

STATE ADVISORY RESOURCES

Missouri Workers Compensation System
October 2022

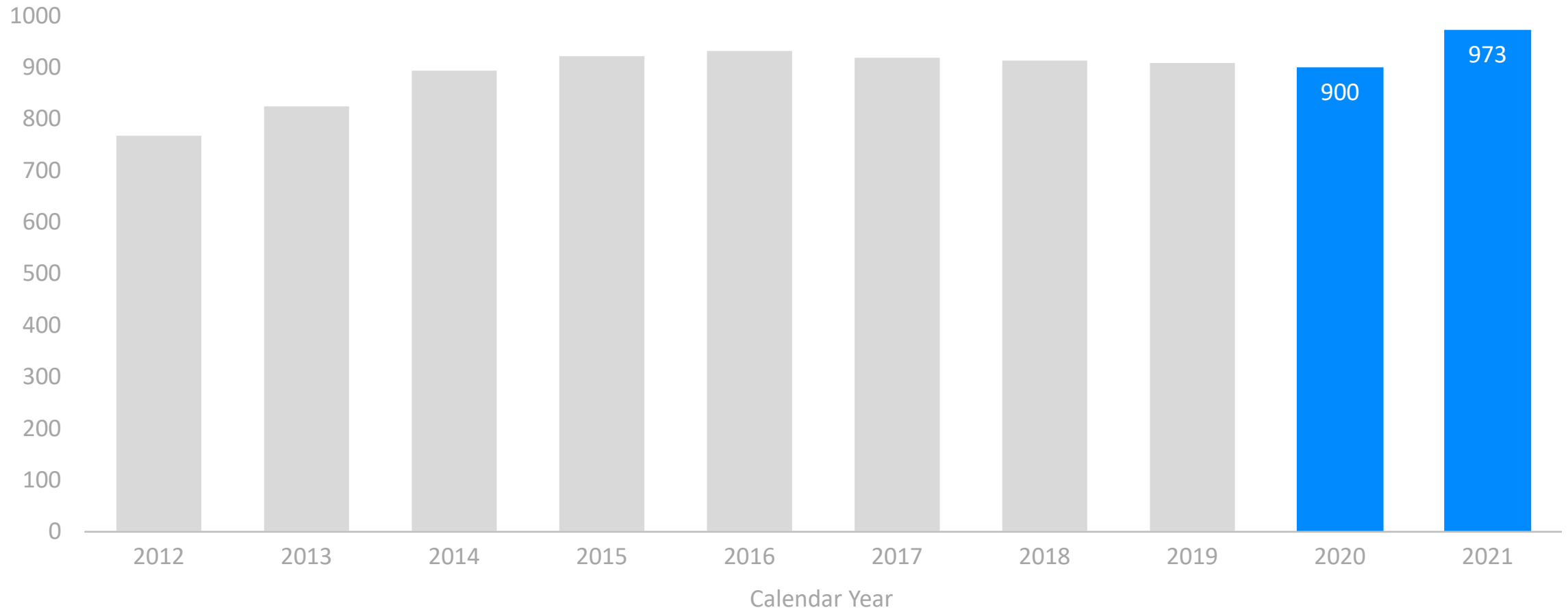


Missouri Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Lost-time claim frequency increased in the latest year but continues to show a long-term pattern of decline
- Indemnity and medical severities indicate slight upward trends over the long-term

Missouri Premium Volume

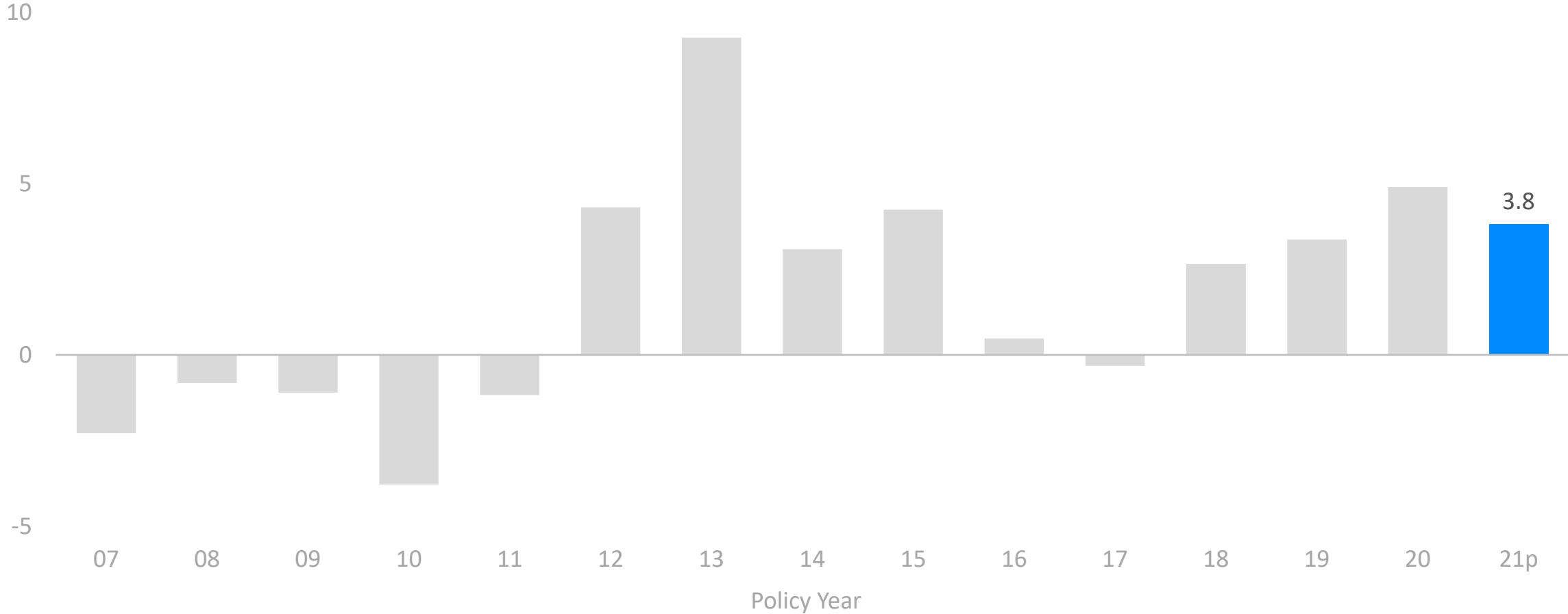
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



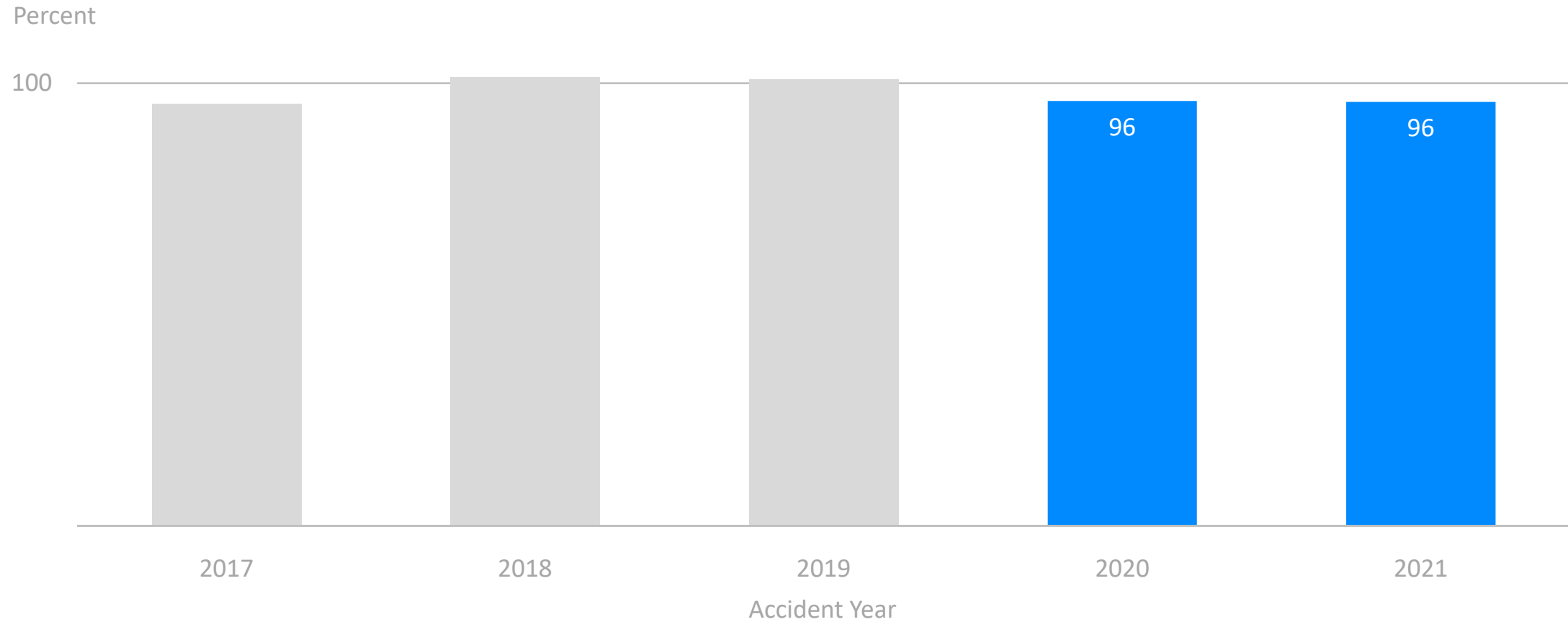
Impact of Discounting on Workers Compensation Premium in Missouri



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



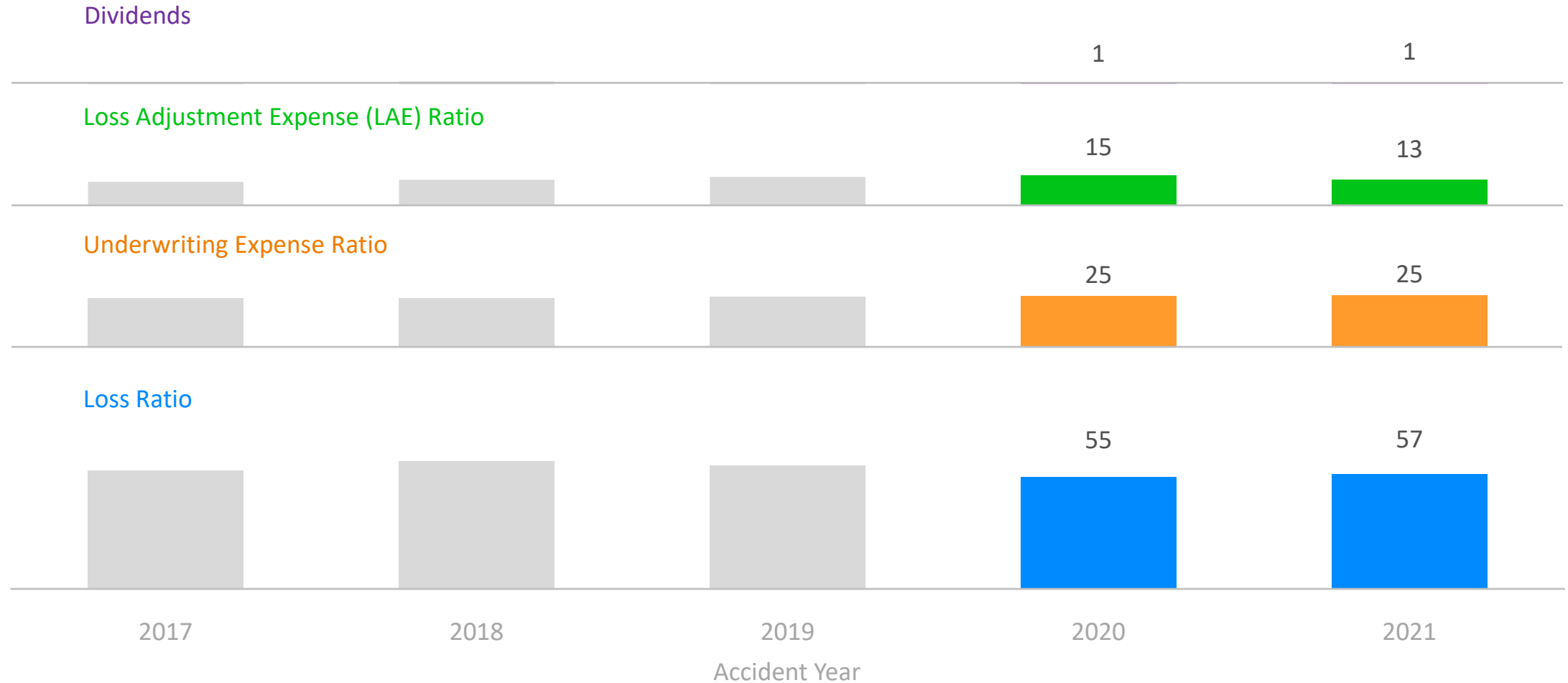
Missouri Combined Ratios



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

Missouri Combined Ratios by Component

Percent

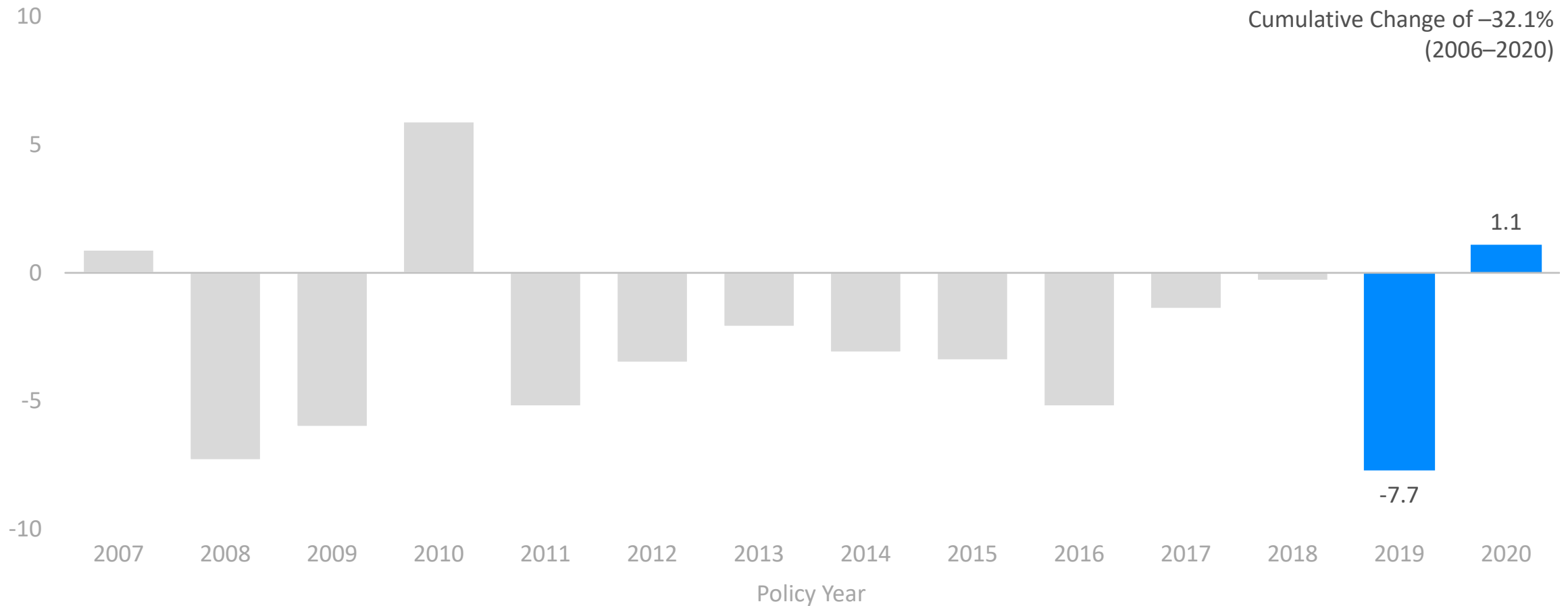


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Missouri Change in Claim Frequency

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

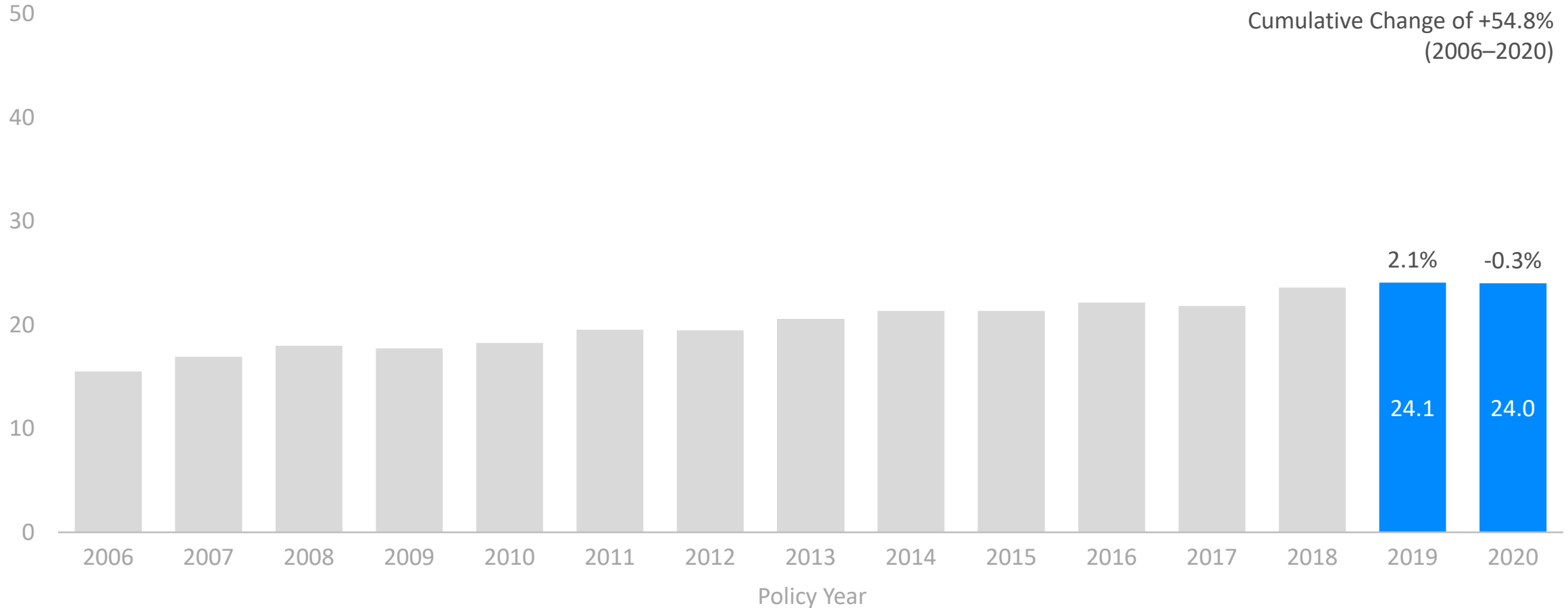


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Missouri Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

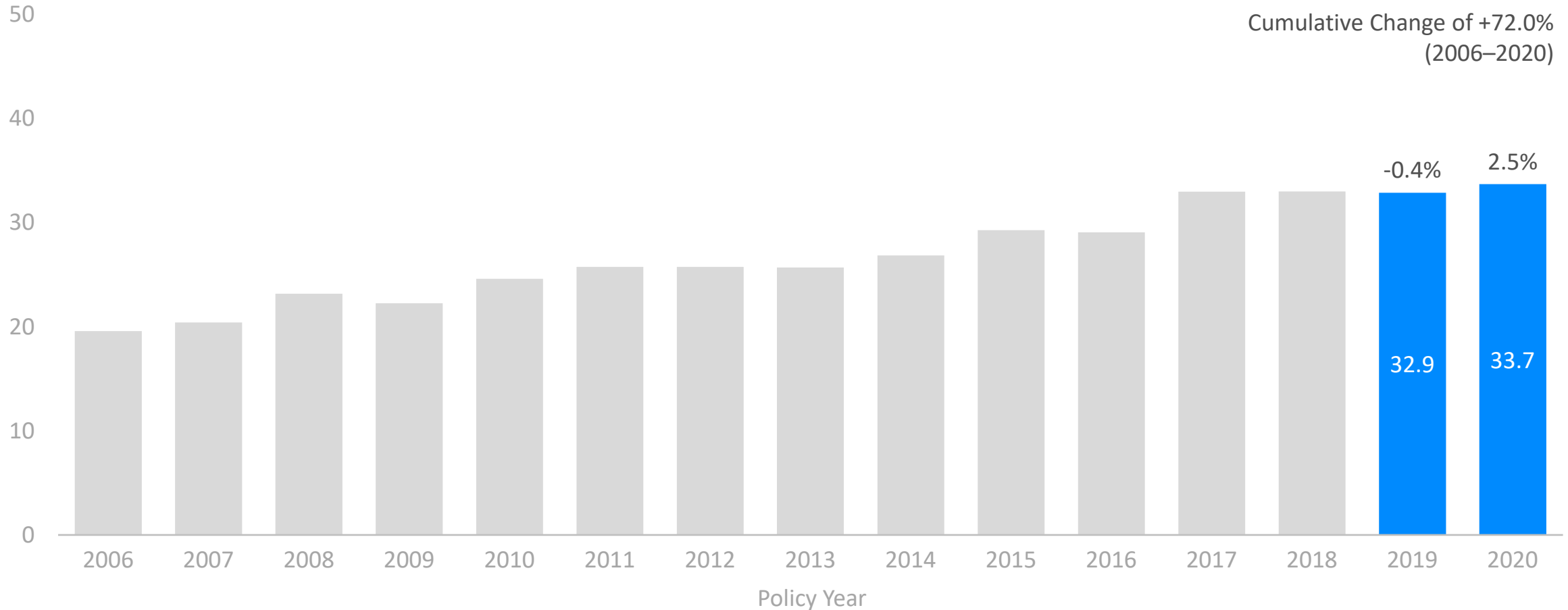


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Missouri Average Medical Claim Severity

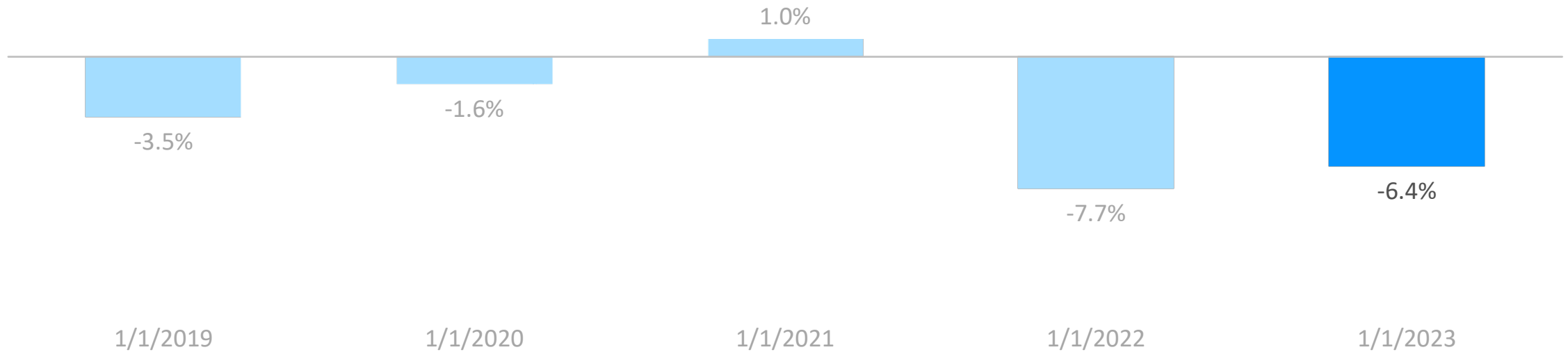
Lost-Time Claim Severity in \$ Thousands



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.

Missouri Filing Activity

Voluntary Loss Cost Changes



Missouri January 1, 2023 Loss Cost Filing

Change in Experience:	-7.4%
Change in Trend:	+0.7%
Change in Benefits:	+0.0%
Change in All Other:	+0.4%
<hr/>	
Overall Loss Cost Level Change:	-6.4%

Missouri Economic Drivers



Manufacturing



Financial



Logistics

Source: Moody's Analytics.

Missouri Economic Assets and Challenges

■ Assets

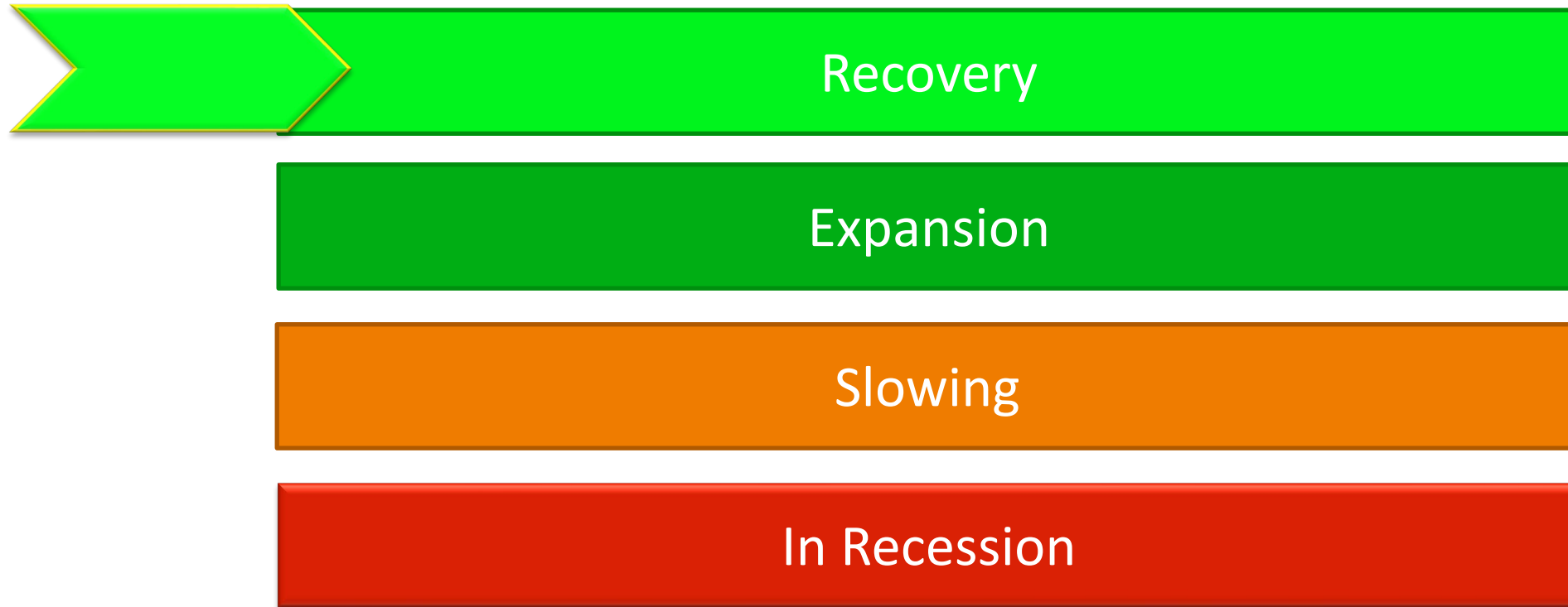
- Two large metro areas
- Potential federal defense spending
- Access to transportation and distribution infrastructure
- Net migration growth

■ Challenges

- Risk farm sector
- Slow job growth
- Lower per capita income

Source: Moody's Analytics.

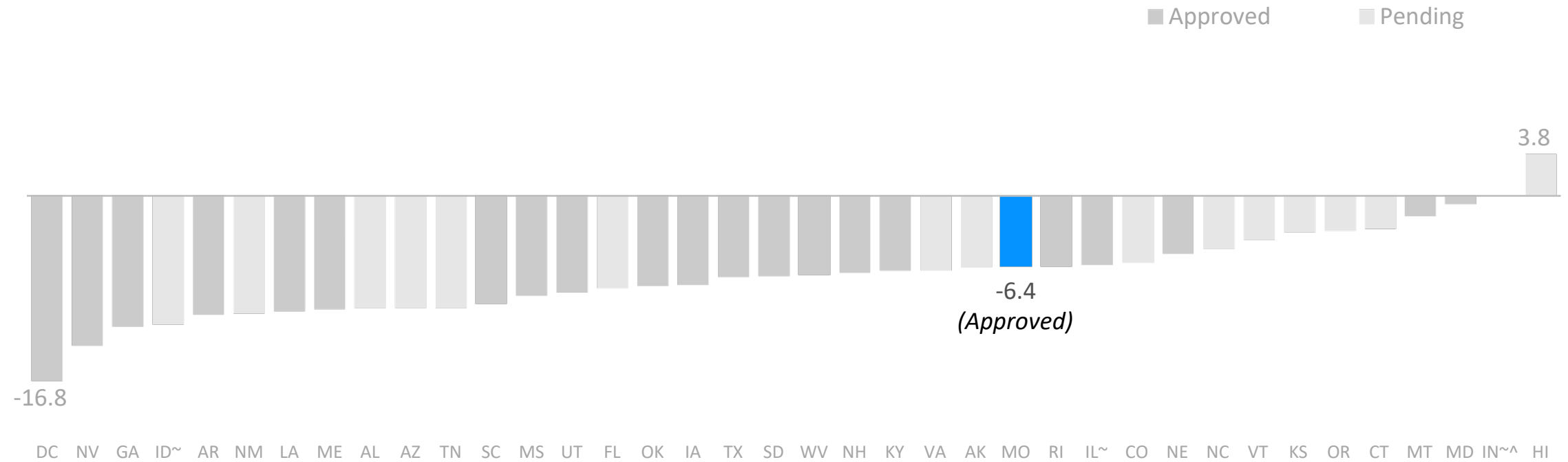
Missouri Business Cycle Status



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.

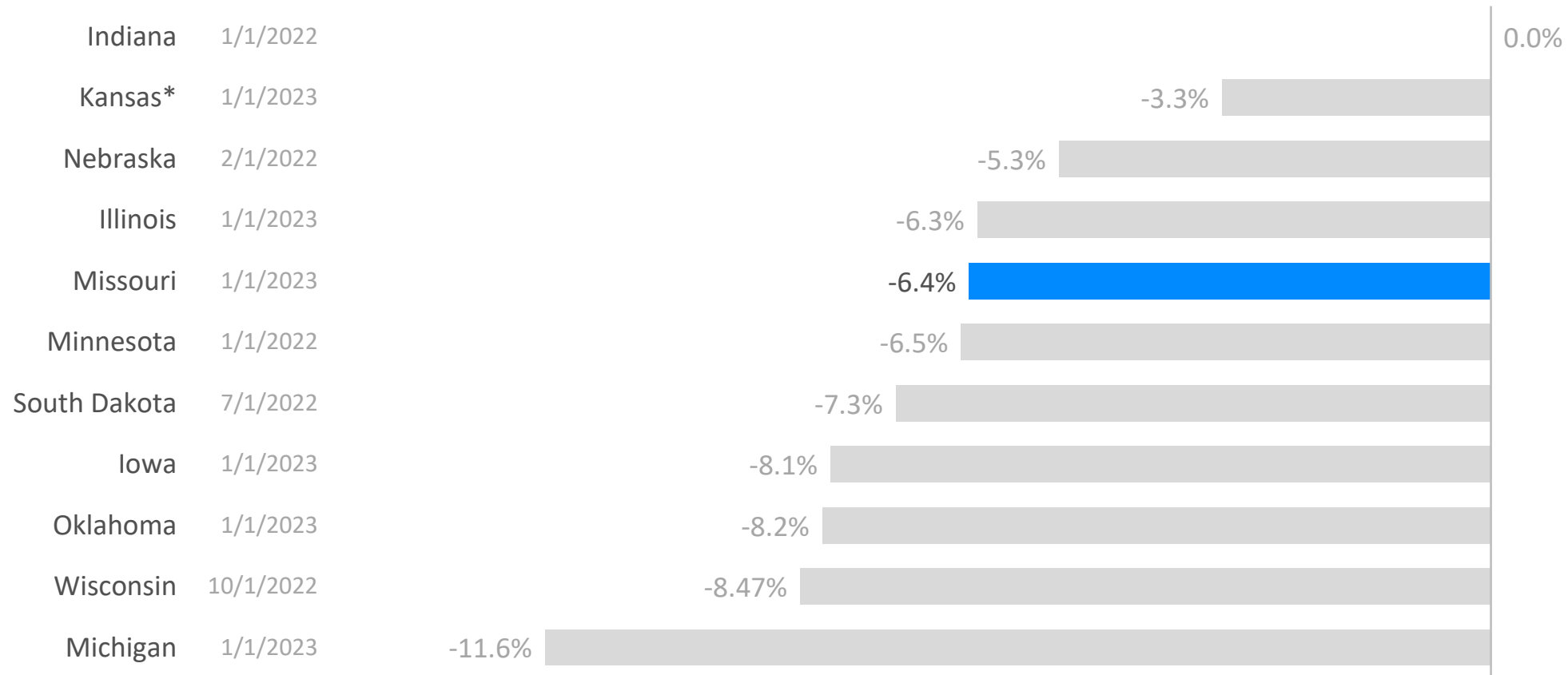
Reflects the most recent experience filing in each jurisdiction as of 9/30/2022.

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



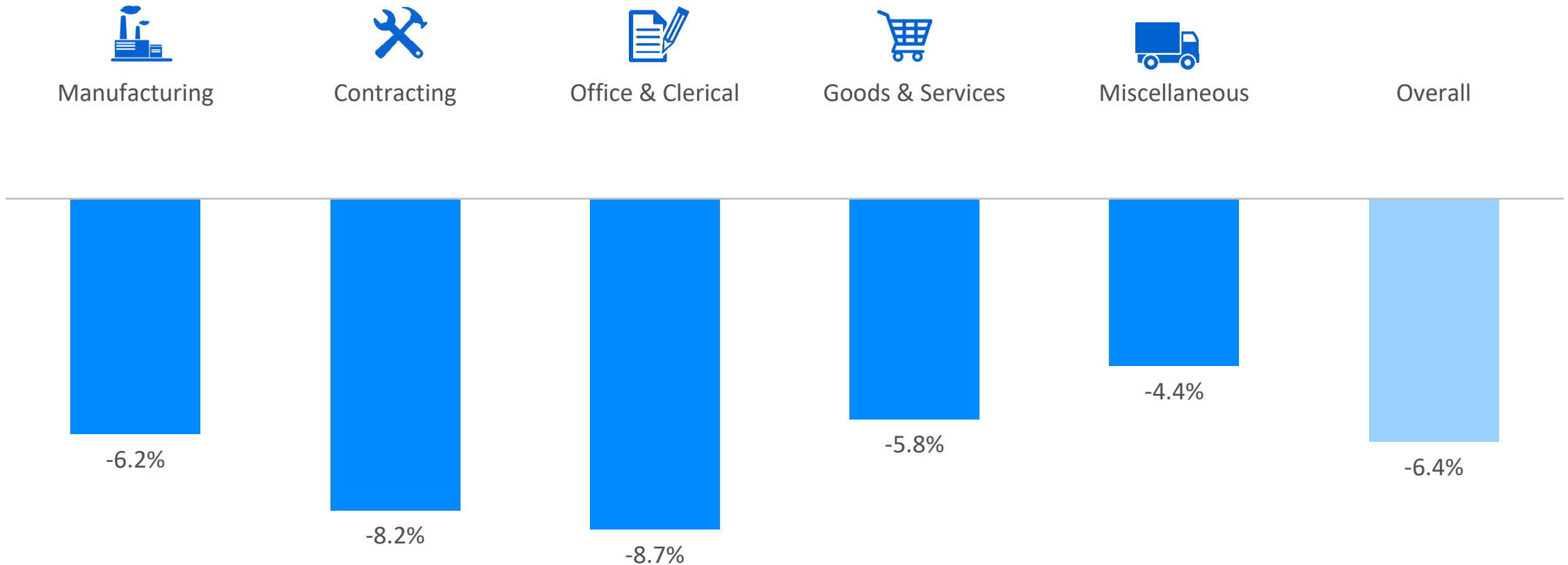
*Pending.

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.

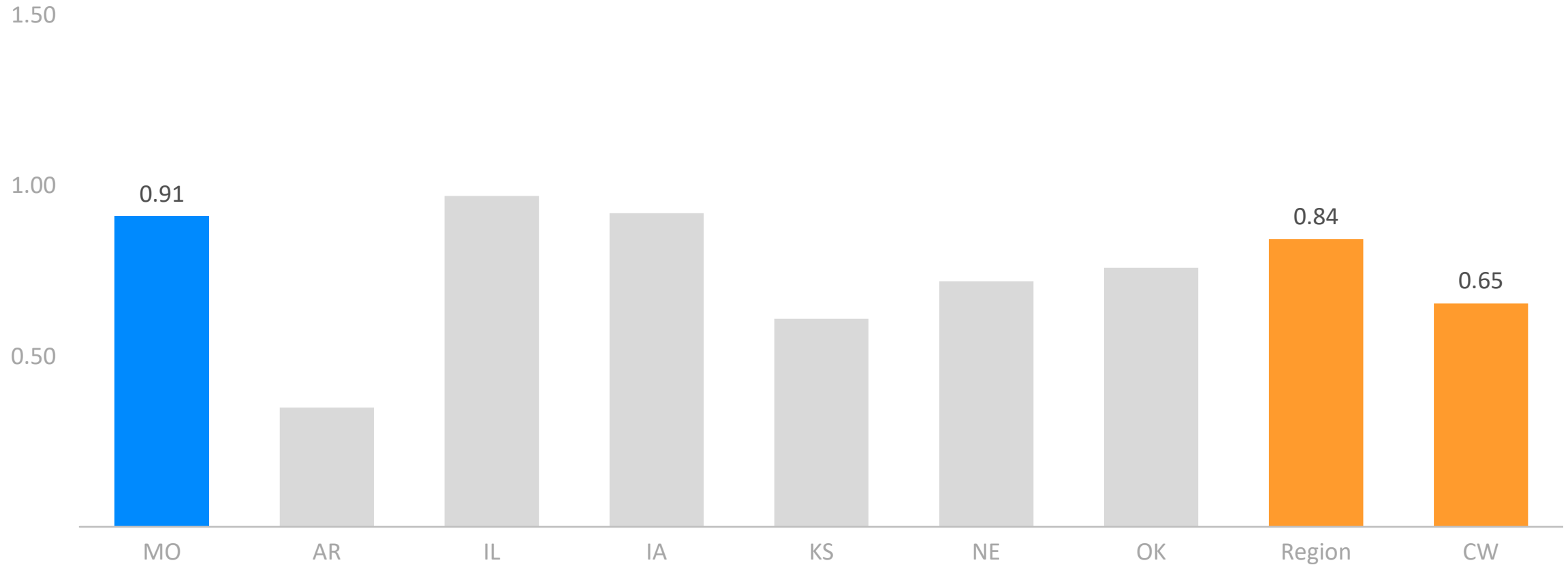
Missouri January 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Average Voluntary Pure Loss Costs

Using Missouri 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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