

STATE ADVISORY RESOURCES

Maine Workers Compensation System
February 2023

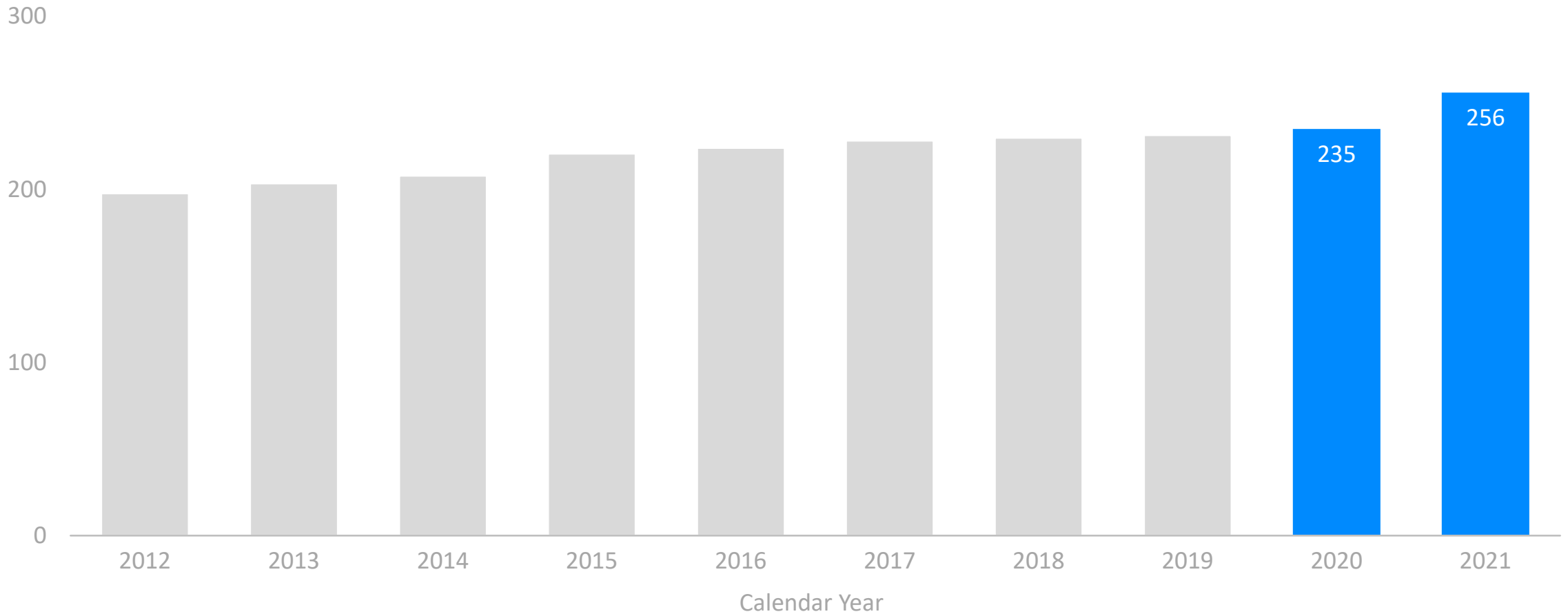


Maine Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Combined ratios have been above 100% in four of the last five accident years
- Despite a moderate uptick in the latest policy year, lost-time claim frequency has generally declined
- Indemnity severity has been relatively stable, while medical severity exhibited a significant decrease in the latest year

Maine Premium Volume

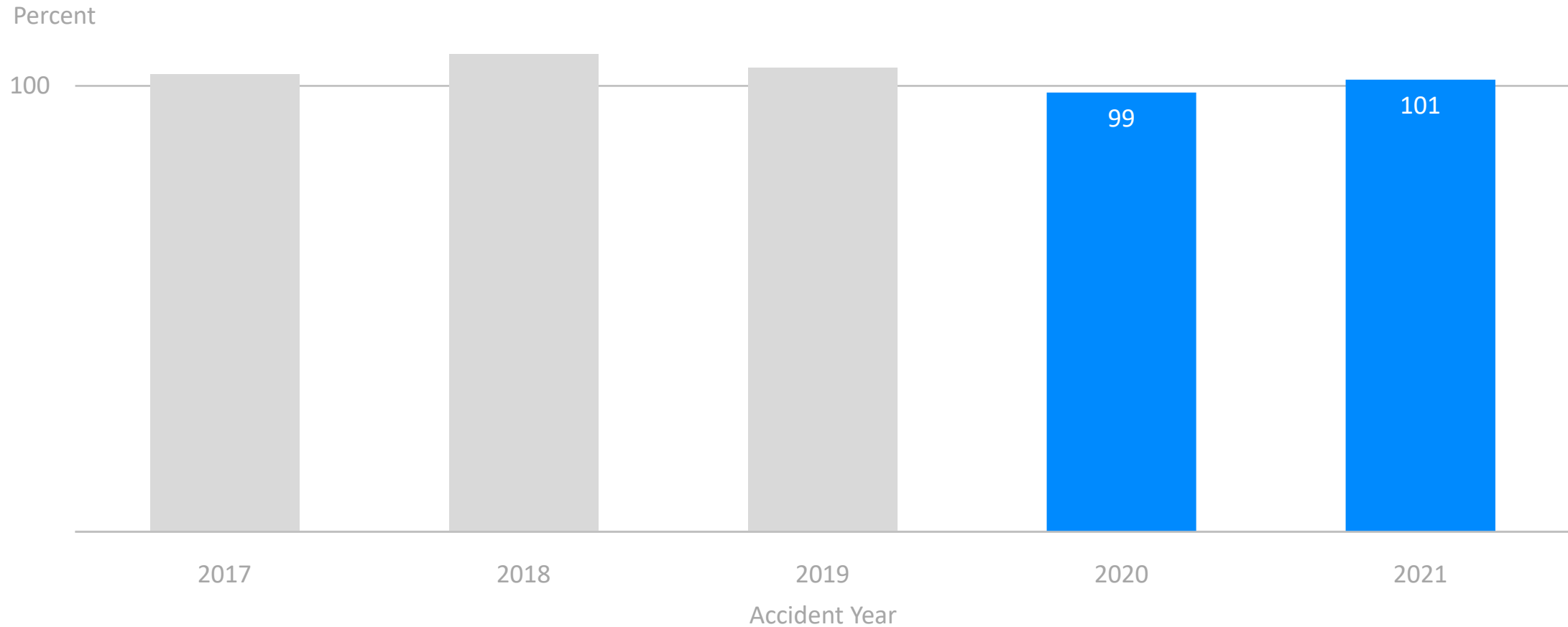
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



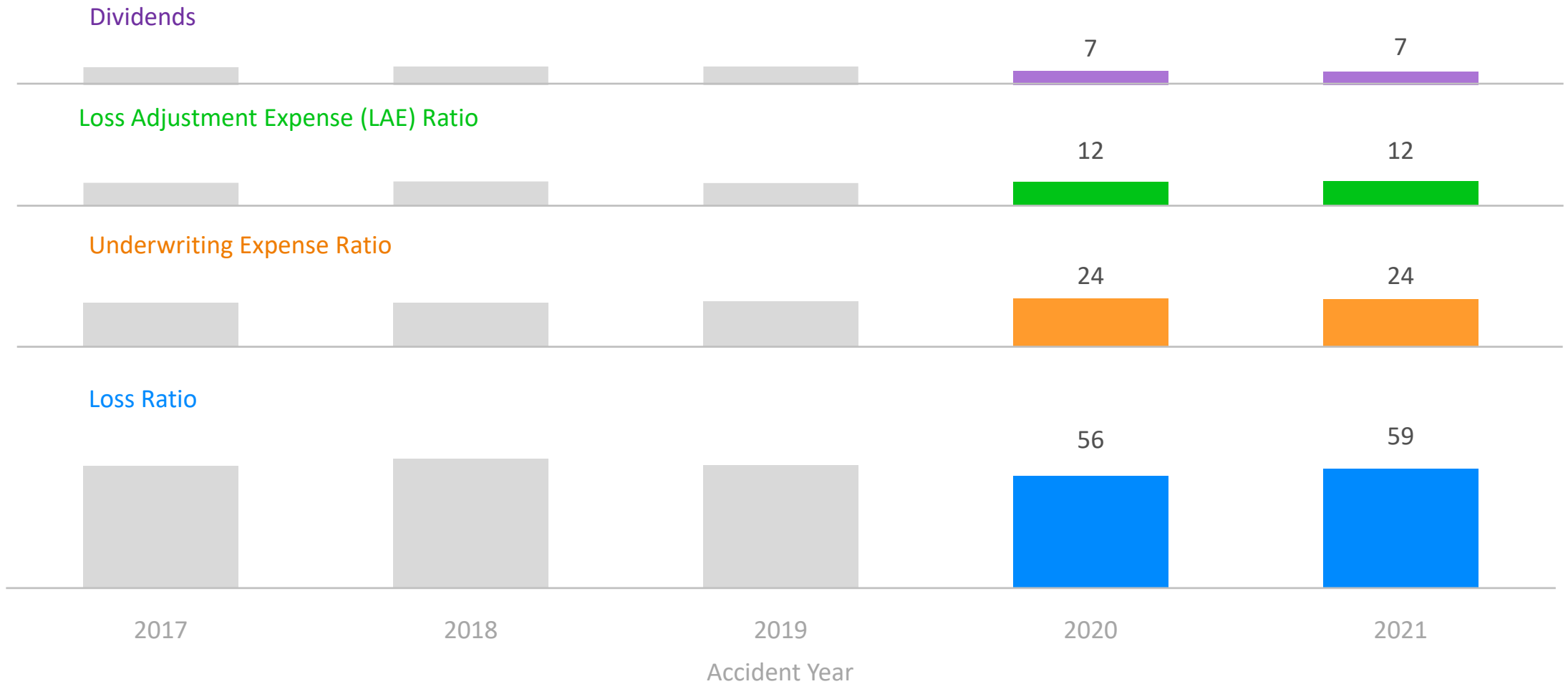
Maine Combined Ratios



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

Maine Combined Ratios by Component

Percent

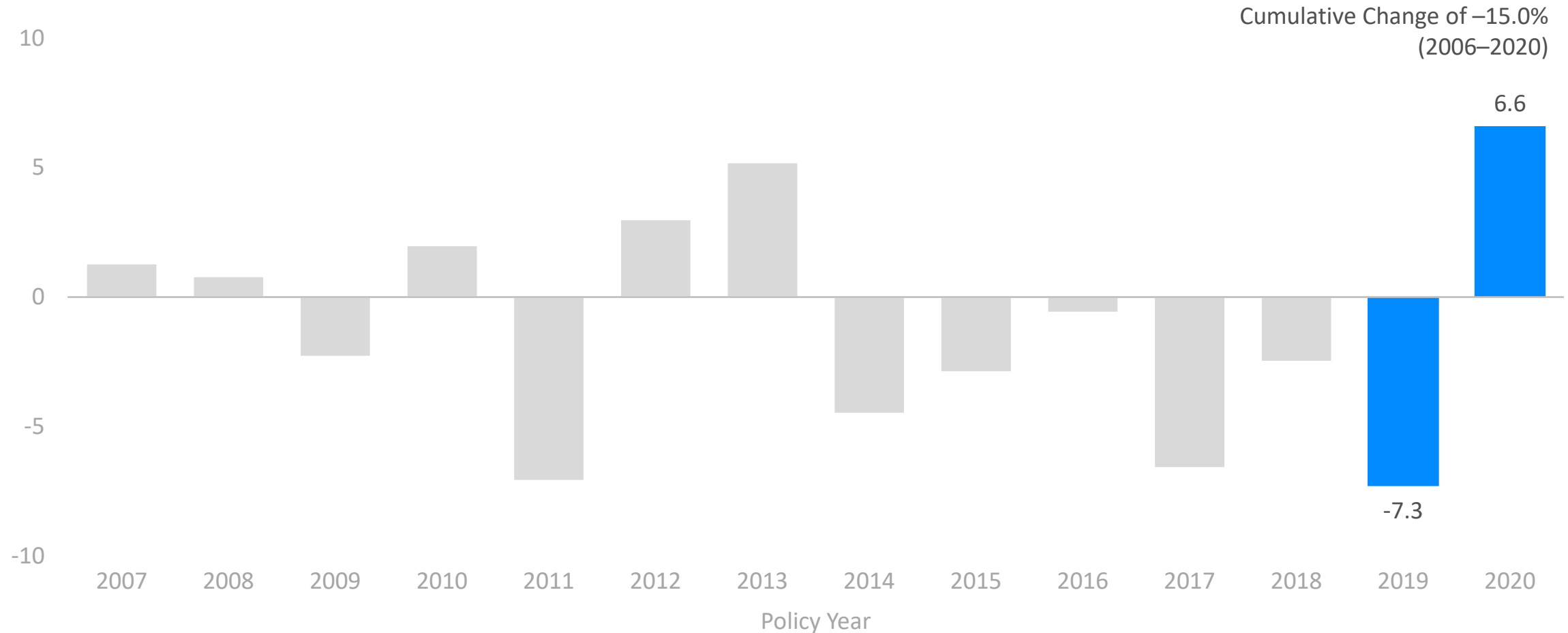


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Maine Change in Claim Frequency

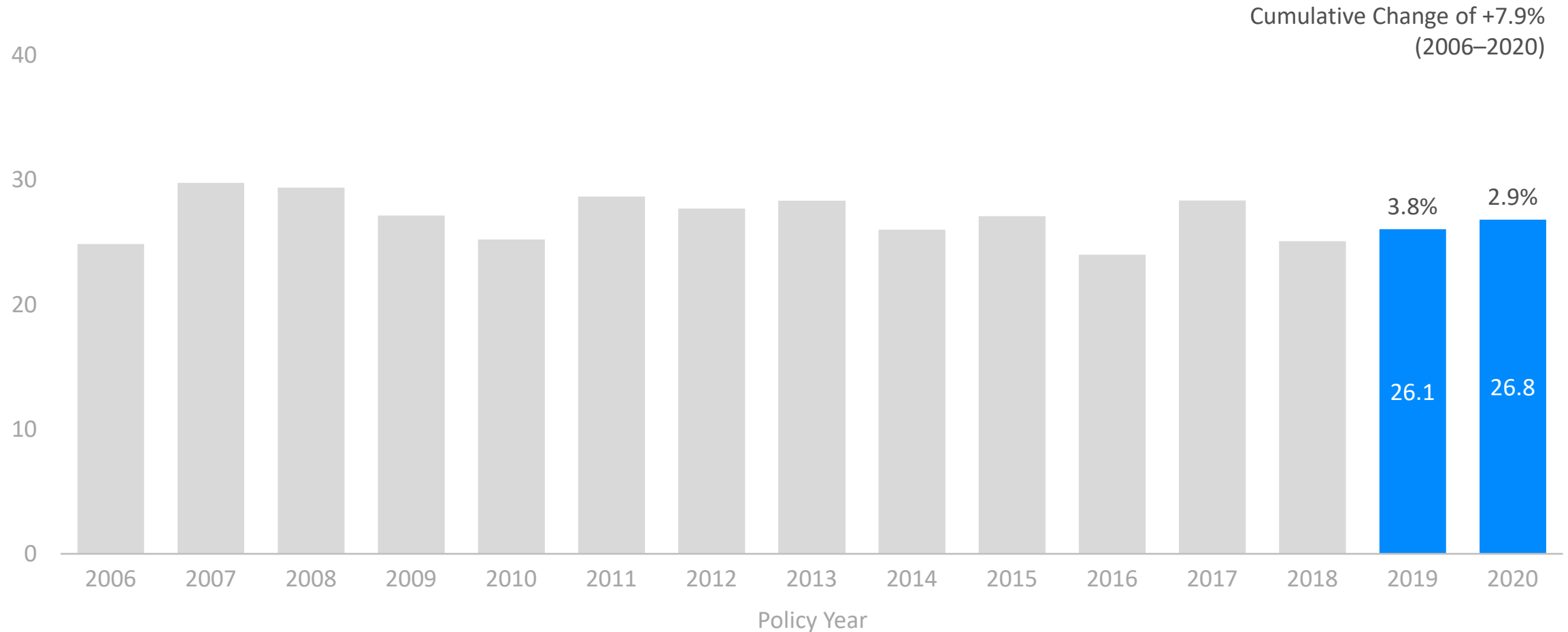
Percent Change in Lost-Time Claims, per \$ Million of On-Levelled Premium



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

Maine Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

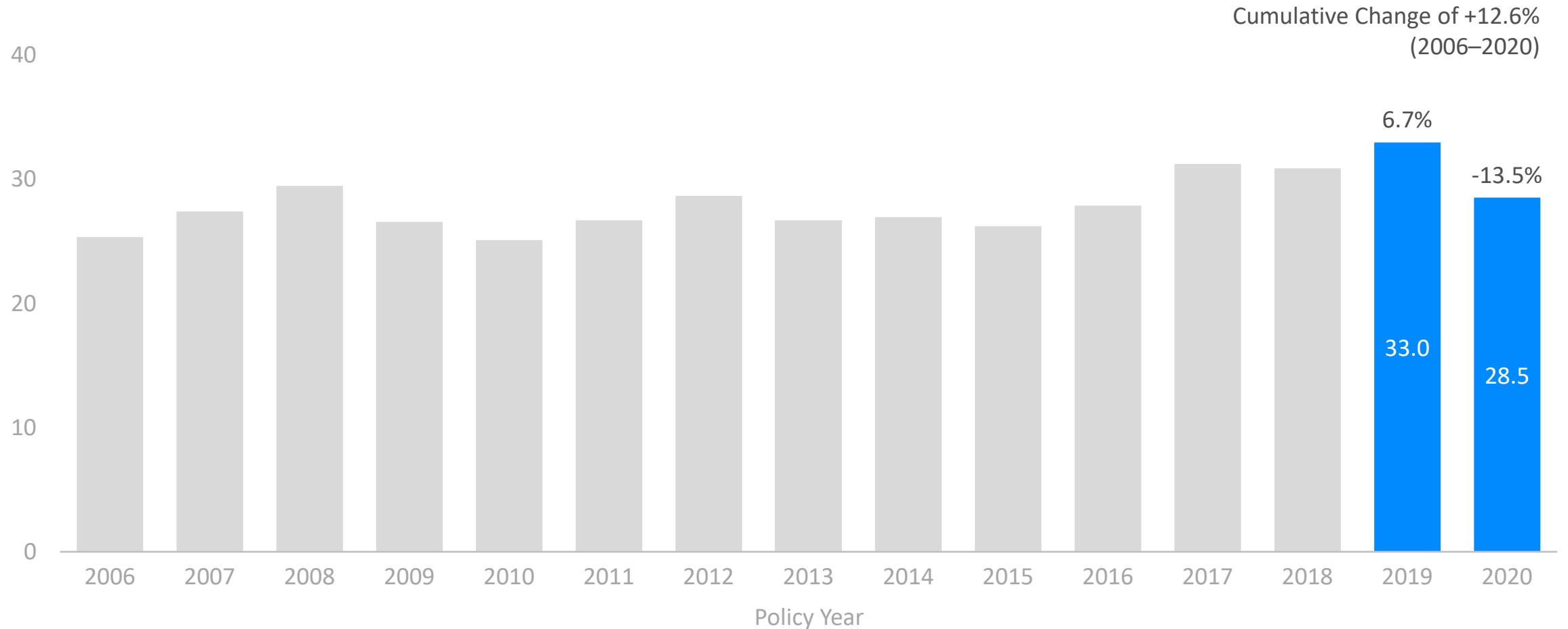


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Maine Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

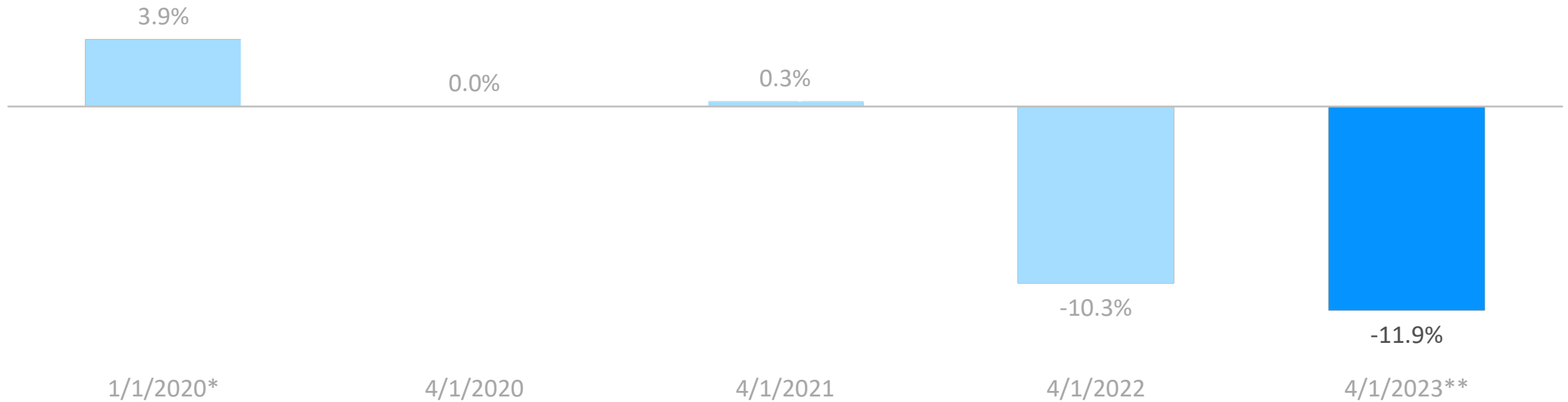


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Maine Filing Activity

Voluntary Loss Cost Changes



*Law-Only Filing.

**Pending.

Maine April 1, 2023 Loss Cost Filing

Change in Experience:	-10.4%
Change in Trend:	-2.3%
Change in Benefits:	+0.4%
Change in All Other:	+0.2%
<hr/>	
Overall Loss Cost Level Change:	-11.9%

Maine April 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Manufacturing



Contracting



Office & Clerical

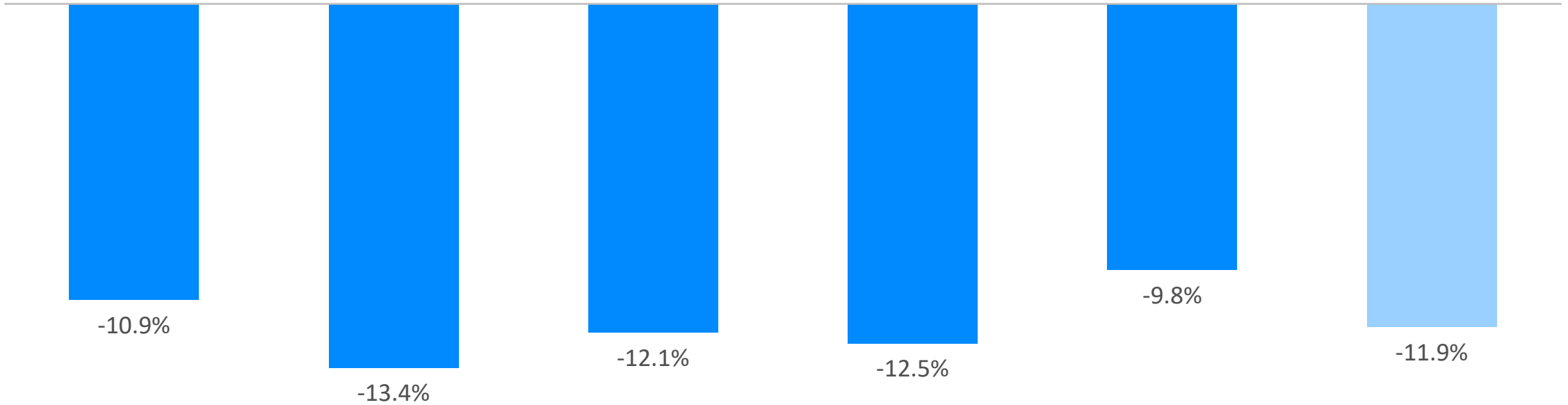


Goods & Services



Miscellaneous

Overall



Maine Economic Drivers



Medical



Manufacturing

Source: Moody's Analytics.

Maine Economic Assets and Challenges

■ Assets

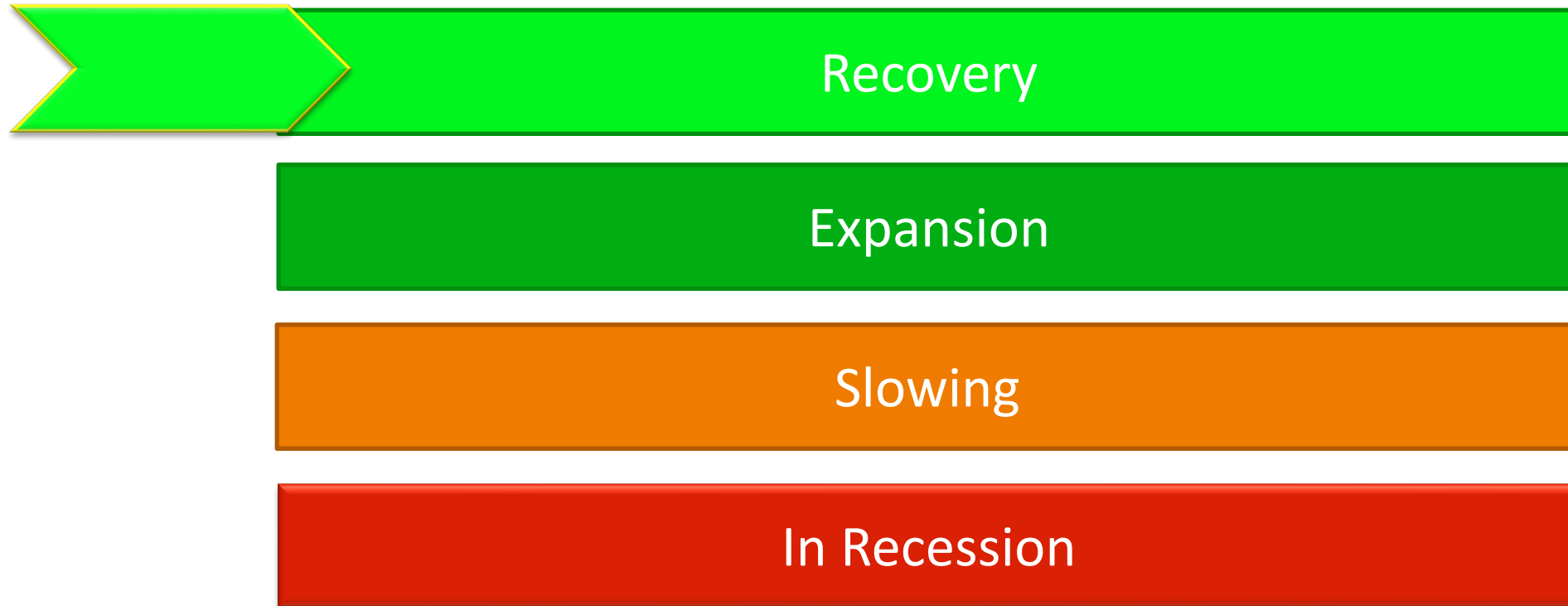
- Tourism Industry
- Population growth from in-migration
- Strong forest products industry

■ Challenges

- Low educational attainment
- High business costs
- Aging population

Source: Moody's Analytics.

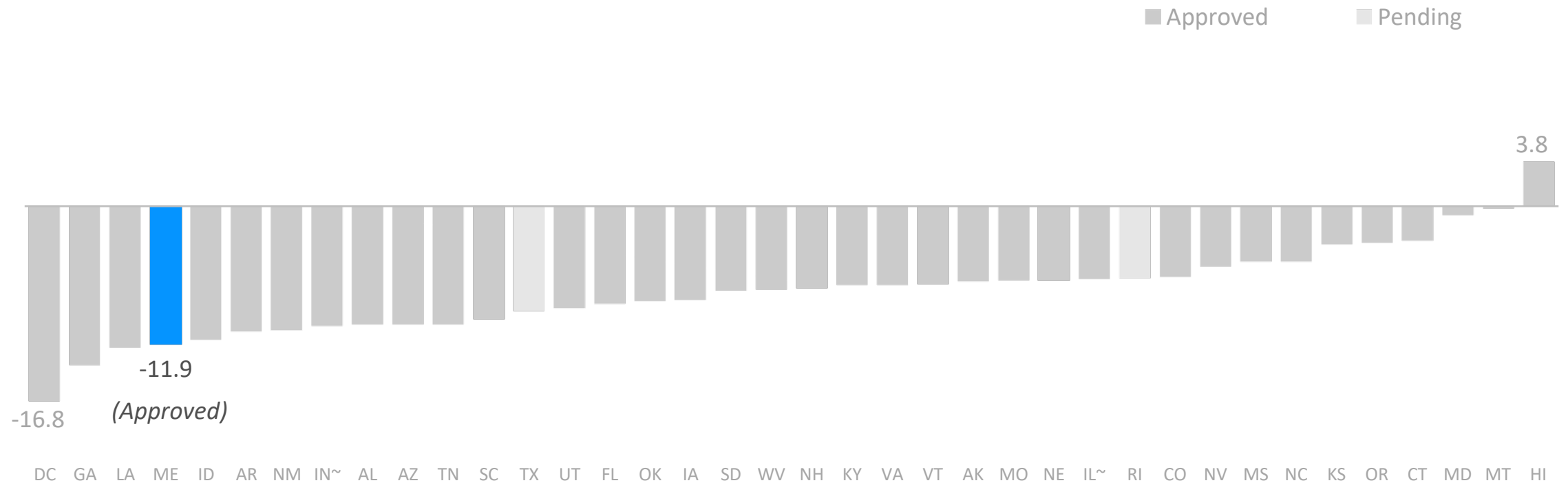
Maine Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

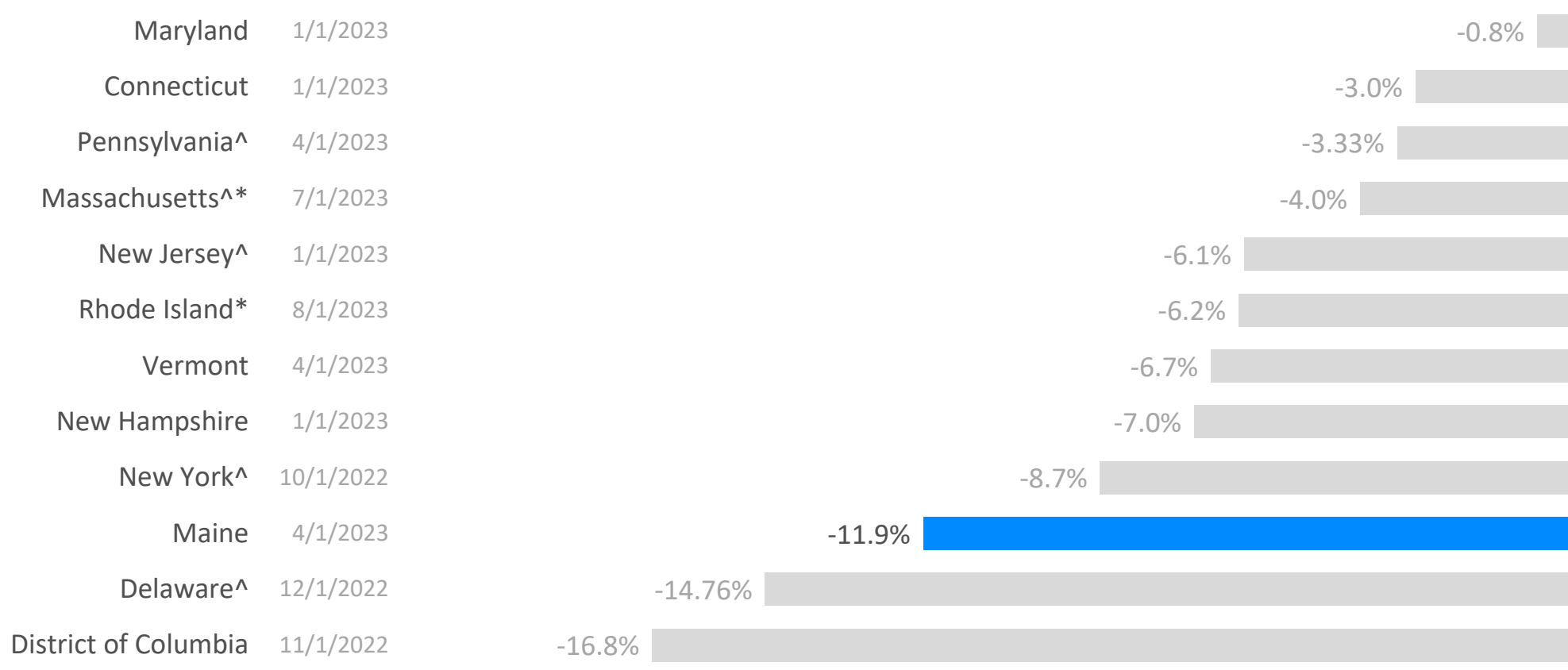


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 2/10/2023.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Northeastern States



[^]An independent bureau state.

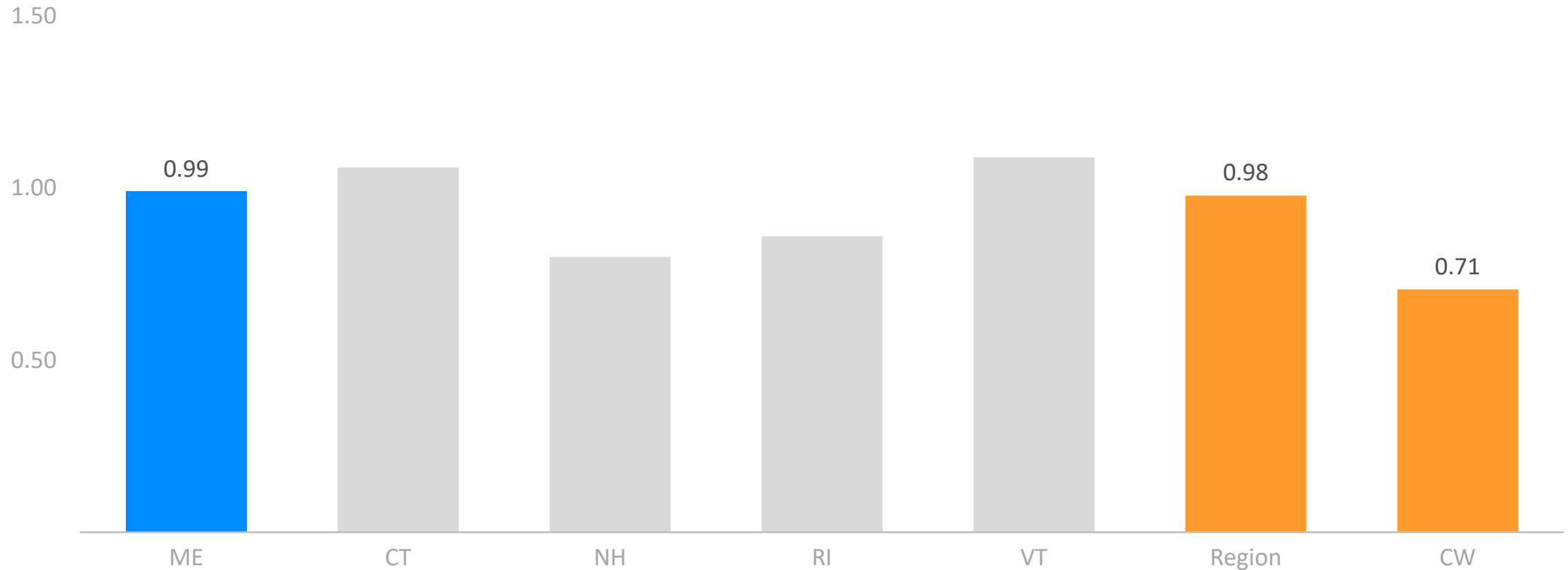
^{*}Pending.

Reflects the most recent experience filing in each jurisdiction as of 2/10/2023.

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 Maine 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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