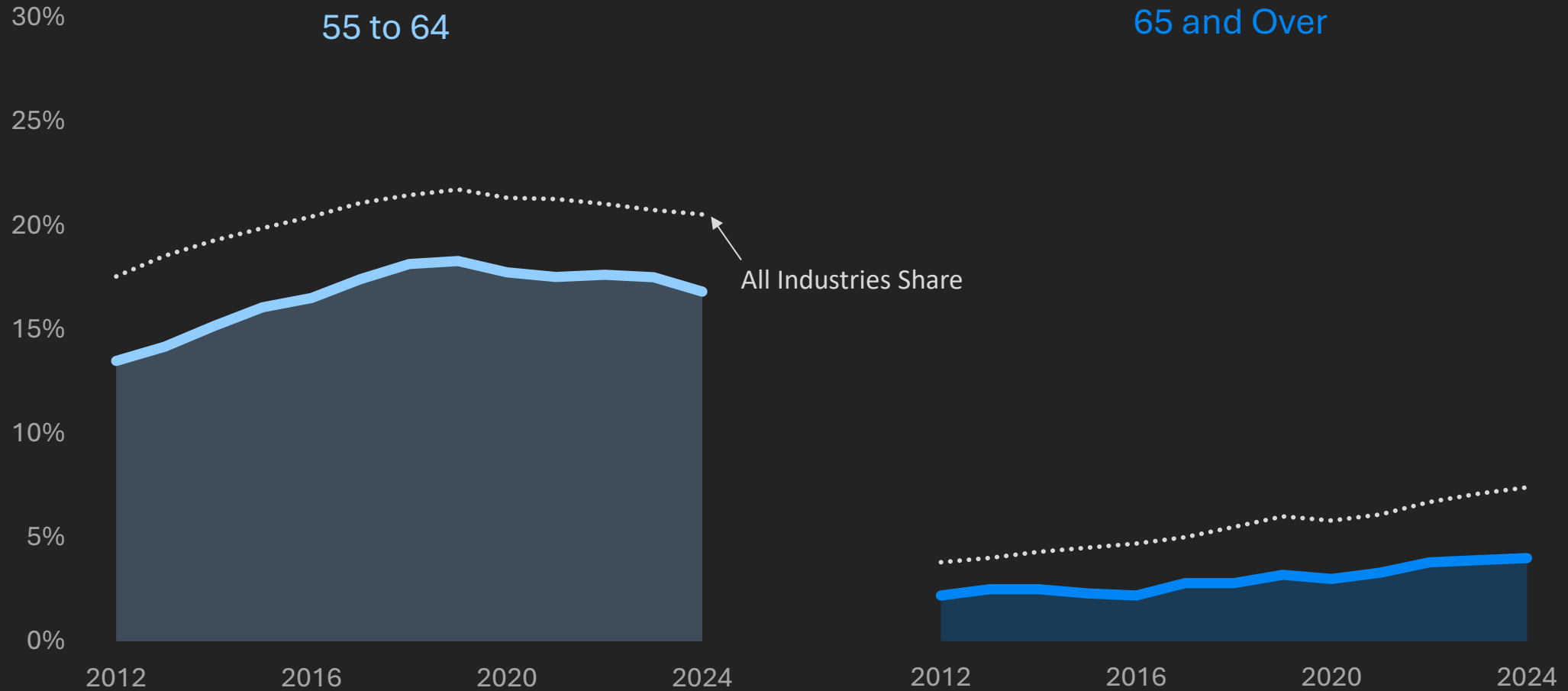
Construction Is Less Impacted by the Tenure Story

Cumulative Change in New Hire Claim Share Relative to 2020



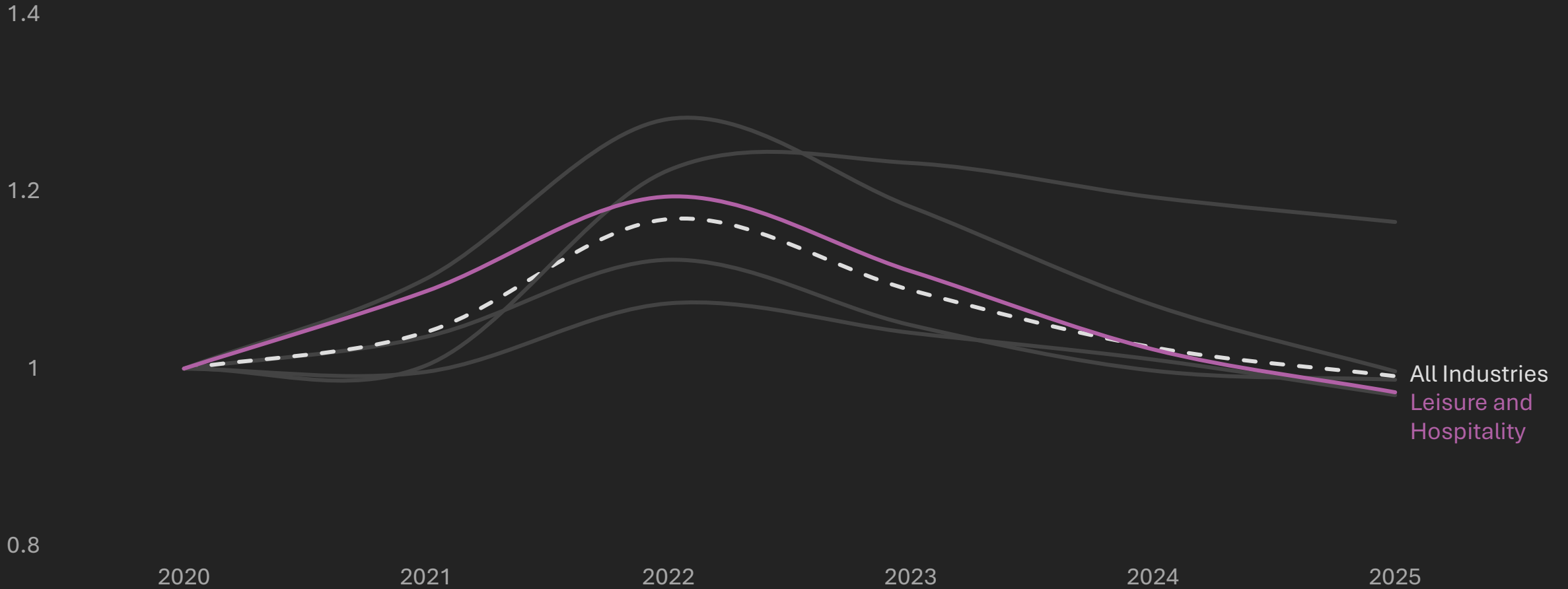
55+ Workers Are Underrepresented in Construction

Lost-Time Claim Share for 55+ Workers in Construction



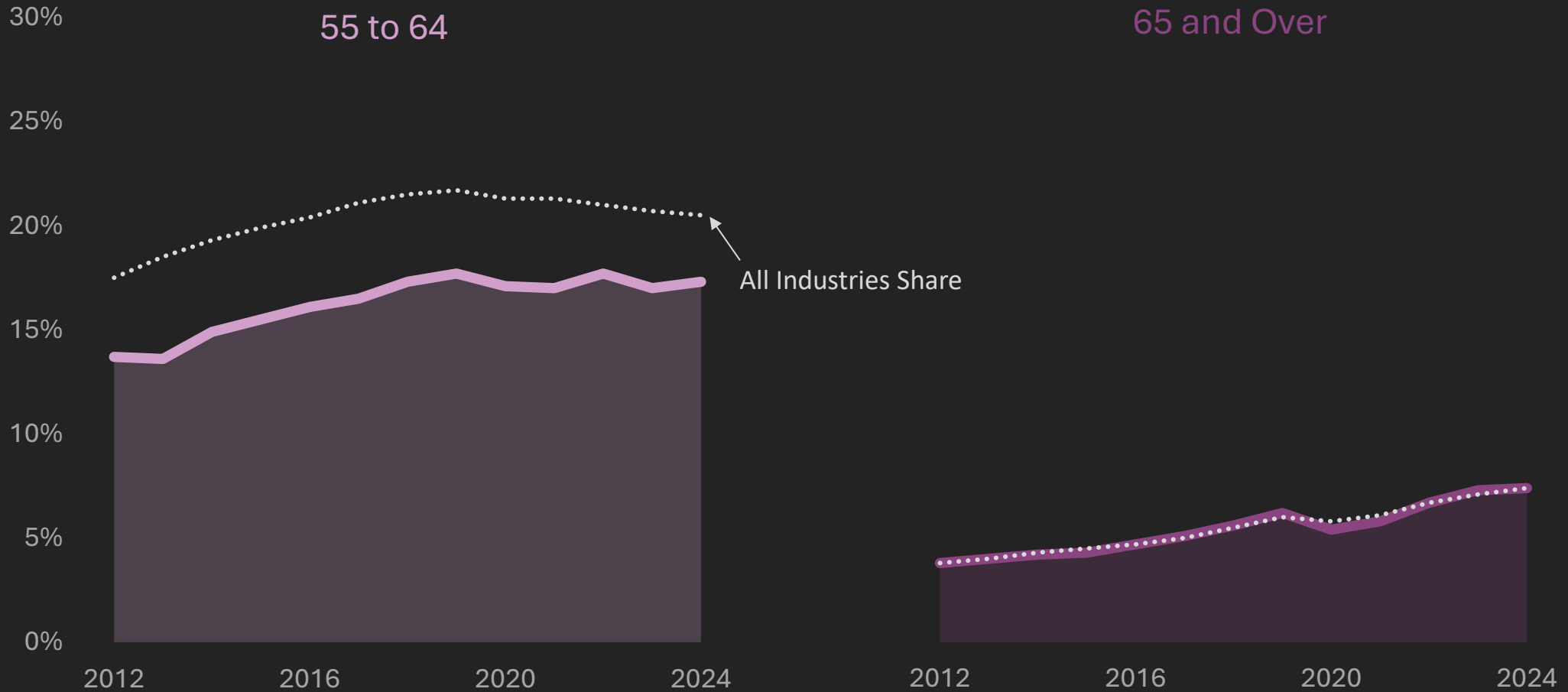
Leisure and Hospitality Claims Follow the All-Industry Trend

Cumulative Change in New Hire Claim Share Relative to 2020



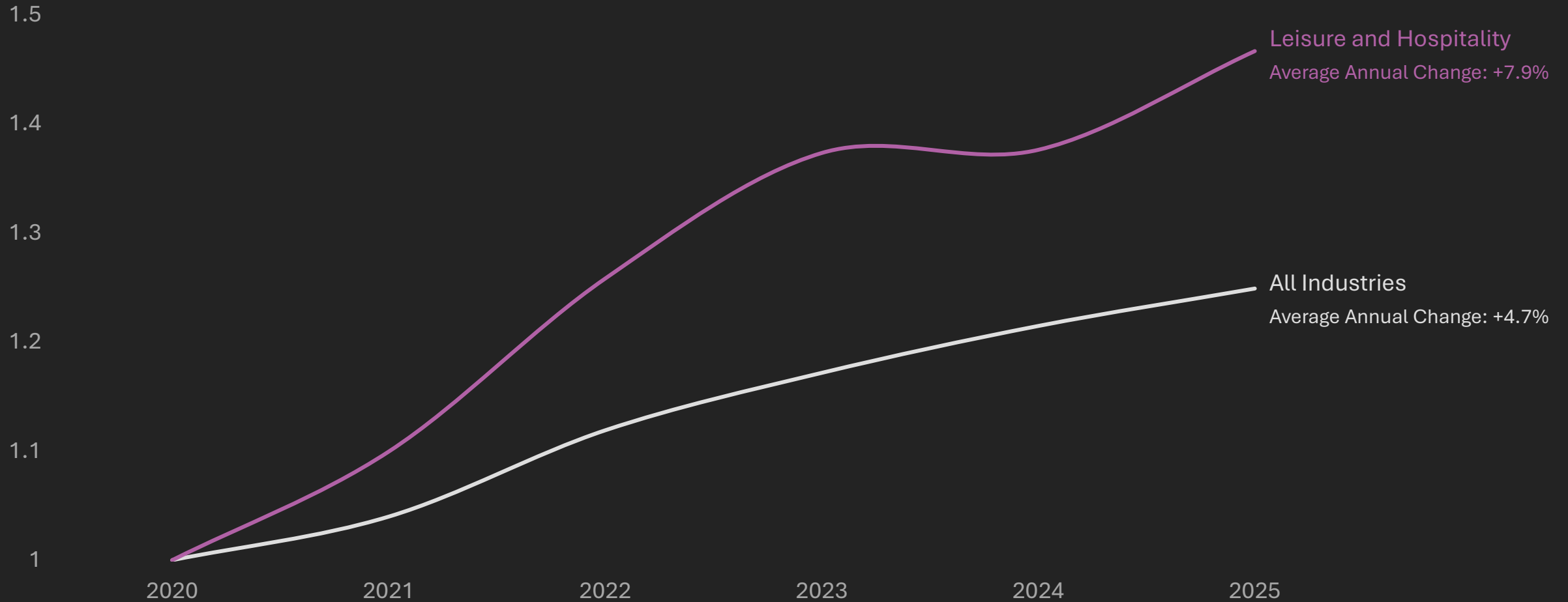
What's Happening in Leisure and Hospitality?

Lost-Time Claim Share for 55+ Workers in Leisure and Hospitality



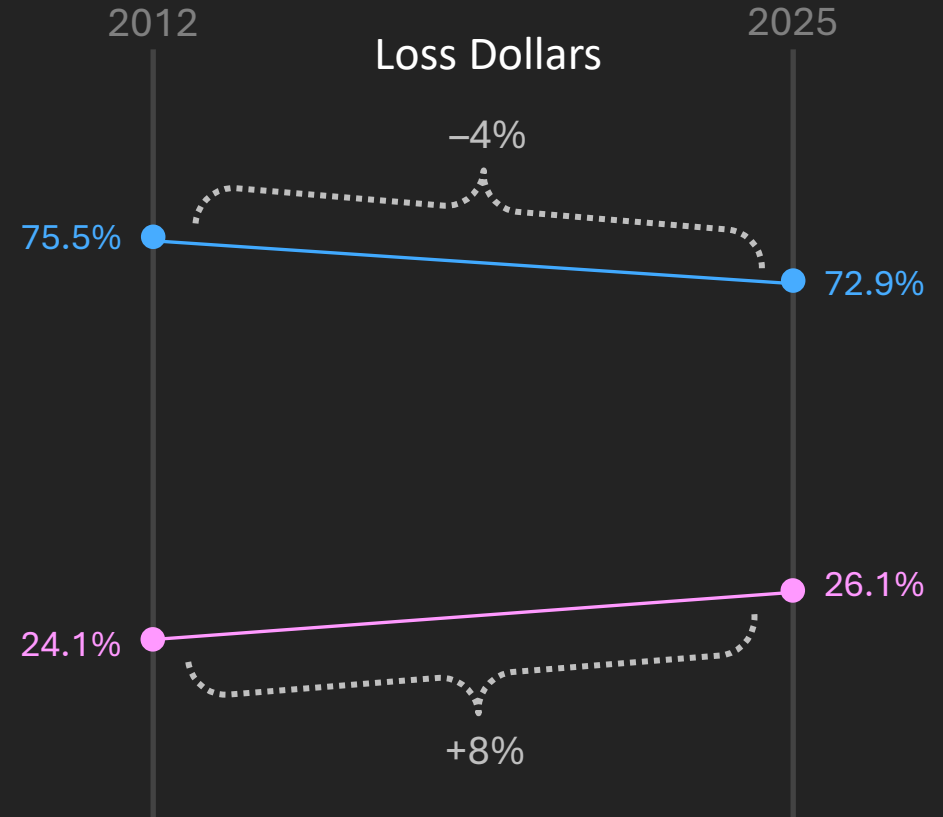
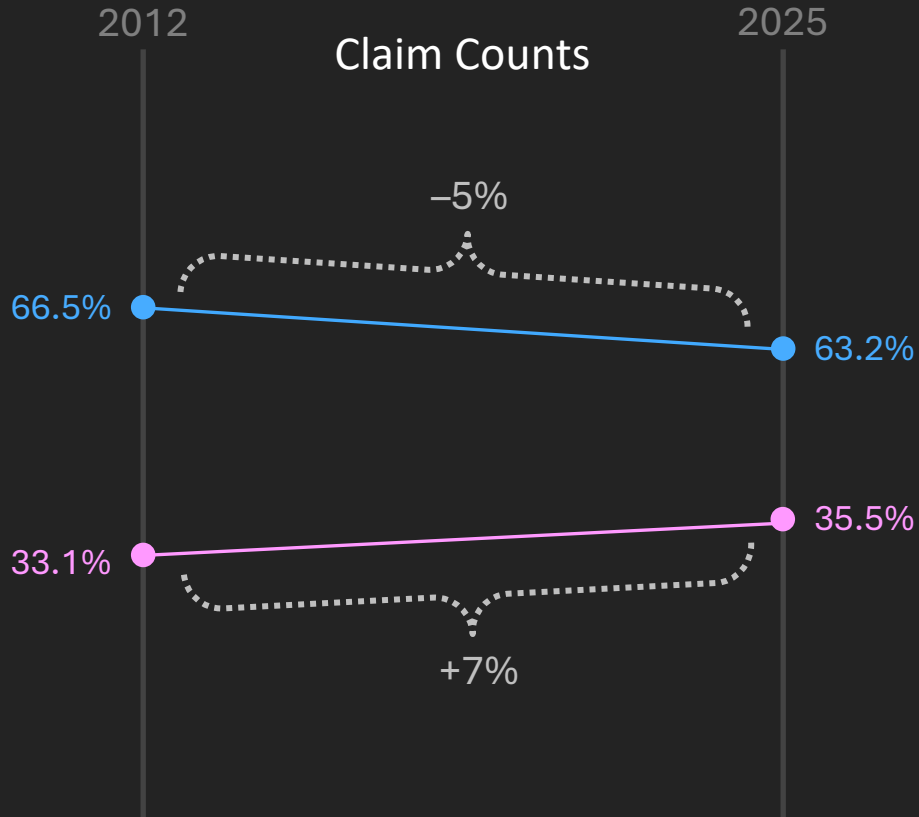
Leisure and Hospitality Is a Wage Growth Story

Cumulative Change in Average Injured Worker Wage

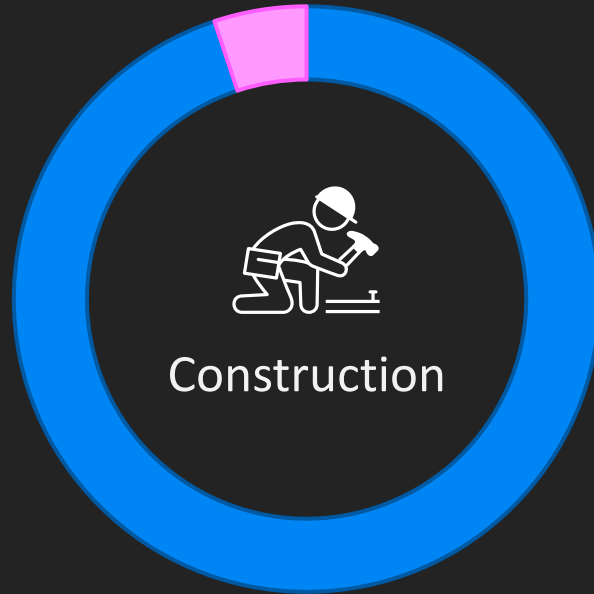


Is There a Shift Occurring Between Men and Women?

Share of Lost-Time Claims and Losses by Gender

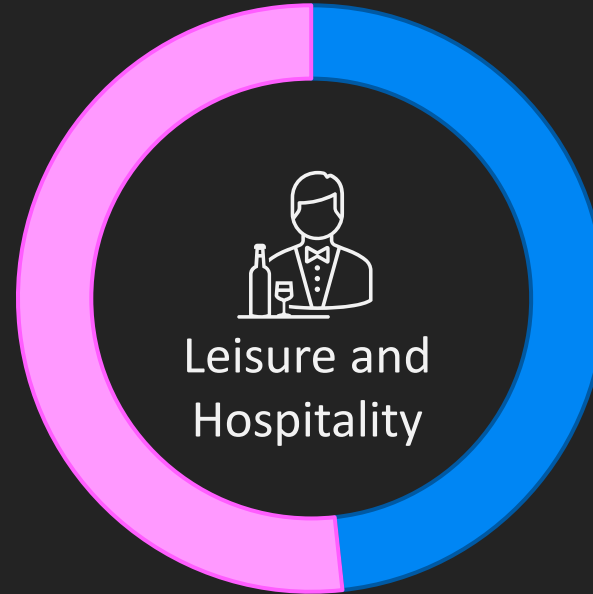


Share of Lost-Time Claims for Men and Women by Industry



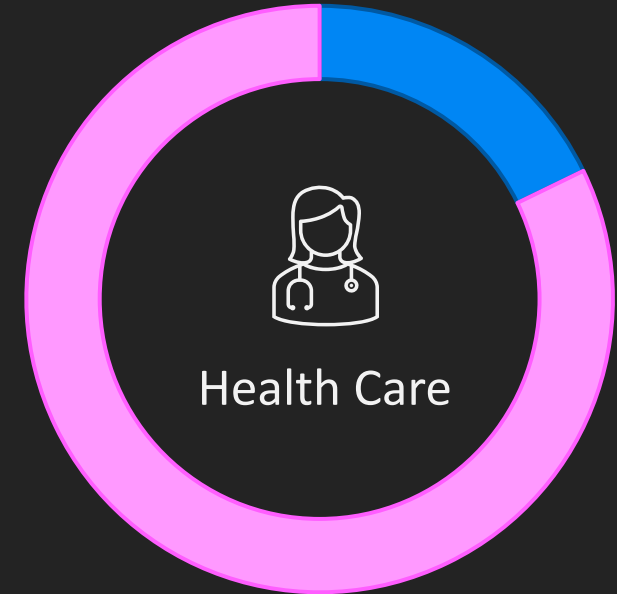
Construction

Men make up 95% of claims in the Construction industry



Leisure and
Hospitality

Compared to 49% of claims in Leisure and Hospitality



Health Care

And only 18% of claims in the Health Care industry

Industry Stories—Key Takeaways

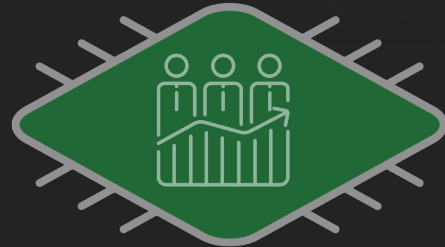


- 1 Health Care is the employment engine
- 2 Construction has remained relatively insulated from recent demographic trends
- 3 Leisure and Hospitality is experiencing significant wage growth

Chapter 4: On the Horizon



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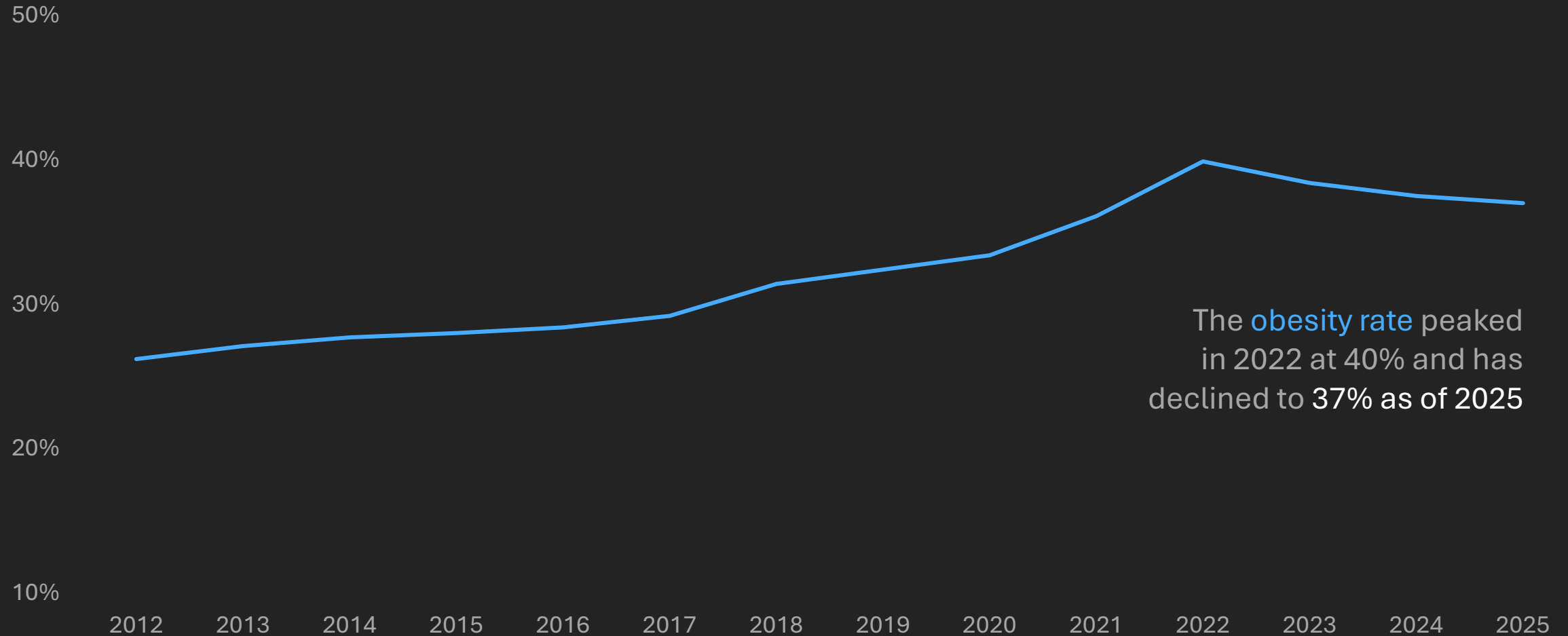
**Industry
Stories**



**On the
Horizon**

Obesity Rates Have Declined for the Last Three Years

US Obesity Rate



Source: Gallup National Health and Well-Being Index

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Direct Impacts of Obesity on Workers Compensation Are Limited

Obesity rates contribute indirectly to both

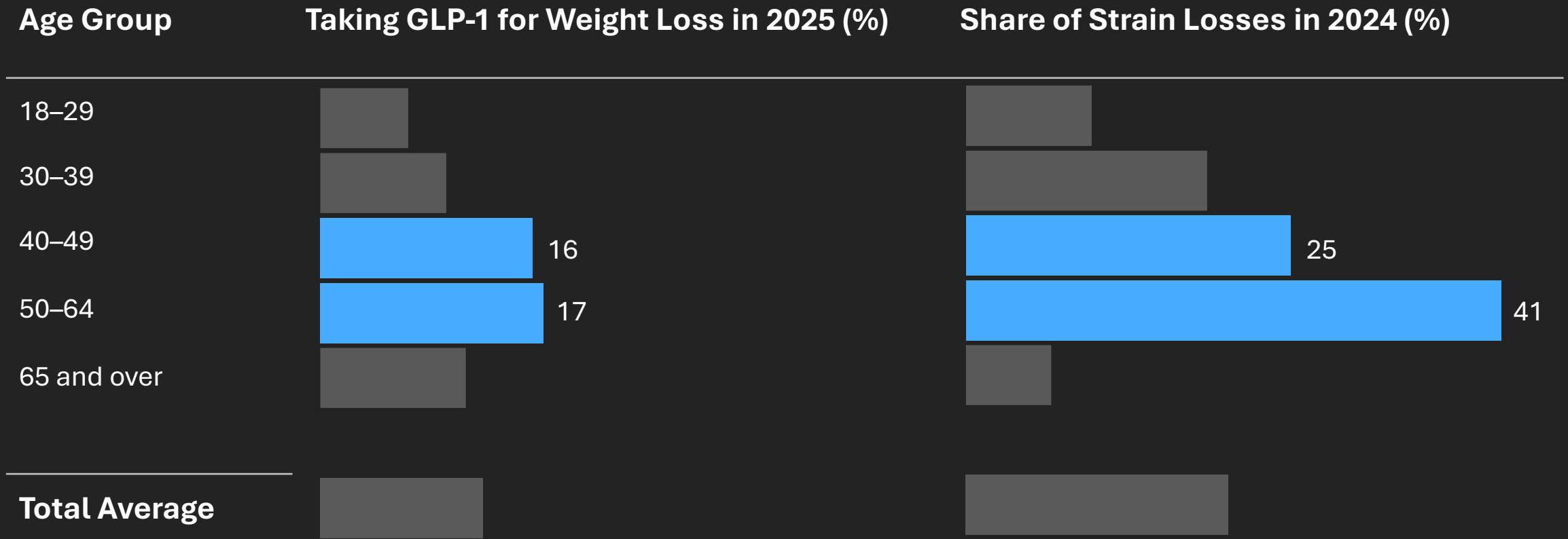


Higher likelihood of injury



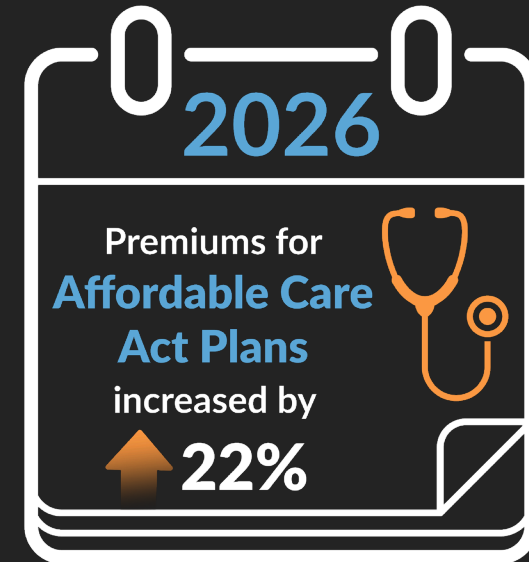
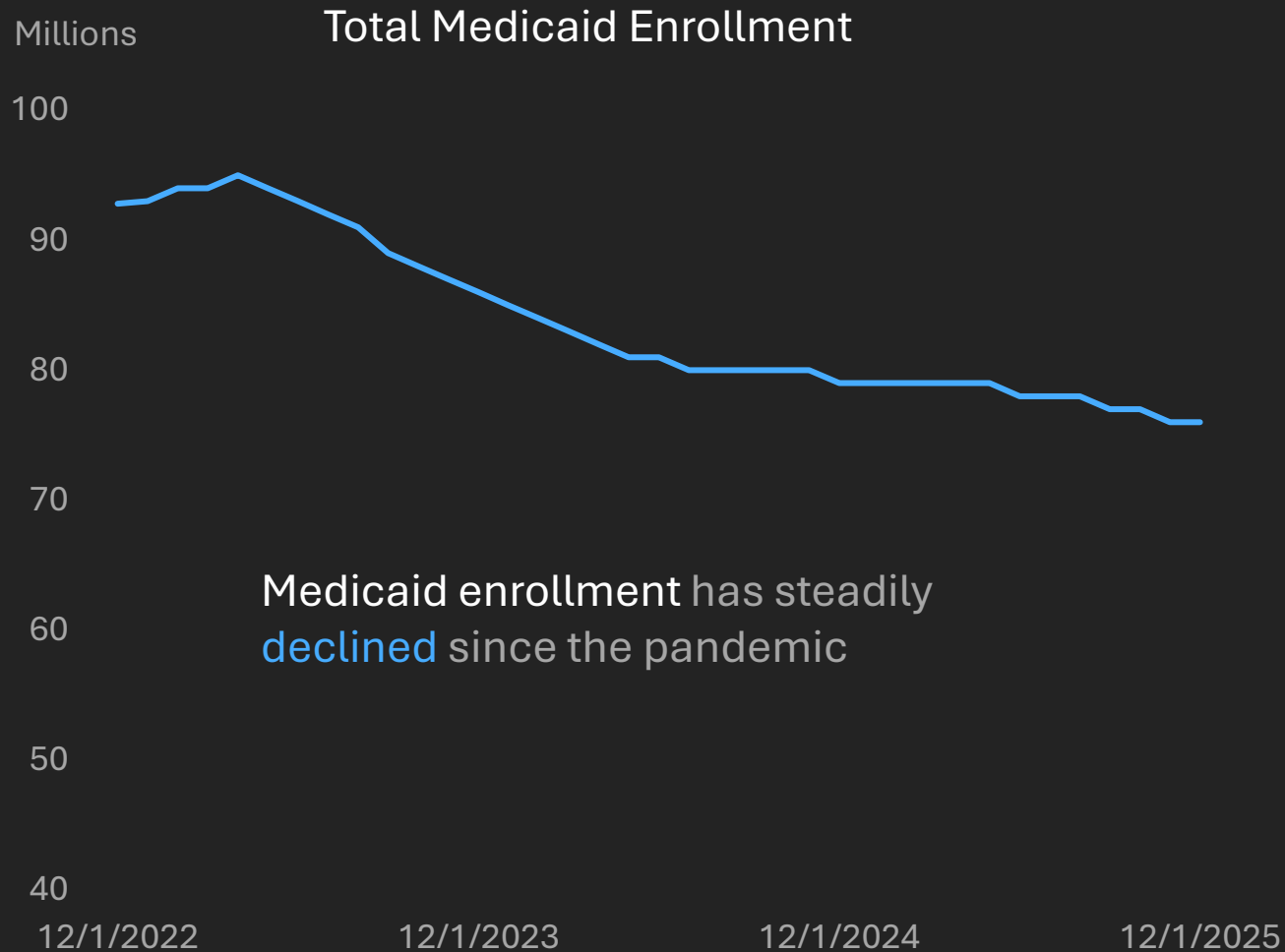
Slower recovery after injury

What Are the Implications of GLP-1 Usage for Injuries?



Sources: NCCI; Gallup National Health and Well-Being Index

Health Insurance Access Continues to Be a Challenge



Source: Centers for Medicare & Medicaid Services (CMS)

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Health Insurance Access—The Workers Compensation Impact



Cost Shifting

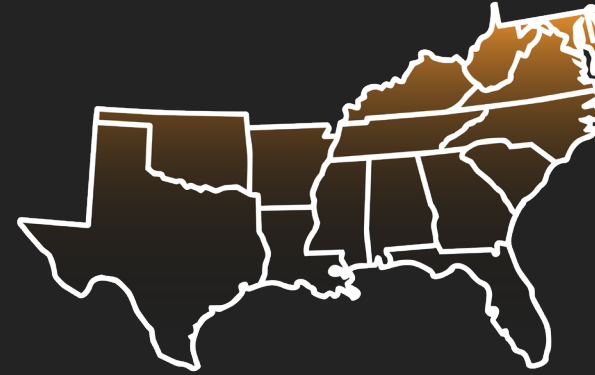


Worker Health

Which Workers Are Going Uninsured?



Lower Income



Southern States



Construction and Leisure
and Hospitality Industries



Small Employers

On the Horizon—Key Takeaways



- 1 Obesity rates are declining, while health insurance access is a growing challenge
- 2 Middle-age obesity declines may reduce the frequency and severity of certain injuries
- 3 Lack of health insurance may lead to a less healthy workforce



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Older workers represent a growing share of claims

They have higher claim costs, driven by both frequency and severity

Workers over 65 have a particularly unique risk profile



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On the Horizon

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Middle-age obesity declines may reduce frequency and severity of certain injuries

Lack of health insurance may lead to a less healthy workforce