

STATE ADVISORY RESOURCES

Illinois Workers Compensation System
September 2022

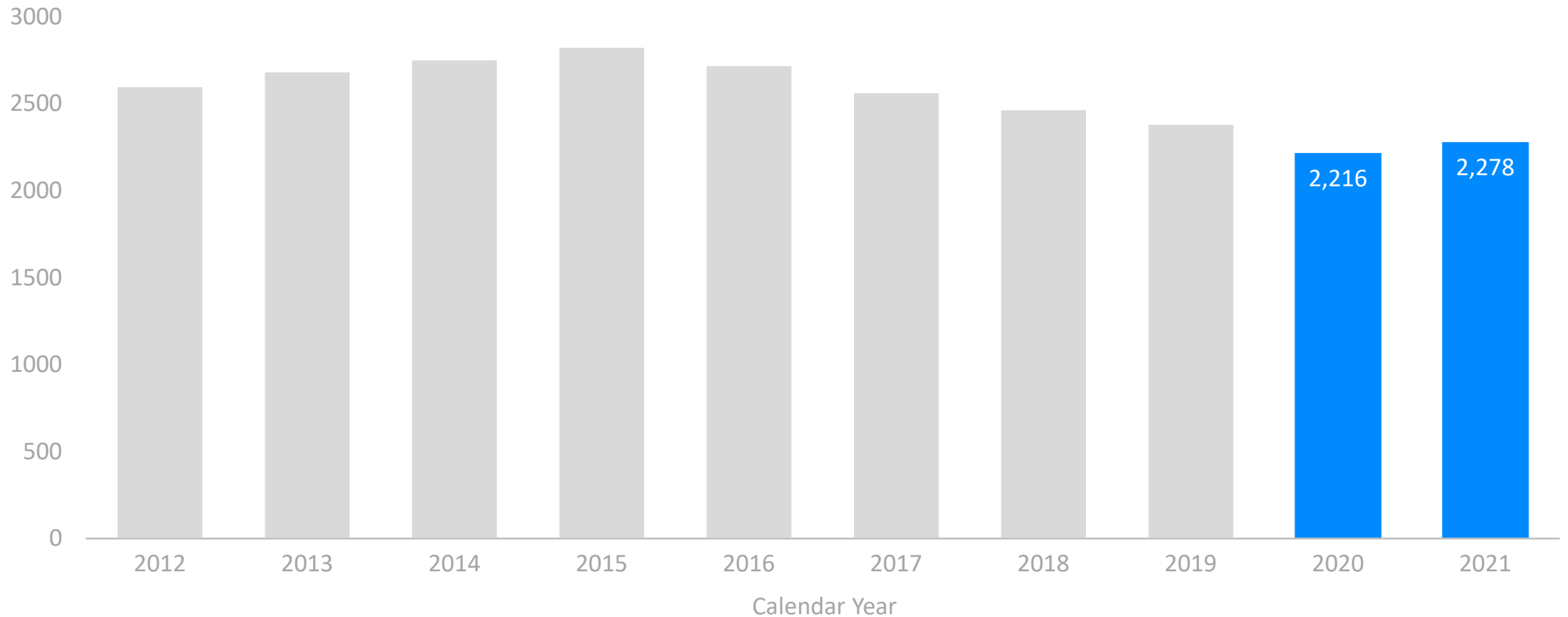


Illinois Workers Compensation System—An Overview

- Written premium volume increased in 2021
- Accident year combined ratios continue to show underwriting gains
- Lost-time claim frequency increased after a substantial decline in Policy Year 2019
- Lost-time claim severity for both indemnity and medical decreased in Policy Year 2020

Illinois Premium Volume

Direct Written Premium in \$ Millions

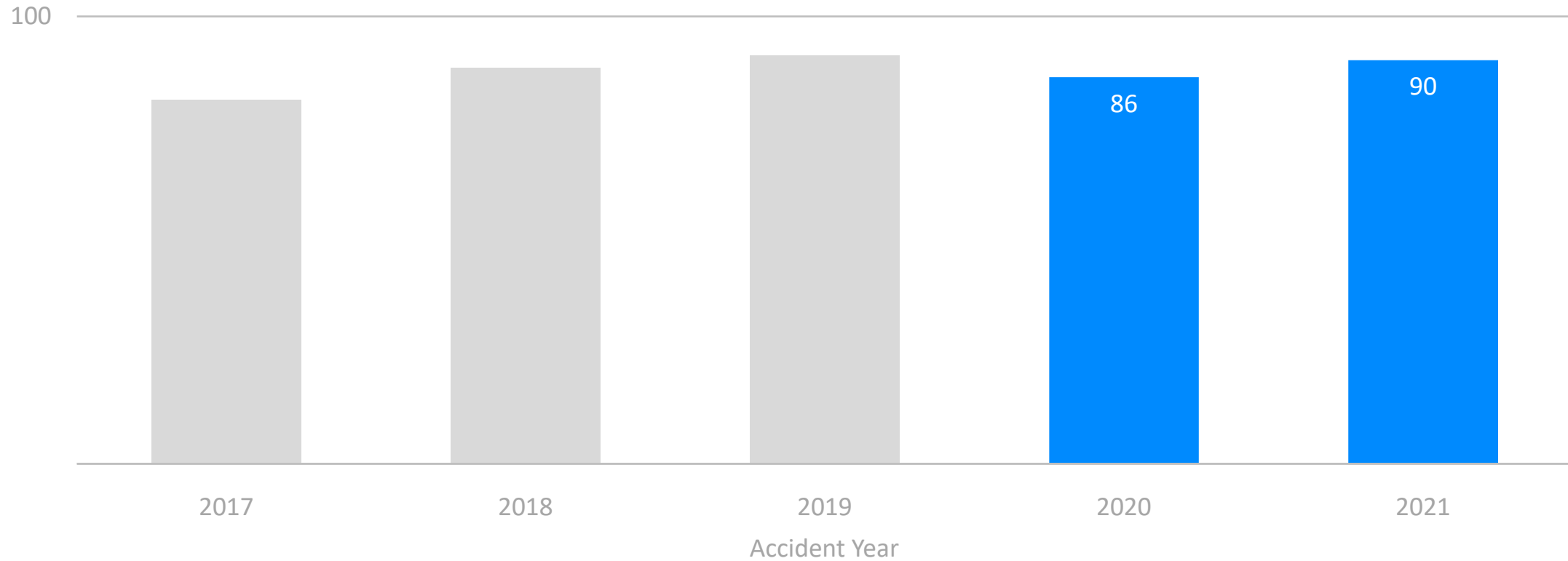


Source: NAIC's Annual Statement data.



Illinois Combined Ratios

Percent



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



Illinois Combined Ratios by Component

Percent

Dividends

0

0

Loss Adjustment Expense (LAE) Ratio

14

11

Underwriting Expense Ratio

23

24

Loss Ratio

49

55

2017

2018

2019

2020

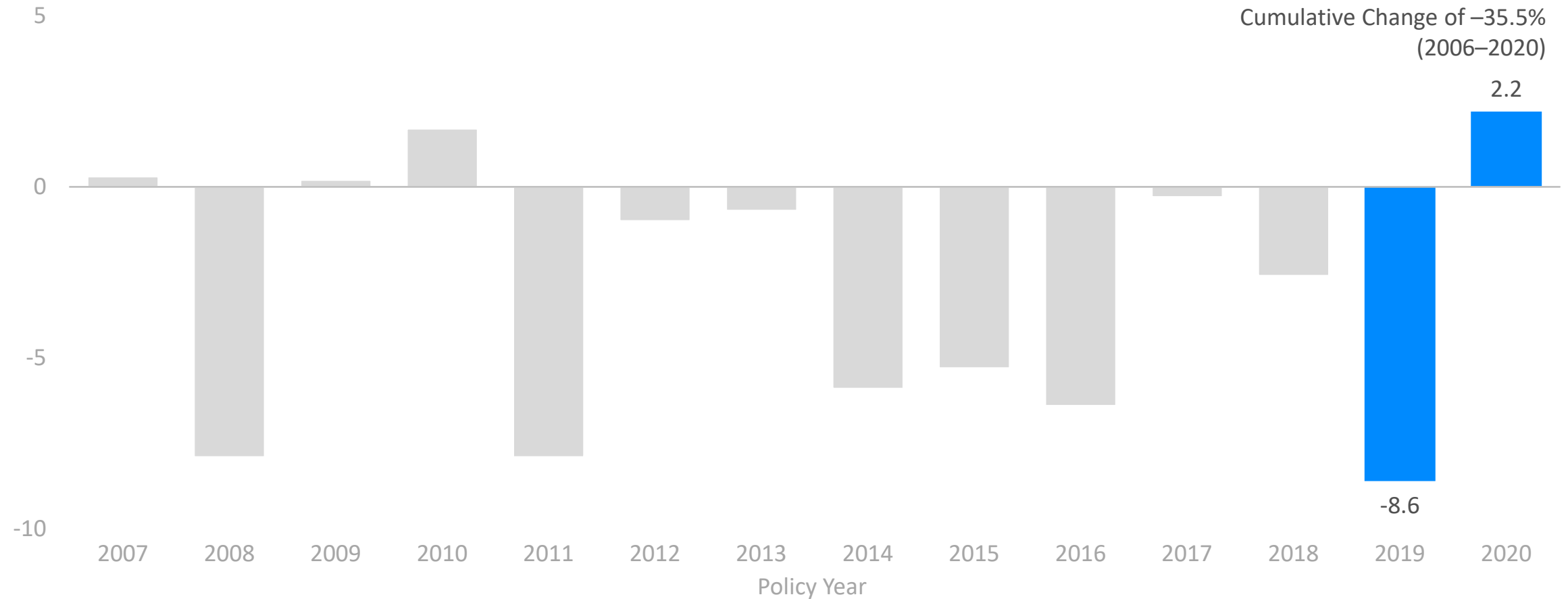
2021

Accident Year

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

Illinois Change in Claim Frequency

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

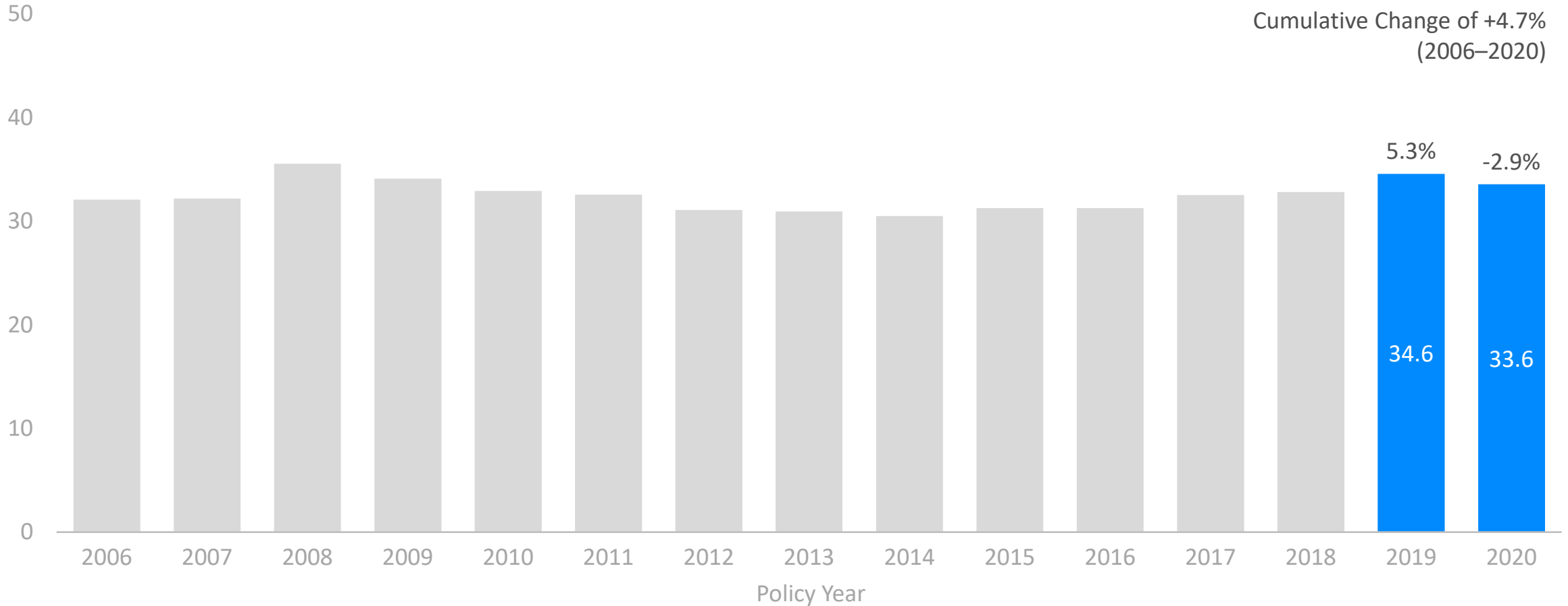


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Illinois Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

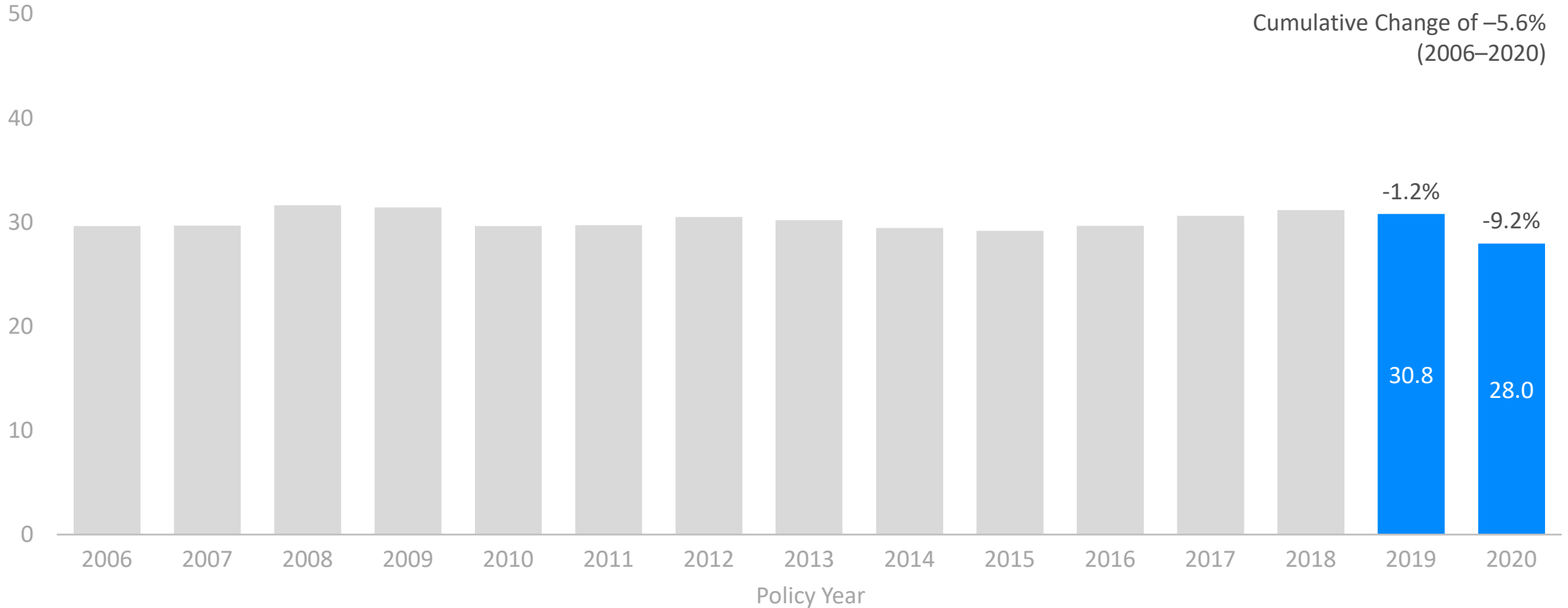


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Illinois Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

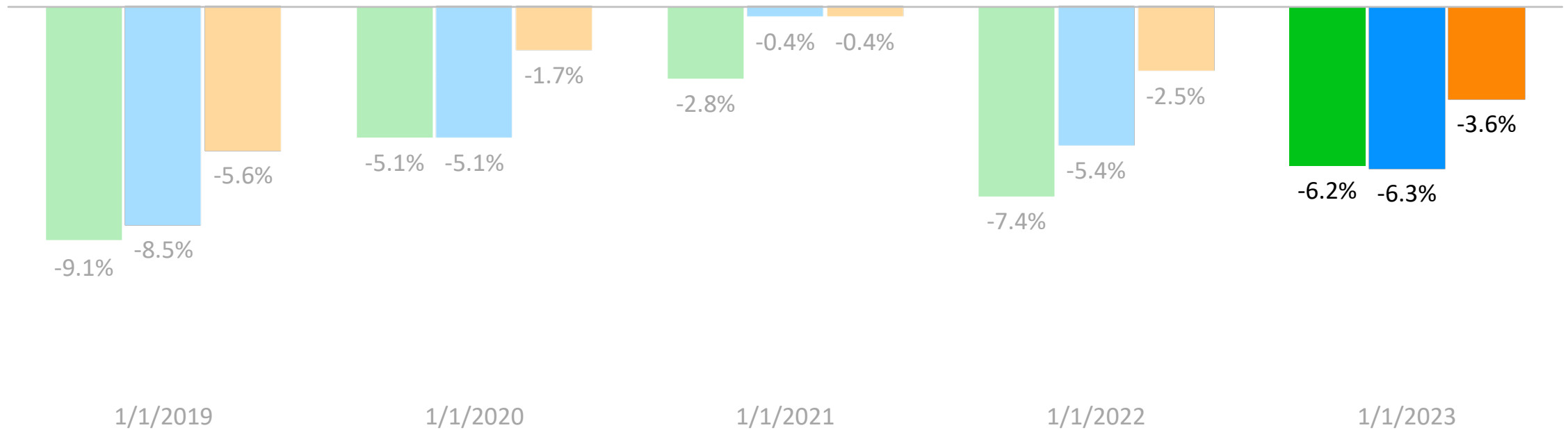


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Illinois Filing Activity

Advisory Loss Cost, Advisory Rate, and Assigned Risk Rate Changes

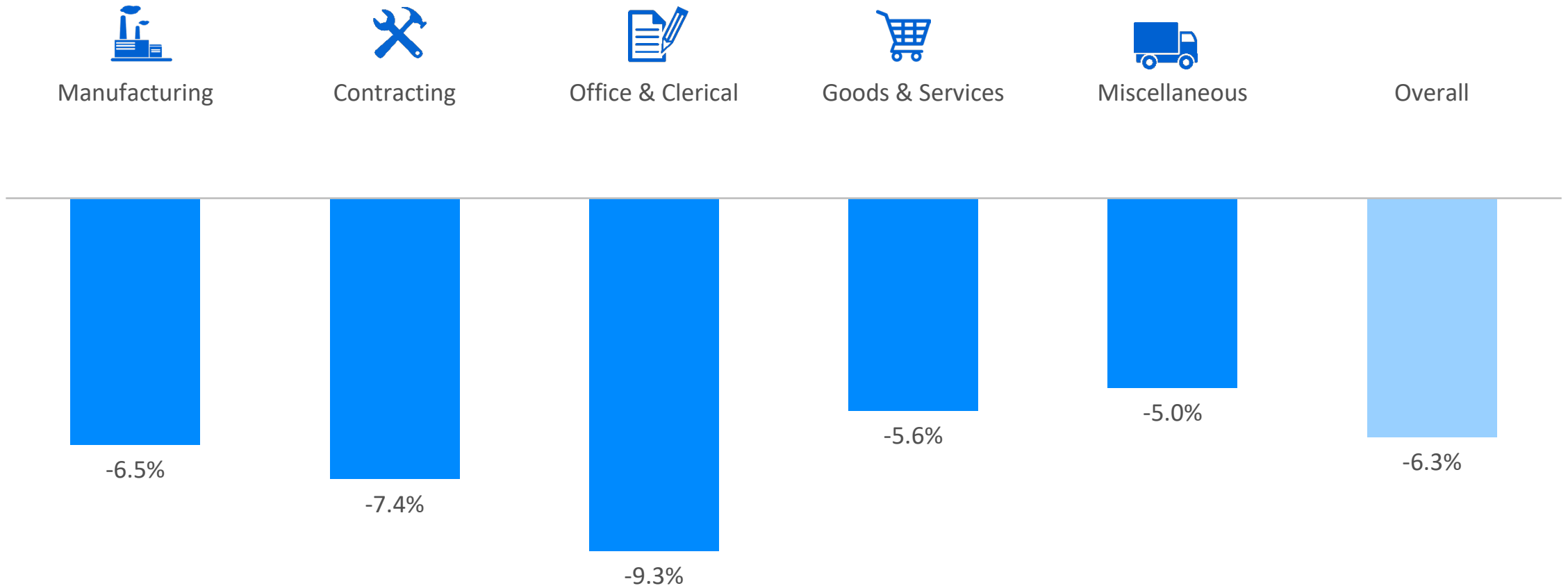


Illinois January 1, 2023 Advisory Rate Filing

| | |
|-------------------------------|-------|
| Change in Experience & Trend: | -7.3% |
| Change in Benefits: | +1.3% |
| Change in All Other: | -0.2% |
| <hr/> | |
| Overall Rate Level Change: | -6.3% |

Illinois January 1, 2023 Advisory Rate Filing

Average Changes by Industry Group



Illinois Economic Drivers



Logistics



Manufacturing



Financial Services

Source: Moody's Analytics.

Illinois Economic Assets and Challenges

■ Assets

- Major business, financial, distribution, and transportation hub
- A service economy supported by a high per capita income

■ Challenges

- State and local budget pressures
- Out-migration trends
- Globally oriented supply chain

Source: Moody's Analytics.

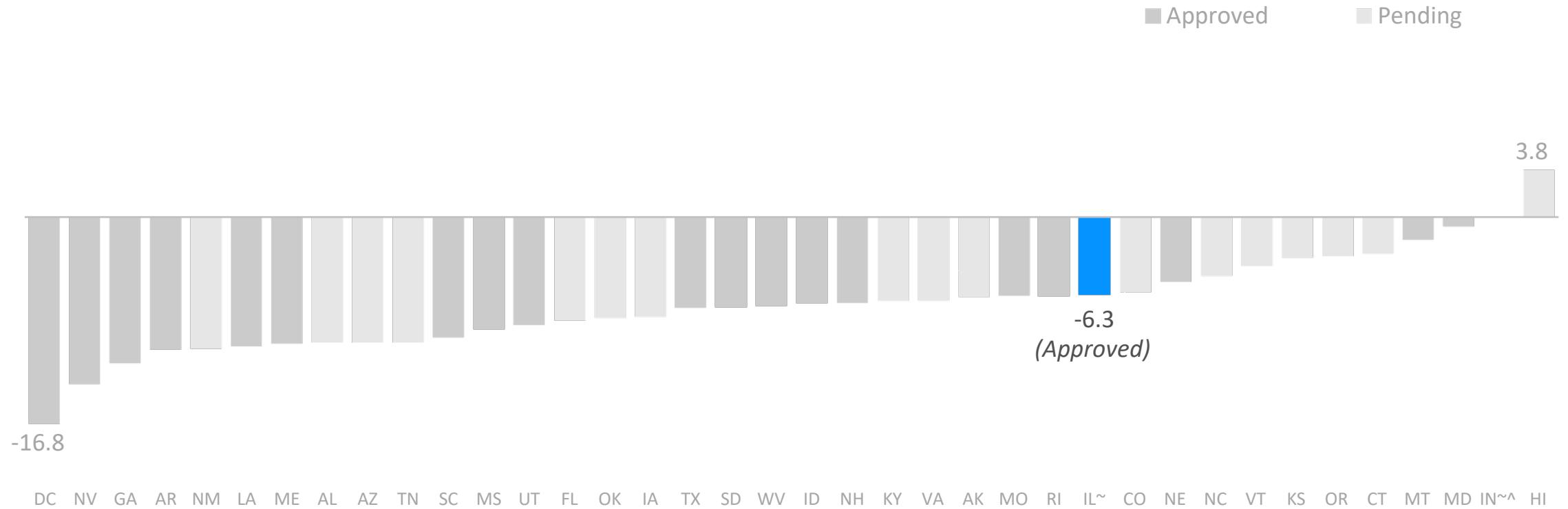
Illinois Business Cycle Status



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.

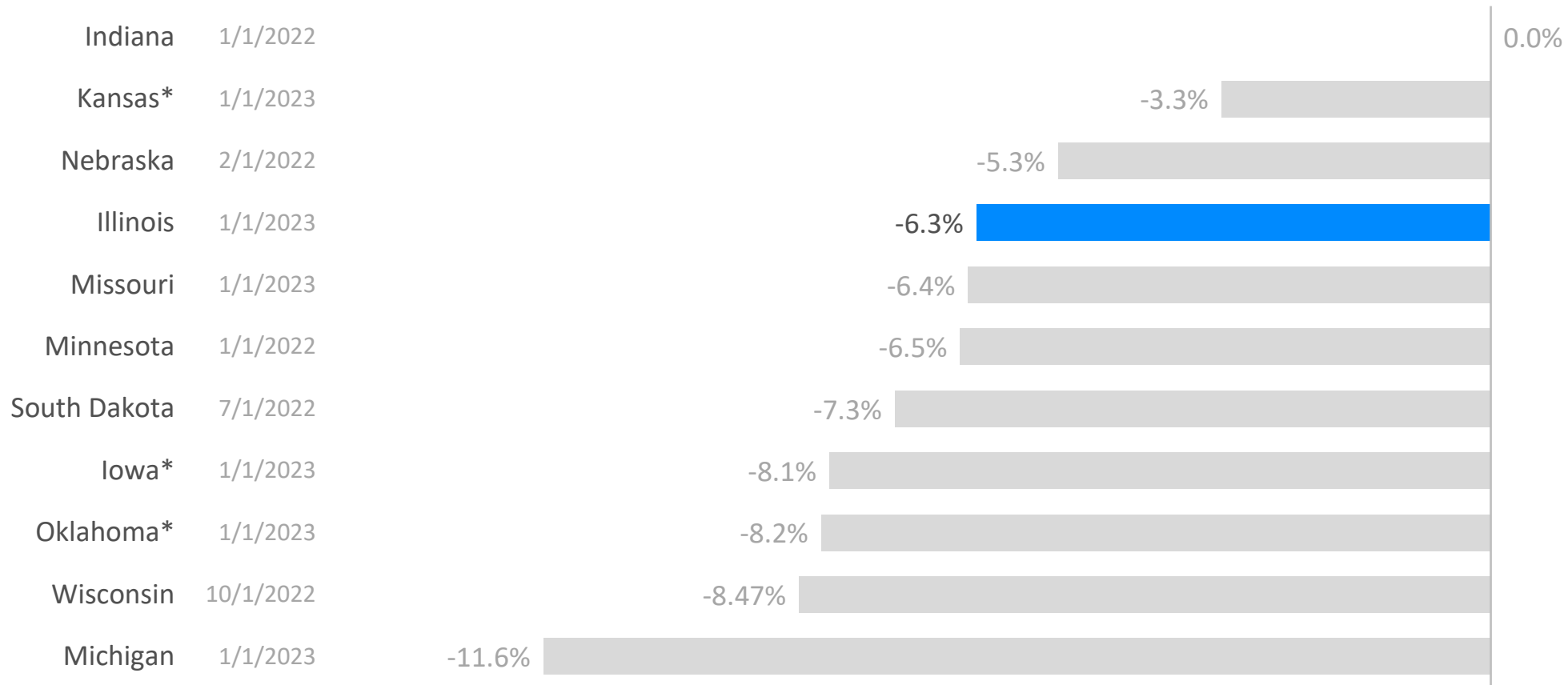
Reflects the most recent experience filing in each jurisdiction as of 9/23/2022.

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 9/23/2022.

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

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