

STATE ADVISORY RESOURCES

Louisiana Workers Compensation System
December 2022

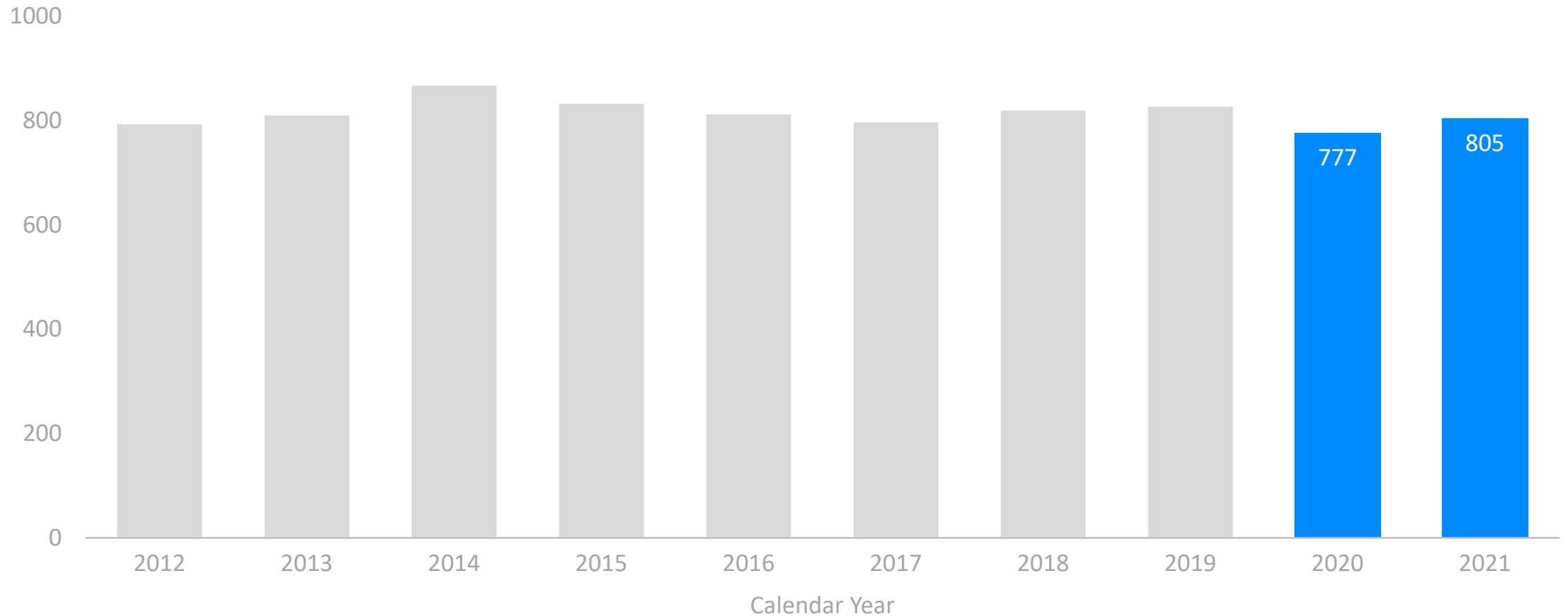


Louisiana Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios remain higher than countrywide
- Lost-time claim frequency continues to decline
- Indemnity severity increased in the latest year while medical severity decreased

Louisiana Premium Volume

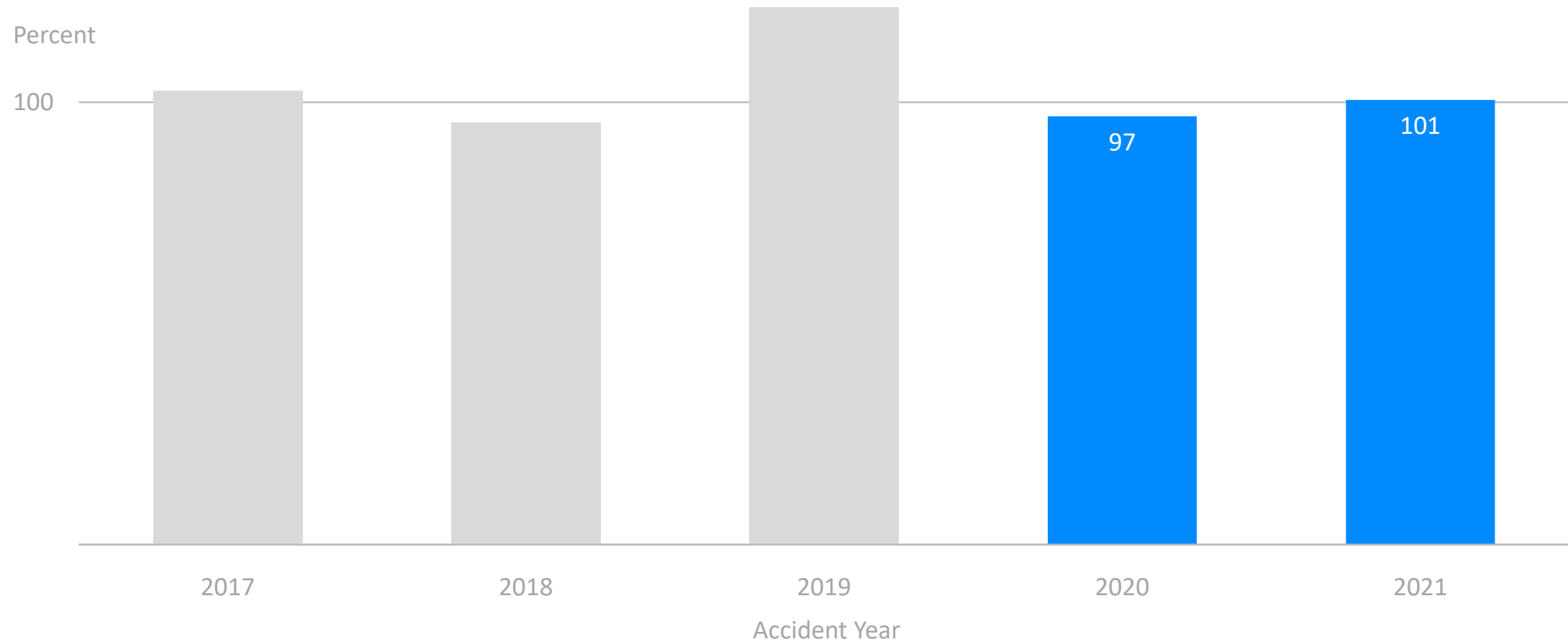
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



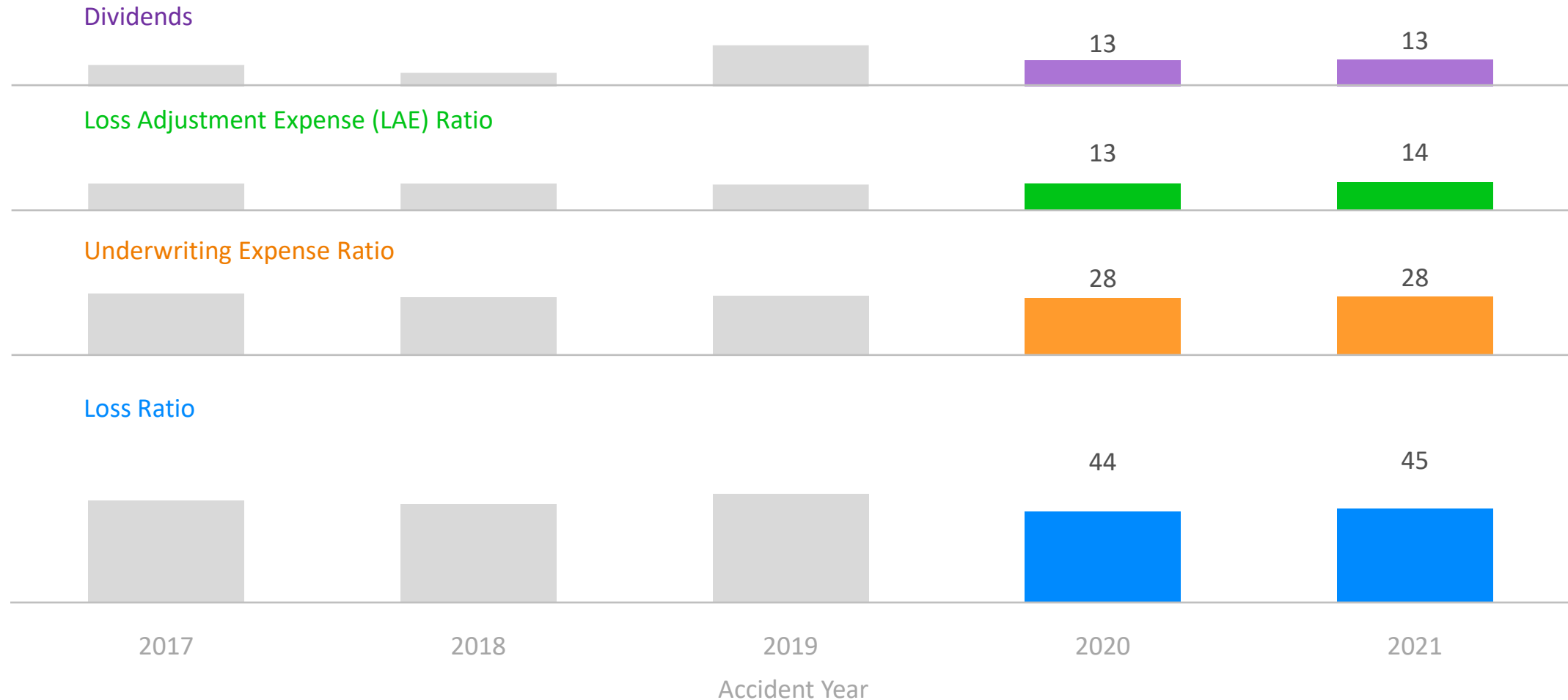
Louisiana Combined Ratios



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

Louisiana Combined Ratios by Component

Percent

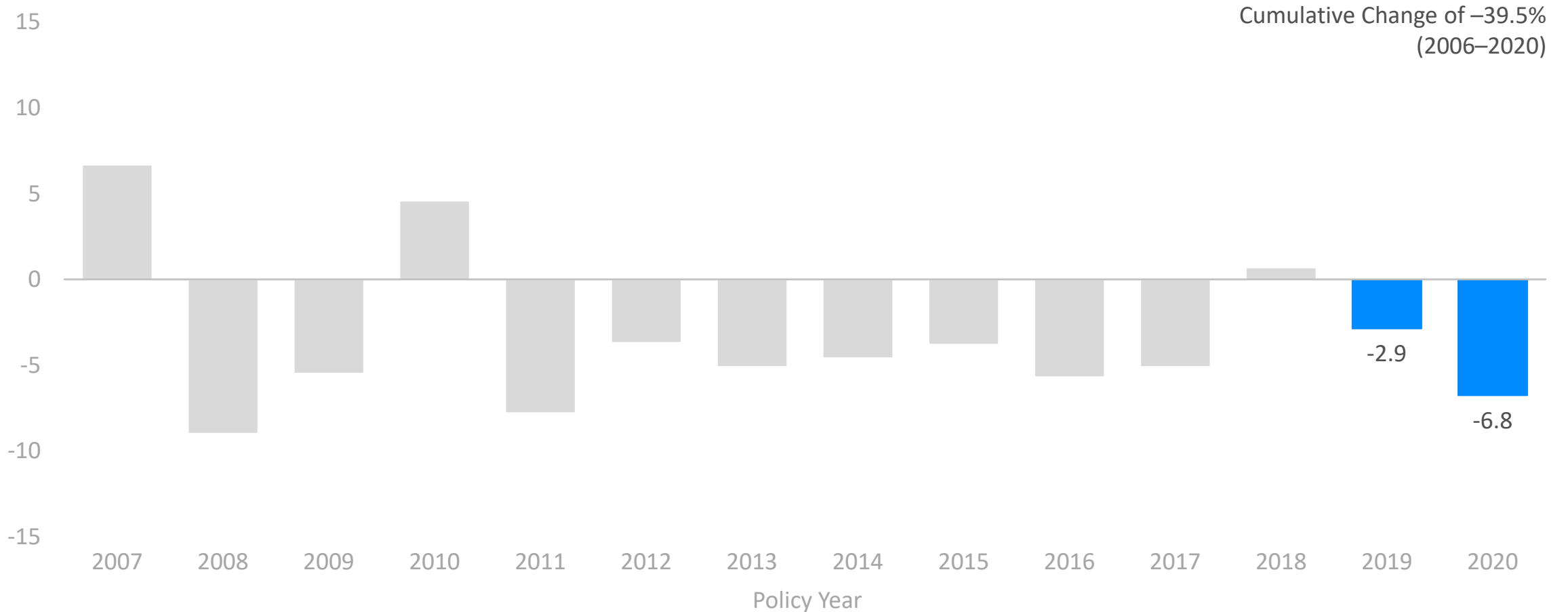


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Louisiana Change in Claim Frequency

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

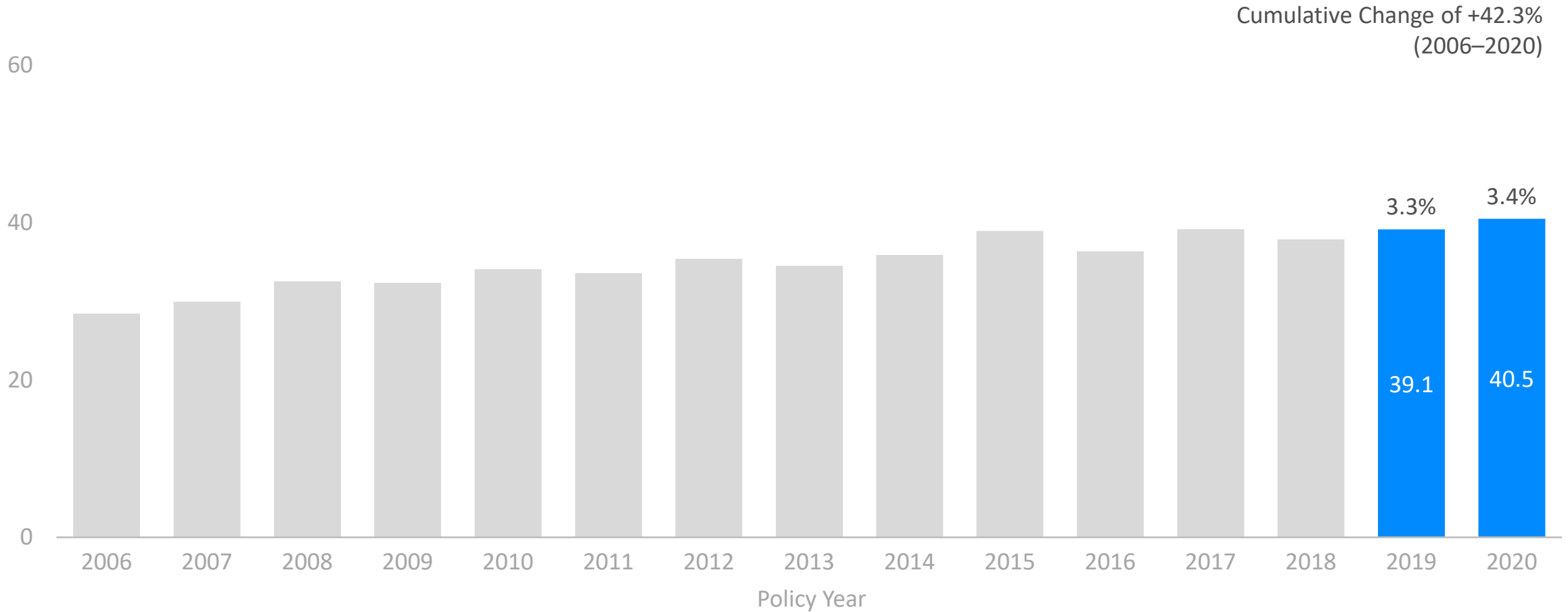


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Louisiana Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

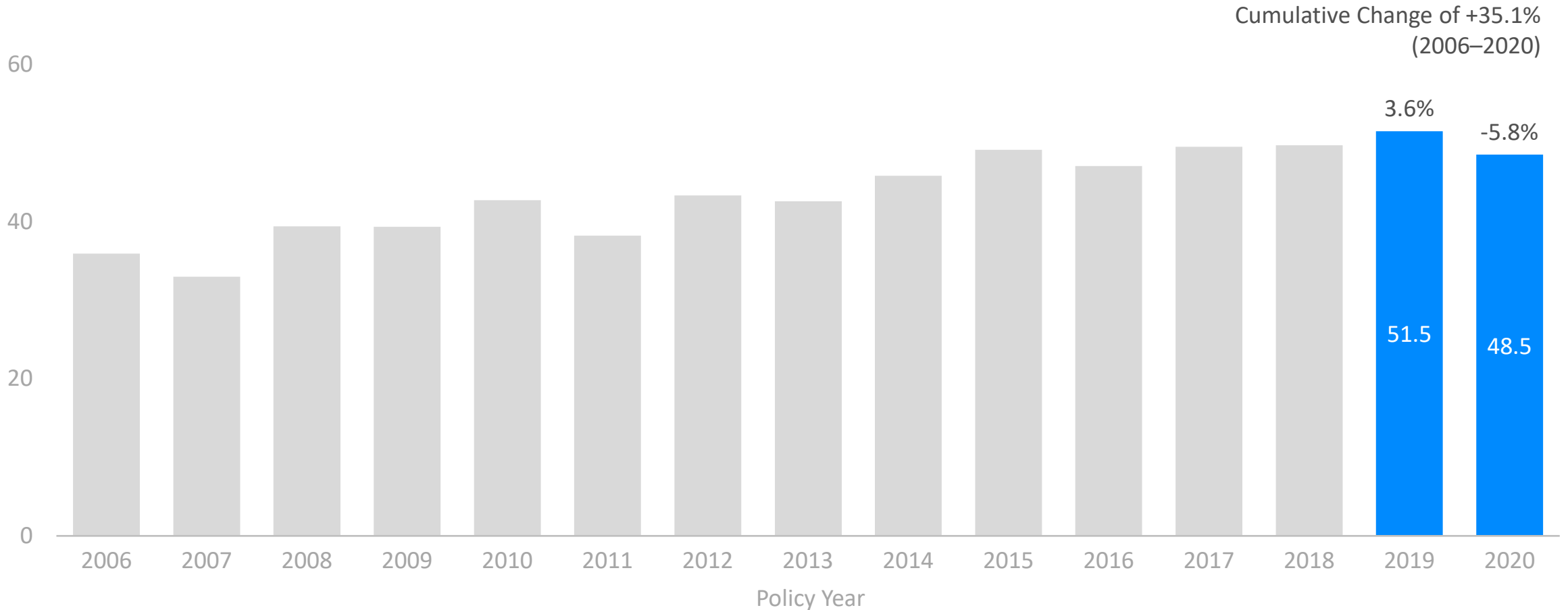


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Louisiana Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

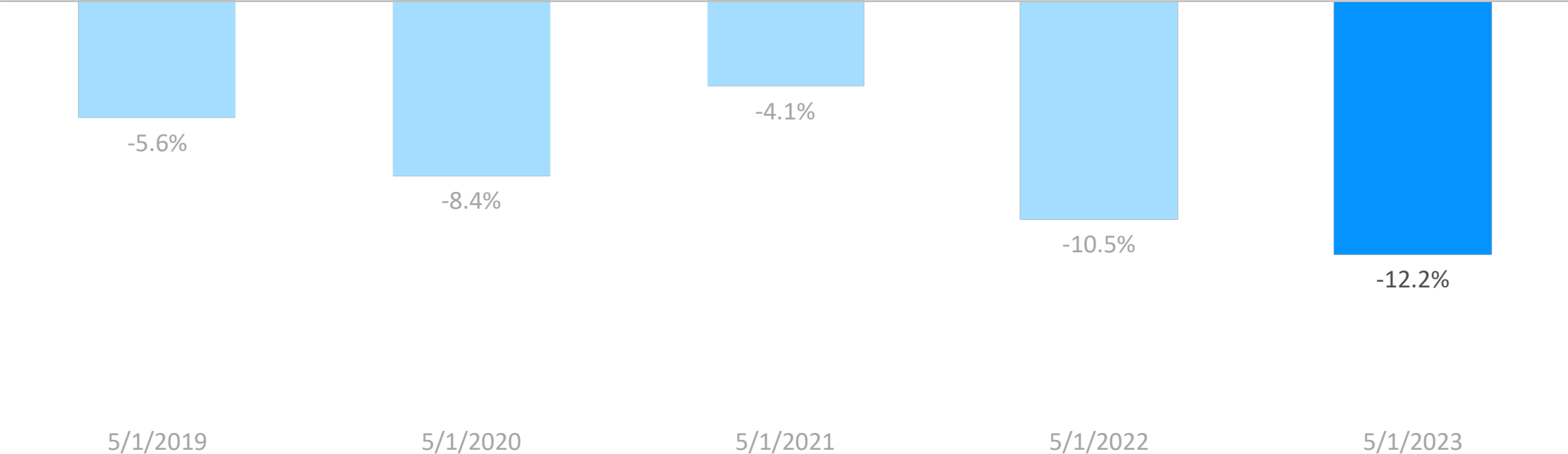


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Louisiana Filing Activity

Voluntary Loss Cost Changes

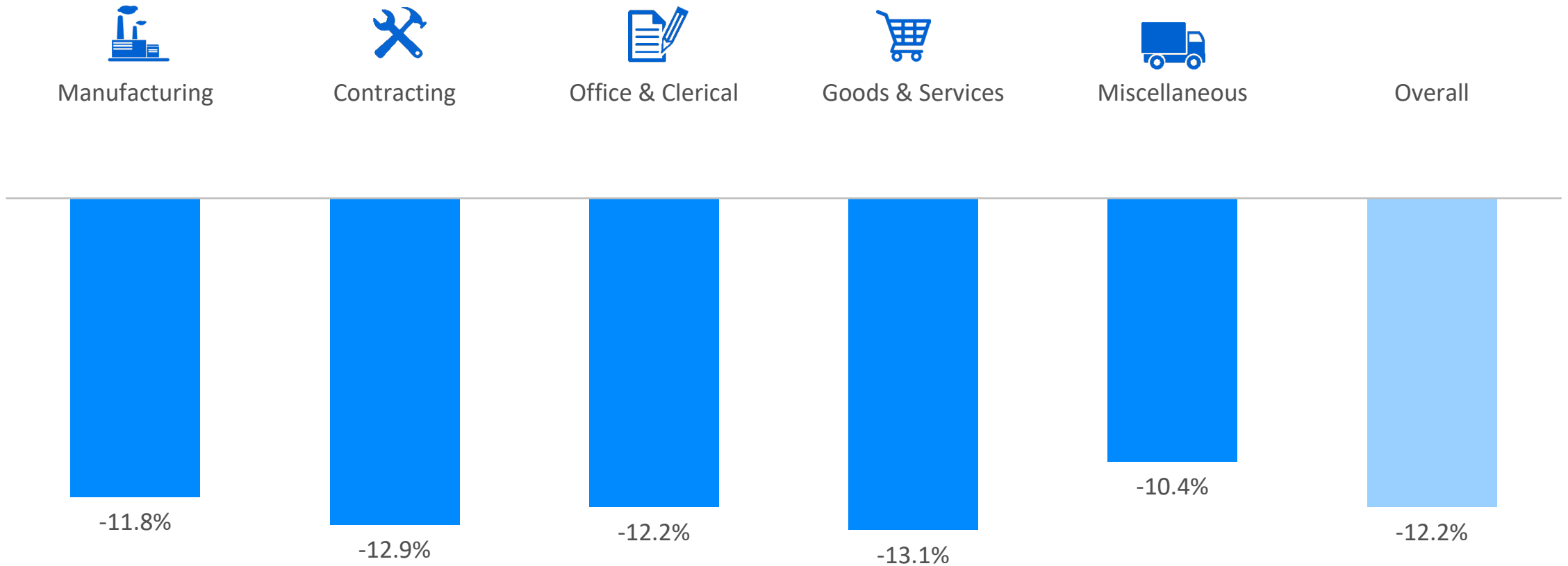


Louisiana May 1, 2023 Loss Cost Filing

Change in Experience:	-11.4%
Change in Trend:	- 0.9%
Change in Benefits:	+0.0%
Change in All Other:	+0.0%
<hr/>	
Overall Loss Cost Level Change:	-12.2%

Louisiana May 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Louisiana Economic Drivers



Logistics



Energy



Tourism

Source: Moody's Analytics.

Louisiana Economic Assets and Challenges

■ Assets

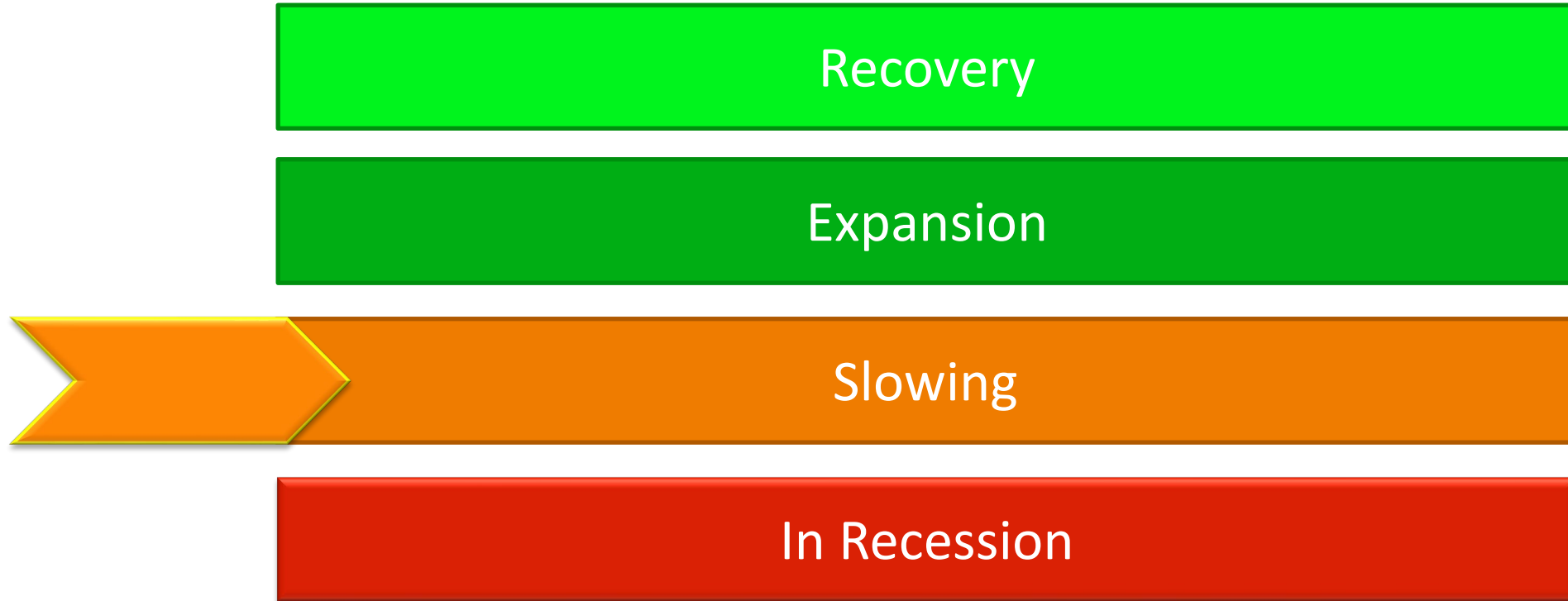
- Business costs are below the national average
- Favorable geographic location for international trade

■ Challenges

- Low educational completion and low per capita income
- Unfavorable outward migration trends
- Coastal area is vulnerable to tropical storms and coastline erosion, impacting offshore industries

Source: Moody's Analytics.

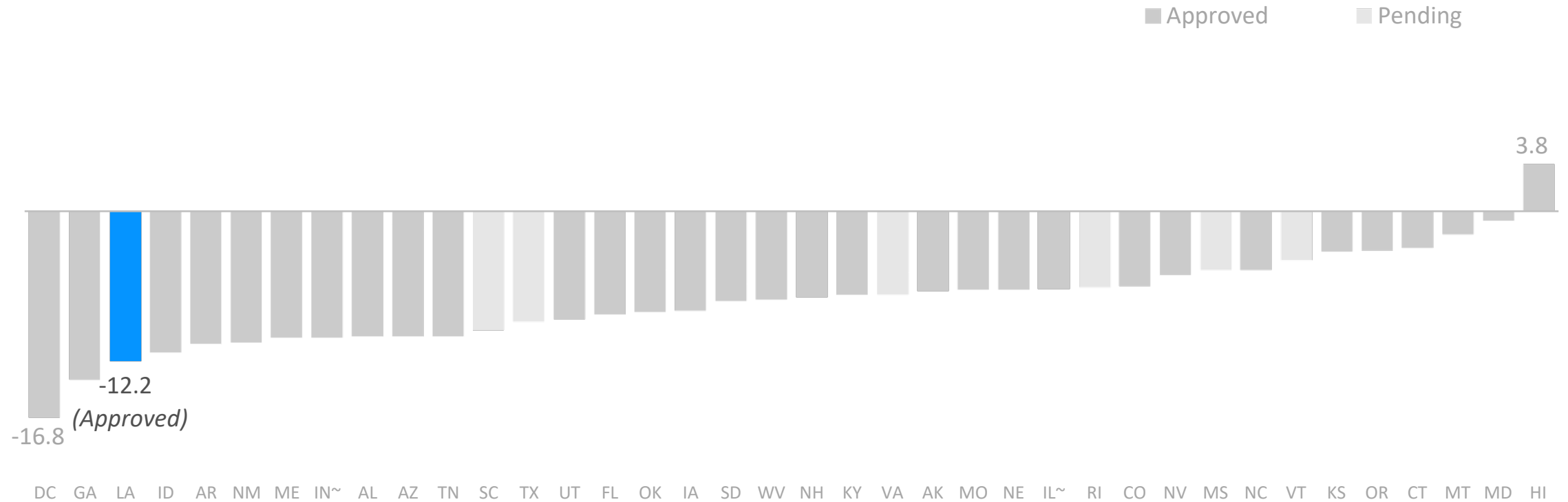
Louisiana Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

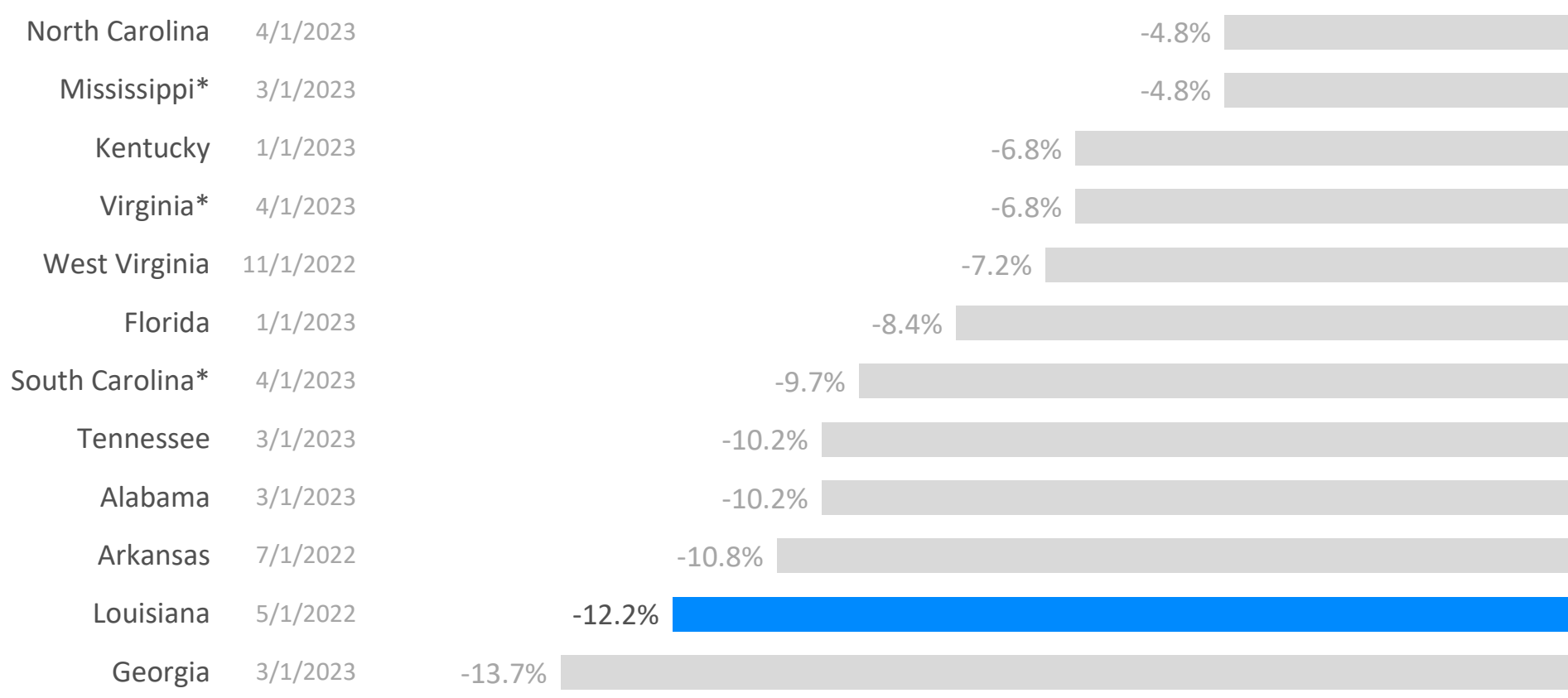


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 12/9/2022.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Southeastern States



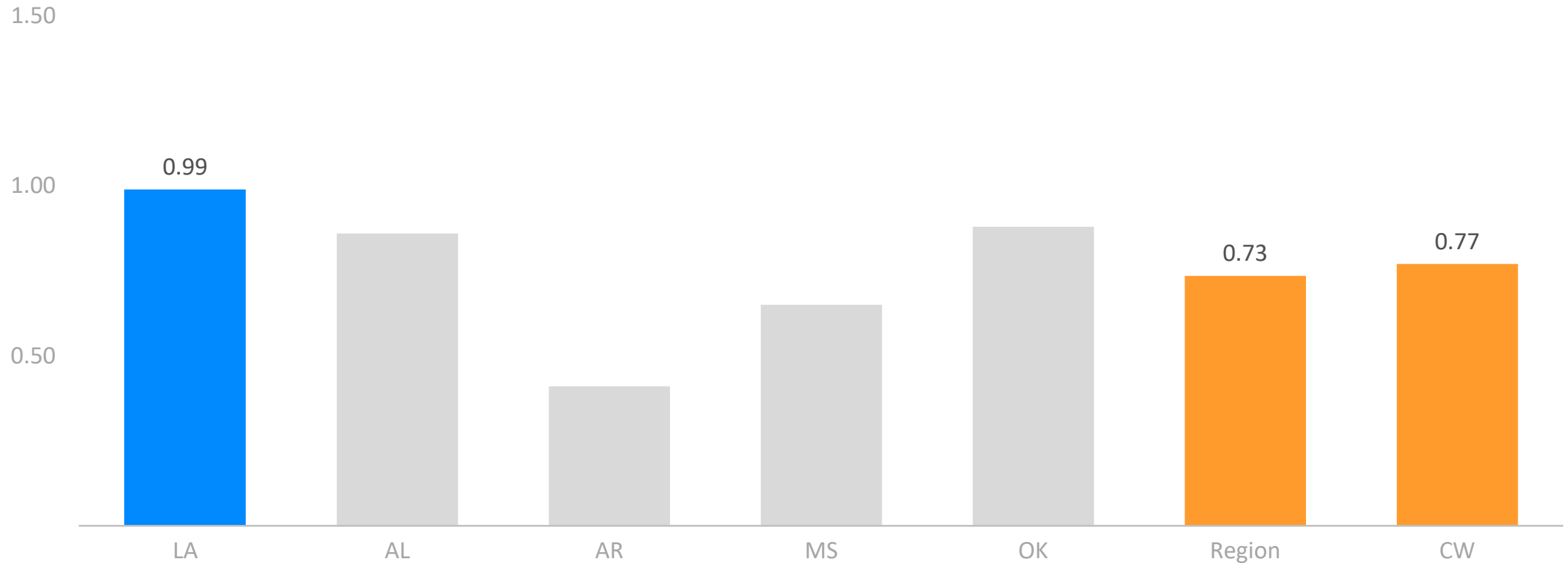
*Pending.

Reflects the most recent experience filing in each jurisdiction as of 12/9/2022.

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 Louisiana 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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