

STATE ADVISORY RESOURCES

Nebraska Workers Compensation System
December 2022

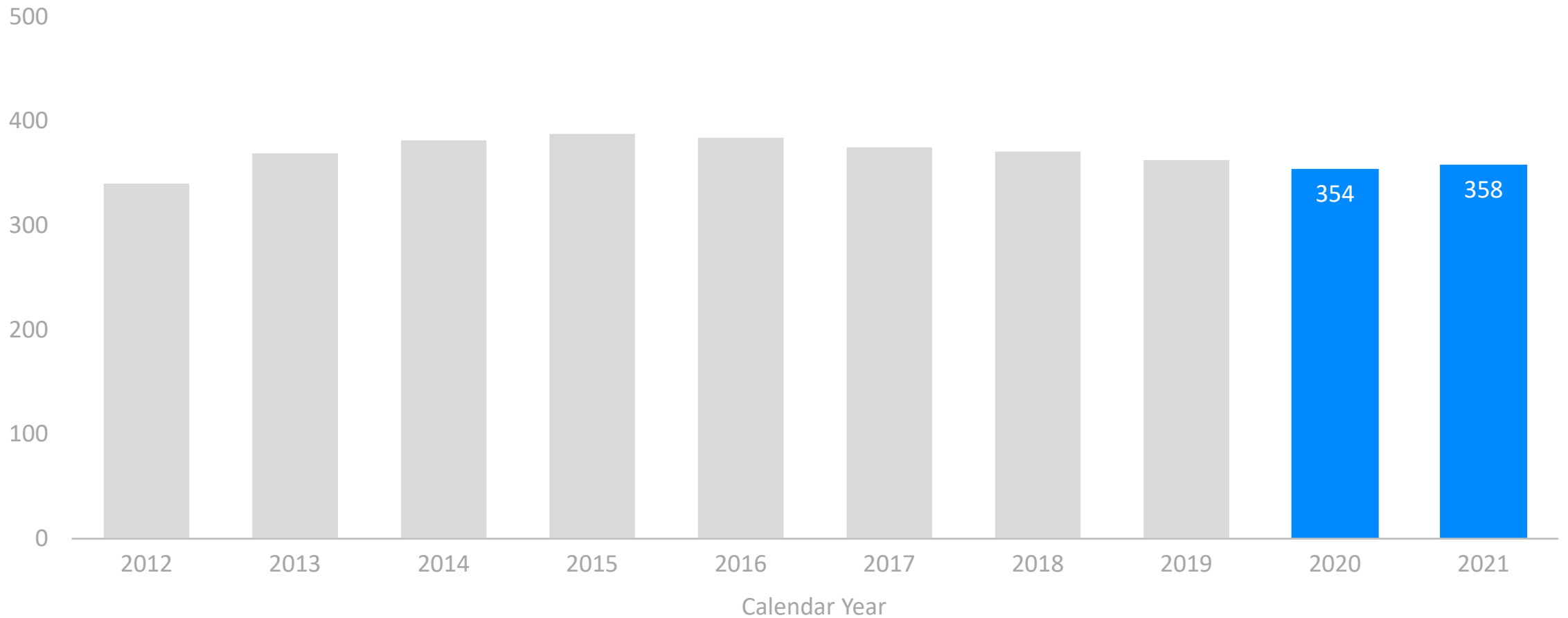


Nebraska Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency shows an increase in latest year
- Indemnity severity increased in the latest year, while medical severity decreased

Nebraska Premium Volume

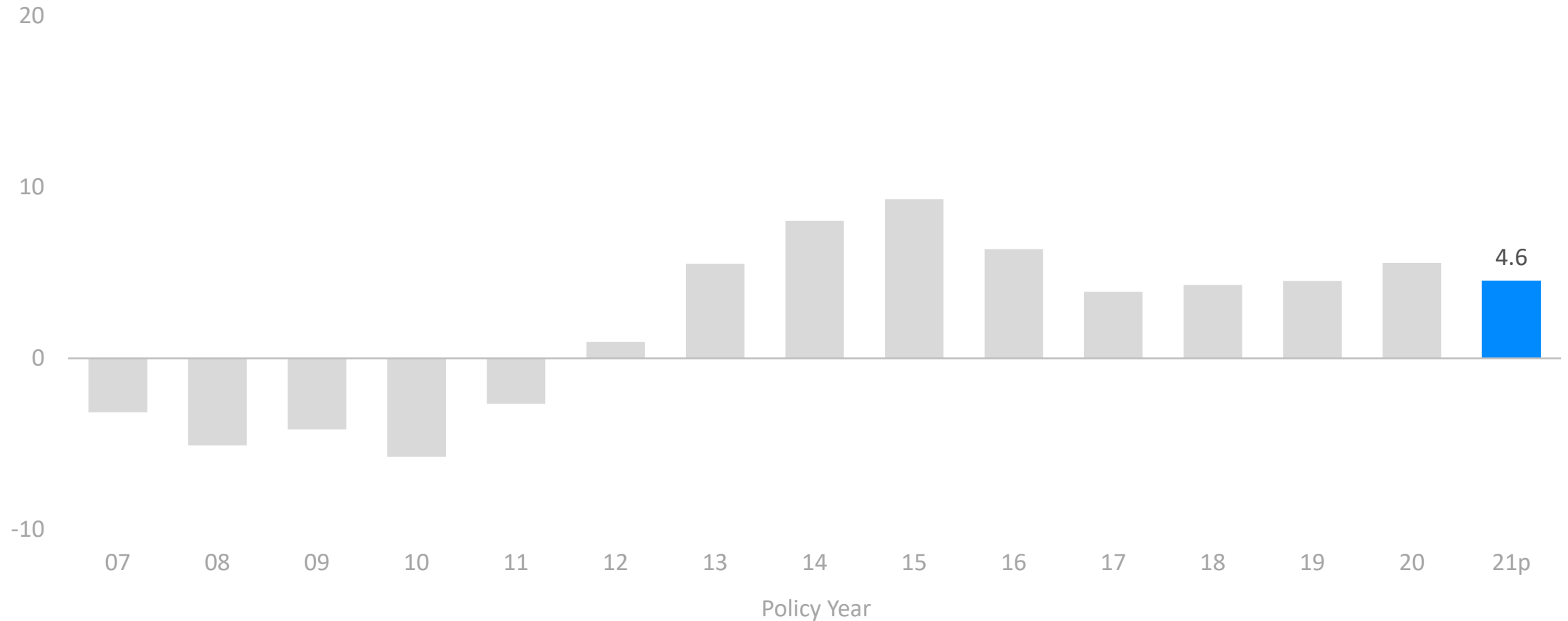
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

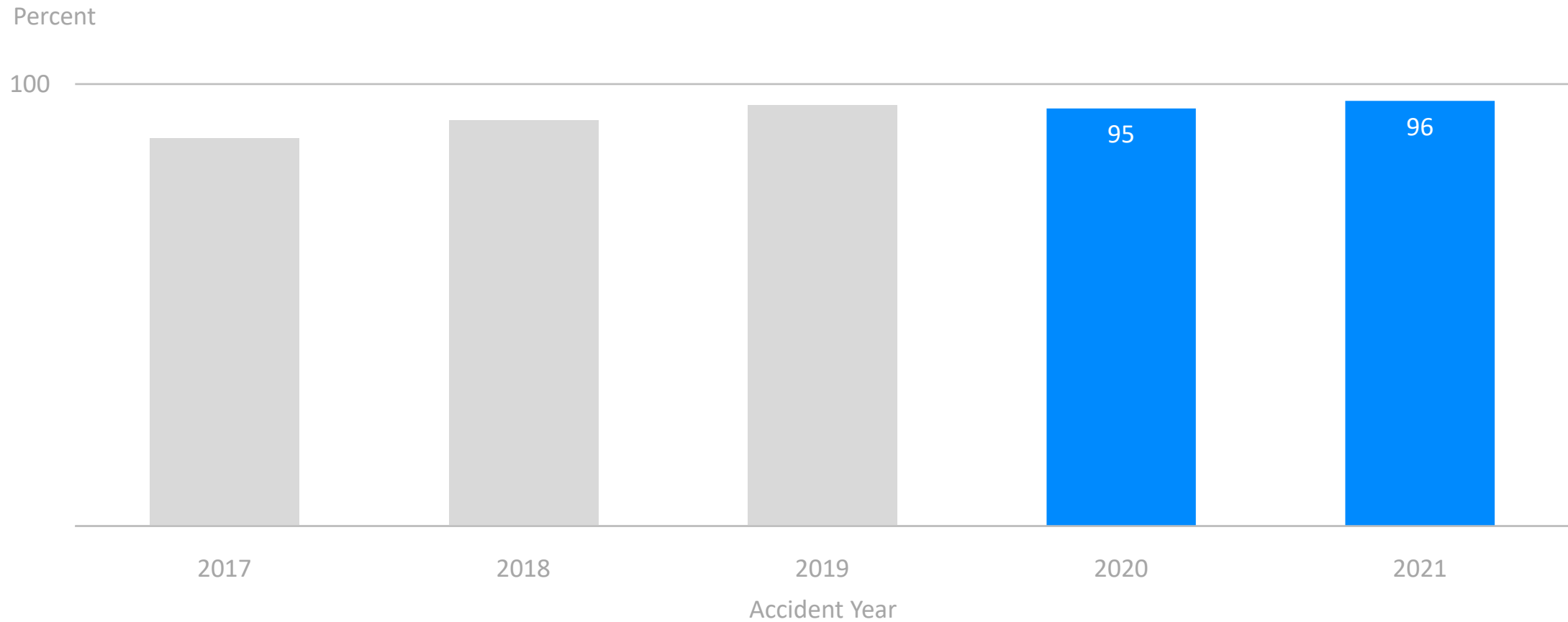


Impact of Discounting on Workers Compensation Premium in Nebraska



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

Nebraska Combined Ratios

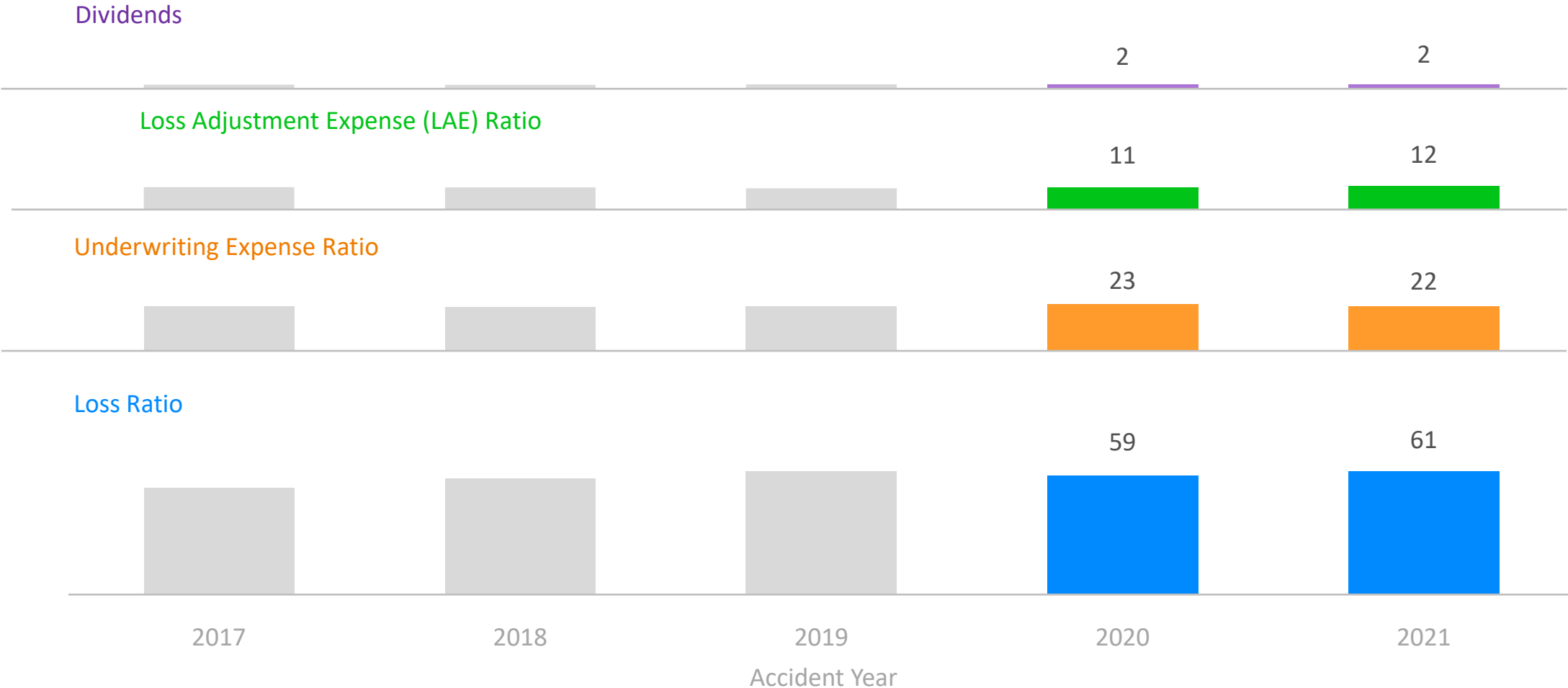


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Nebraska Combined Ratios by Component

Percent

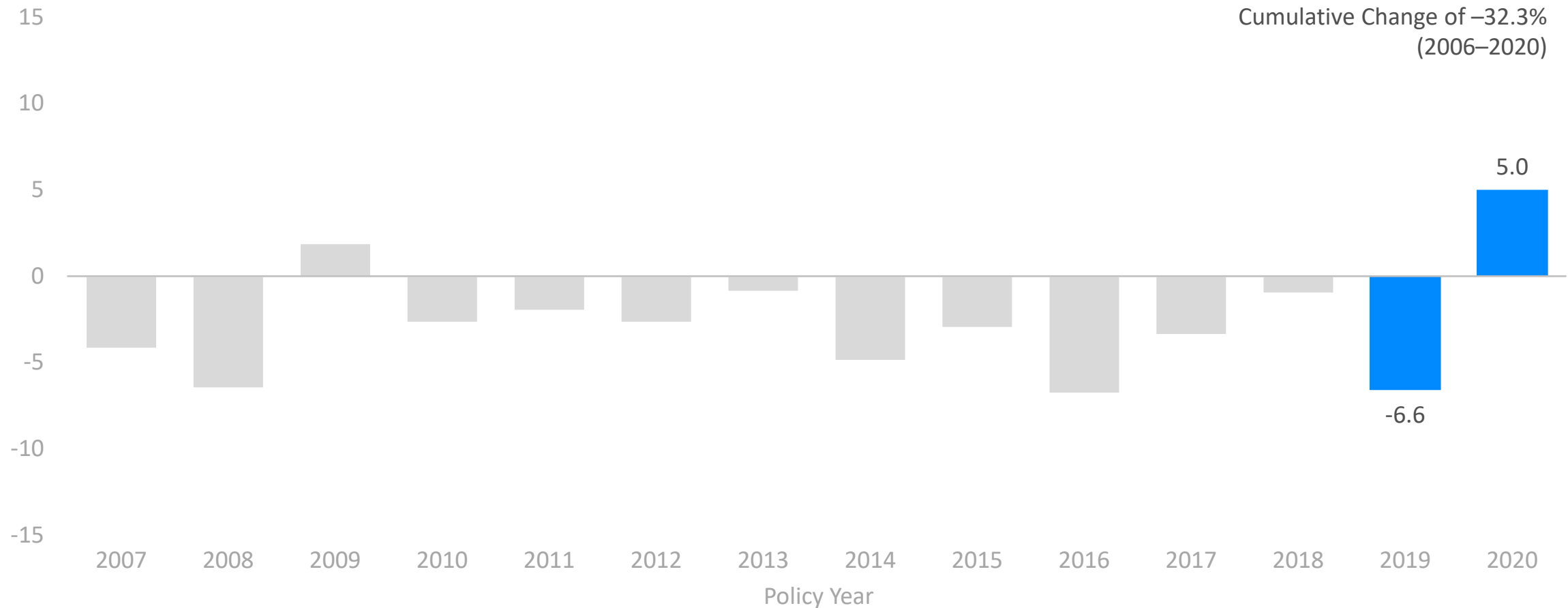


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Nebraska Change in Claim Frequency

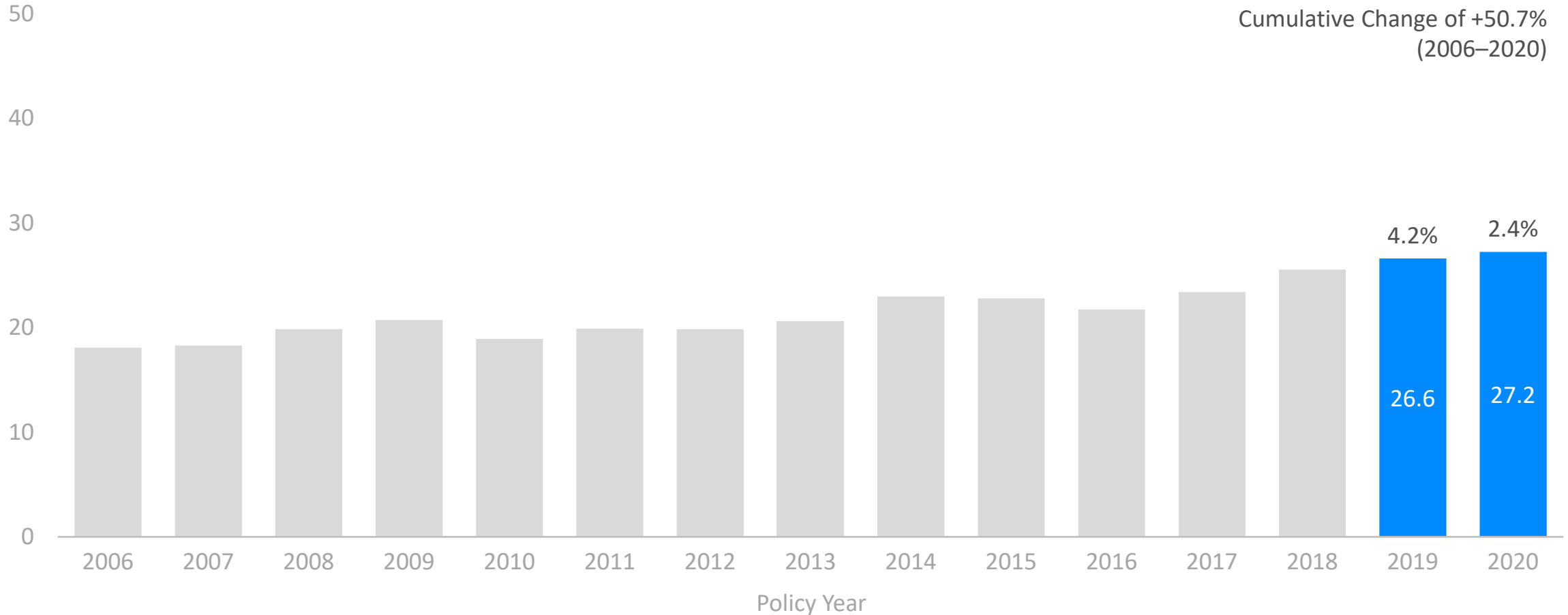
Percent Change in Lost-Time Claims, per \$ Million of On-Levelled Premium



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

Nebraska Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

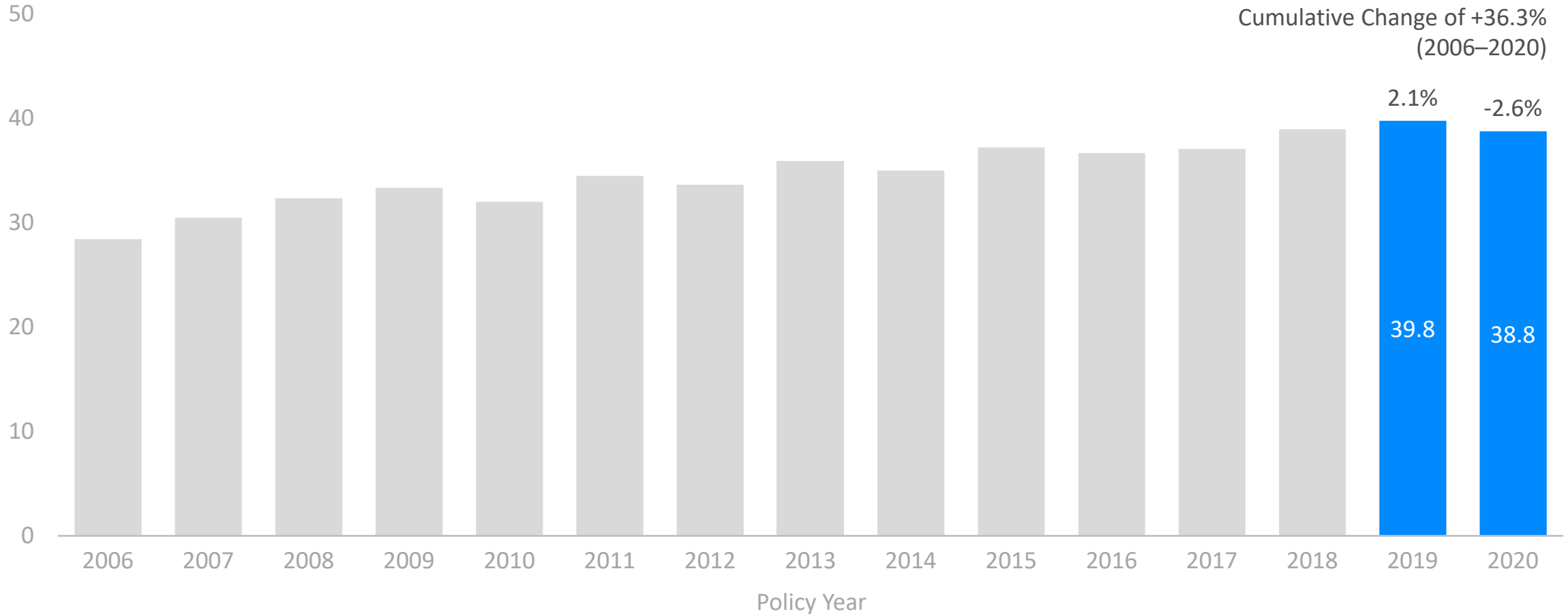


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Nebraska Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands



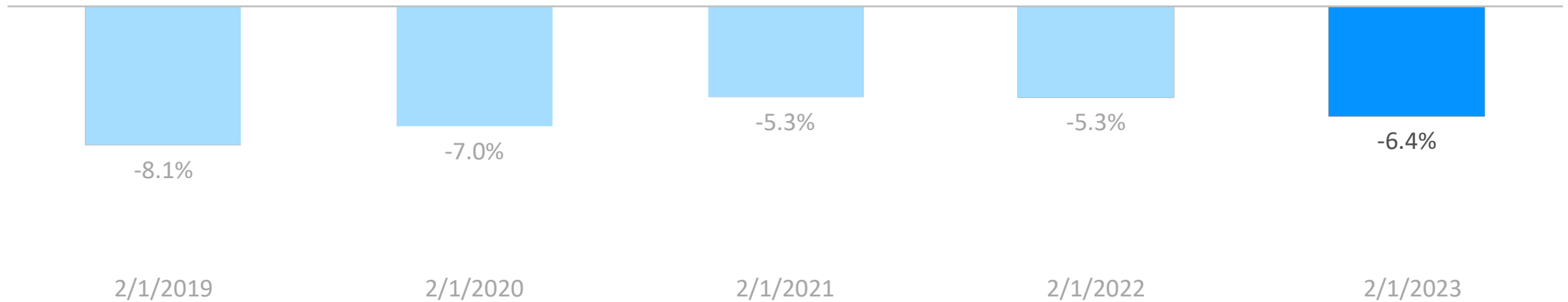
Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Nebraska Filing Activity

Voluntary Loss Cost Changes

Voluntary

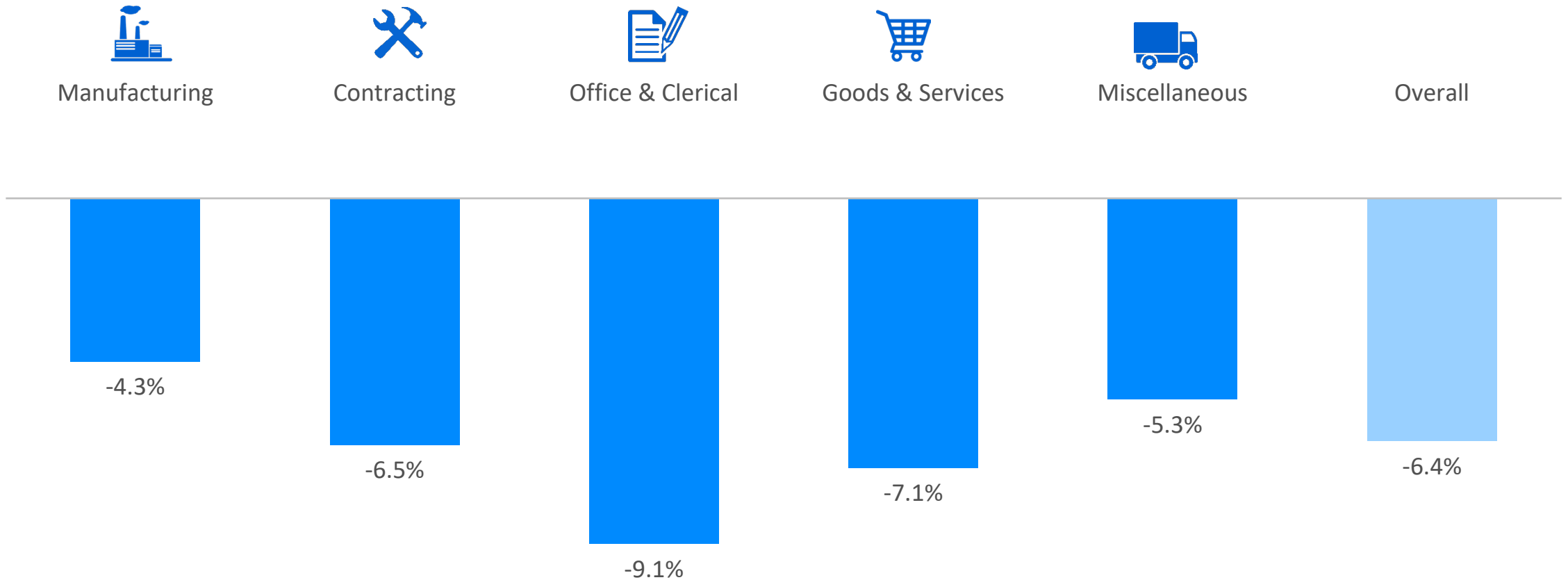


Nebraska February 1, 2023 Loss Cost Filing

Change in Experience:	-3.2%
Change in Trend:	-1.3%
Change in Benefits:	+0.0%
Change in All Other:	-2.0%
<hr/>	
Overall Loss Cost Level Change:	-6.4%

Nebraska February 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Nebraska Economic Drivers



Agriculture



Financial



Manufacturing

Source: Moody's Analytics.

Nebraska Economic Assets and Challenges

■ Assets

- Logistics hub
- Modest living and business costs
- Substantial military presence

■ Challenges

- Exposure to unpredictable farming industry
- Deteriorating migration trends
- Lagging productivity and incomes

Source: Moody's Analytics.

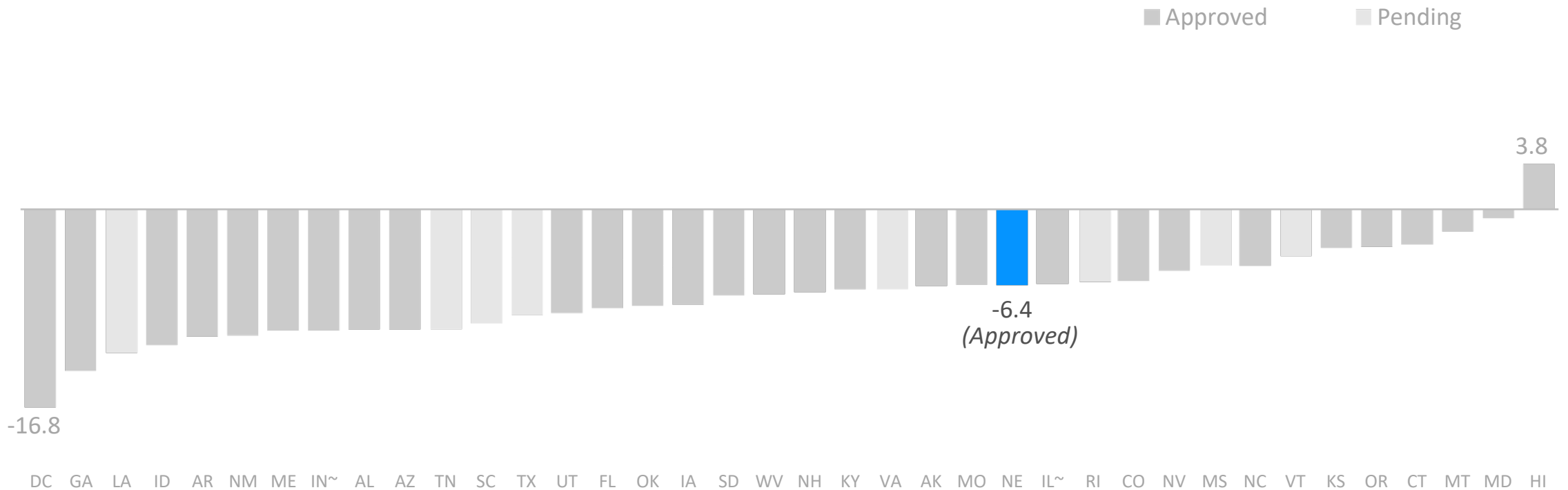
Nebraska Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

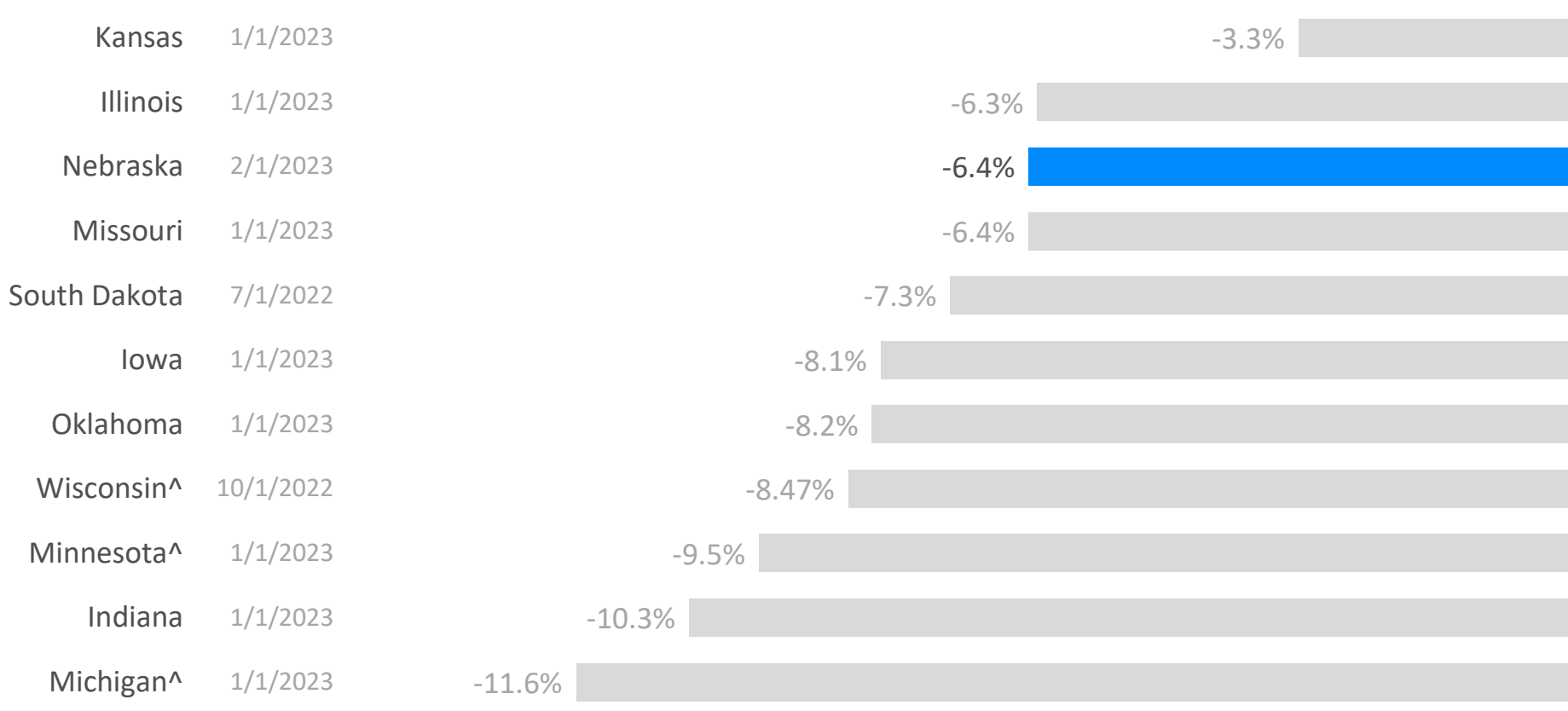


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 12/2/2022.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Midwestern States



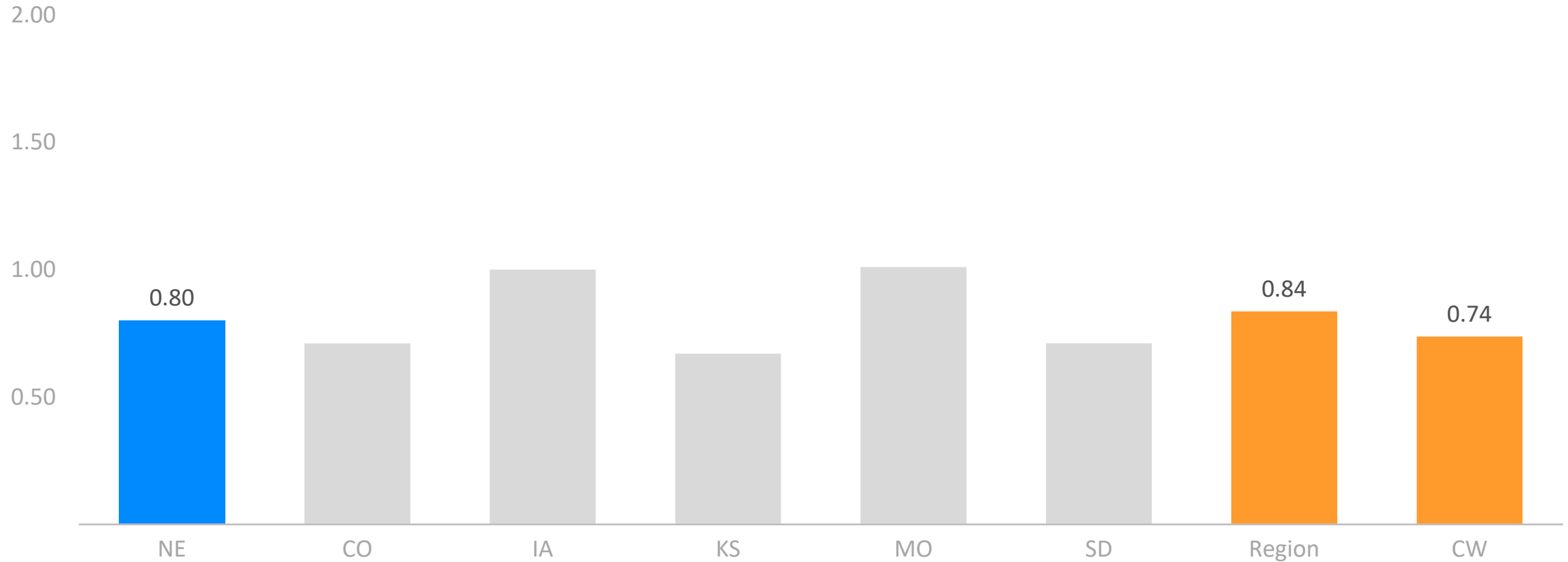
[^]An independent bureau state.

Reflects the most recent experience filing in each jurisdiction as of 12/2/2022.

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 Nebraska 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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