

# STATE ADVISORY RESOURCES

Colorado State Workers Compensation System  
September 2022

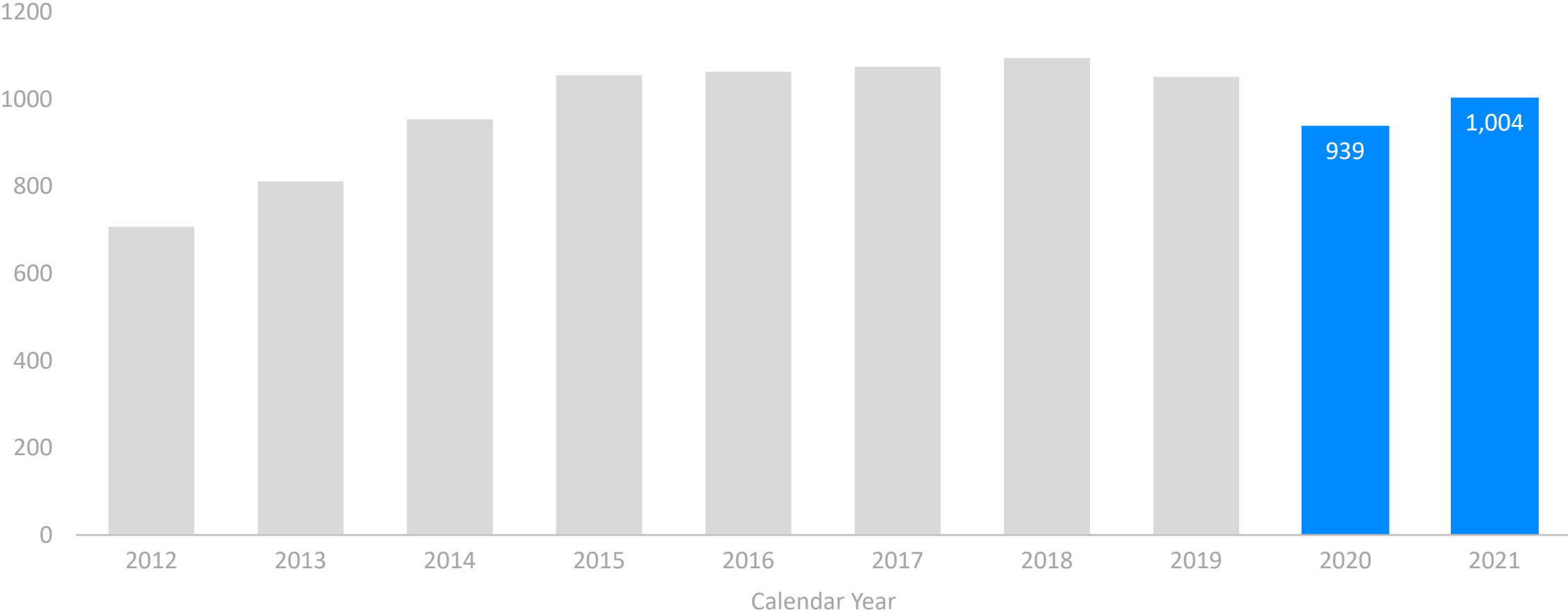


# Colorado Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios have generally been favorable but increased in the most recent year
- Lost-time claim frequency was flat, and indemnity and medical severity decreased in the latest policy year

# Colorado Premium Volume

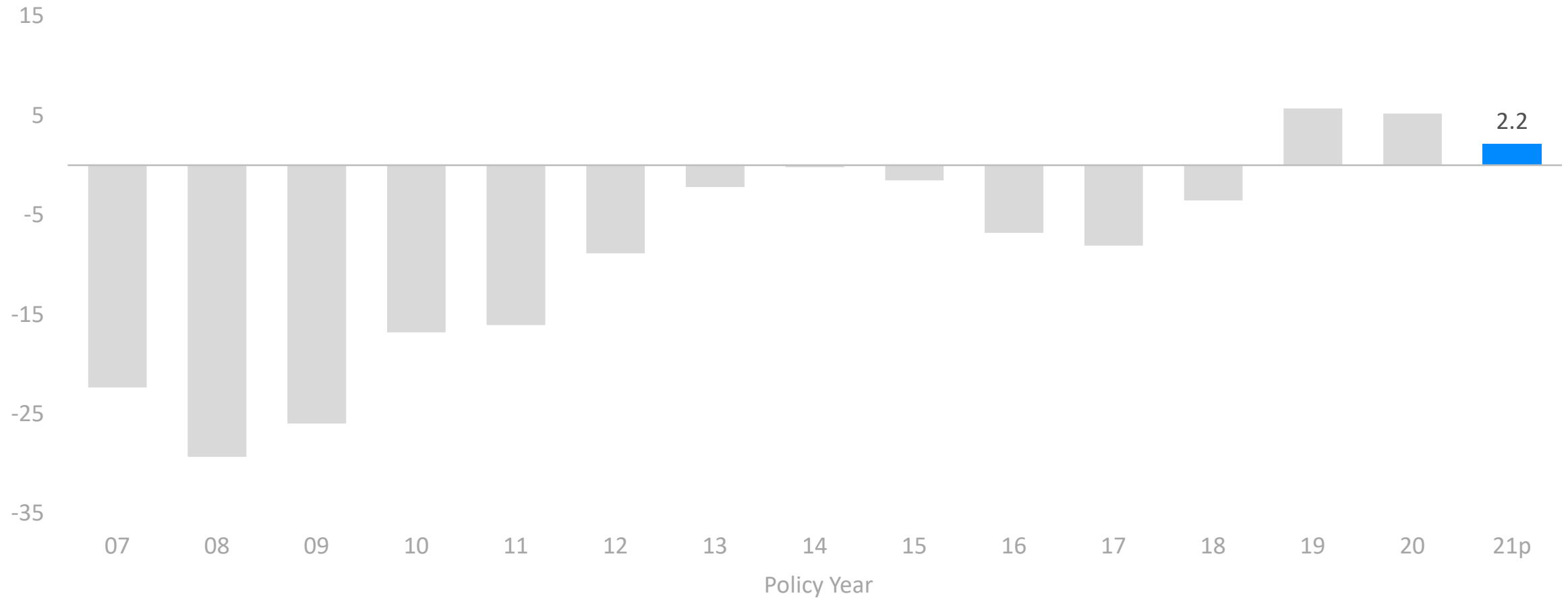
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

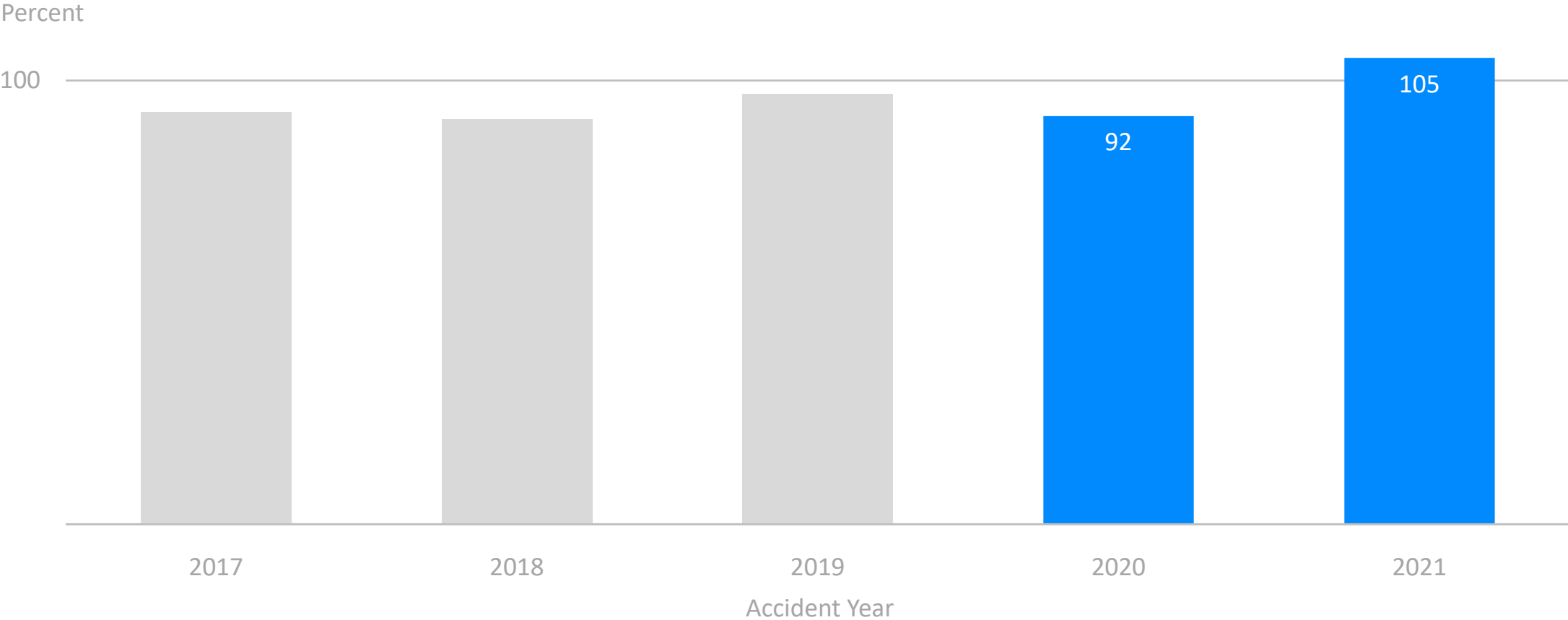


# Impact of Discounting on Workers Compensation Premium in Colorado



p Preliminary.  
Based on data through 12/31/2021.

# Colorado Combined Ratios

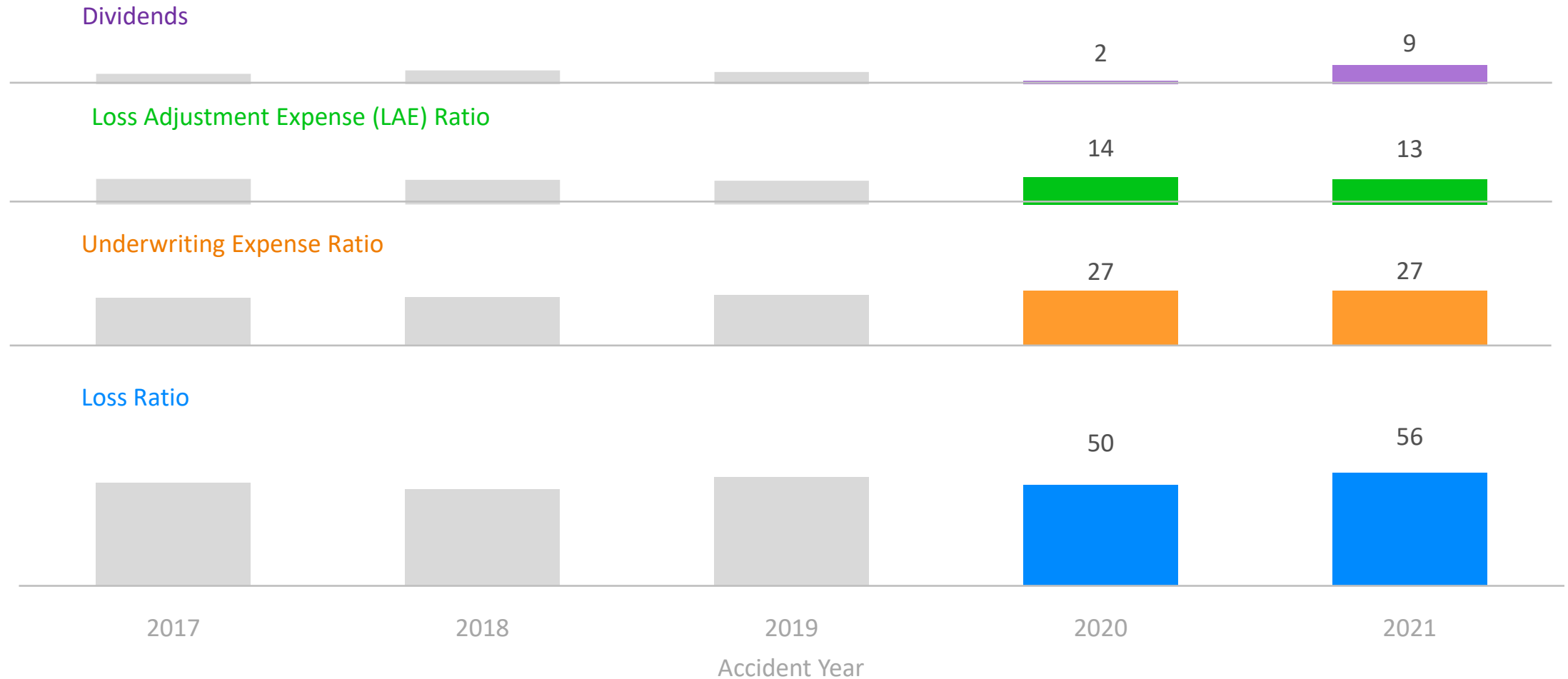


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Colorado Combined Ratios by Component

Percent

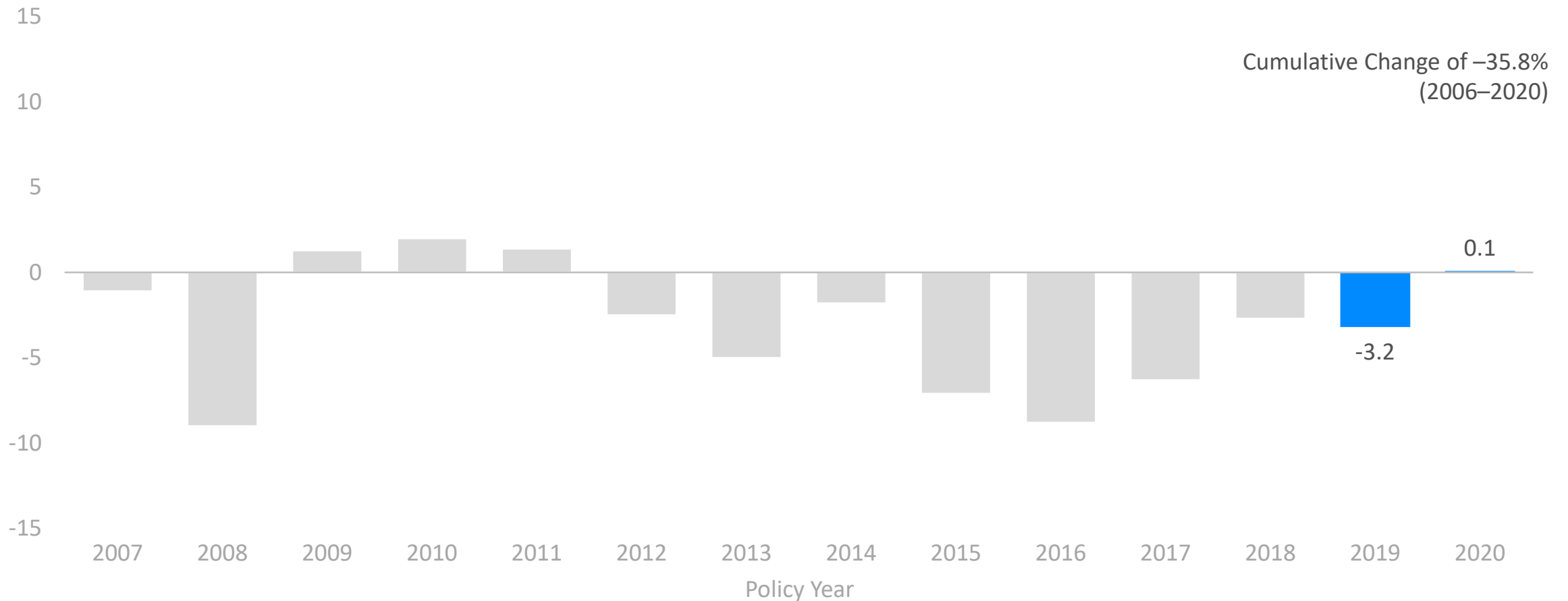


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Colorado Change in Claim Frequency

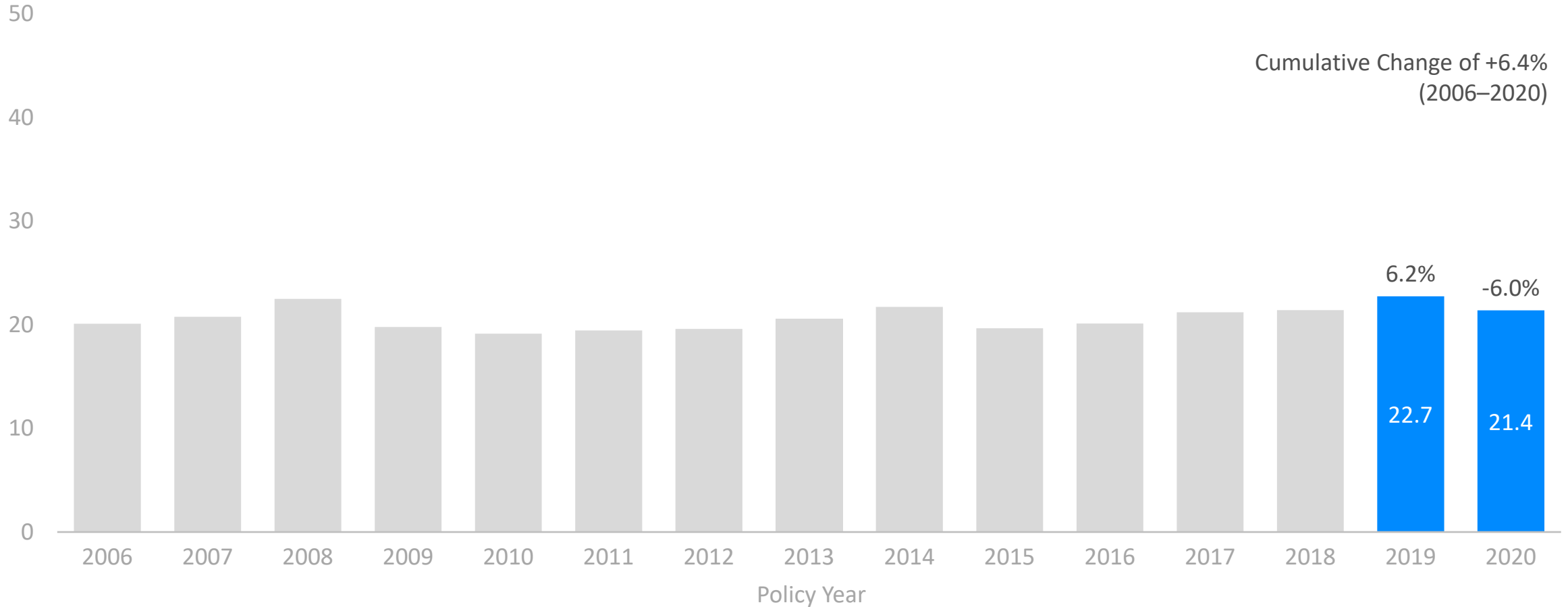
Percent Change in Lost-Time Claims, per \$ Million of On-Levelled Premium



Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.

# Colorado Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands



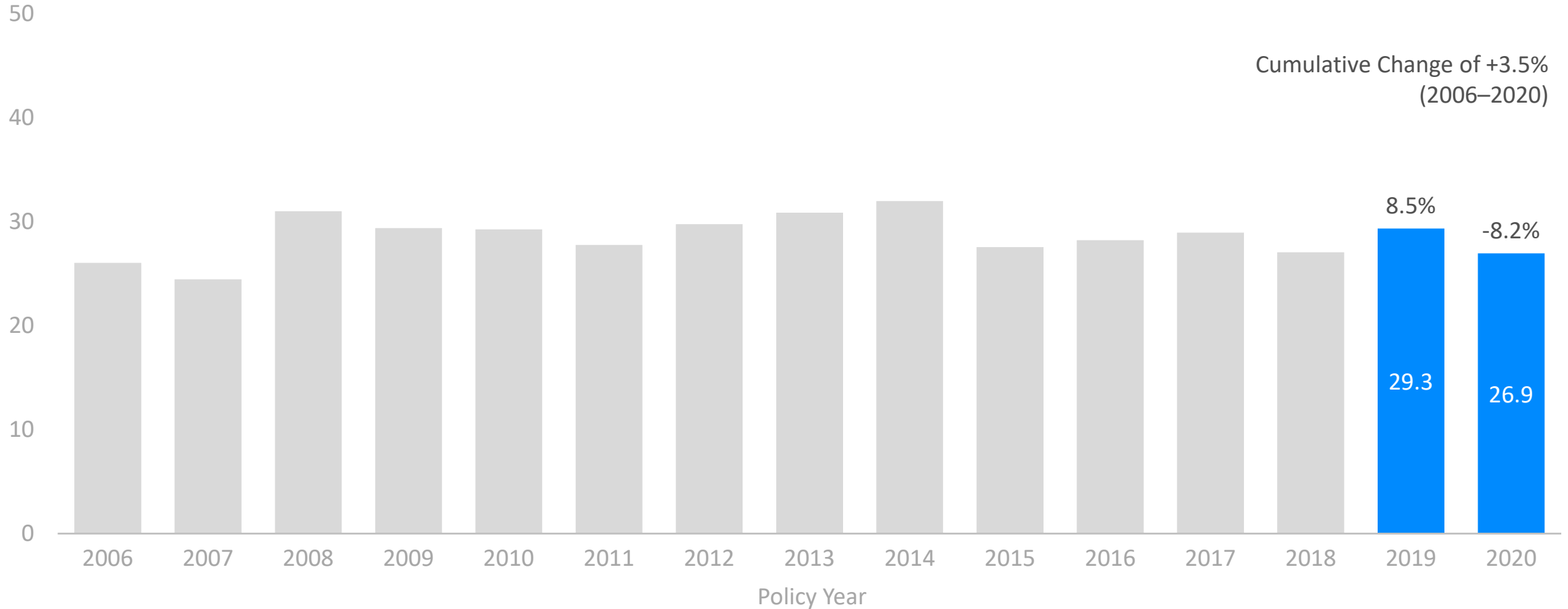
Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.





# Colorado Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

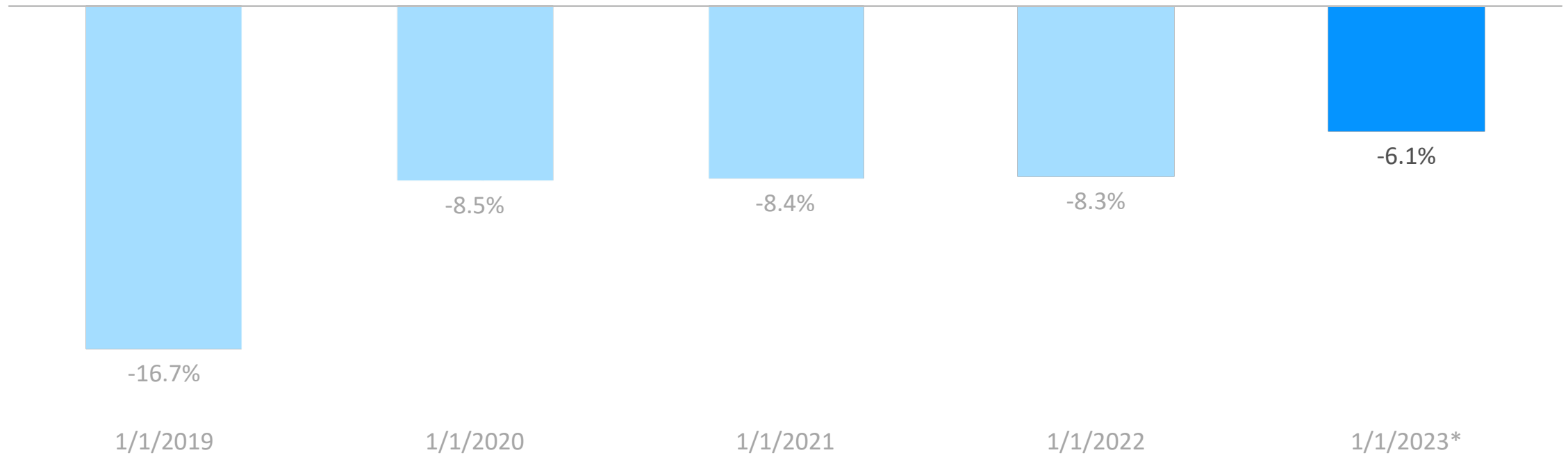


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.  
Note that medical-only losses are included in the numerator.



# Colorado Filing Activity

## Voluntary Loss Cost Changes



\*Pending.

# Colorado January 1, 2023 Loss Cost Filing

Change in Experience:	-8.2%
Change in Trend:	+1.7%
Change in Benefits:	+0.8%
Change in All Other:	-0.2%
<hr/>	
Overall Loss Cost Level Change:	-6.1%

# Colorado January 1, 2023 Loss Cost Filing

Average Changes by Industry Group



# Colorado Economic Drivers



Technology



Energy & Resources



Tourism

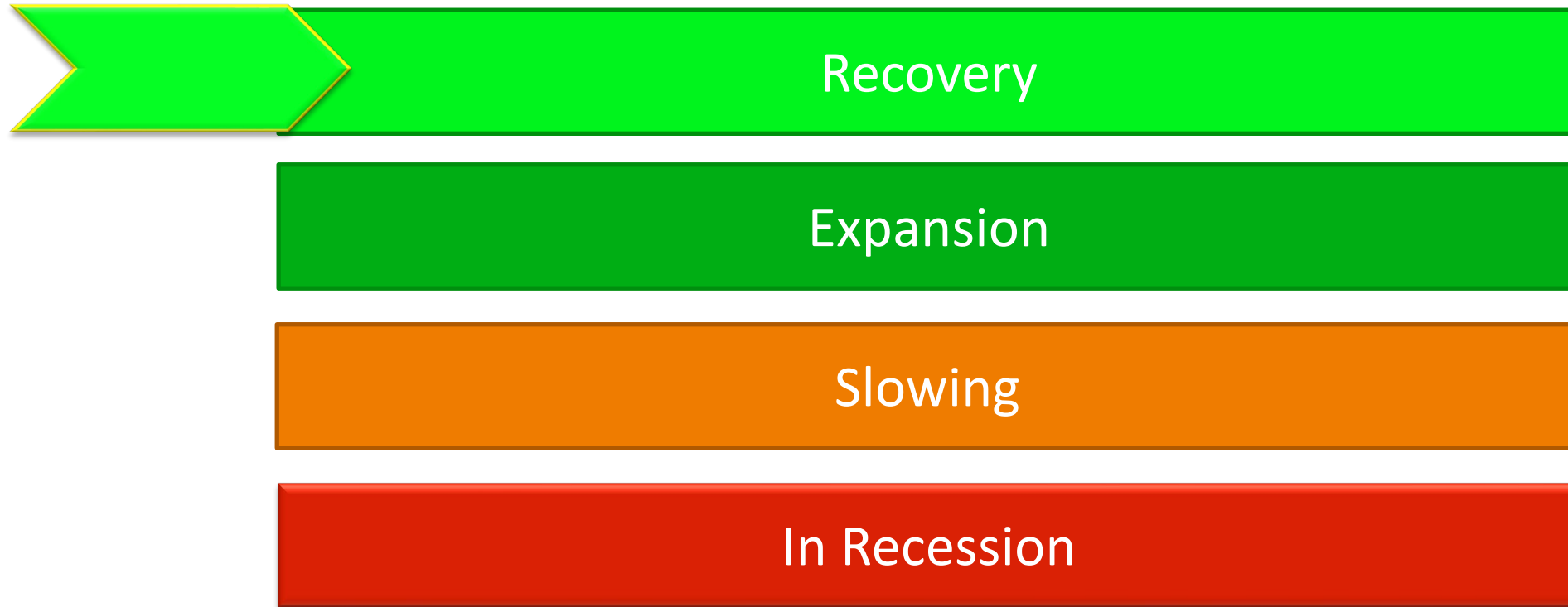
Source: Moody's Analytics.

# Colorado Economic Assets and Challenges

- Assets
  - Wide range of industries contributing to a strong economy
  - Favorable migration patterns and growing working-age population
  - Well-educated labor pool with above-average earnings
- Challenges
  - Subject to energy industry volatility
  - High cost of housing
  - Above-average consumer debt

Source: Moody's Analytics.

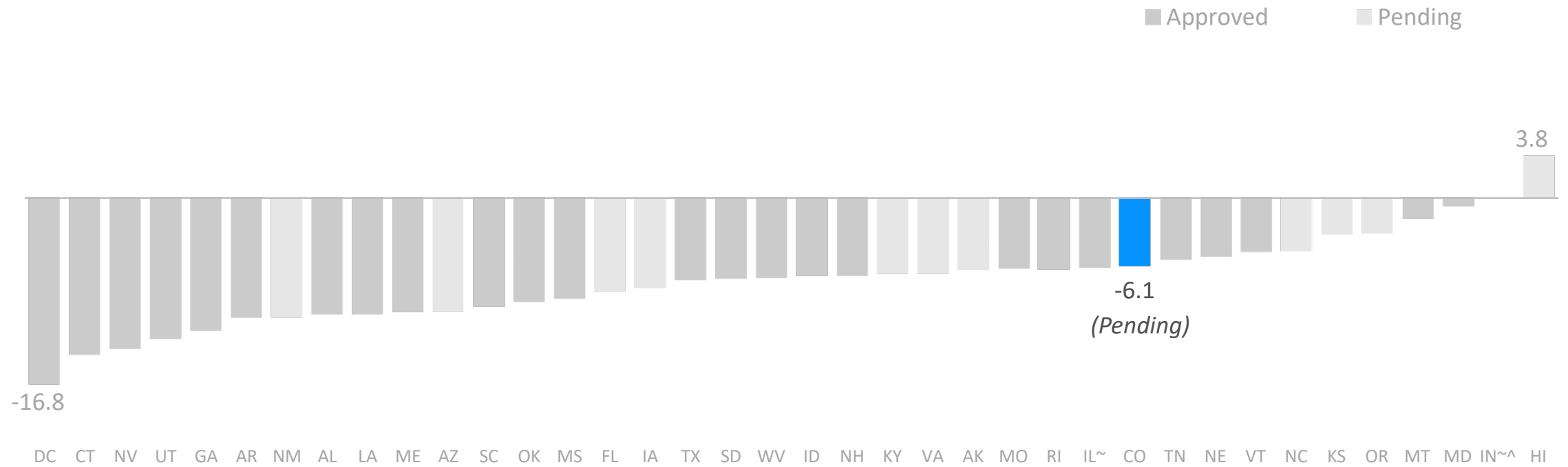
# Colorado Business Cycle Status



Source: Moody's Analytics.

# Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -2.7%, respectively.

^IN approved a flat (0.0%) rate level change.

Reflects the most recent experience filing in each jurisdiction as of 9/2/2022.

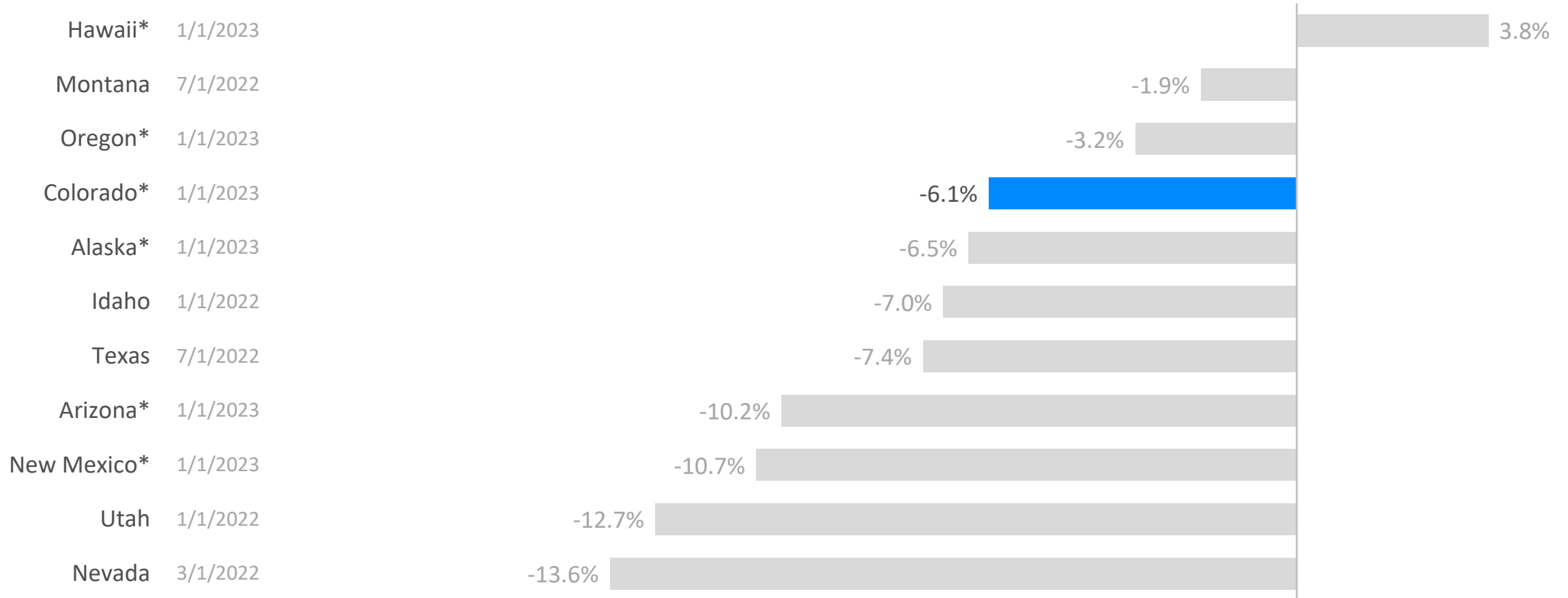
Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.





# Current Voluntary Market Loss Cost/Rate Changes

## Western States



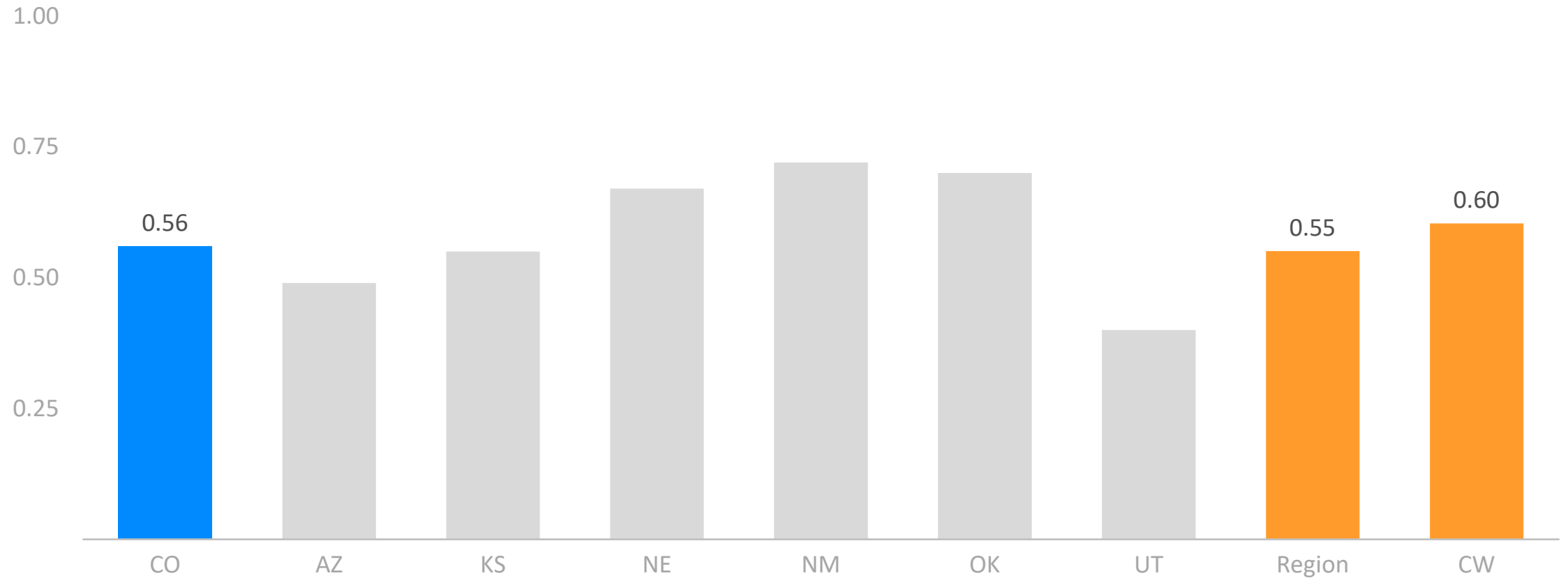
\*Pending.

Reflects the most recent experience filing in each jurisdiction as of 9/2/2022.

Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.

# Average Voluntary Pure Loss Costs

Using Colorado Payroll Distribution



Based on approved rates and loss costs in various jurisdictions from filings using data valued as of 12/31/2020.



# CONTACT US



**Stephanie Paswaters**  
State Relations Executive  
[stephanie\\_paswaters@ncci.com](mailto:stephanie_paswaters@ncci.com)



**Kelly Briggs**  
Executive Director & Actuary  
[kelly\\_briggs@ncci.com](mailto:kelly_briggs@ncci.com)