

STATE ADVISORY RESOURCES

Iowa Workers Compensation System
October 2022

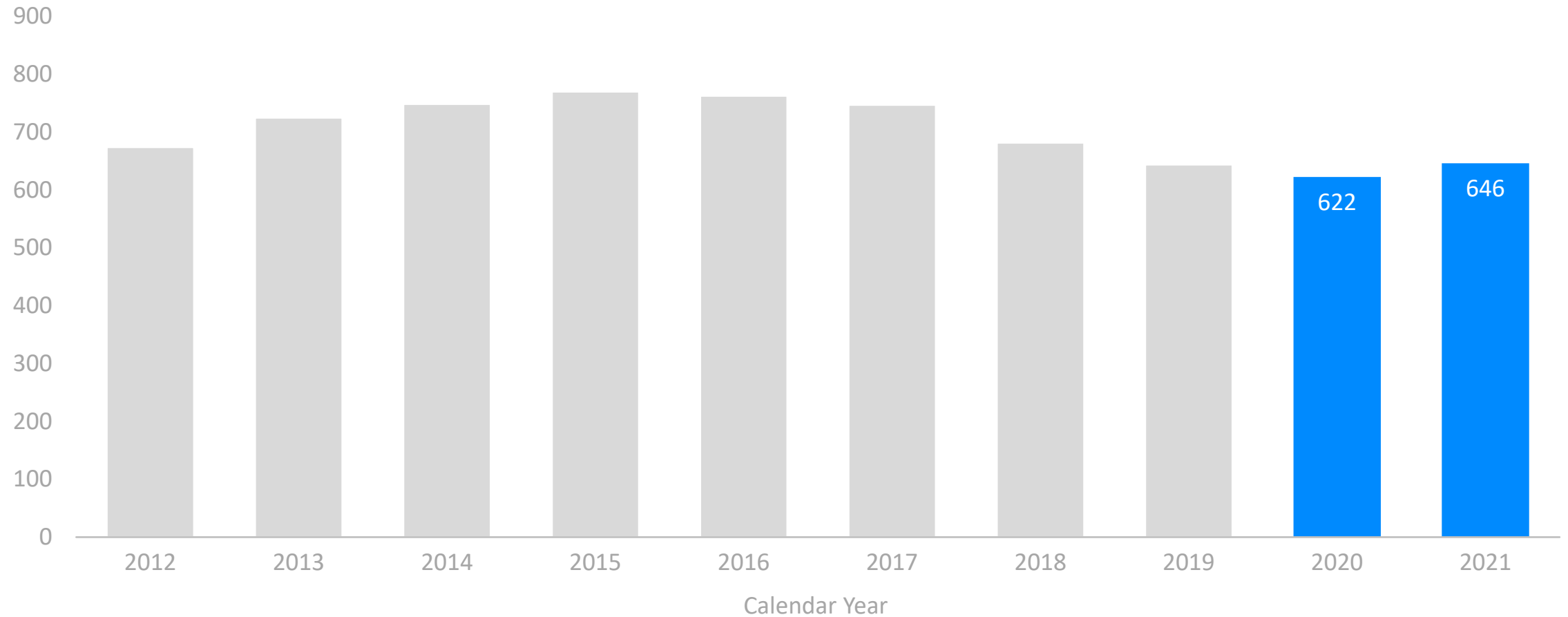


Iowa Workers Compensation System—An Overview

- Written premium volume increased in the most recent year
- Accident year combined ratios have been fairly stable over recent years
- Lost-time claim frequency increased in the latest policy year

Iowa Premium Volume

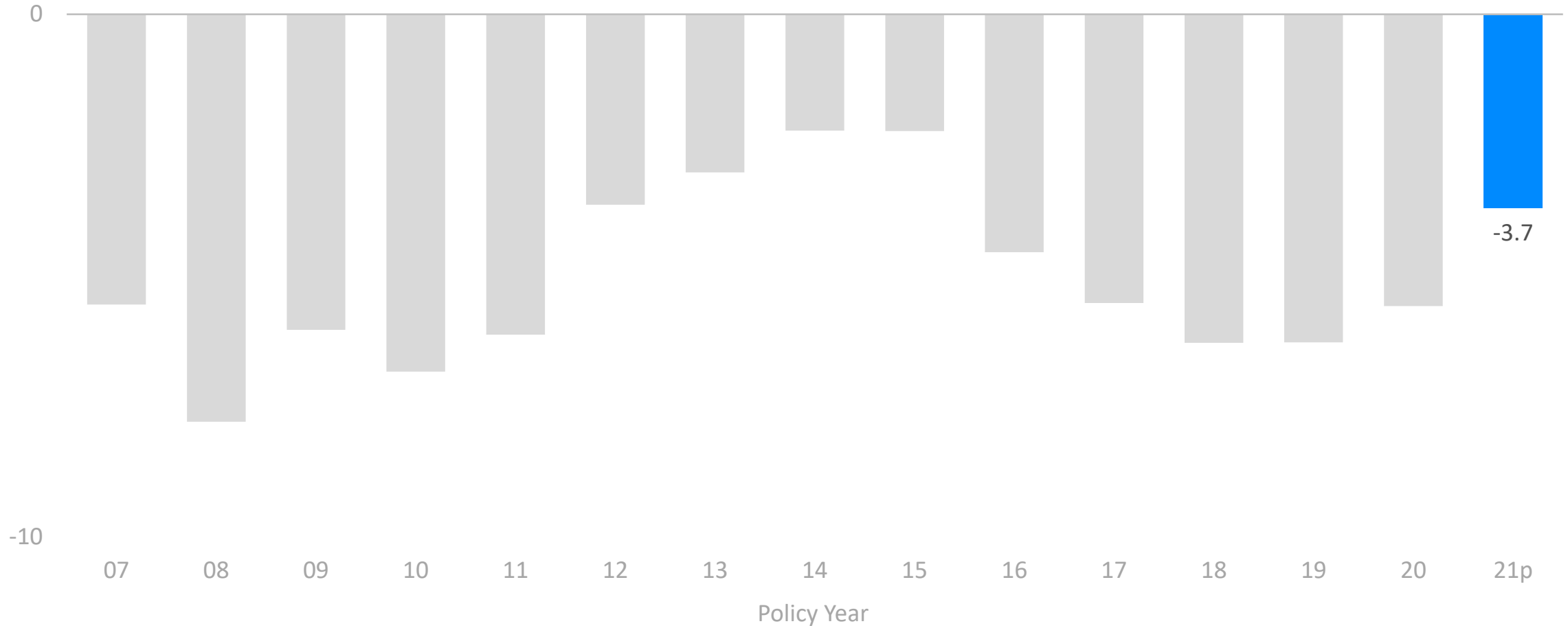
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

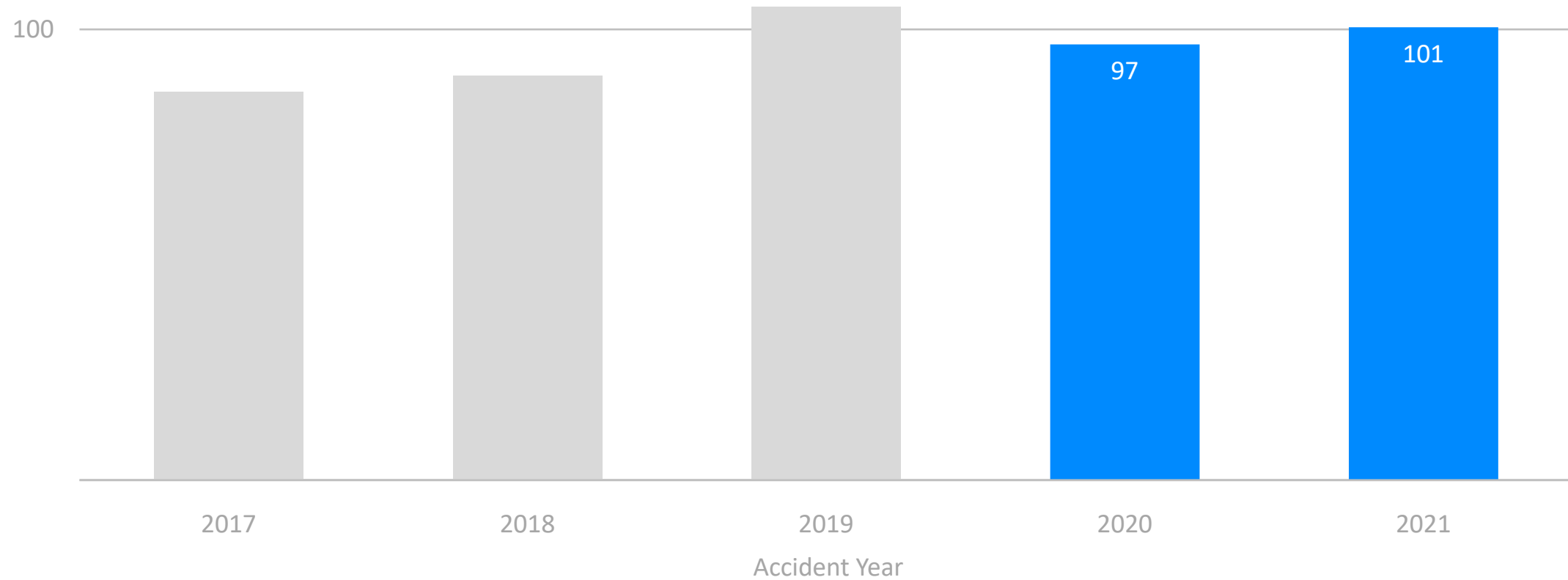


Impact of Discounting on Workers Compensation Premium in Iowa



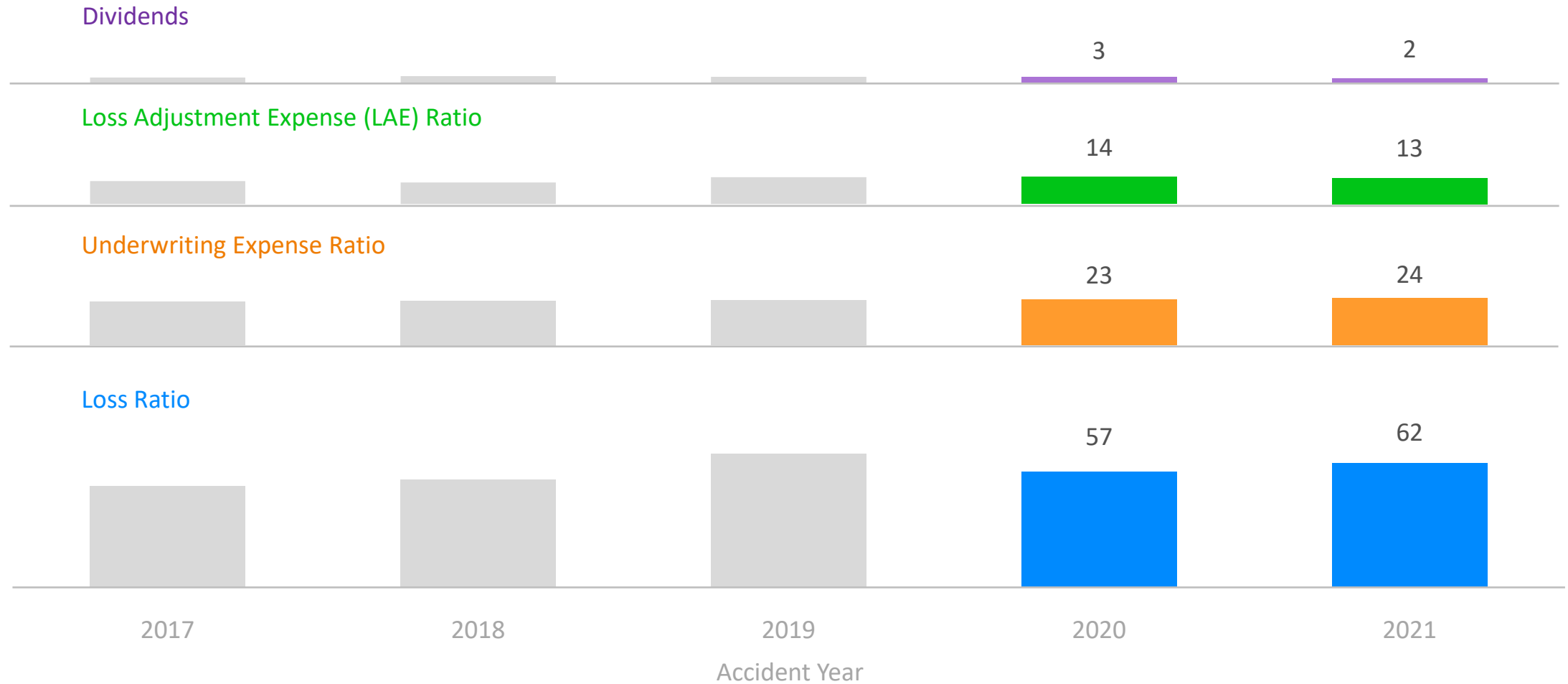
p Preliminary.
Based on data through 12/31/2021.

Iowa Combined Ratios



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

Iowa Combined Ratios by Component

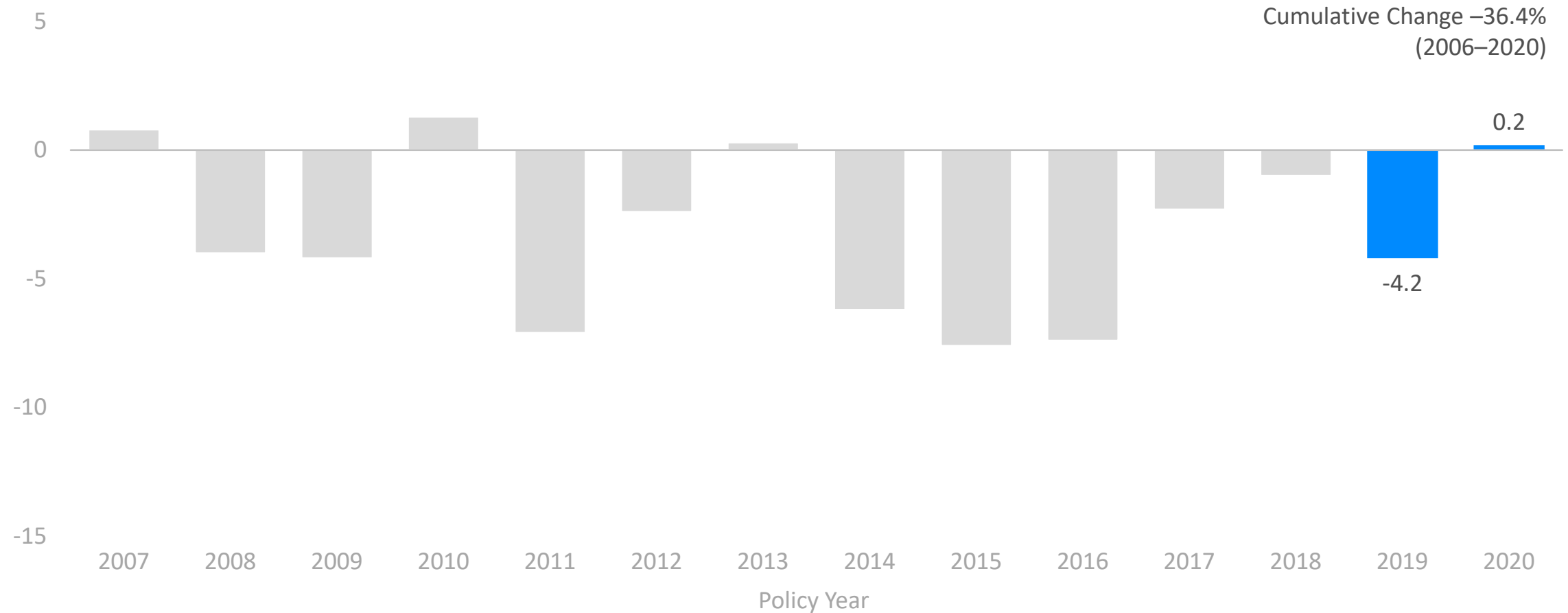


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Iowa Change in Claim Frequency

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

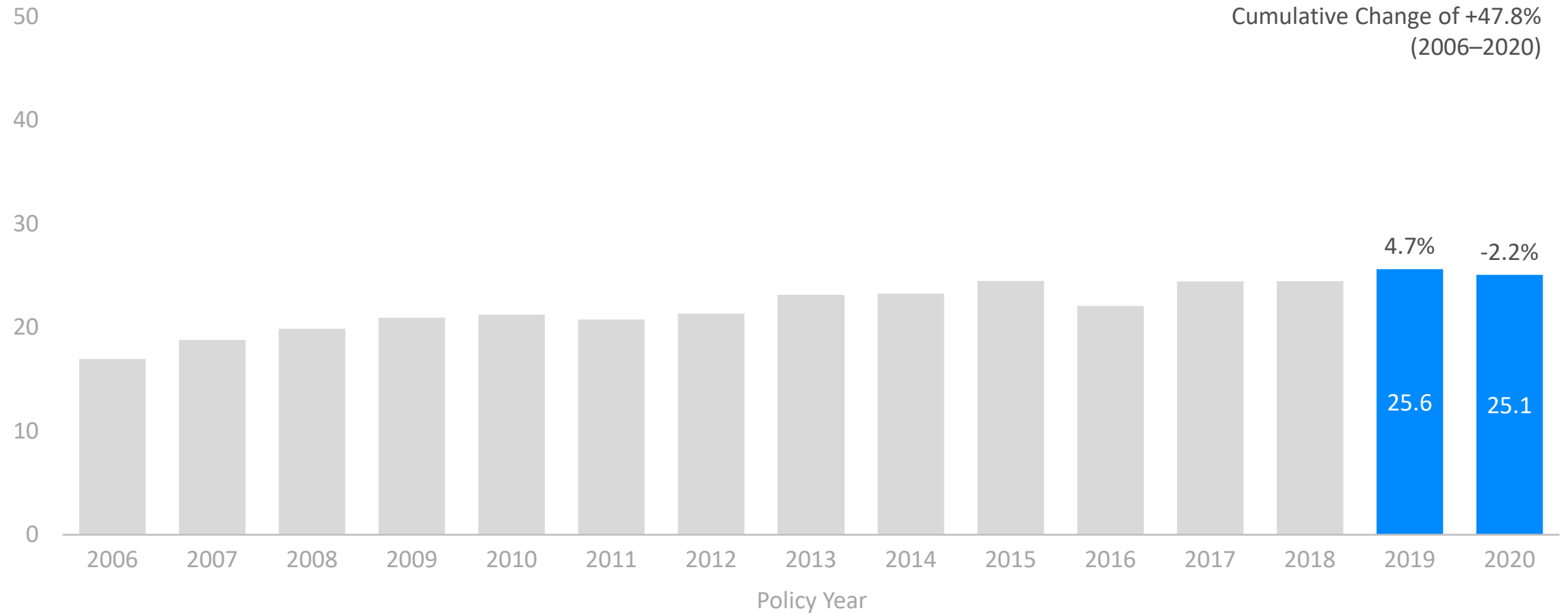


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Iowa Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

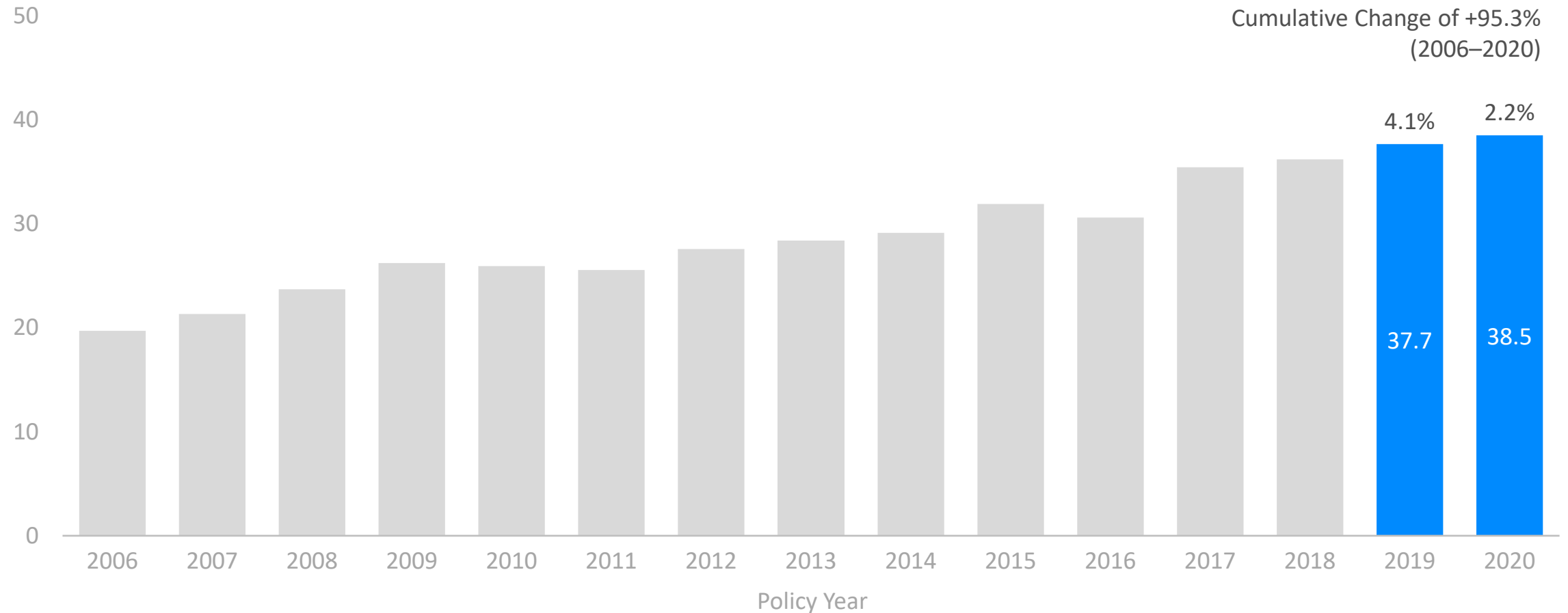


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Iowa Average Medical Claim Severity

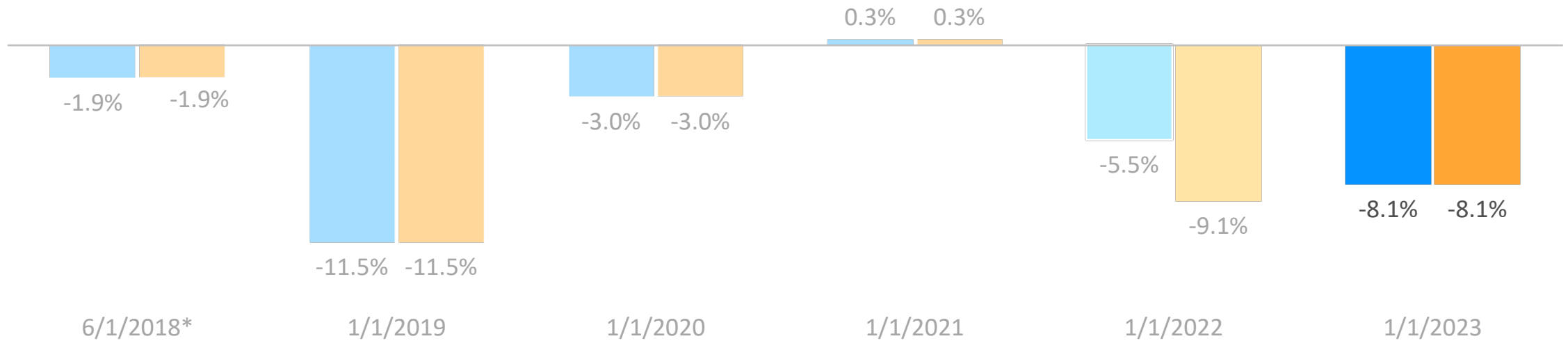
Lost-Time Claim Severity in \$ Thousands



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.

Iowa Filing Activity

Voluntary Rate and Assigned Risk Rate Changes



*Law-only Filing.

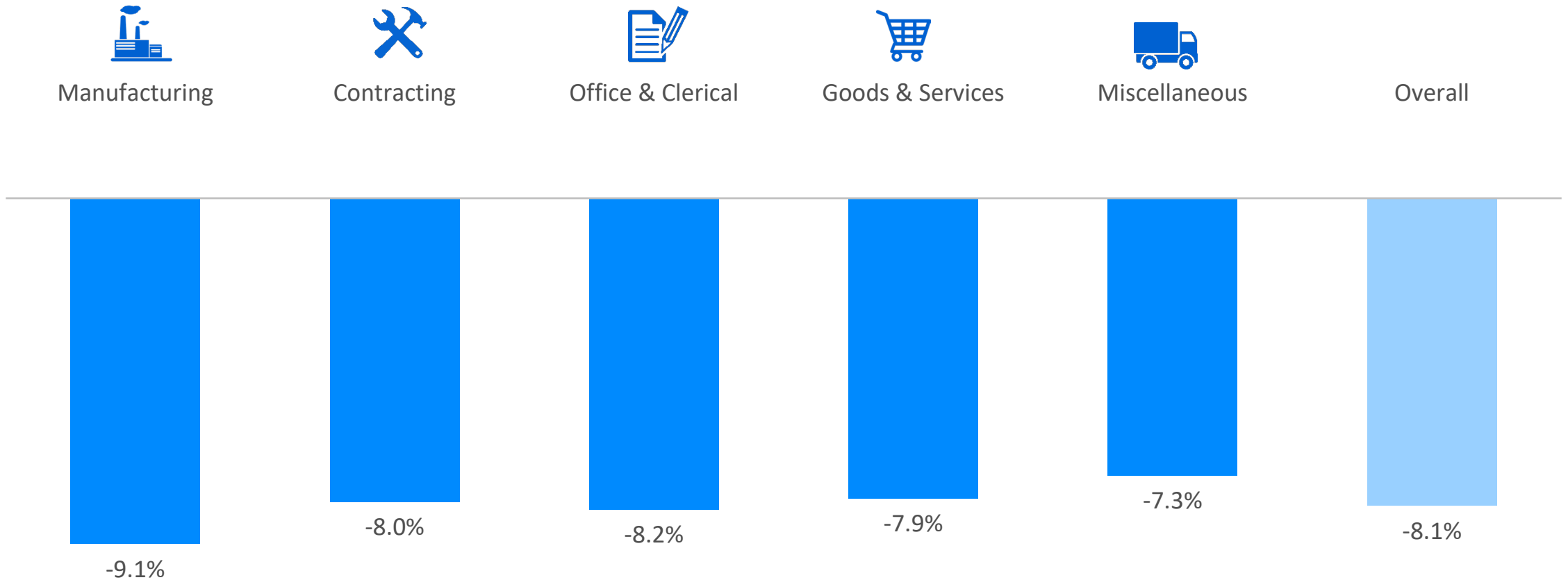


Iowa January 1, 2023 Rate Filing

Change in Experience, Trend, and Benefits:	-8.2%
Change in Production and General Expenses:	+0.1%
Change in Taxes and Fees:	+0.1%
Change in Profit and Contingency Provision:	0.0%
Change in Loss-Based Expenses:	-0.1%
<hr/>	
Overall Rate Level Change:	-8.1%

Iowa January 1, 2023 Rate Filing

Average Changes by Industry Group



Iowa Economic Drivers



Agriculture



Manufacturing



Finance

Source: Moody's Analytics.

Iowa Economic Assets and Challenges

■ Assets

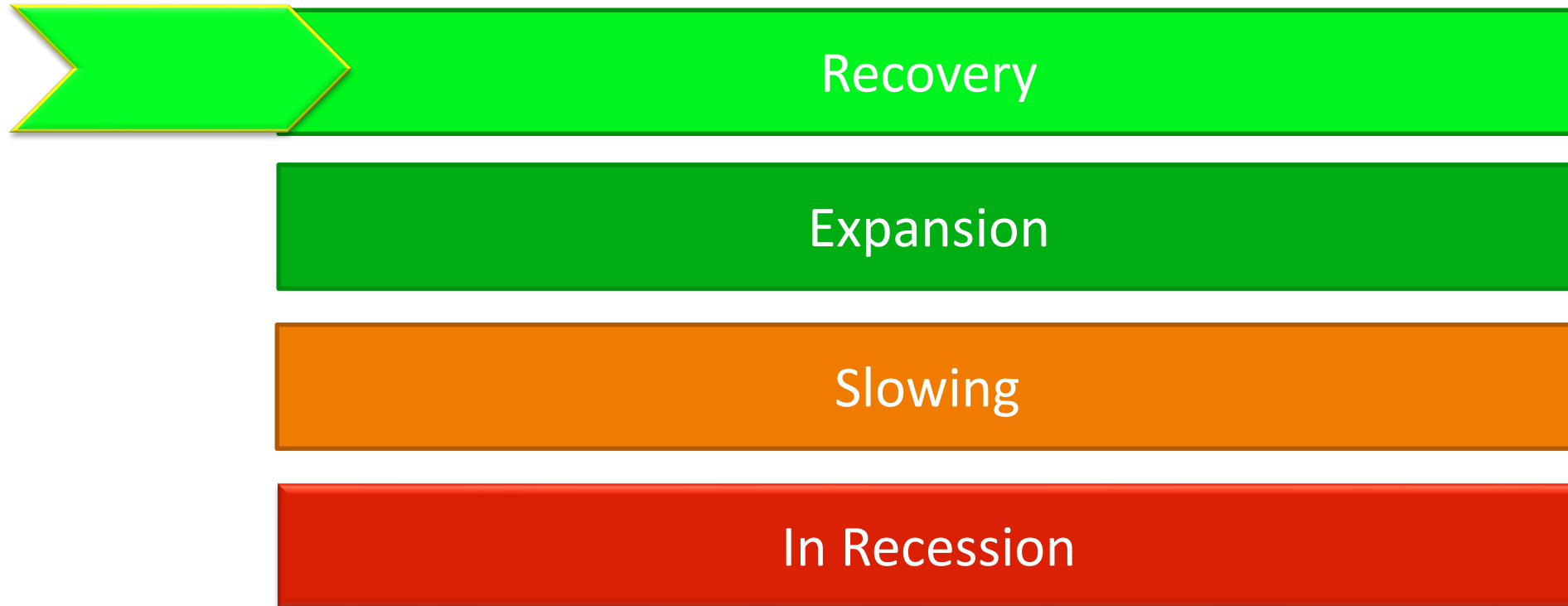
- Capitol attracts younger, highly skilled workers
- Financial services sector is a major employer
- Strong middle class and low poverty rate

■ Challenges

- Exposure to unpredictable agriculture and manufacturing industry
- Lagging rate of new-business formation
- Low population growth

Source: Moody's Analytics.

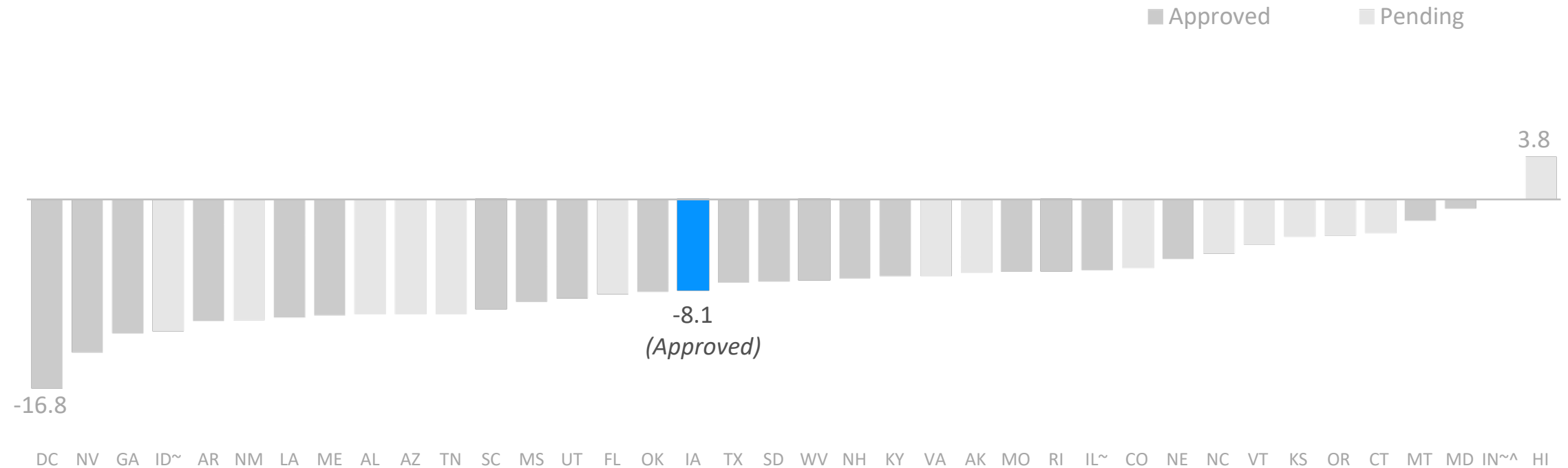
Iowa Business Cycle Status



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 ID, IL and IN loss cost level changes are -11.5%, -6.2% and -2.7%, respectively.

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

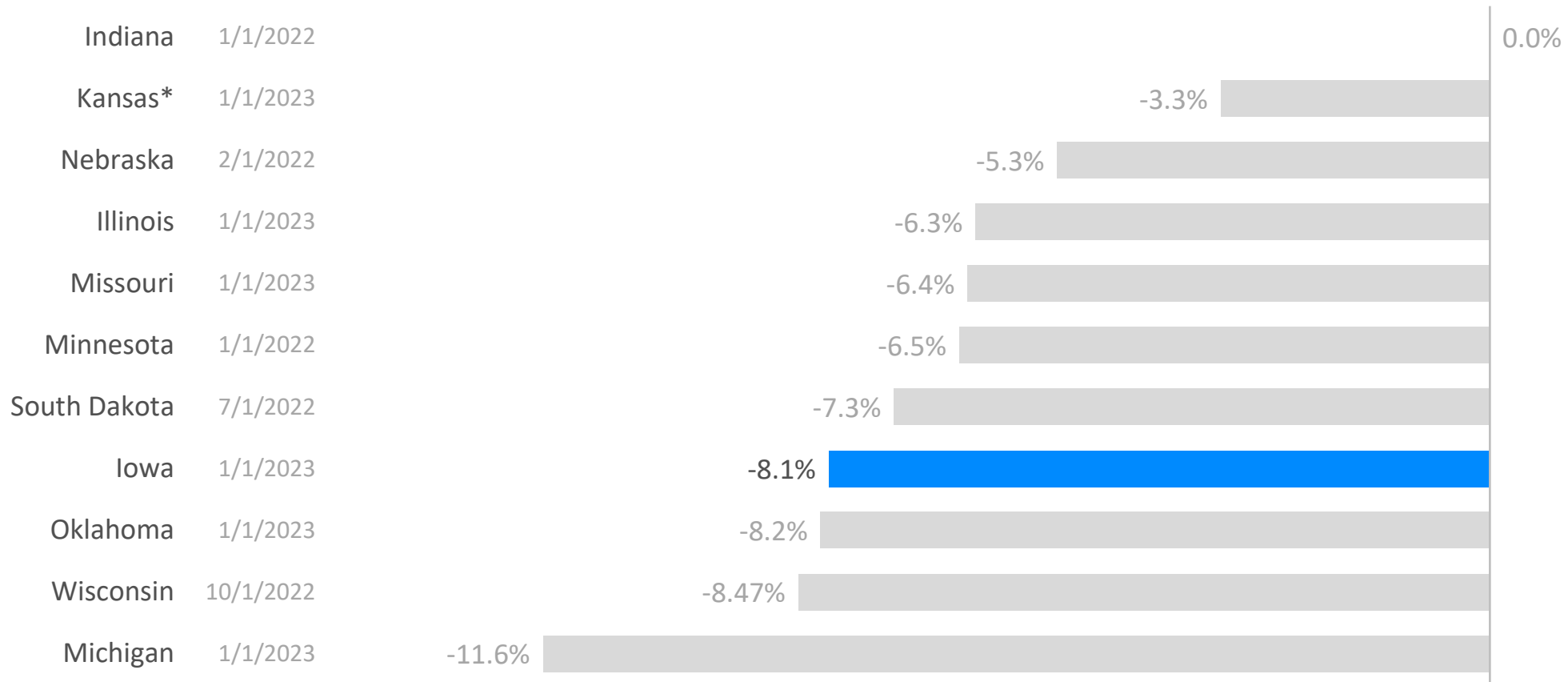
Reflects the most recent experience filing in each jurisdiction as of 9/30/2022.

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

Midwestern States



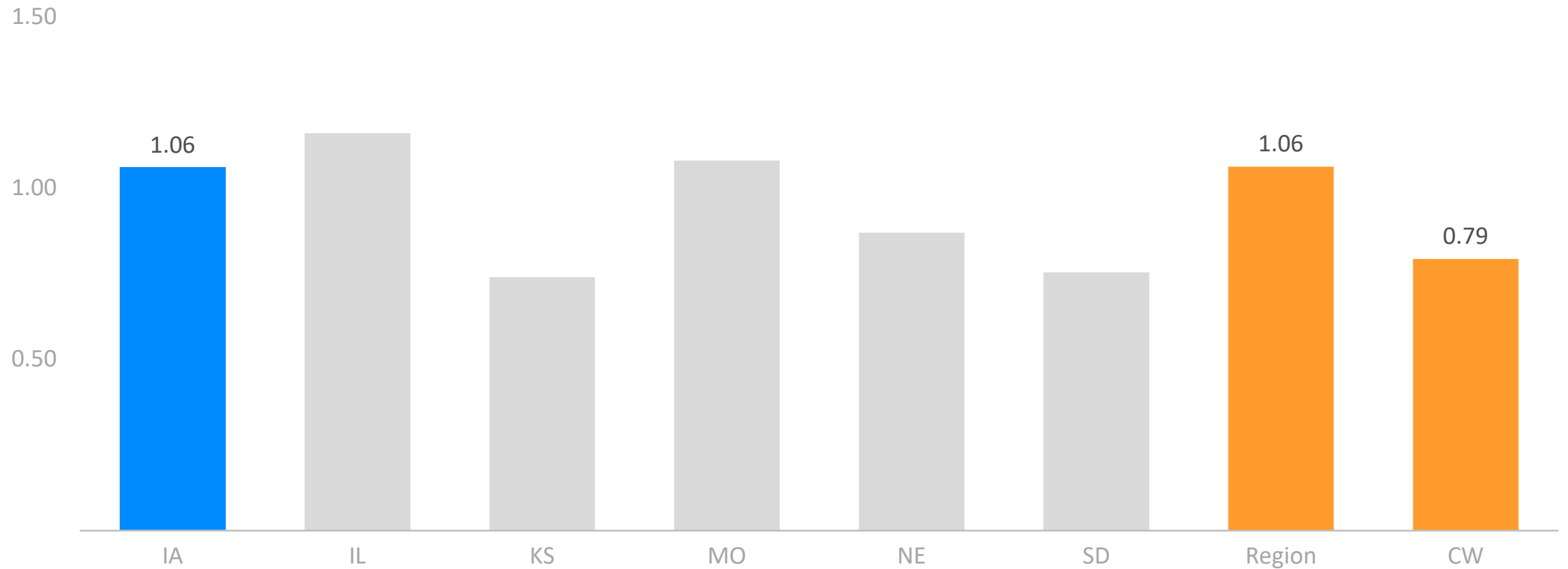
*Pending.

Reflects the most recent experience filing in each jurisdiction as of 9/30/2022.

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 Iowa 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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