

# STATE ADVISORY RESOURCES

Connecticut Workers Compensation System  
October 2022

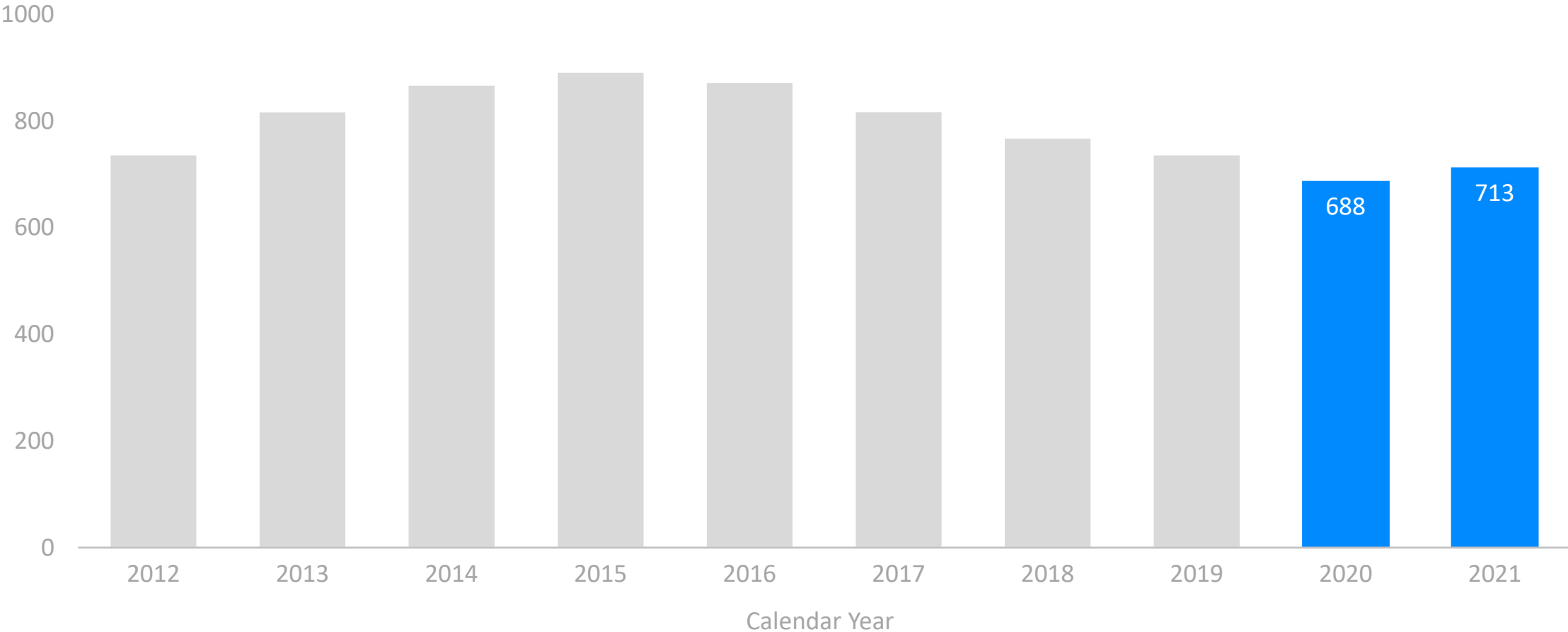


# Connecticut Workers Compensation System— An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency had a small increase in the latest year; this followed a significant decrease the previous year
- Indemnity severity decreased slightly in the latest year, while medical severity had a more significant decline; these changes followed significant increases the previous year

# Connecticut Premium Volume

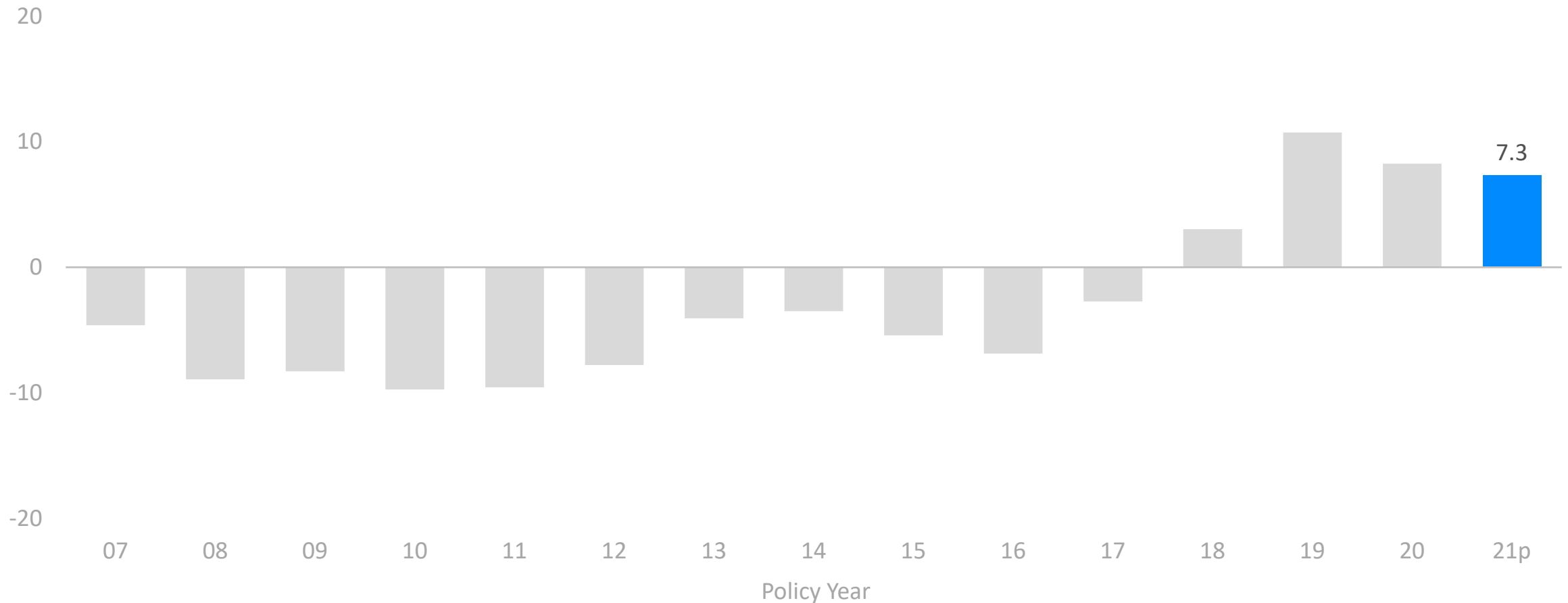
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



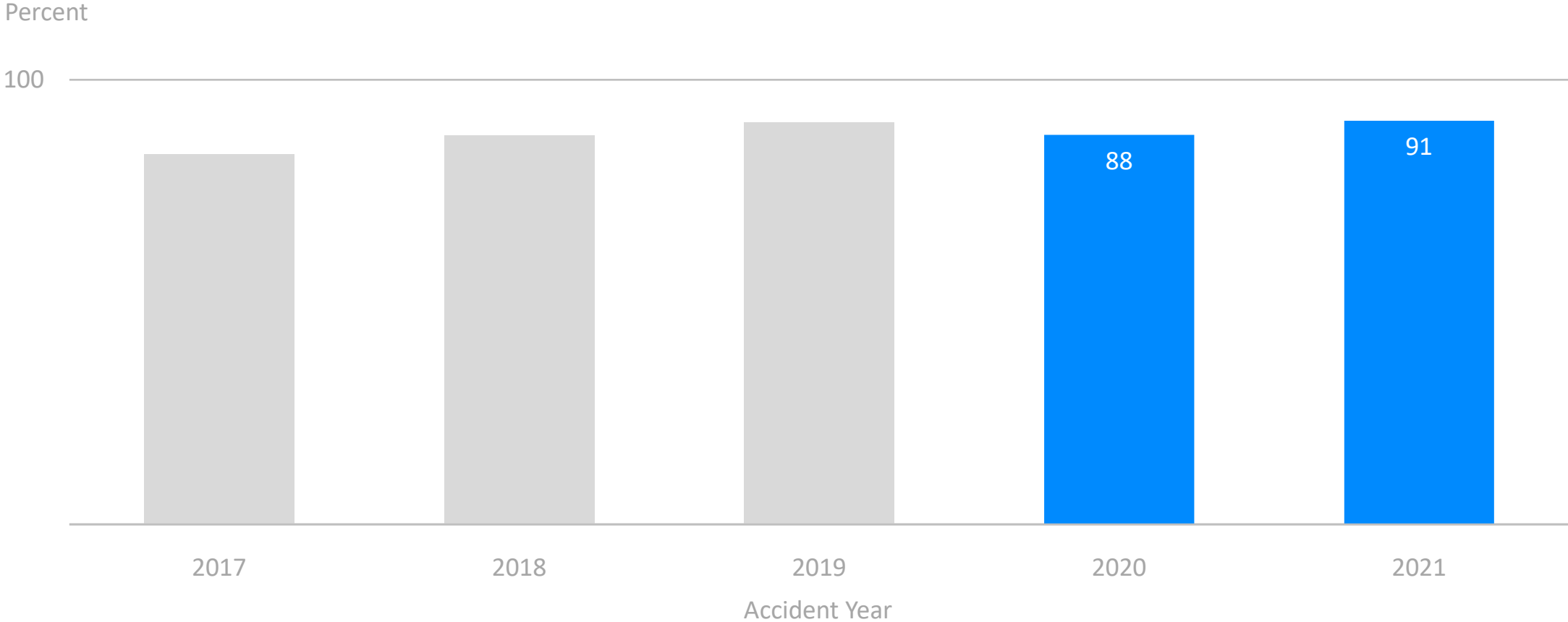
# Impact of Discounting on Workers Compensation Premium in Connecticut



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



# Connecticut Combined Ratios

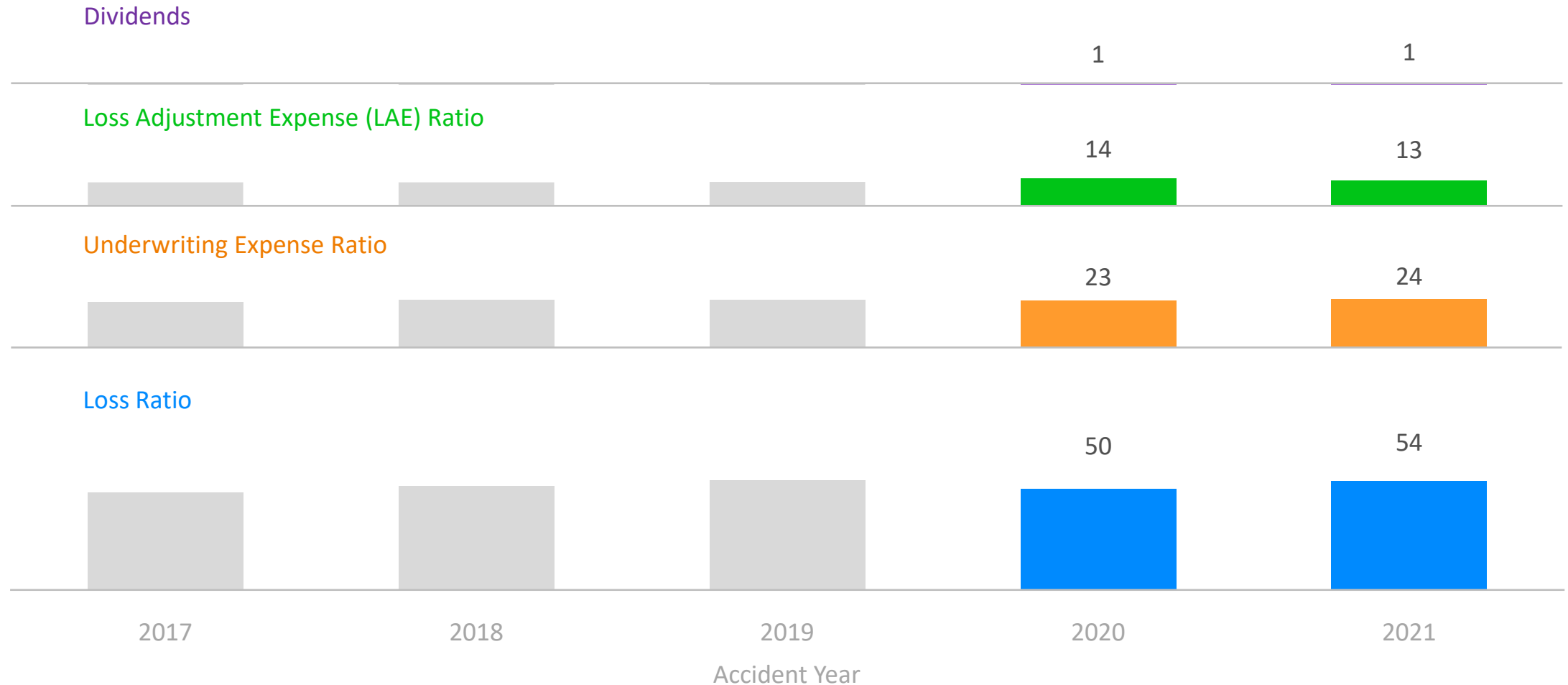


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Connecticut Combined Ratios by Component

Percent

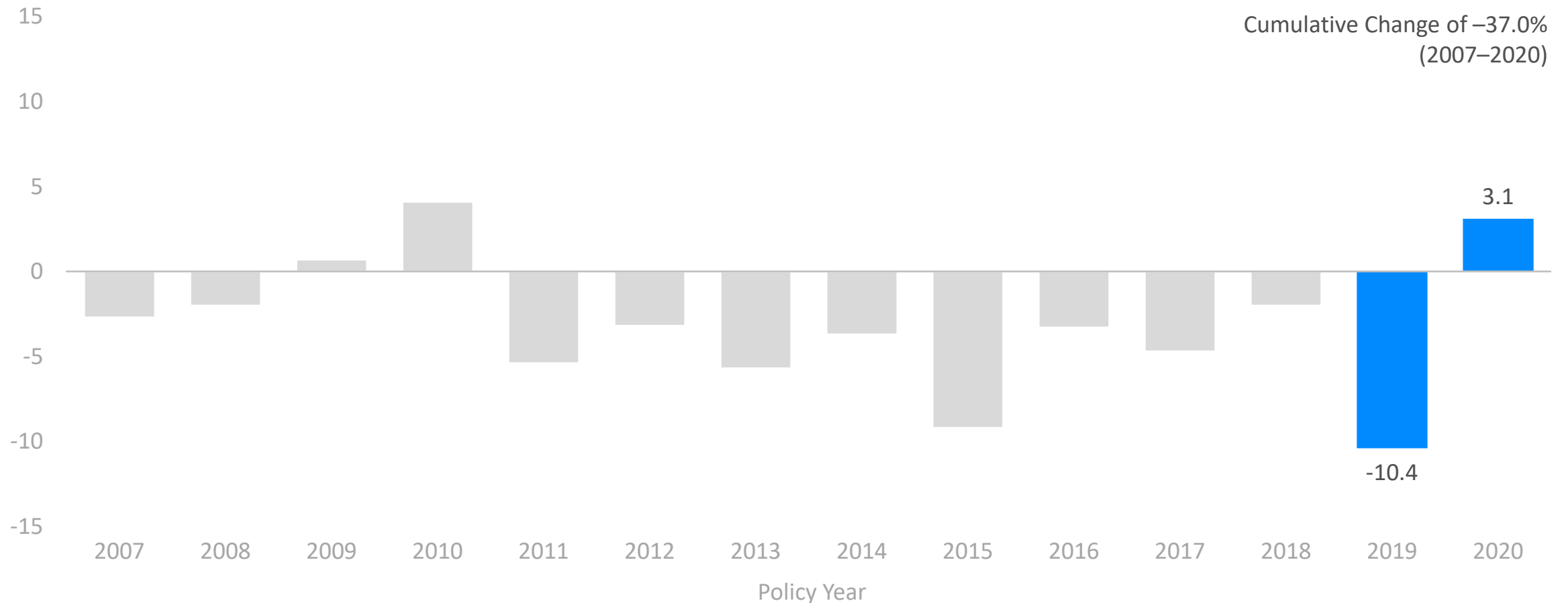


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Connecticut Change in Claim Frequency

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

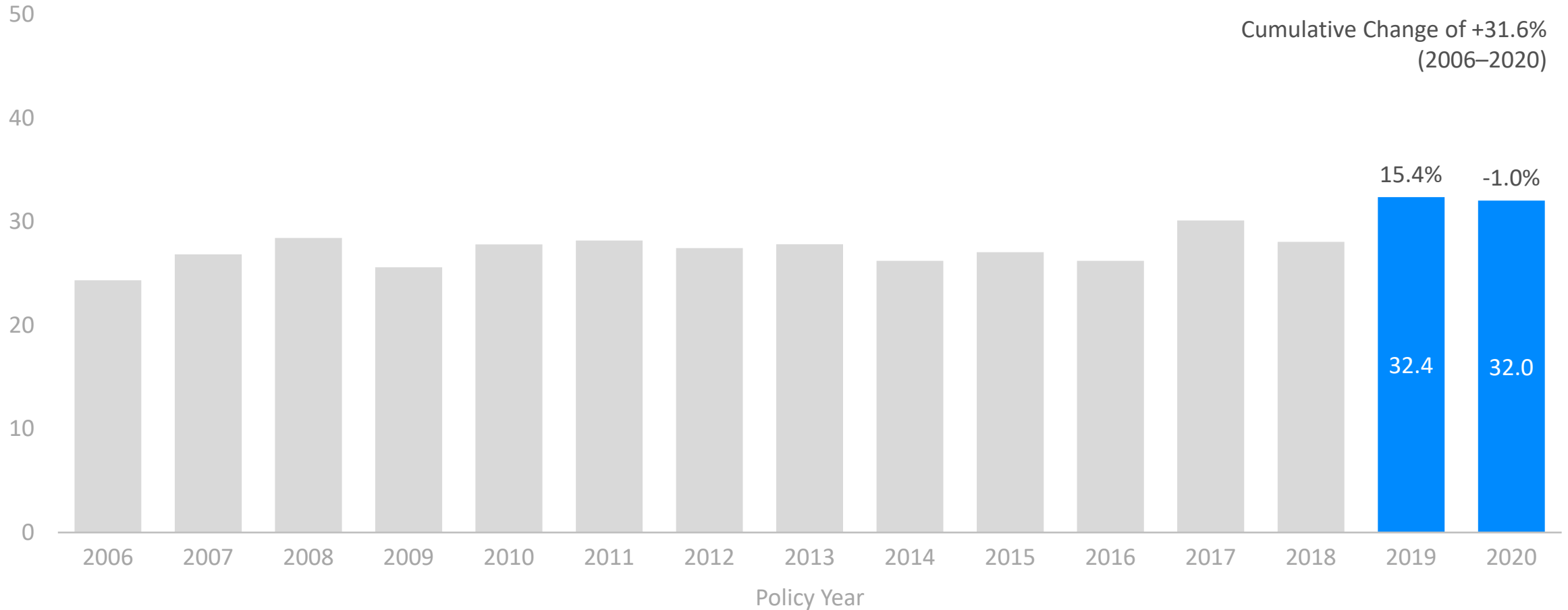


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



# Connecticut Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands



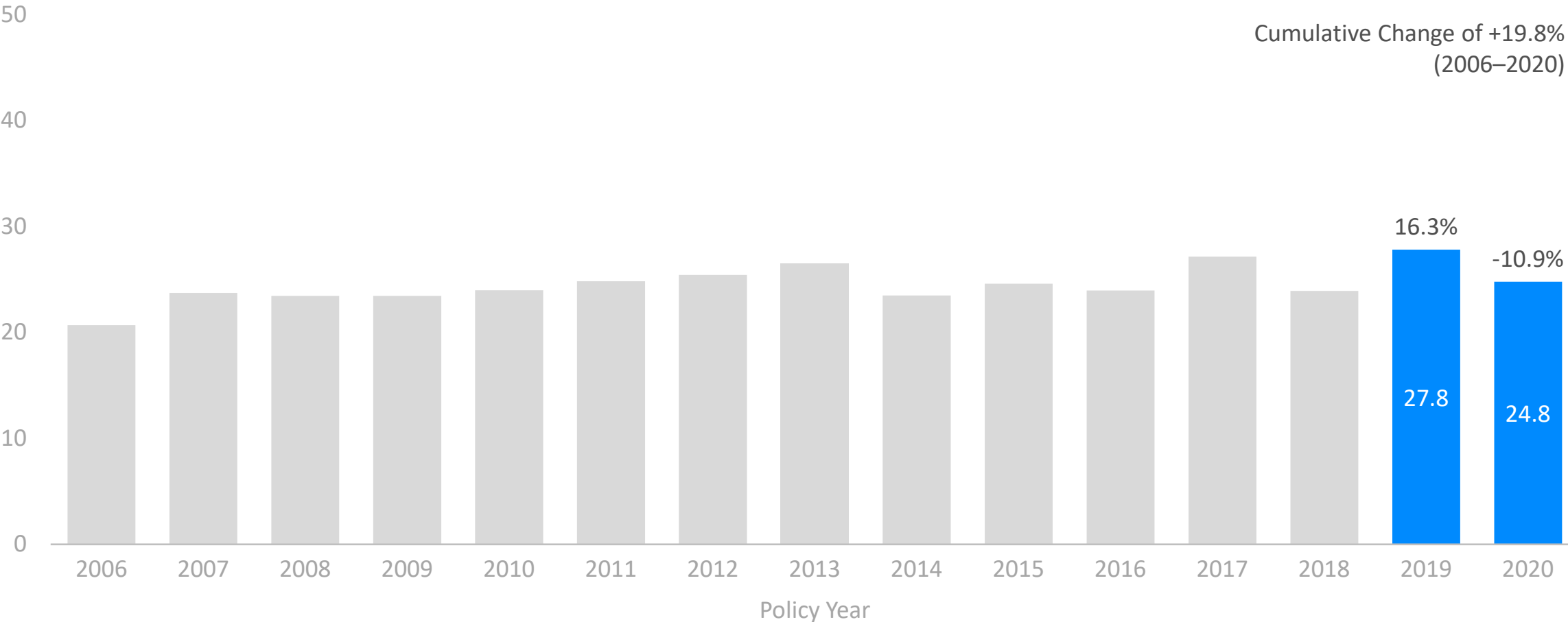
Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.





# Connecticut Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

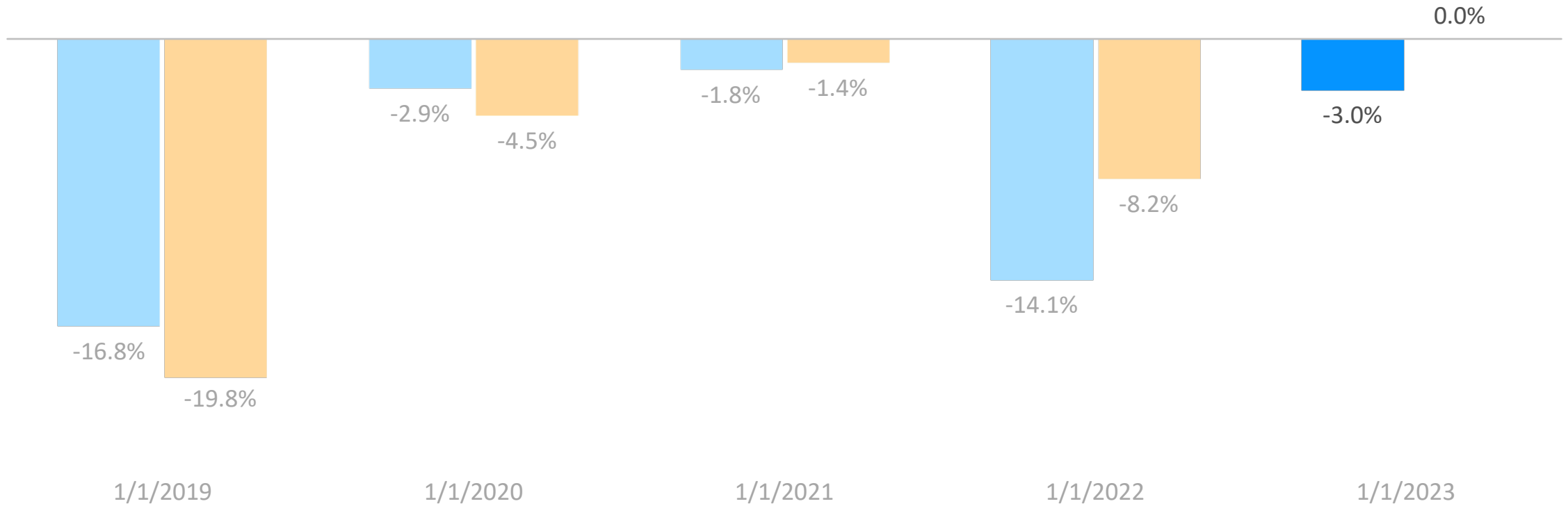


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate. Note that medical-only losses are included in the numerator.



# Connecticut Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes

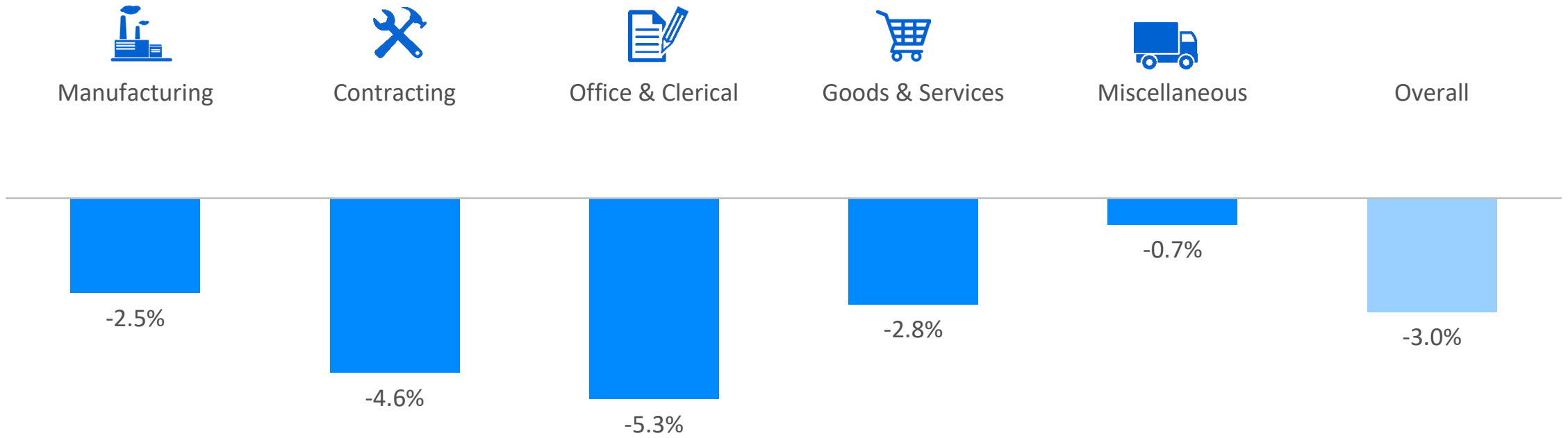


# Connecticut January 1, 2023 Loss Cost Filing

Change in Experience:	-3.4%
Change in Trend:	+0.2%
Change in Benefits:	-
Change in All Other:	+0.2%
<hr/>	
Overall Loss Cost Level Change:	-3.0%

# Connecticut January 1, 2023 Loss Cost Filing

## Average Changes by Industry Group



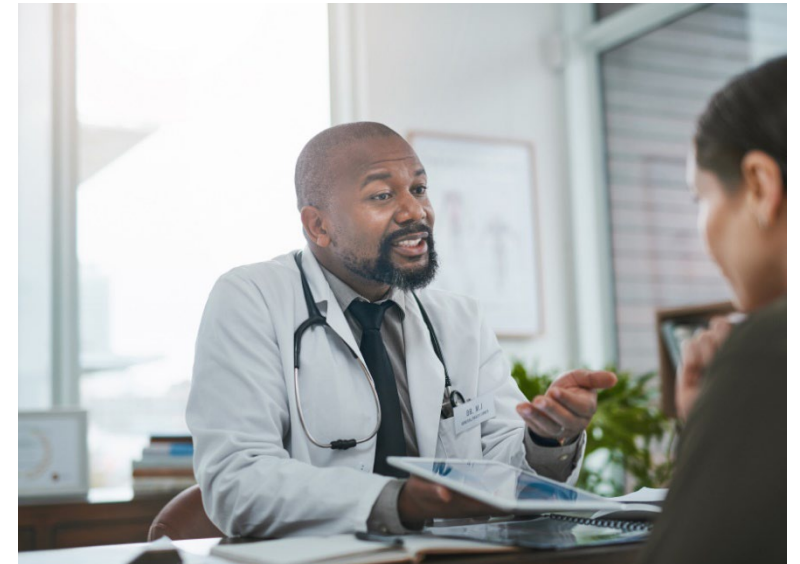
# Connecticut Economic Drivers



Finance



Defense



Medical

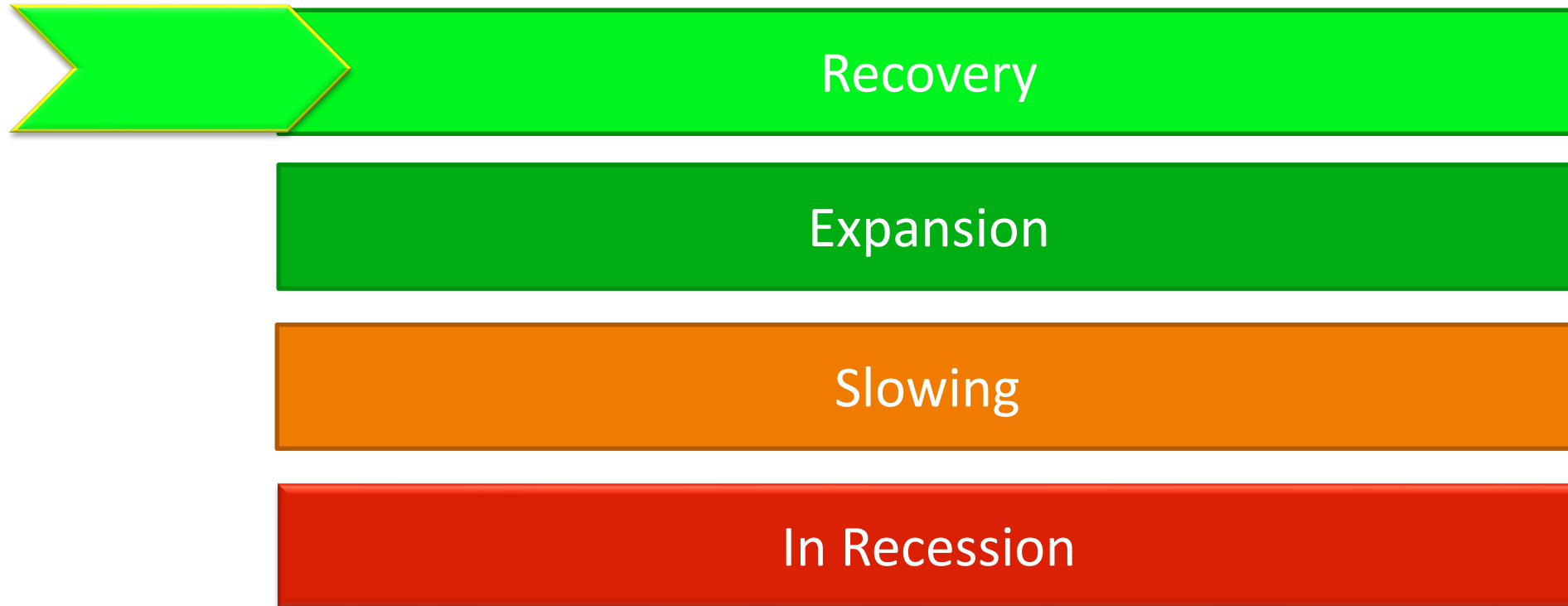
Source: Moody's Analytics.

# Connecticut Economic Assets and Challenges

- Assets
  - Substantial healthcare and financial sectors
  - Well-educated labor population
  - Numerous universities and hospitals
  - High-tech manufacturing
- Challenges
  - Healthcare and pension costs
  - Aging population and out-migration
  - Significant energy costs

Source: Moody's Analytics.

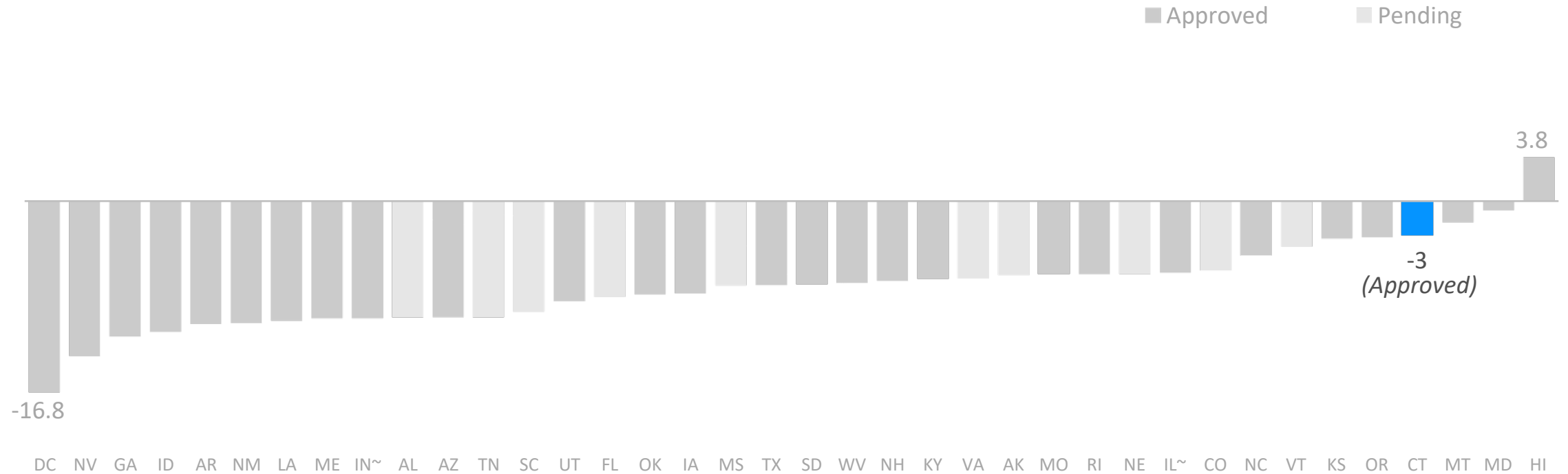
# Connecticut Business Cycle Status



Source: Moody's Analytics.

# Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



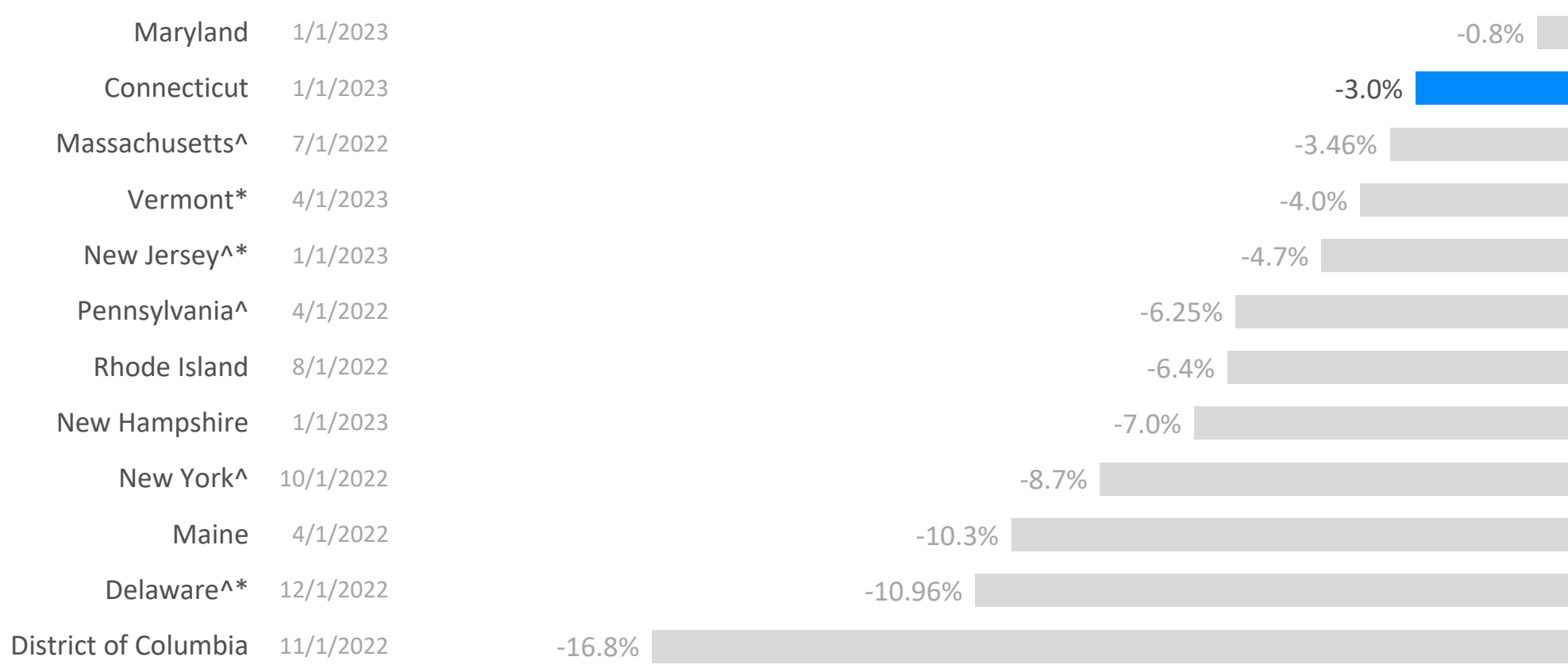
~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.  
 Reflects the most recent experience filing in each jurisdiction as of 10/21/2022.  
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.





# Current Voluntary Market Loss Cost/Rate Changes

## Northeastern States



^An independent bureau state.

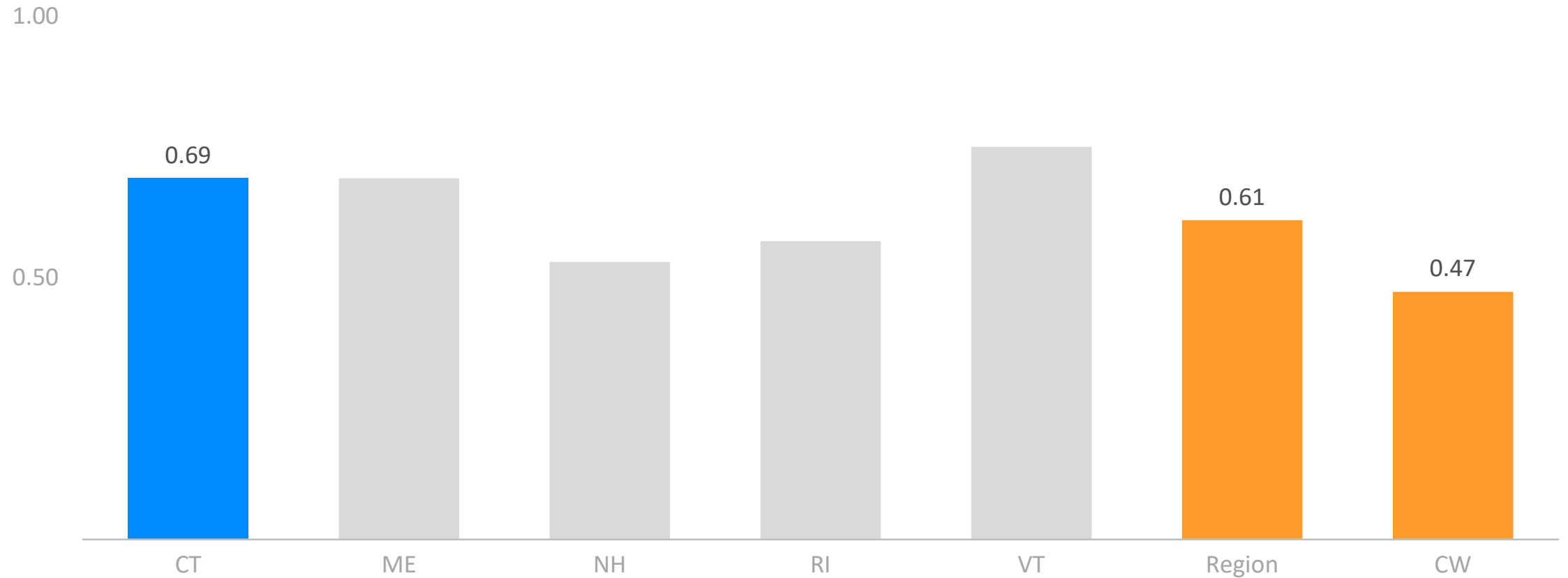
\*Pending.

Reflects the most recent experience filing in each jurisdiction as of 10/21/2022.

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 Connecticut Payroll Distribution



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



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