

STATE ADVISORY RESOURCES

Georgia Workers Compensation System
December 2022

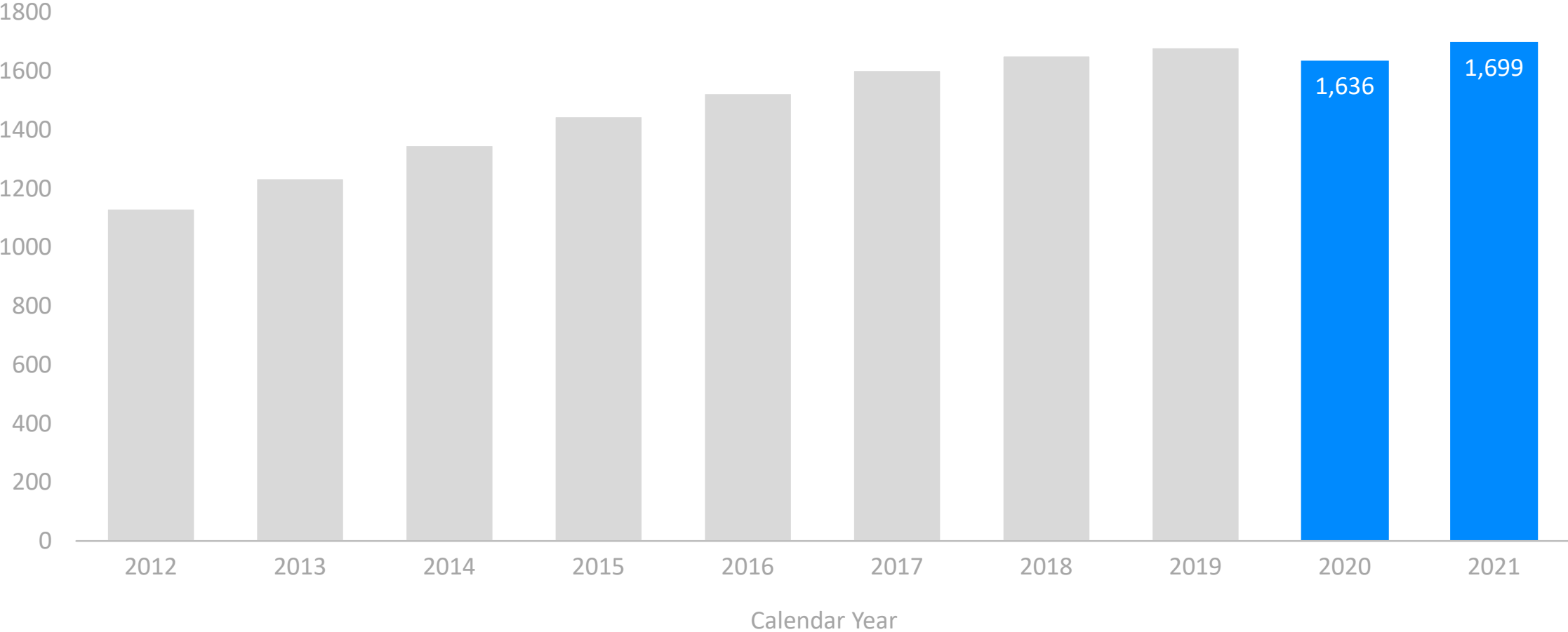


Georgia Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency increased slightly in the latest policy year
- Indemnity severity remained stable while medical severity decreased

Georgia Premium Volume

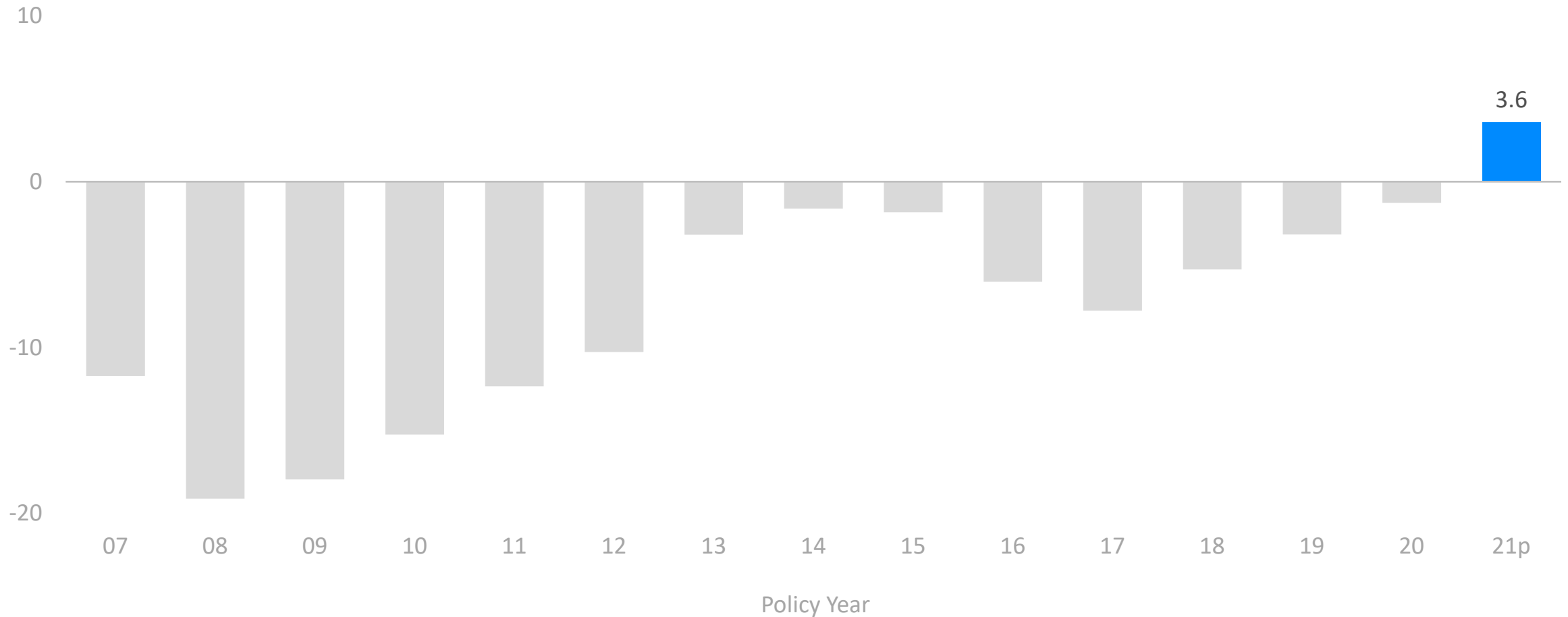
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



Impact of Discounting on Workers Compensation Premium in Georgia

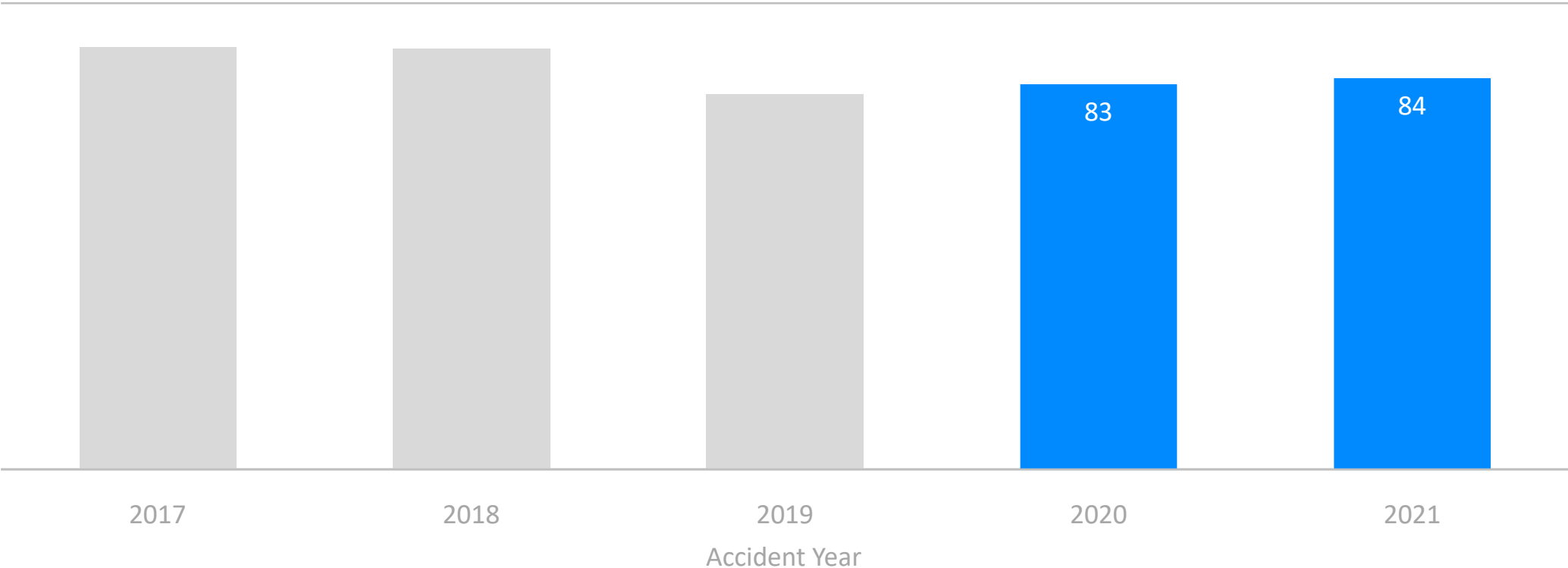


p Preliminary.
Based on data through 12/31/2021.

Georgia Combined Ratios

Percent

100



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



Georgia Combined Ratios by Component

Percent

Dividends

0

0

Loss Adjustment Expense (LAE) Ratio

11

10

Underwriting Expense Ratio

25

26

Loss Ratio

46

48

2017

2018

2019

2020

2021

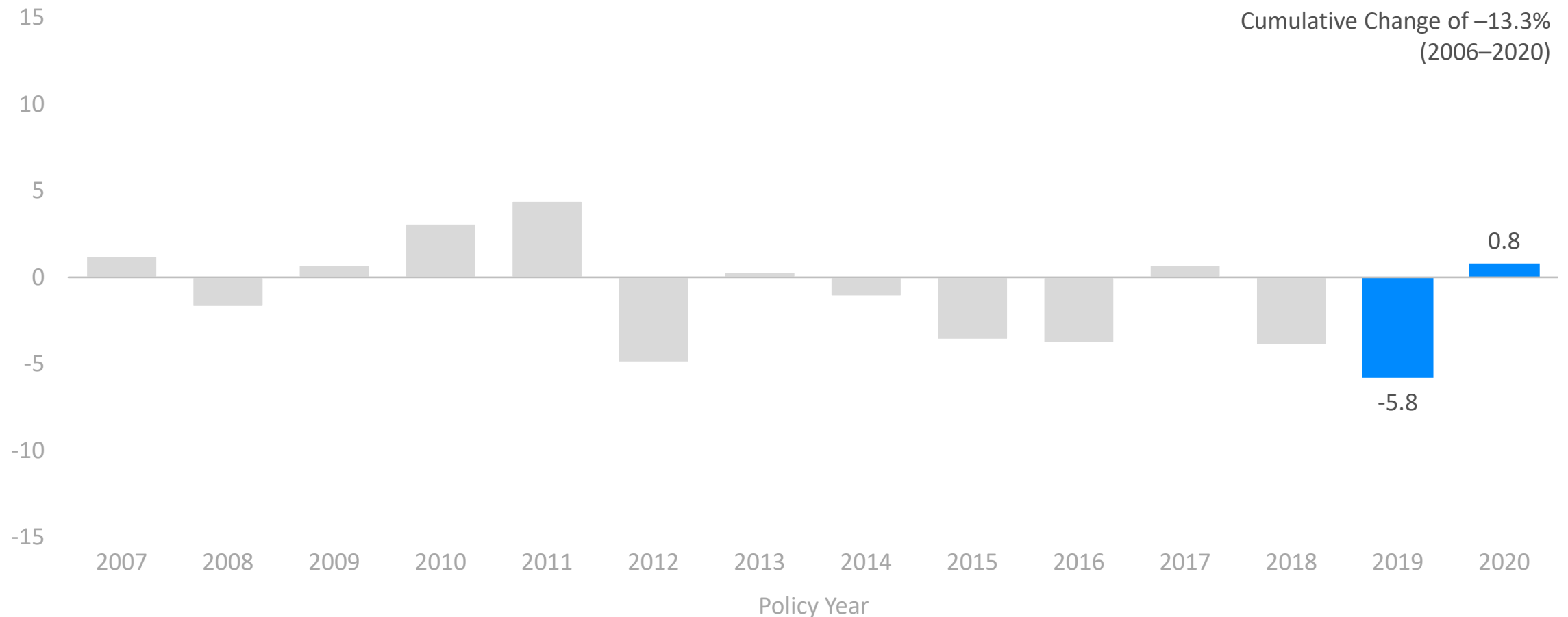
Accident Year

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



Georgia Change in Claim Frequency

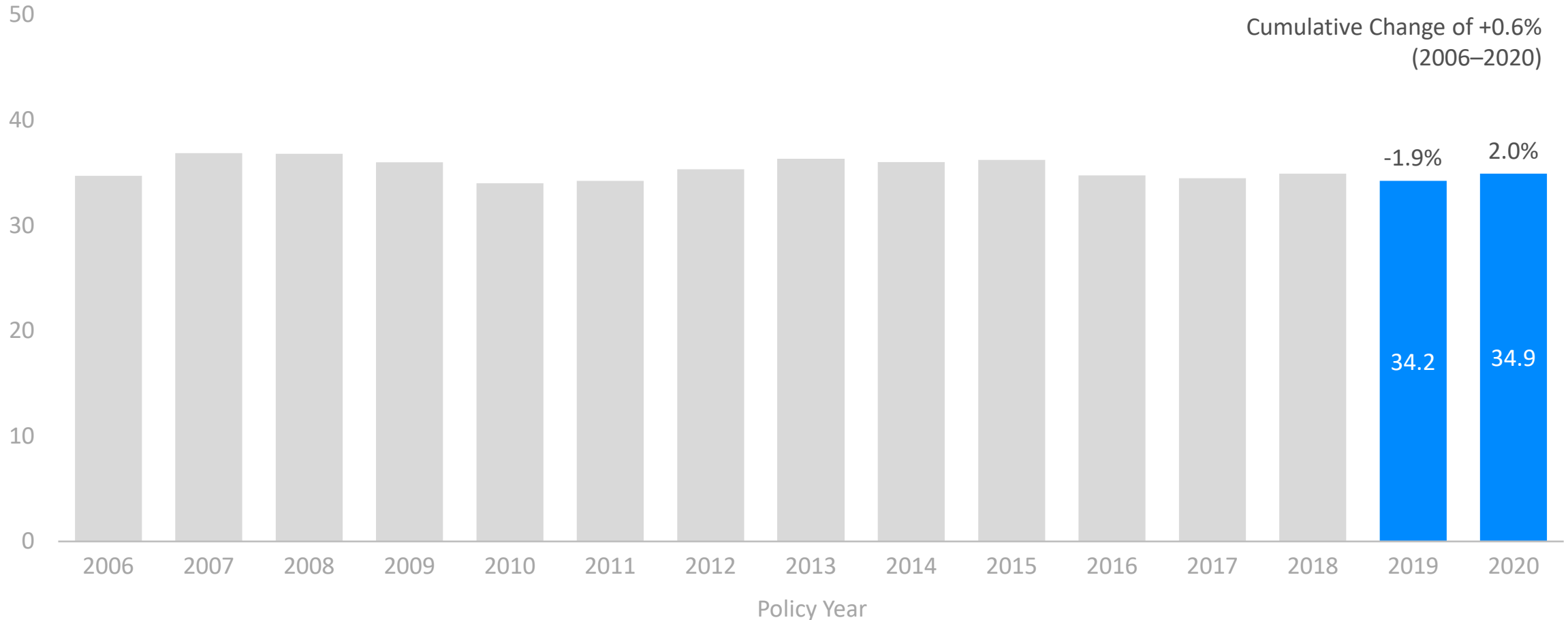
Percent Change in Lost-Time Claims, per \$ Million of On-Levelled Premium



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

Georgia Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

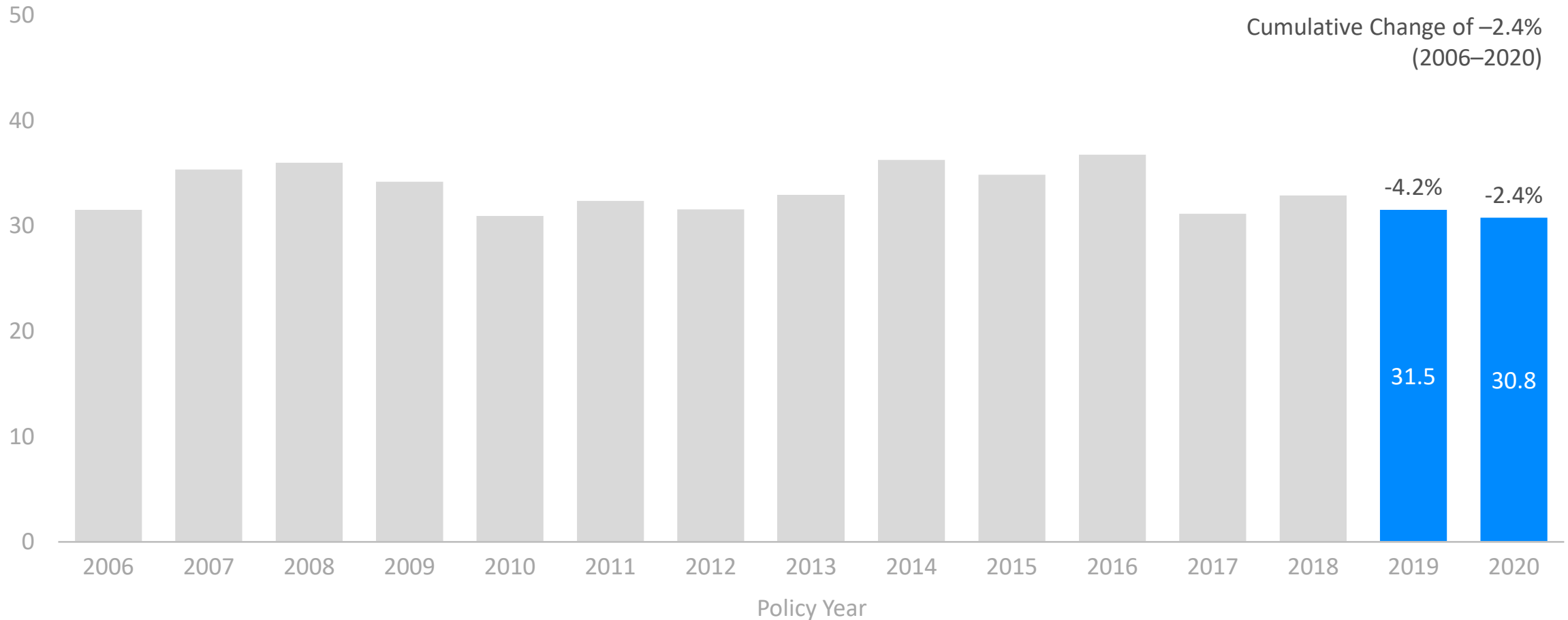


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Georgia Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

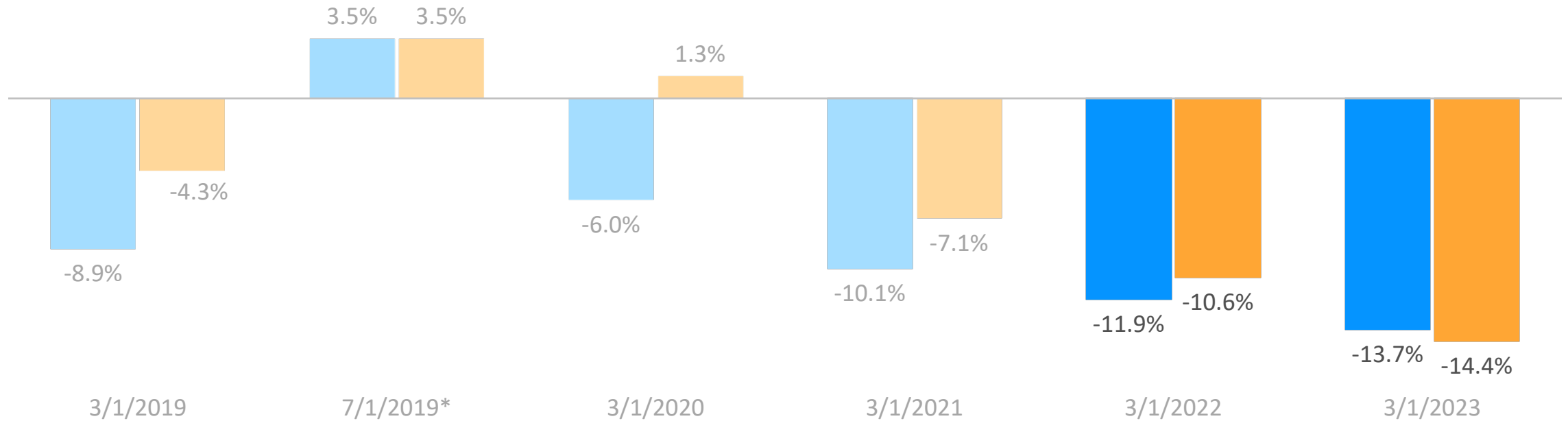


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Georgia Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



*Law-Only



Georgia March 1, 2023 Loss Cost Filing

Change in Experience and Trend: -15.5%

Change in Benefits: +2.1%

Overall Loss Cost Level Change: -13.7%

Georgia March 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Manufacturing



Contracting



Office & Clerical



Goods & Services



Miscellaneous

Overall



-14.0%



-14.5%



-12.8%



-13.6%



-13.4%



-13.7%

Georgia Economic Drivers



Manufacturing



Logistics



Defense

Source: Moody's Analytics.

Georgia Economic Assets and Challenges

■ Assets

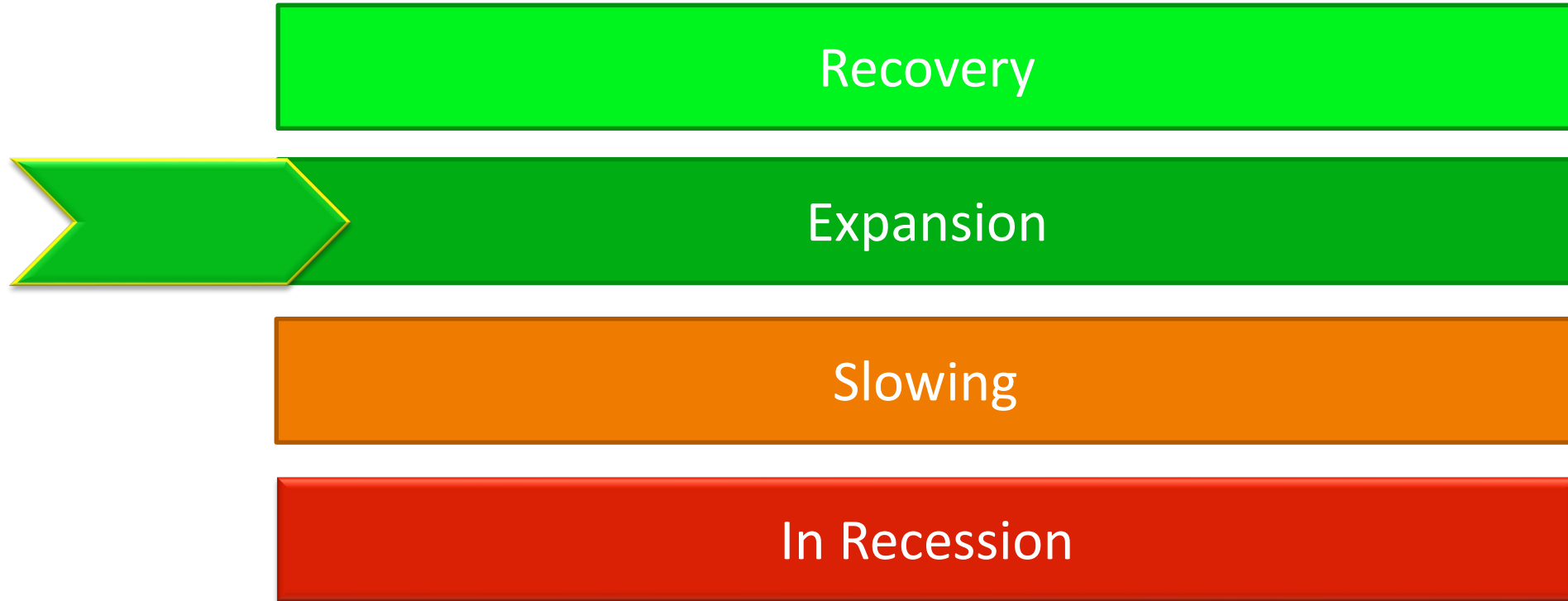
- A draw for young and educated workers
- Established auto manufacturing center
- Long-term population increase
- Opportunities for growth in trade and distribution

■ Challenges

- Exposure to slowing factory/manufacturing industries such as textile and paper
- Per capita income is less than other states
- Lower workforce productivity

Source: Moody's Analytics.

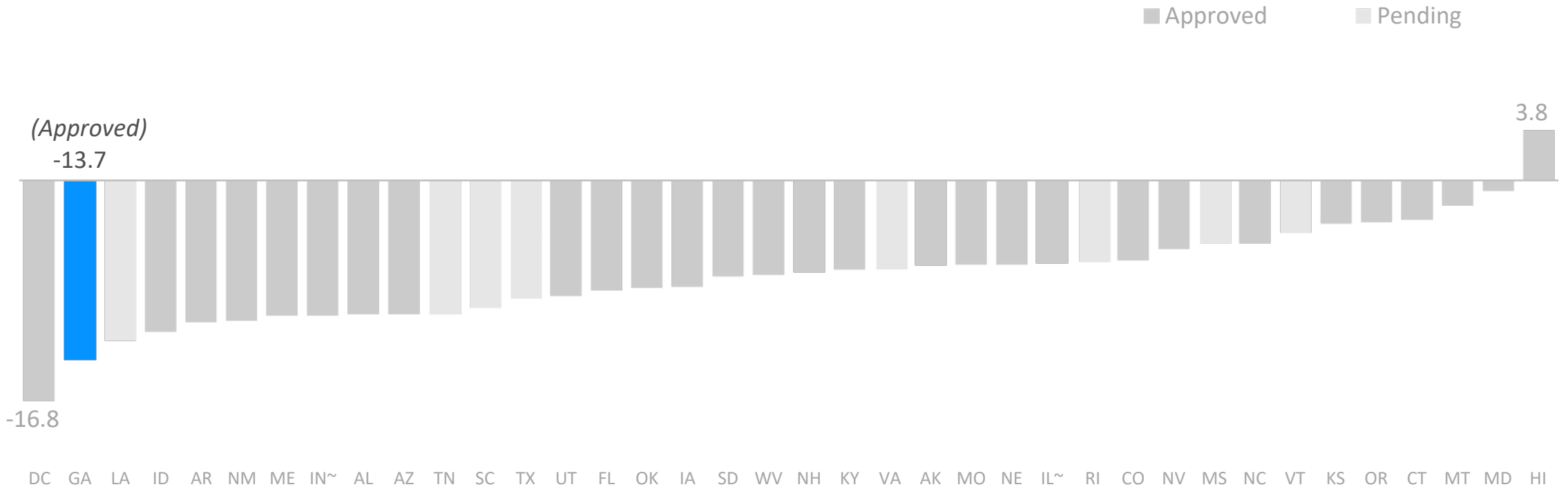
Georgia Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

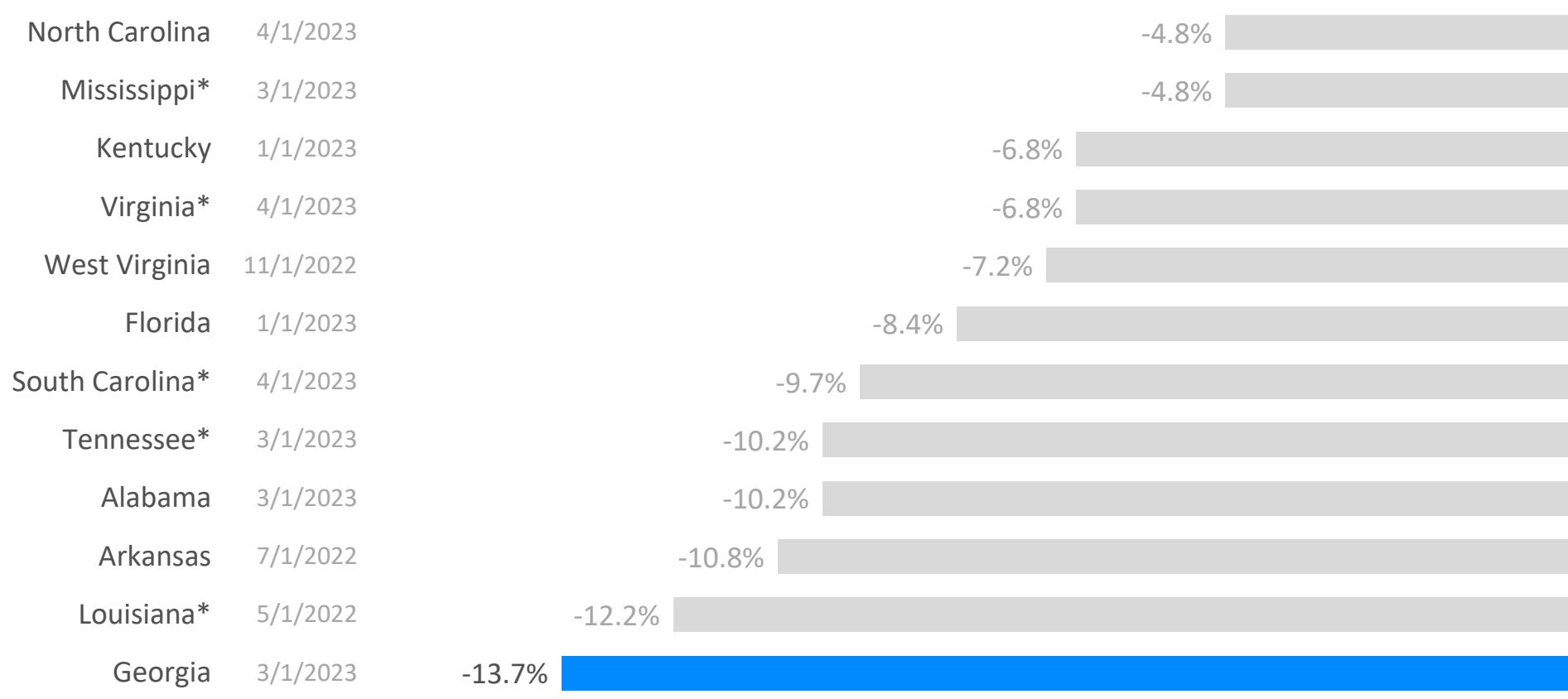


~Value shown is a rate level change; the IN and IL loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 12/2/2022.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Southeastern States



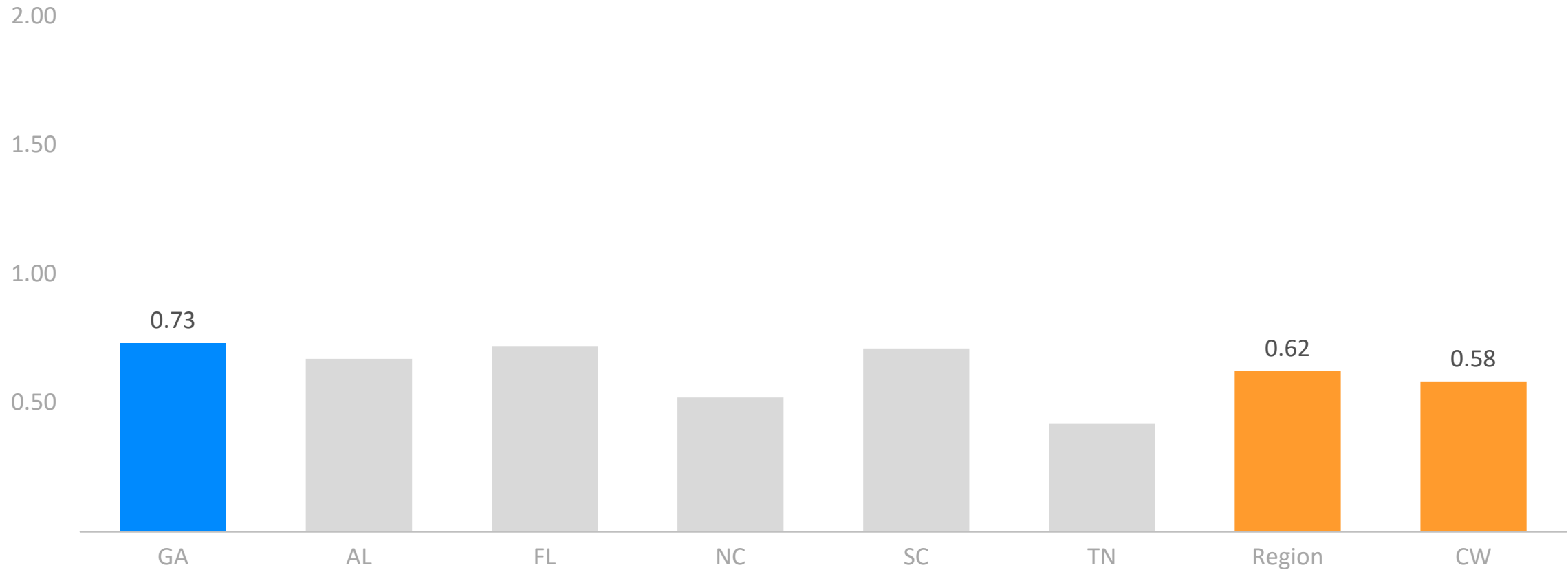
*Pending.

Reflects the most recent experience filing in each jurisdiction as of 12/2/2022.

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 Georgia 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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