

STATE ADVISORY RESOURCES

Kansas Workers Compensation System
October 2022

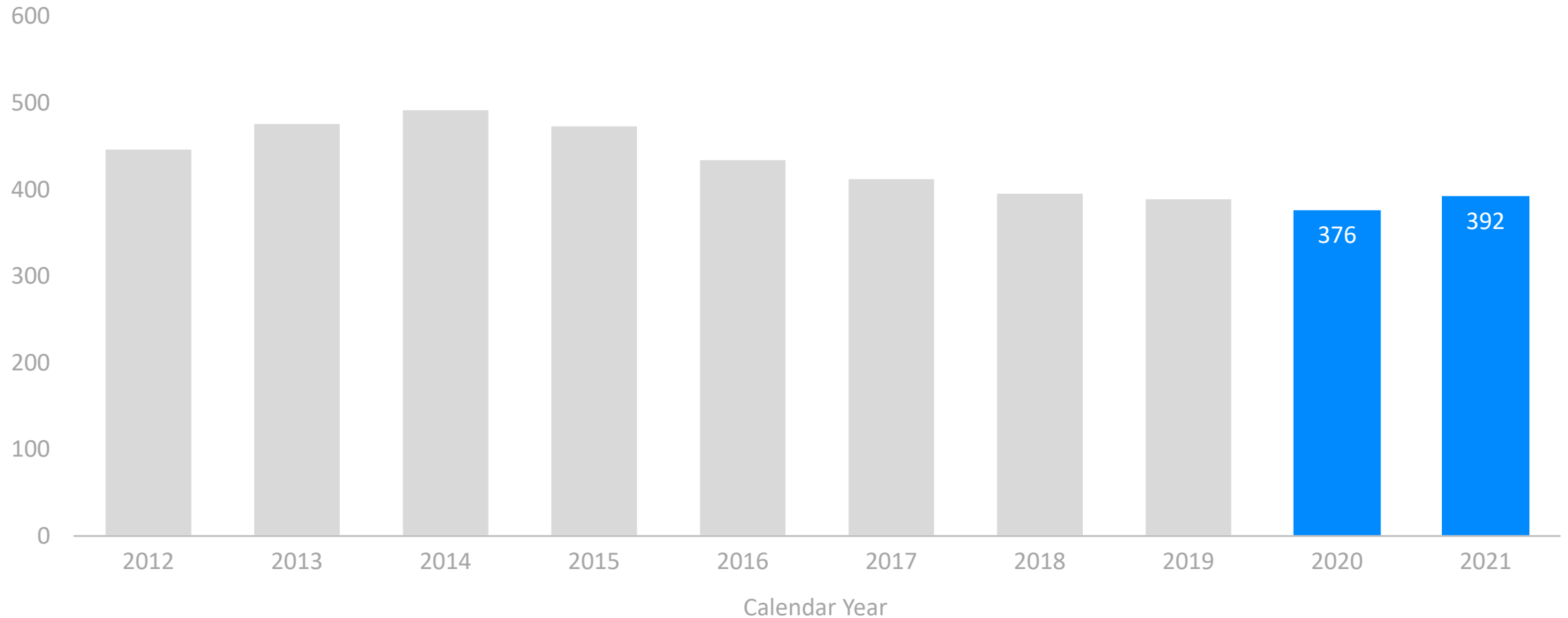


Kansas Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency increased in the latest year
- Indemnity severity has been relatively stable in recent years, while medical severity decreased in the latest year

Kansas Premium Volume

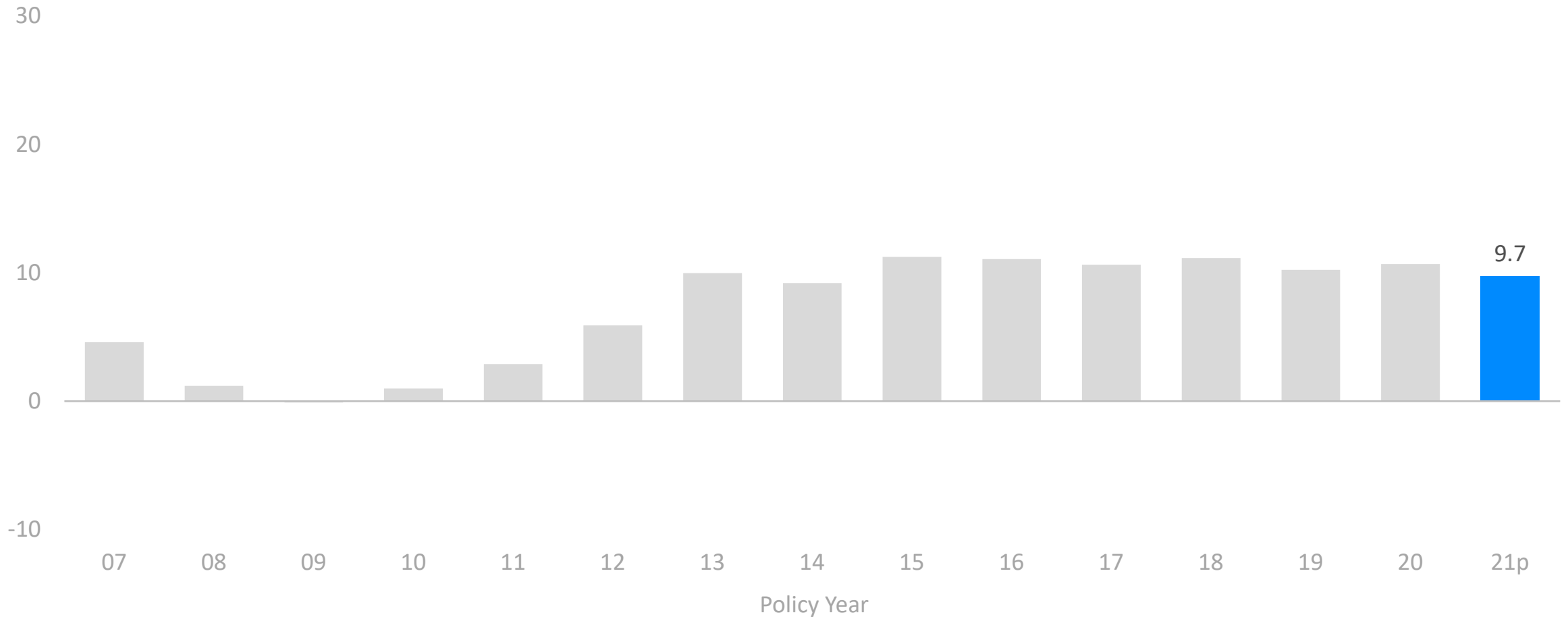
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



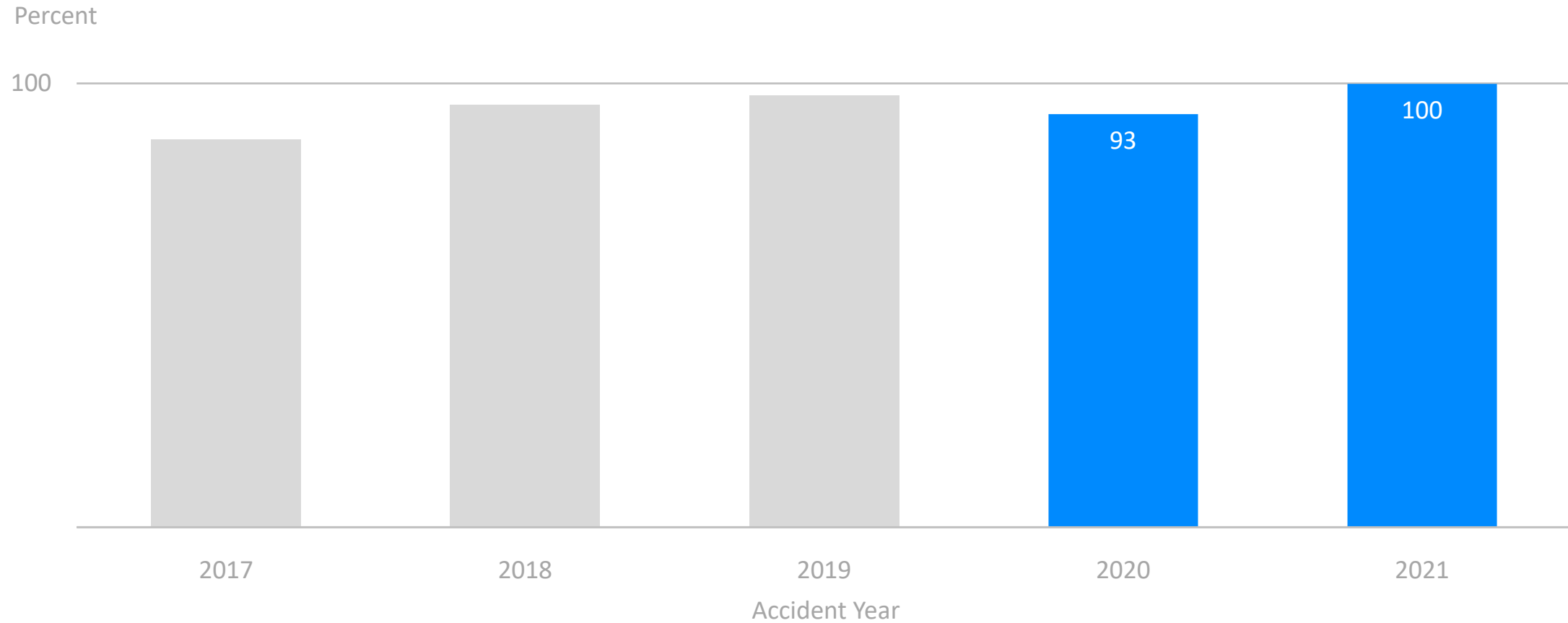
Impact of Discounting on Workers Compensation Premium in Kansas



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



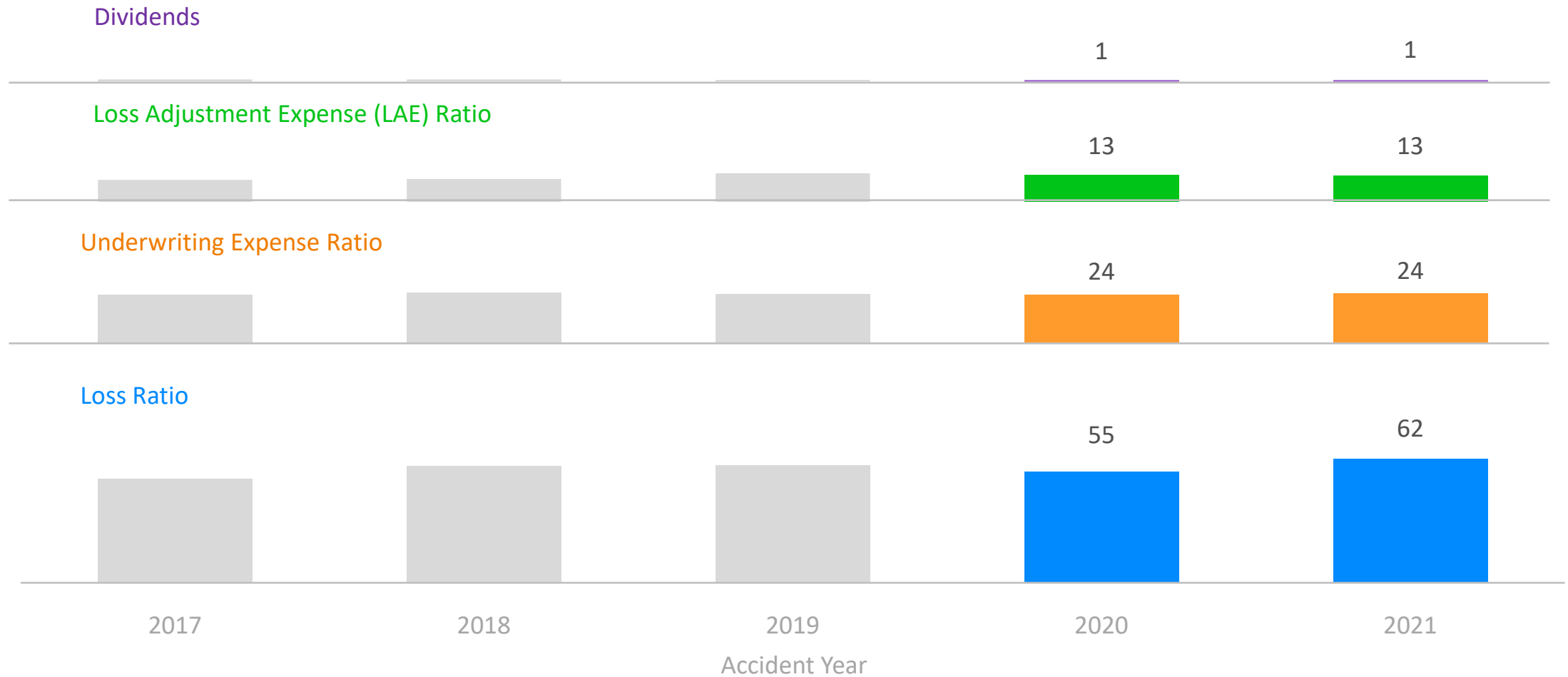
Kansas Combined Ratios



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

Kansas Combined Ratios by Component

Percent

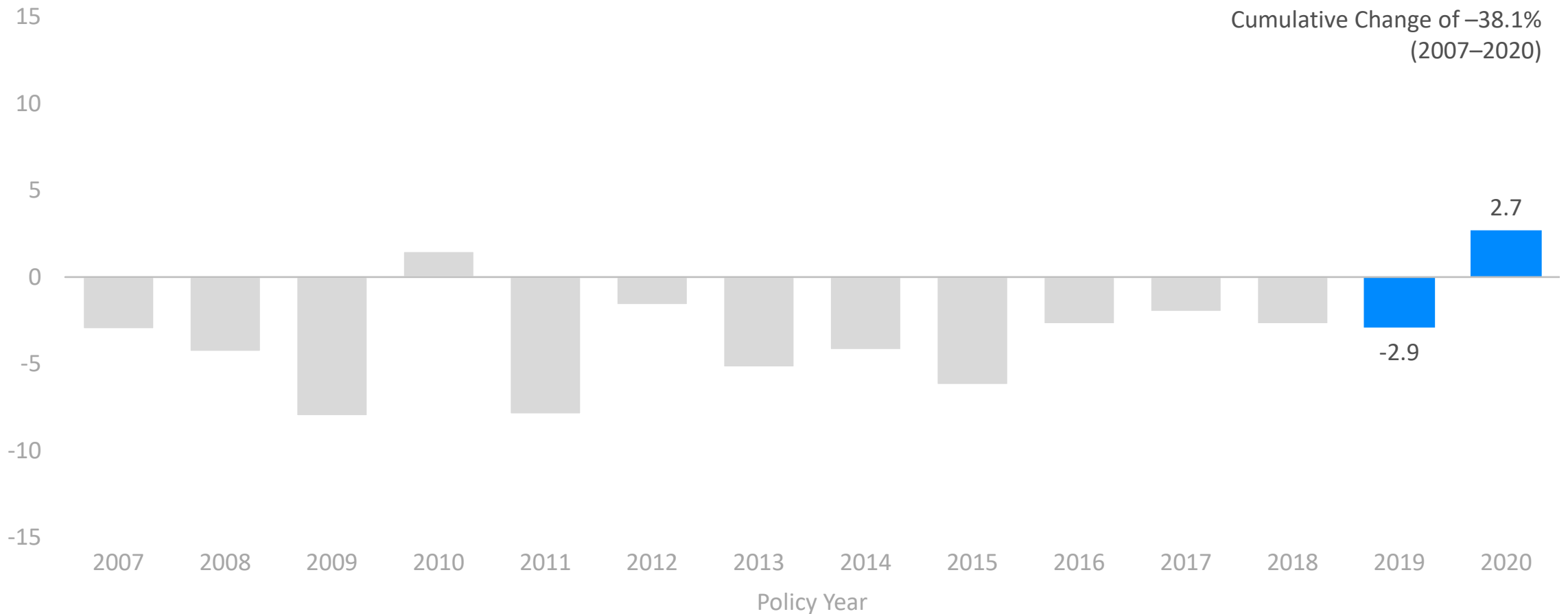


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Kansas Change in Claim Frequency

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

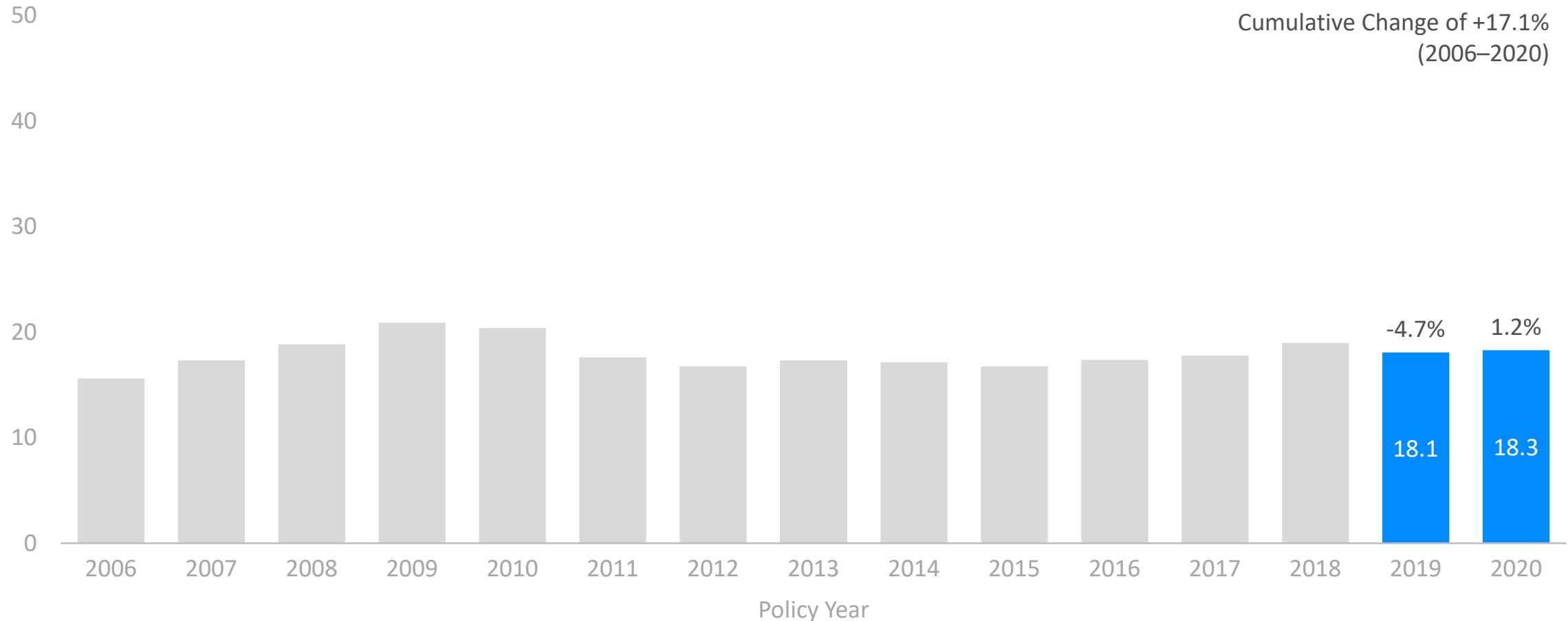


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Kansas Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

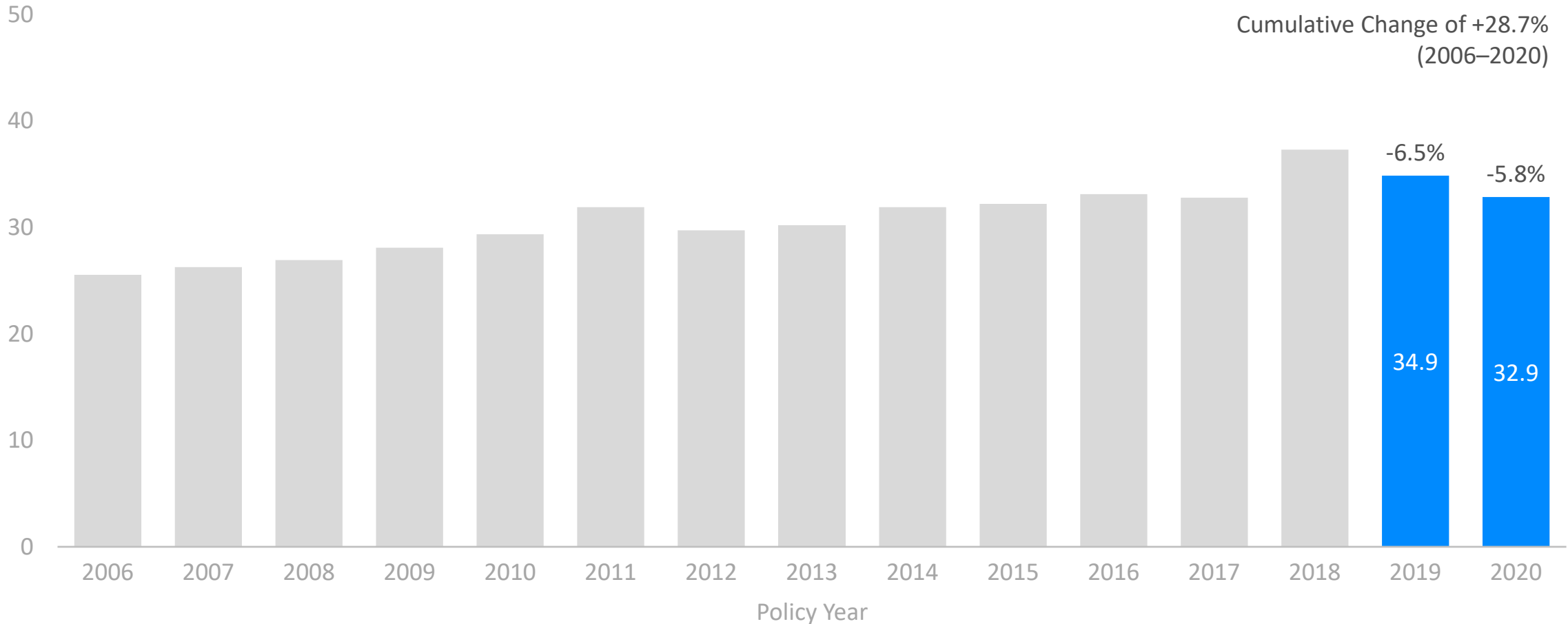


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Kansas Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

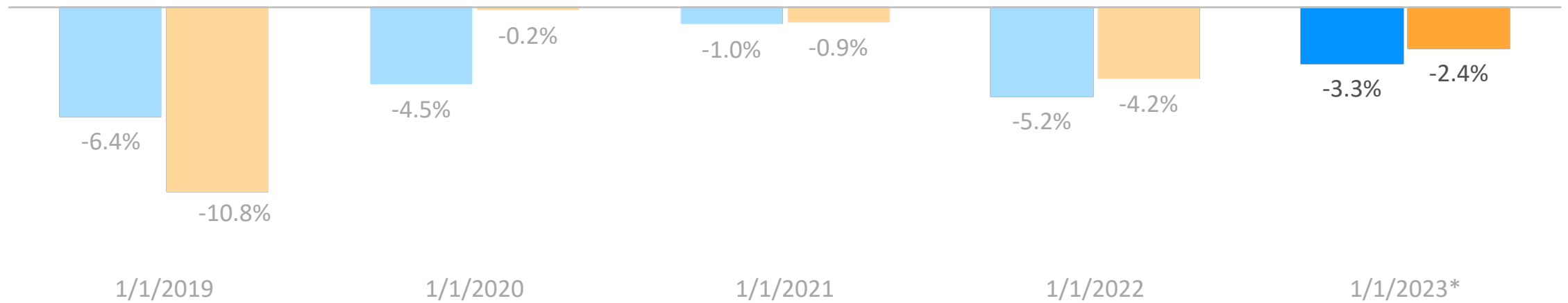


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Kansas Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



*Pending.

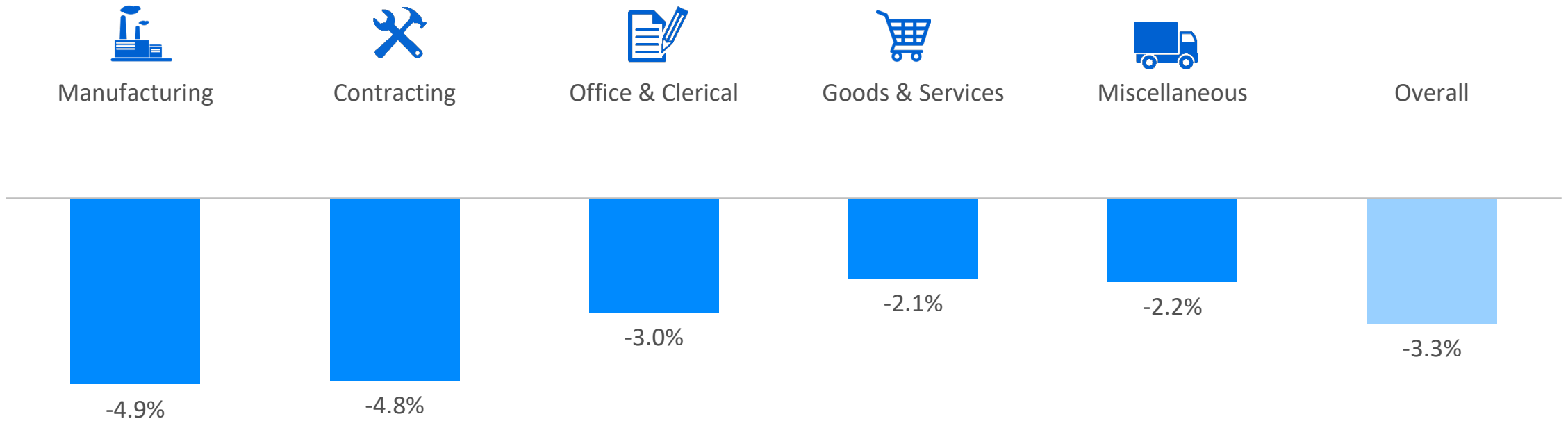


Kansas January 1, 2023 Loss Cost Filing

Change in Experience:	-4.5%
Change in Trend:	+1.4%
Change in Benefits:	+0.0%
Change in All Other:	-0.1%
<hr/>	
Overall Loss Cost Level Change:	-3.3%

Kansas January 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Kansas Economic Drivers



Manufacturing



Defense



Agriculture

Source: Moody's Analytics.

Kansas Economic Assets and Challenges

■ Assets

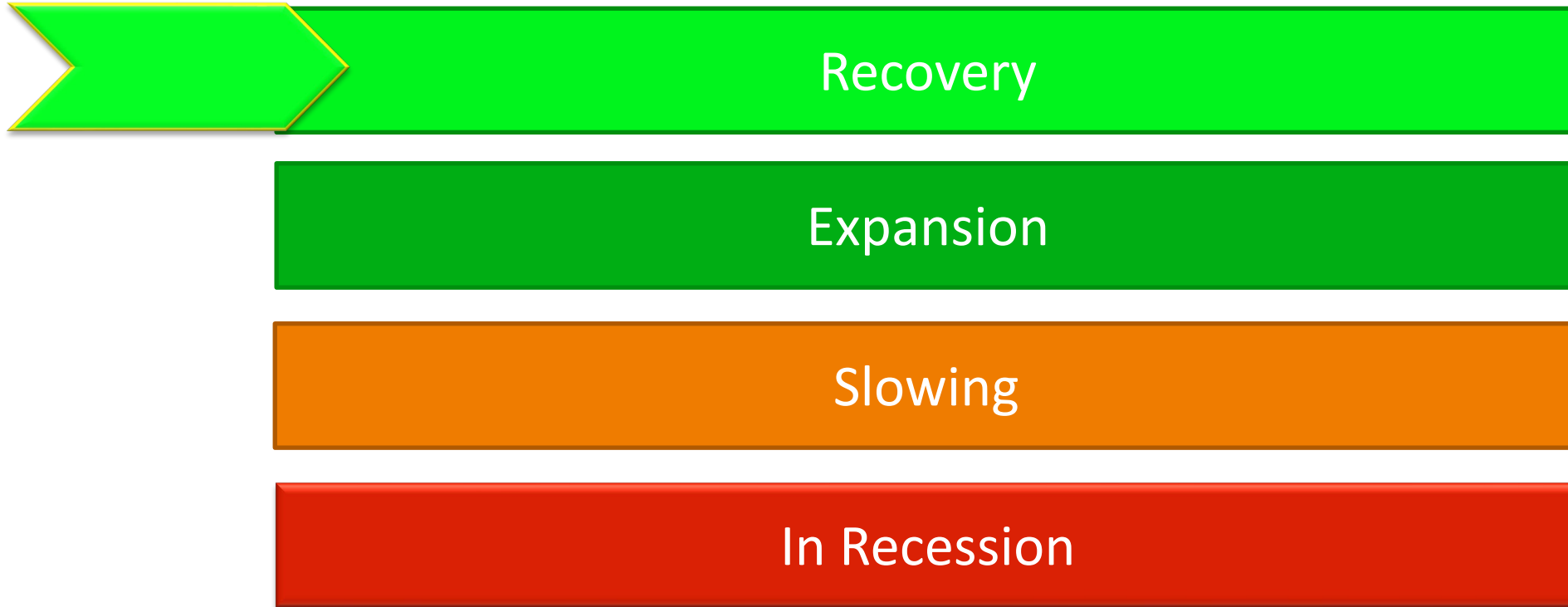
- Significant aerospace industry
- Favorable business conditions
- Developing domestic and international logistics center

■ Challenges

- Migration outflows and low population growth
- Susceptible to unpredictable farming industry
- Lagging productivity and incomes

Source: Moody's Analytics.

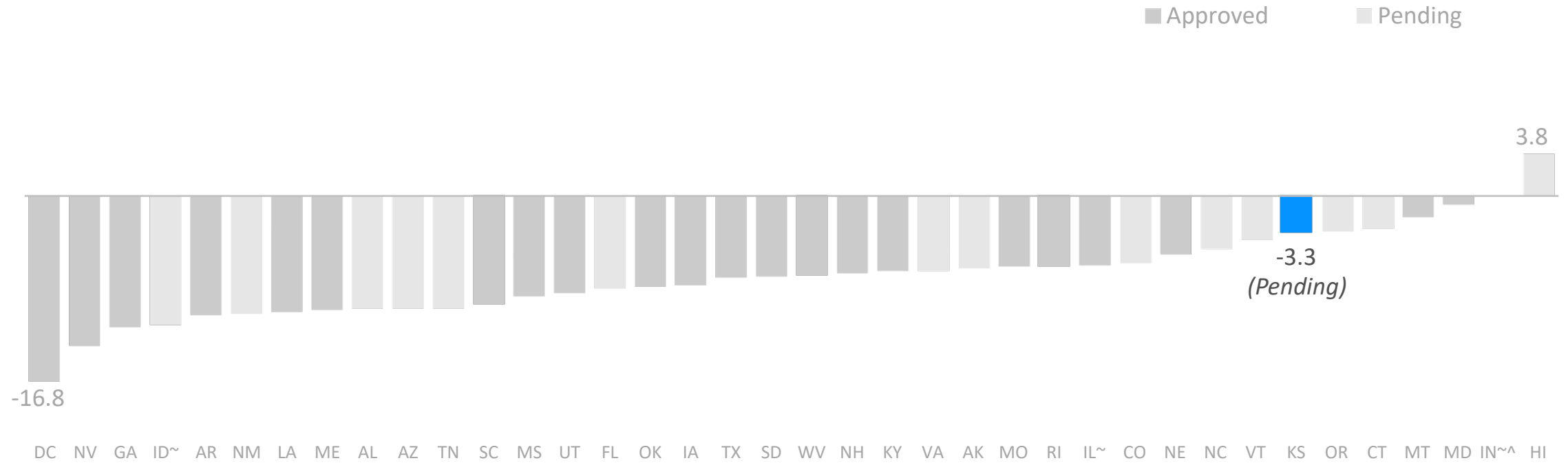
Kansas Business Cycle Status



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.

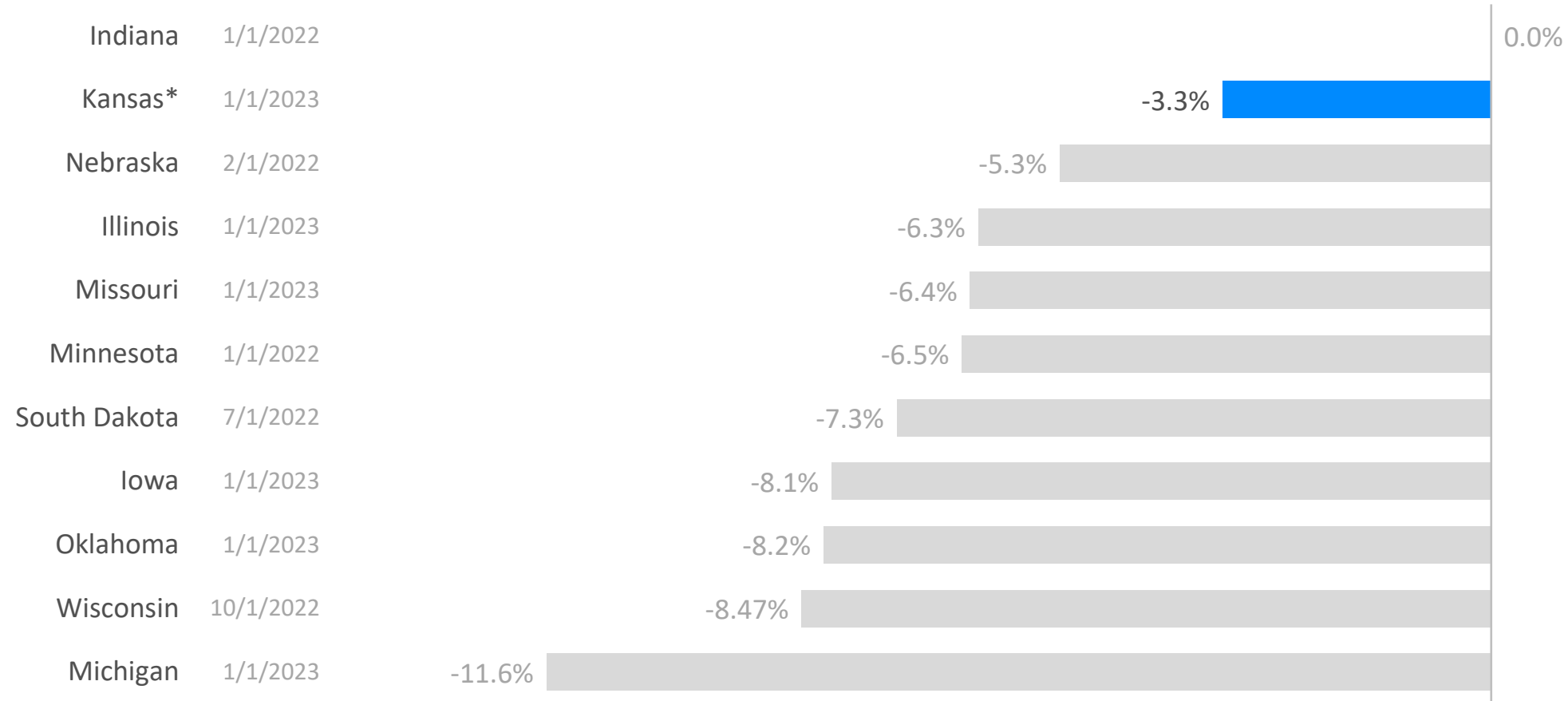
Reflects the most recent experience filing in each jurisdiction as of 9/30/2022.

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



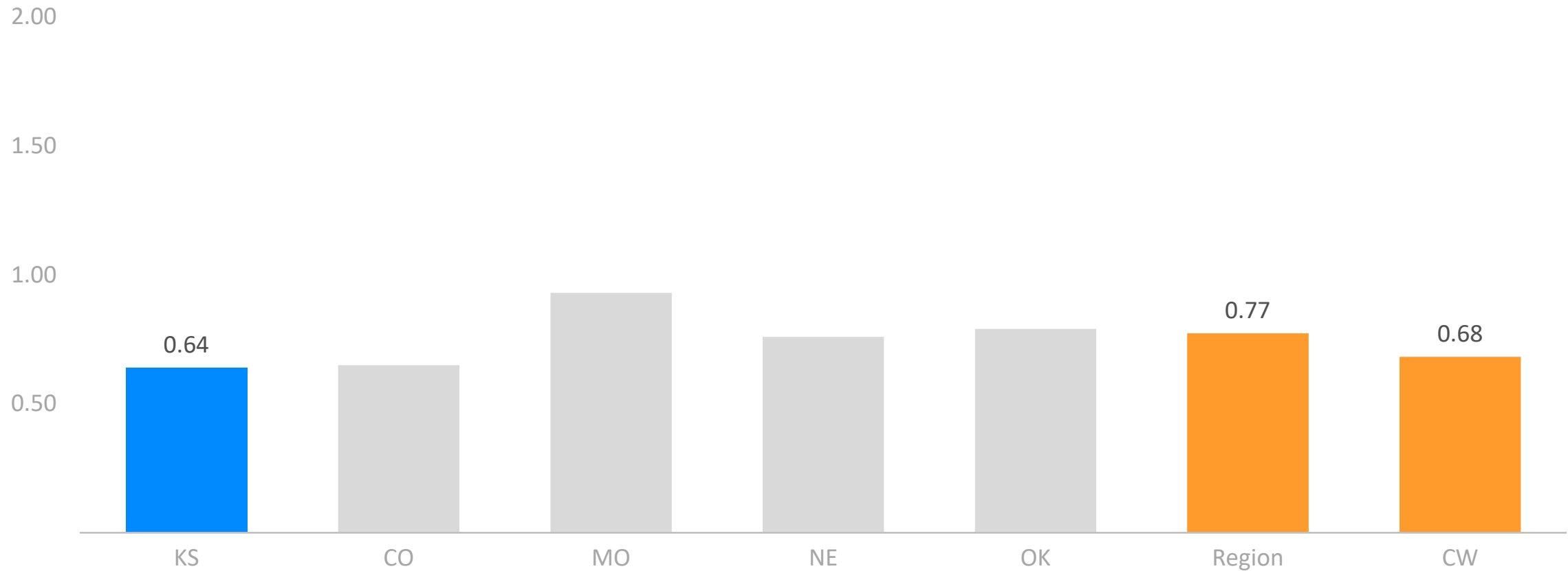
*Pending.

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 Kansas 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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