

STATE ADVISORY RESOURCES

Nevada Workers Compensation System
January 2023

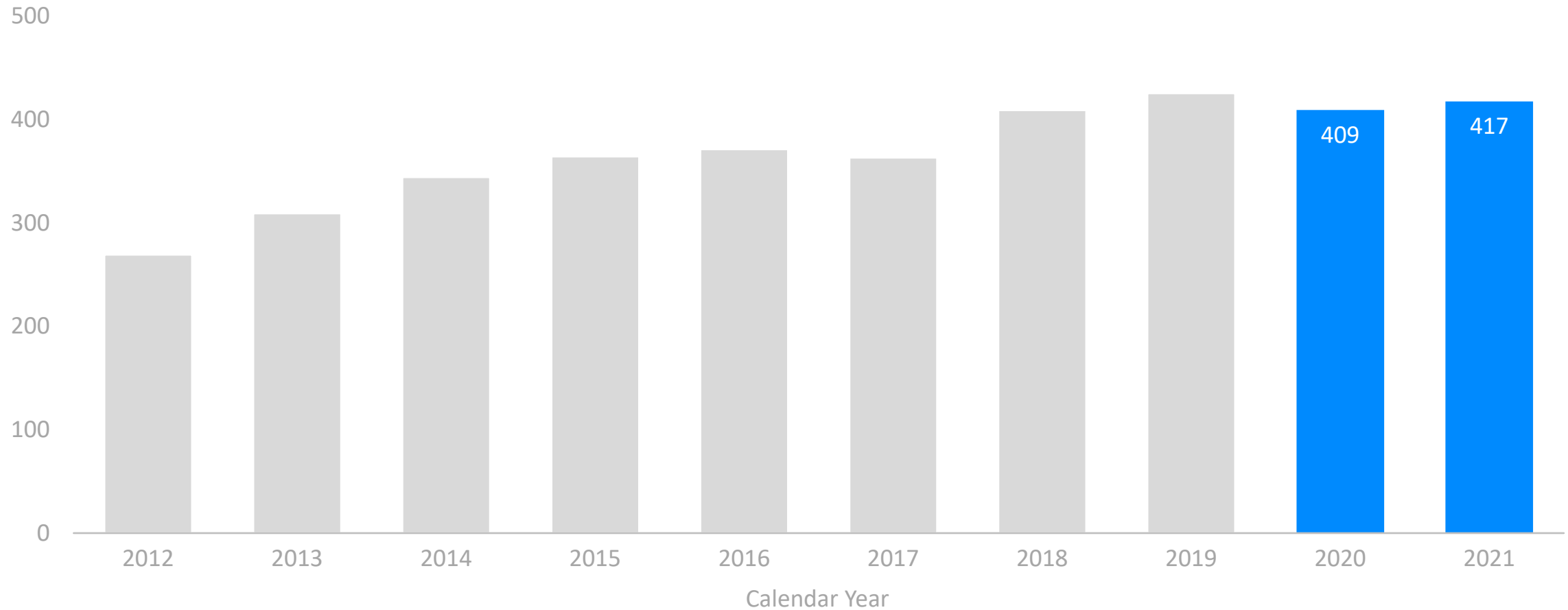


Nevada Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency continues to decline
- Indemnity severity exhibits some volatility while medical severity has decreased in recent years

Nevada Premium Volume

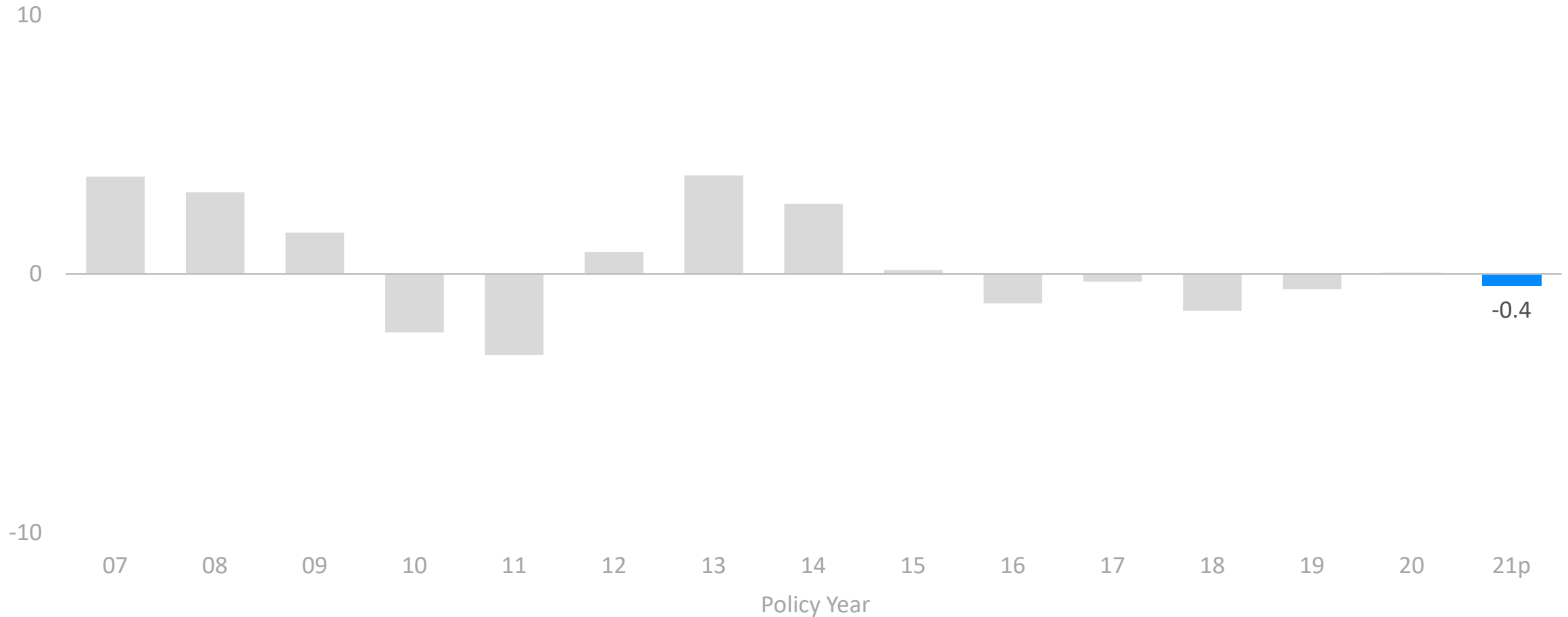
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



Impact of Discounting on Workers Compensation Premium in Nevada

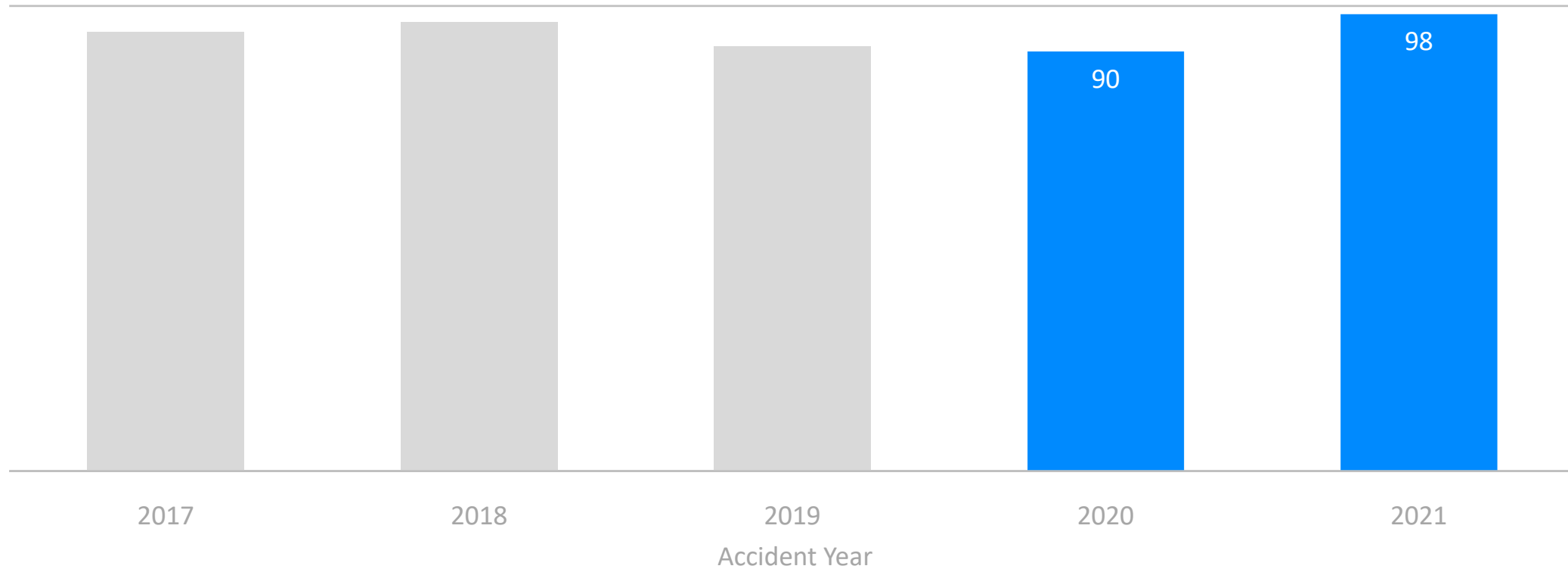


p Preliminary.
Based on data through 12/31/2021.

Nevada Combined Ratios

Percent

100

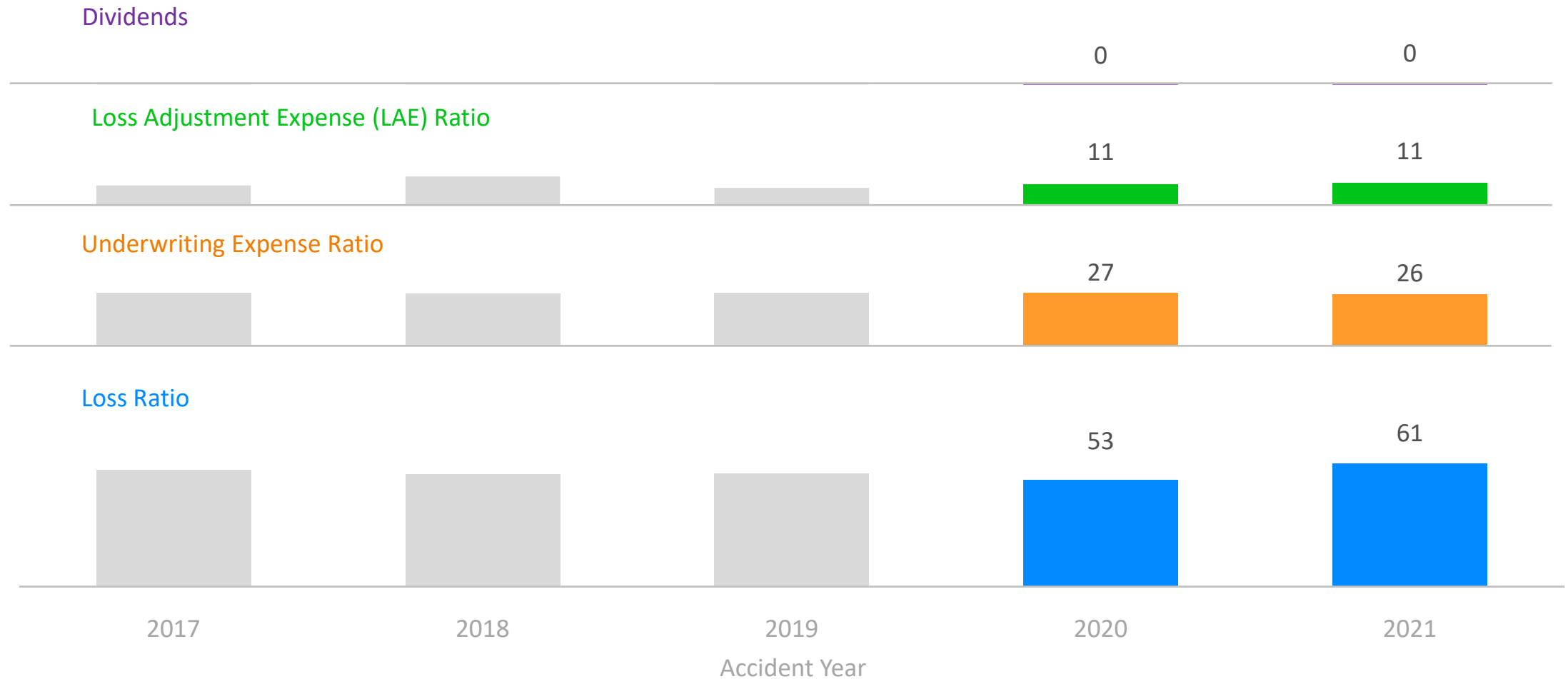


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Nevada Combined Ratios by Component

Percent

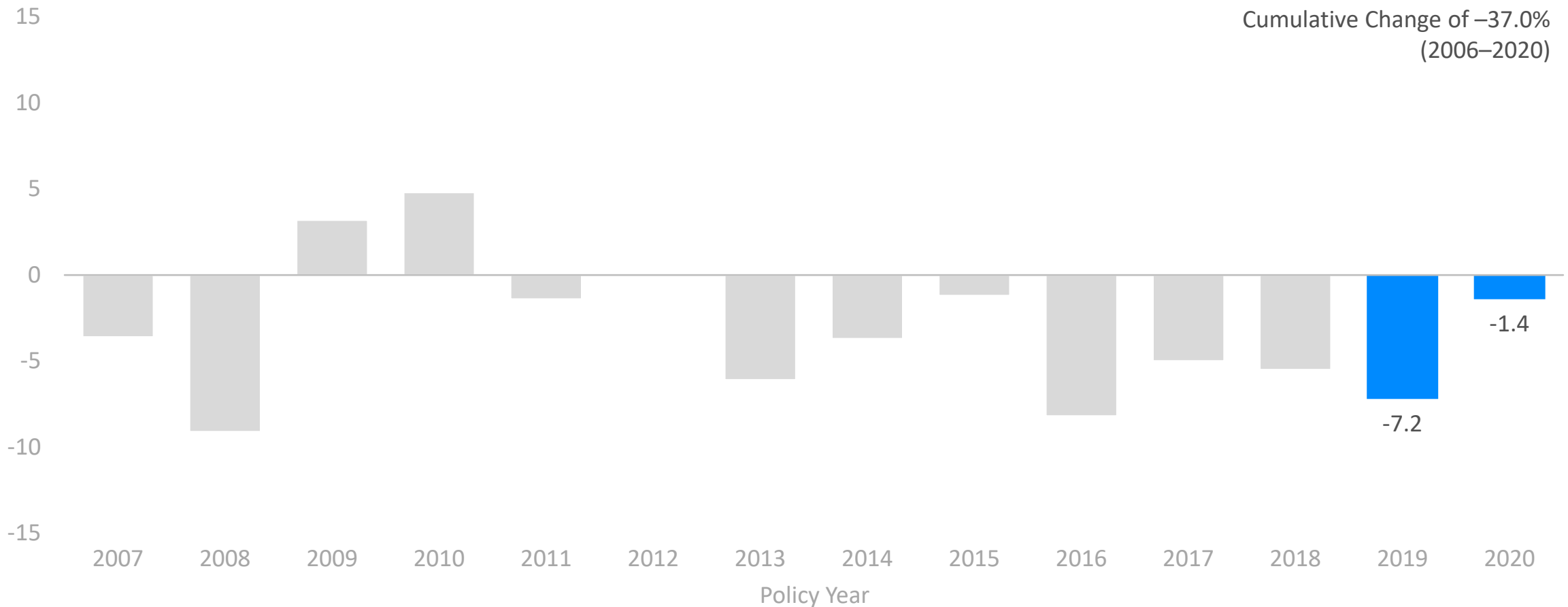


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Nevada Change in Claim Frequency

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

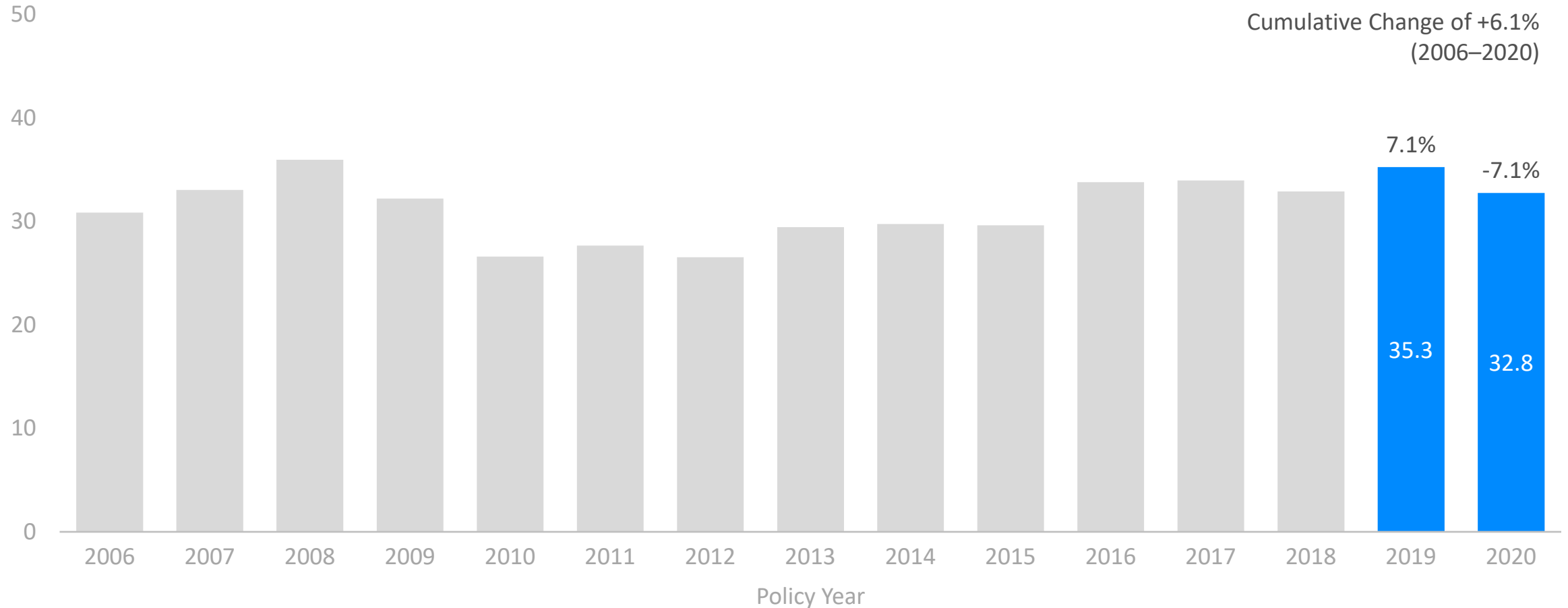


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



Nevada Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

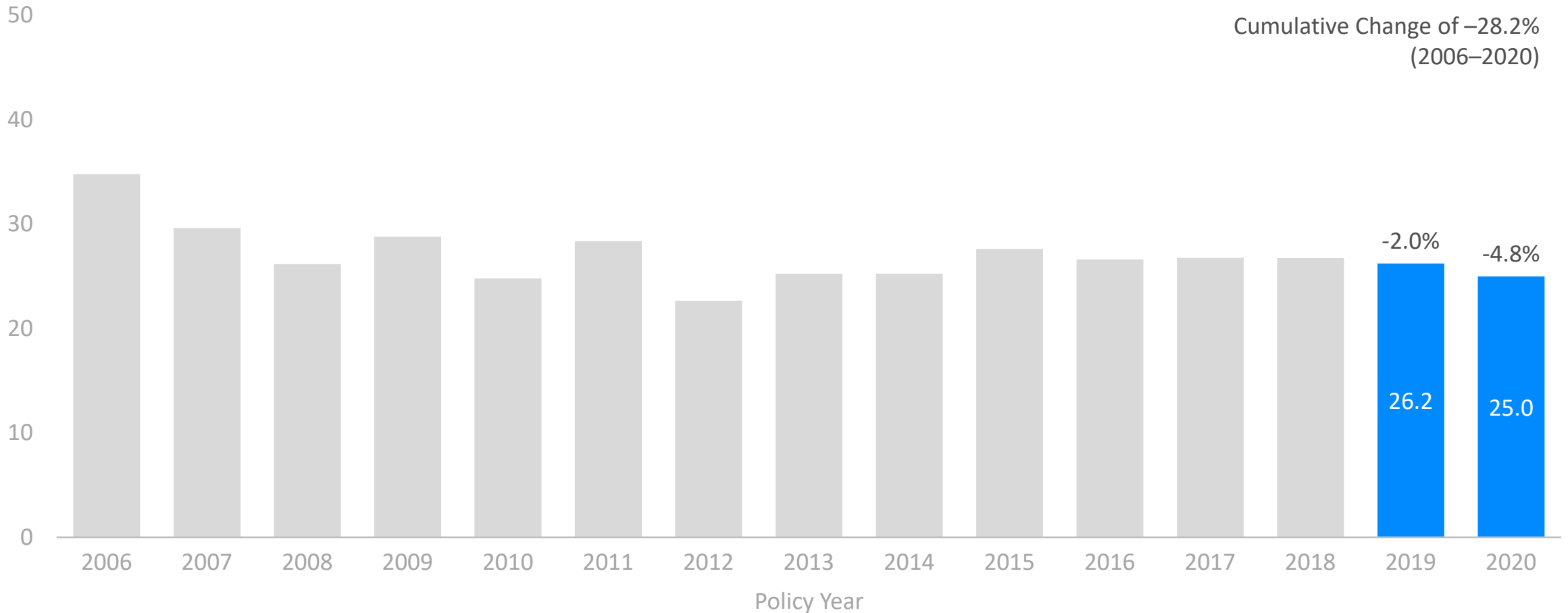


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Nevada Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

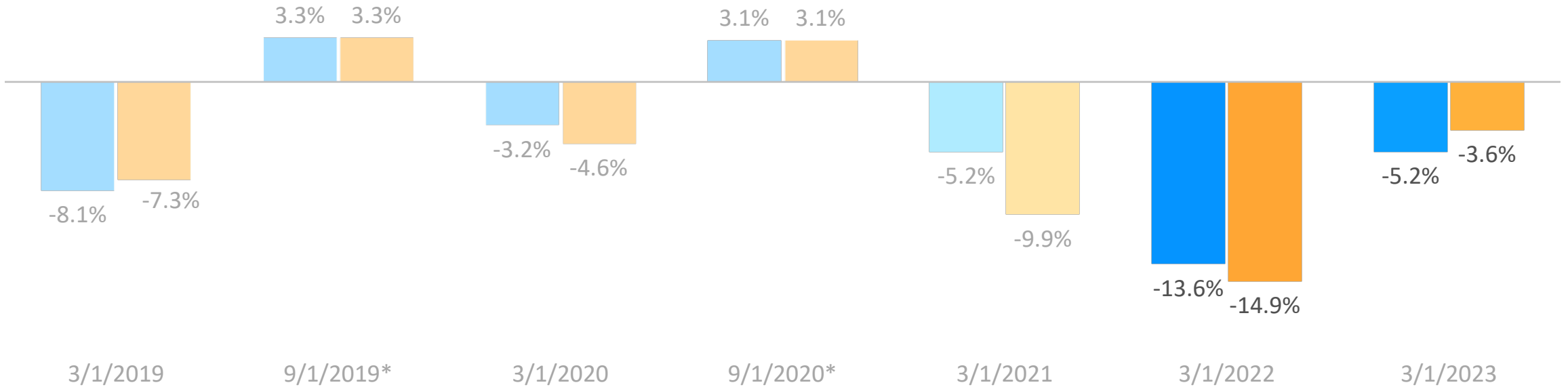


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Nevada Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



*Law-only filing.

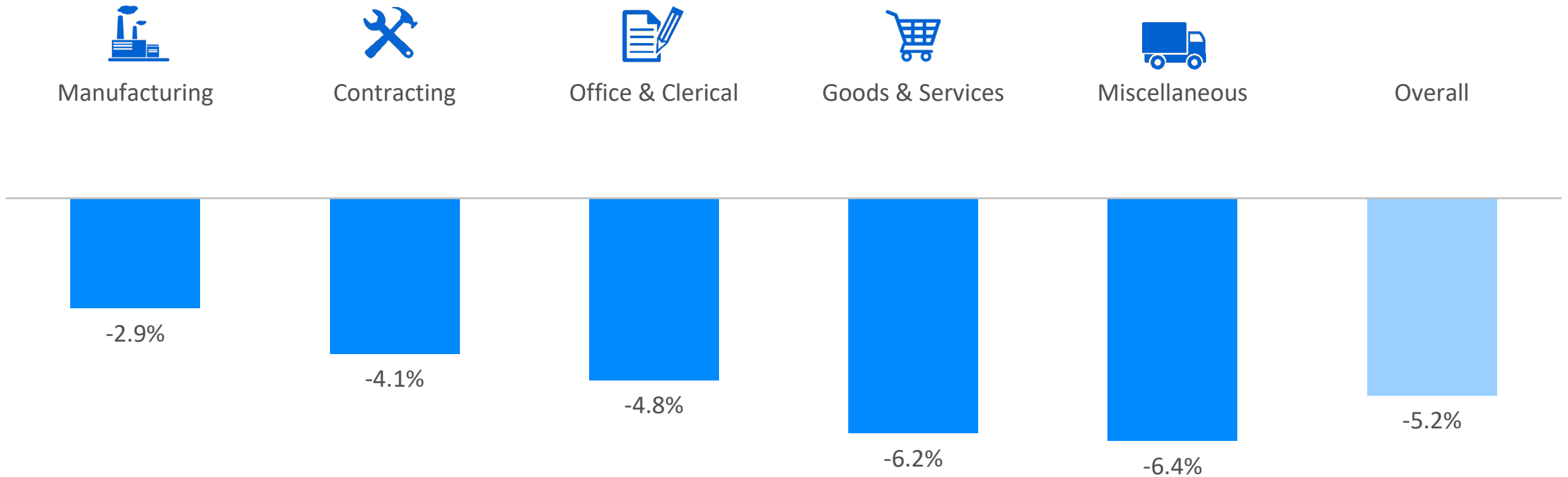


Nevada March 1, 2023 Loss Cost Filing

Change in Experience:	-4.1%
Change in Trend:	-1.0%
Change in Benefits:	+0.2%
Change in All Other:	-0.3%
<hr/>	
Overall Loss Cost Level Change:	-5.2%

Nevada March 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Nevada Economic Drivers



Retirement



Tourism

Source: Moody's Analytics.

Nevada Economic Assets and Challenges

■ Assets

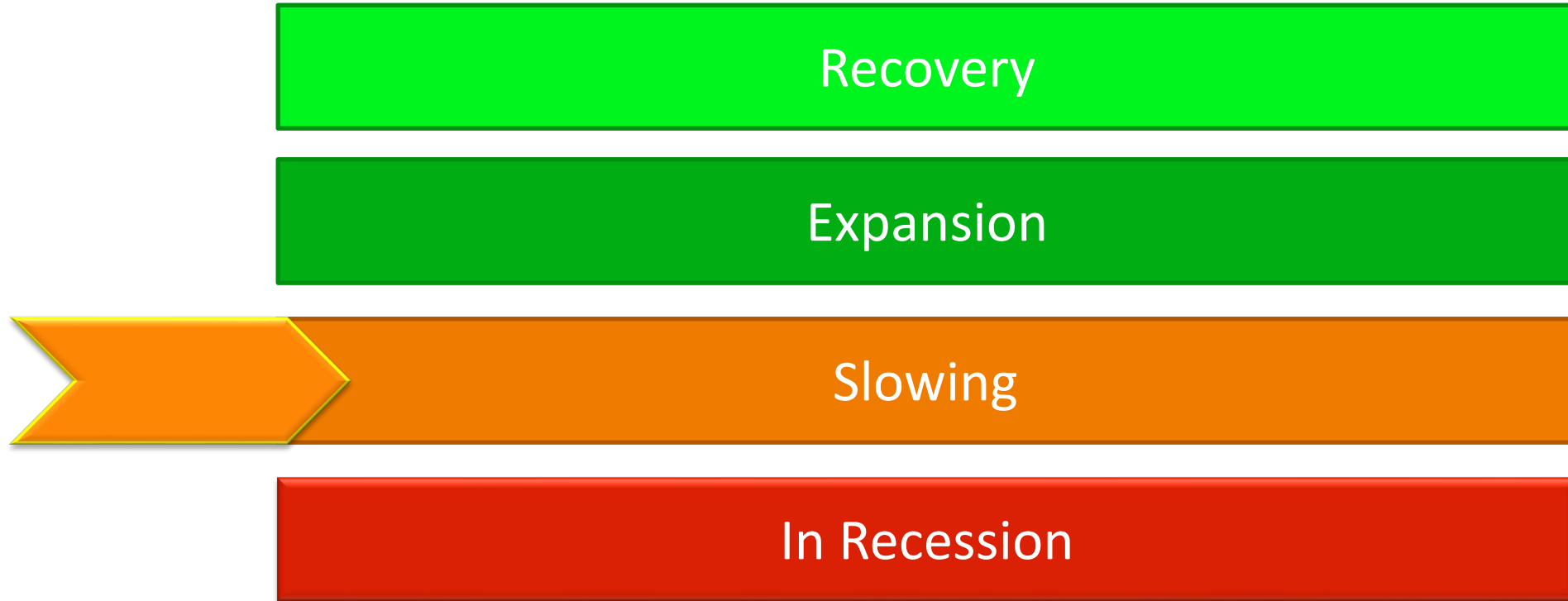
- Above-average population gains with improving migration trends
- Relatively low cost to do business
- Increasing job growth

■ Challenges

- Changes in the economy affect the state's tourism industry
- Employment volatility is higher than average

Source: Moody's Analytics.

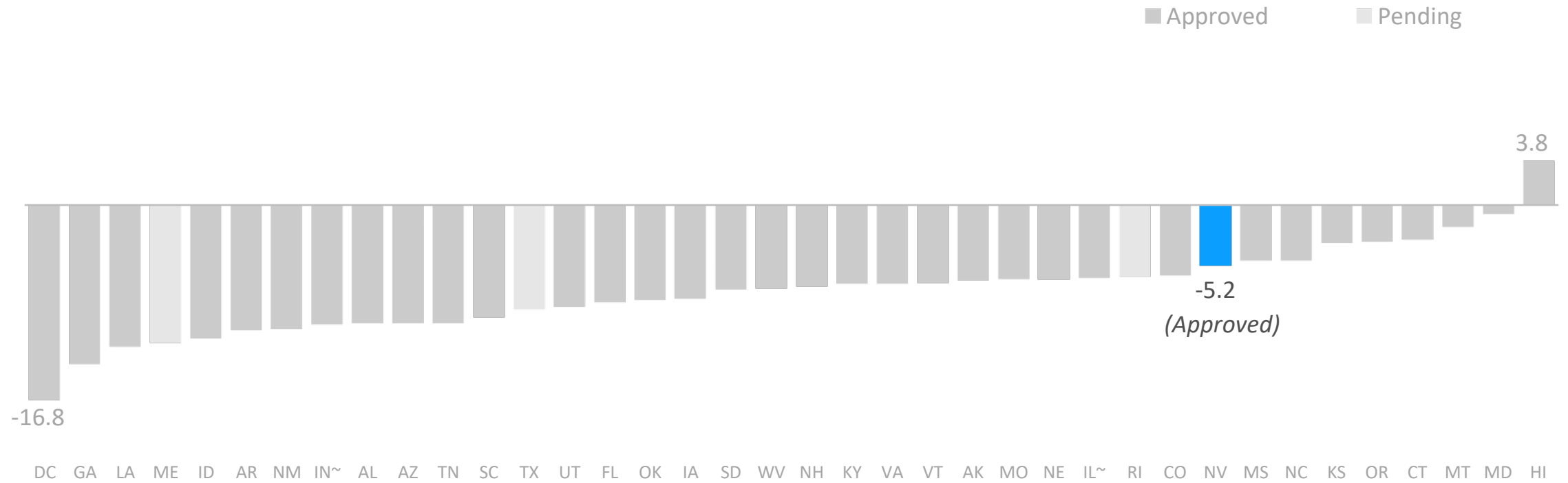
Nevada Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

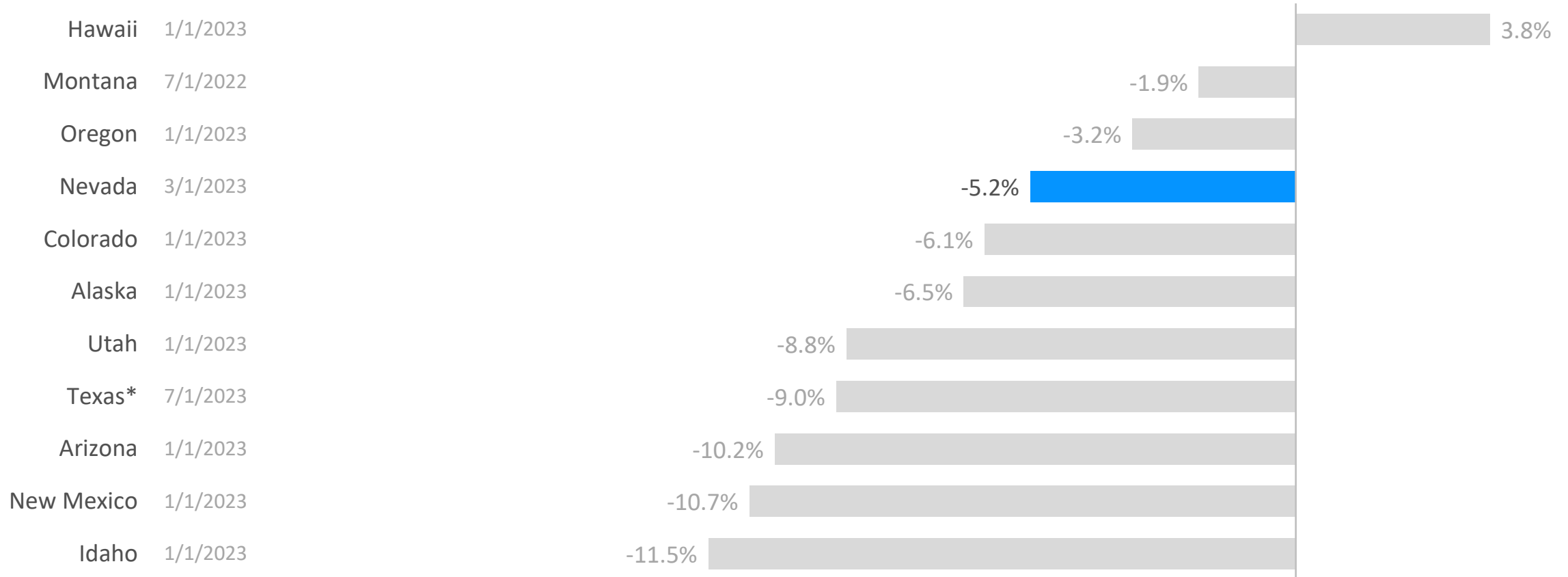


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 1/20/2023.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Western States



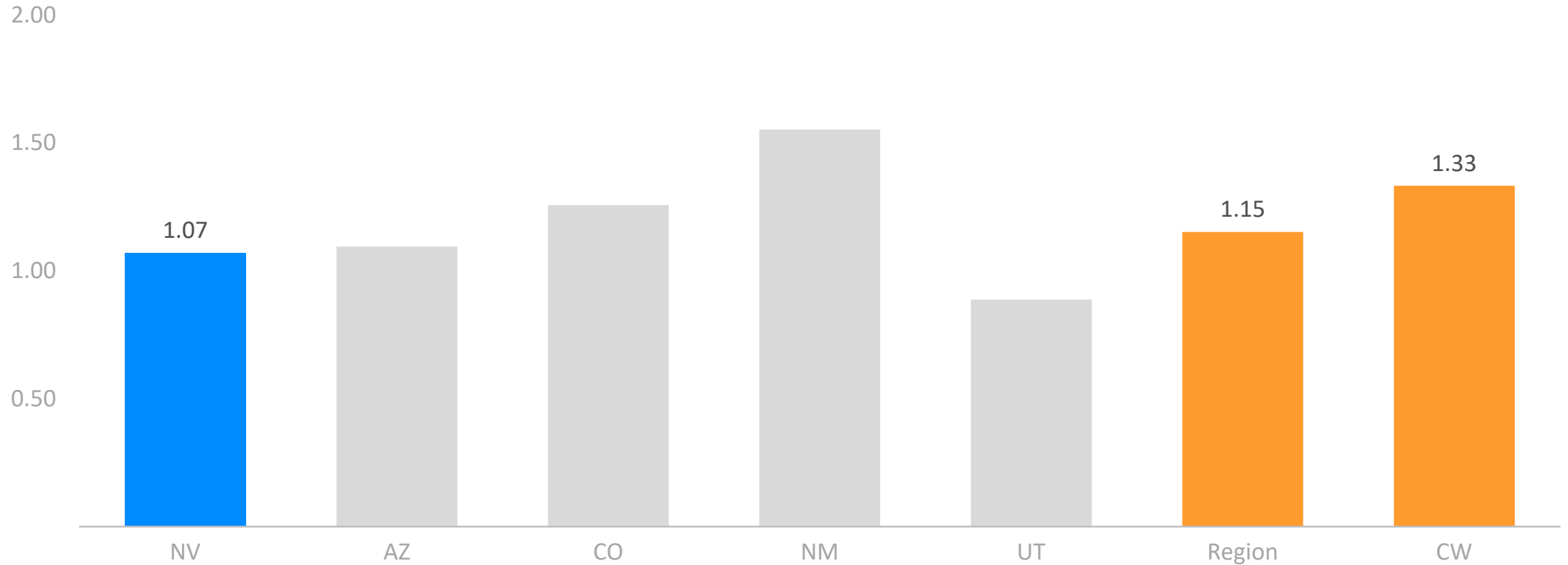
*Pending.

Reflects the most recent experience filing in each jurisdiction as of 1/20/2023.

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 Nevada 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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