

# STATE ADVISORY RESOURCES

Oklahoma Workers Compensation System  
October 2022

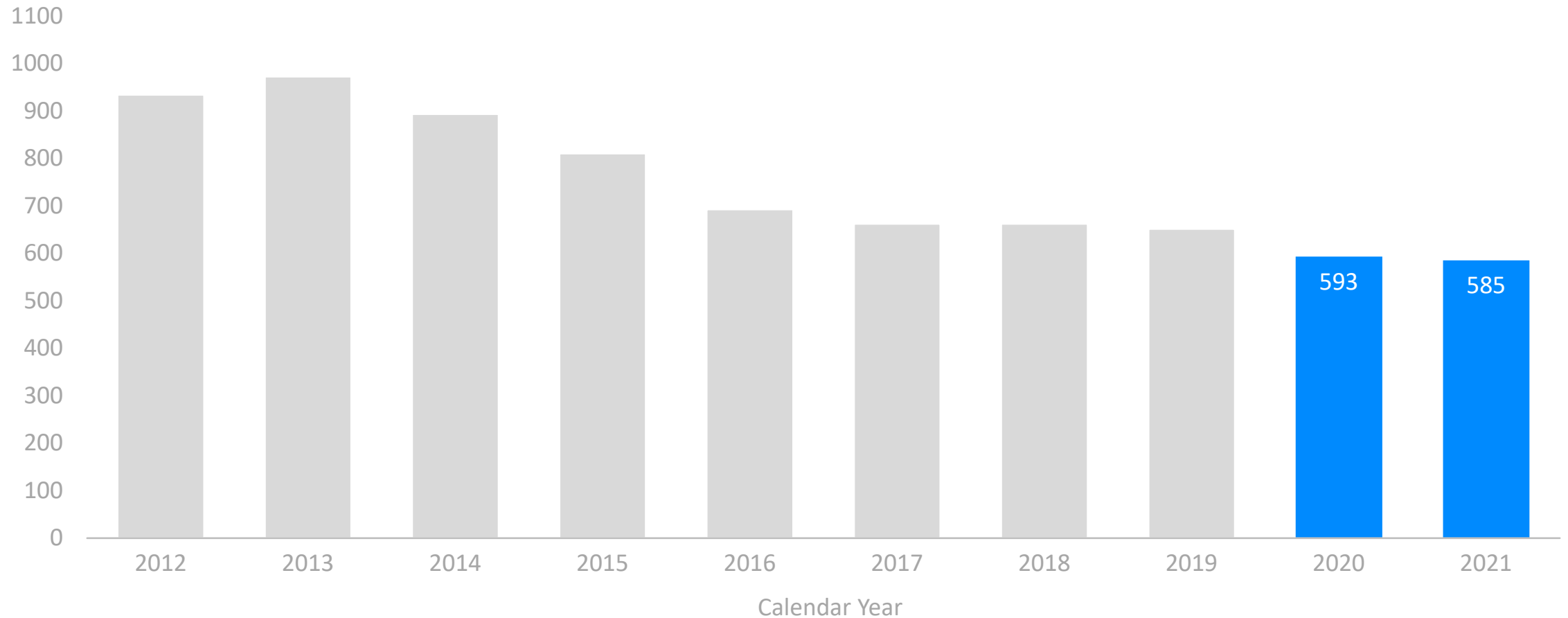


# Oklahoma Workers Compensation System—An Overview

- Written premium volume decreased in 2021
- Accident year combined ratios continue to show underwriting gains
- Lost-time claim frequency increased in the most recent policy year
- Indemnity and medical claim severities significantly decreased in Policy Year 2020

# Oklahoma Premium Volume

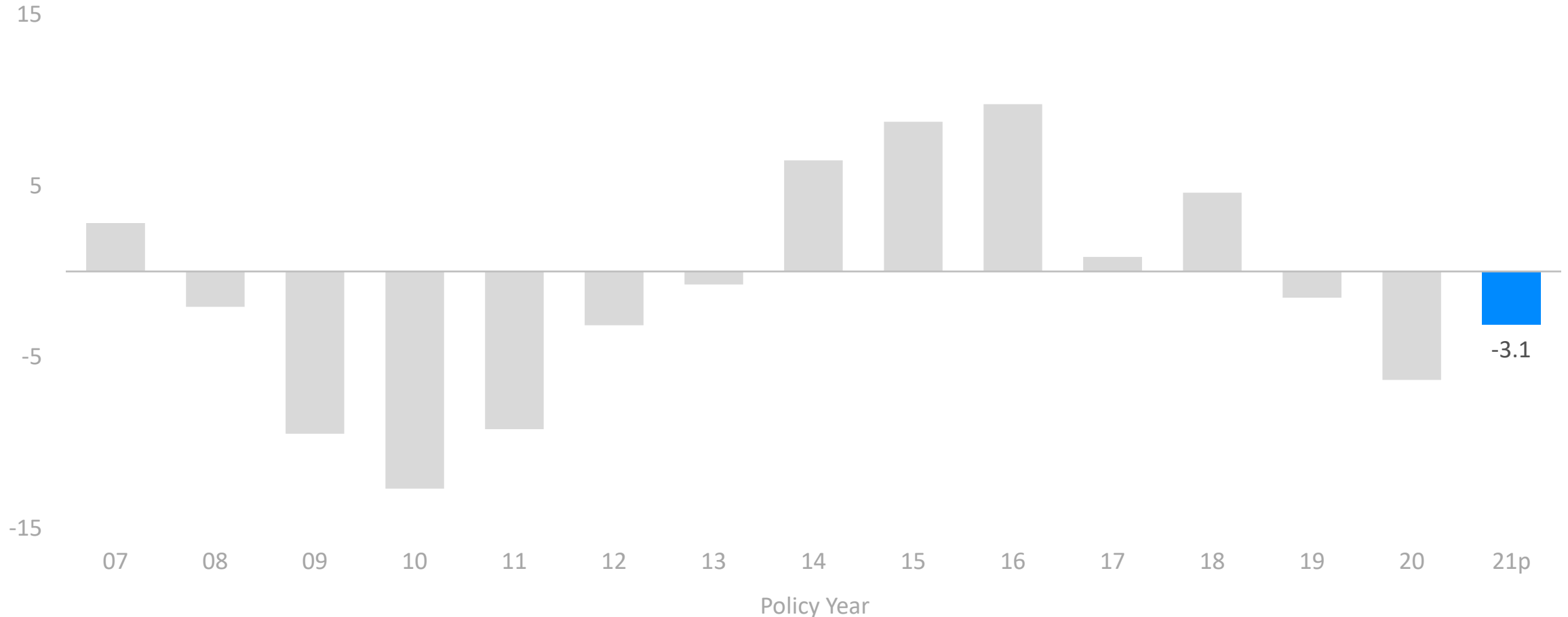
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



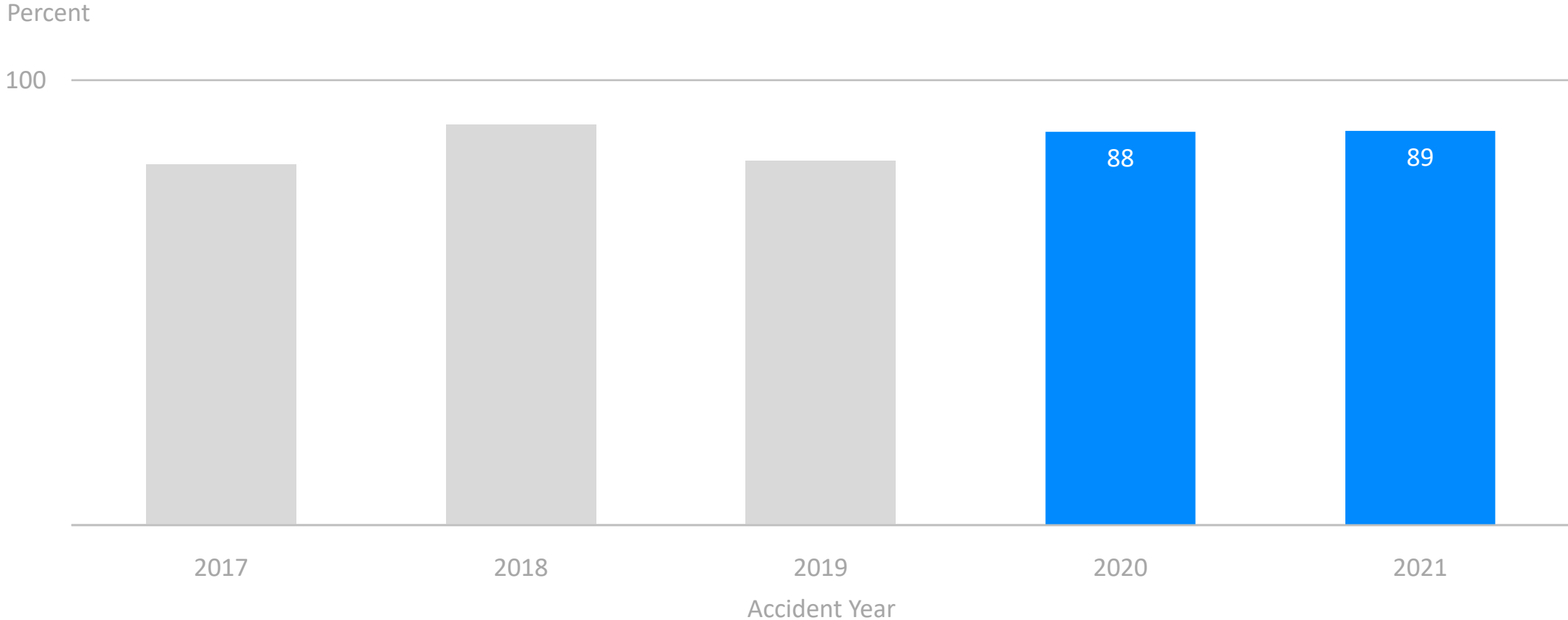
# Impact of Discounting on Workers Compensation Premium in Oklahoma



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



# Oklahoma Combined Ratios

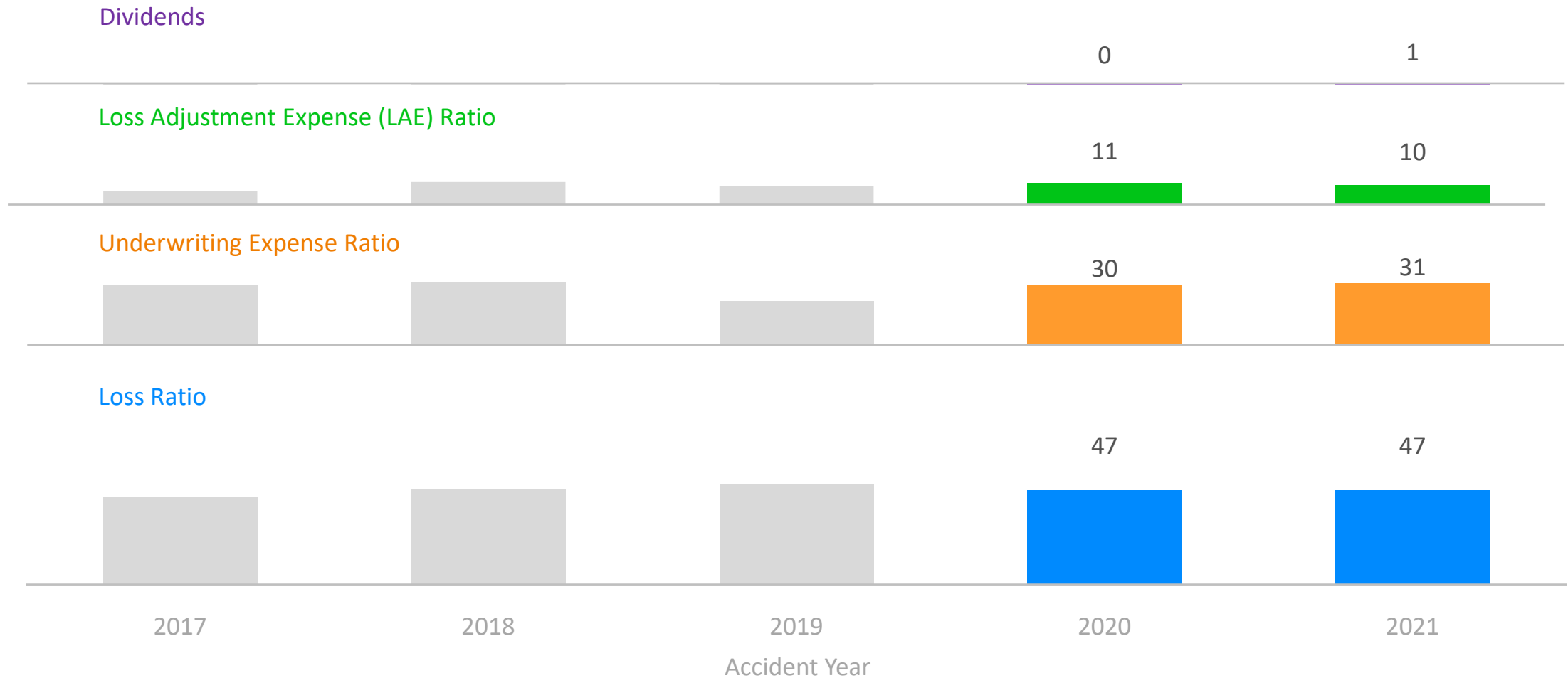


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Oklahoma Combined Ratios by Component

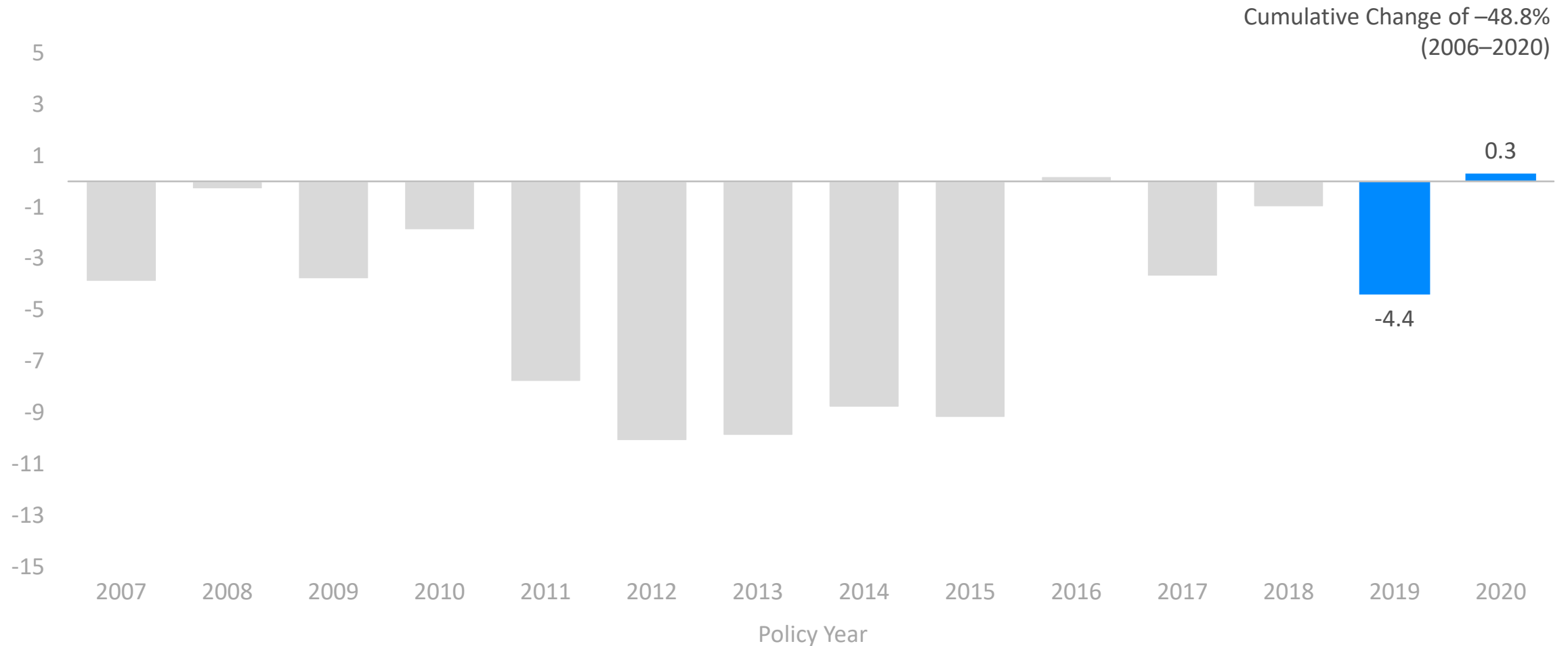
Percent



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

# Oklahoma Change in Claim Frequency

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

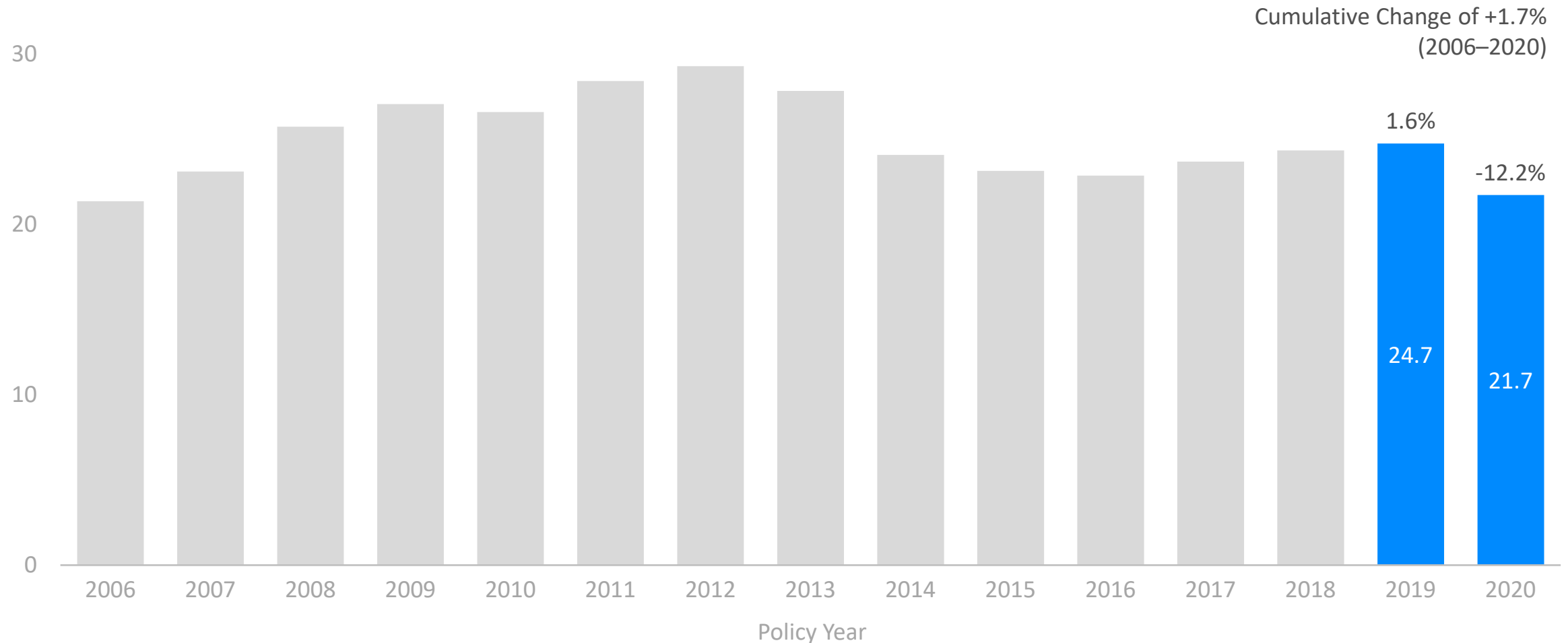


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate, with premium adjusted to common wage level.



# Oklahoma Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

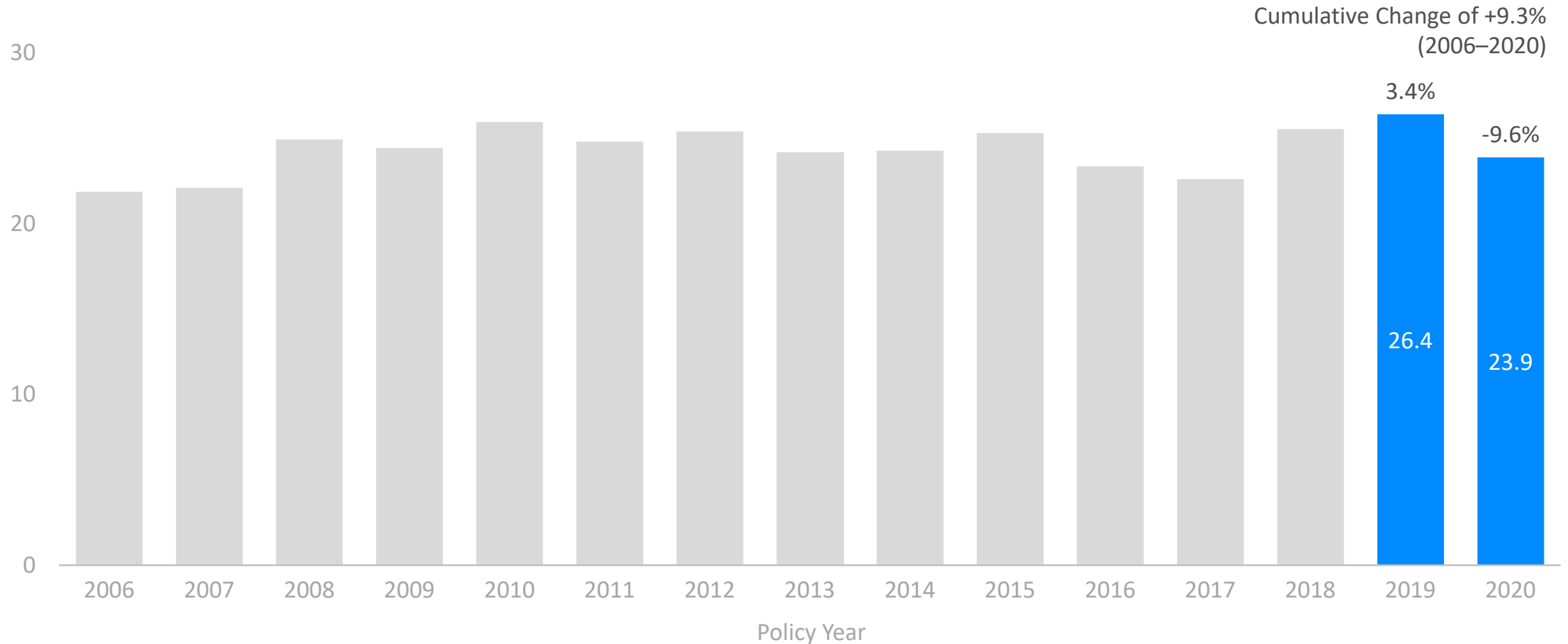


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



# Oklahoma Average Medical Claim Severity

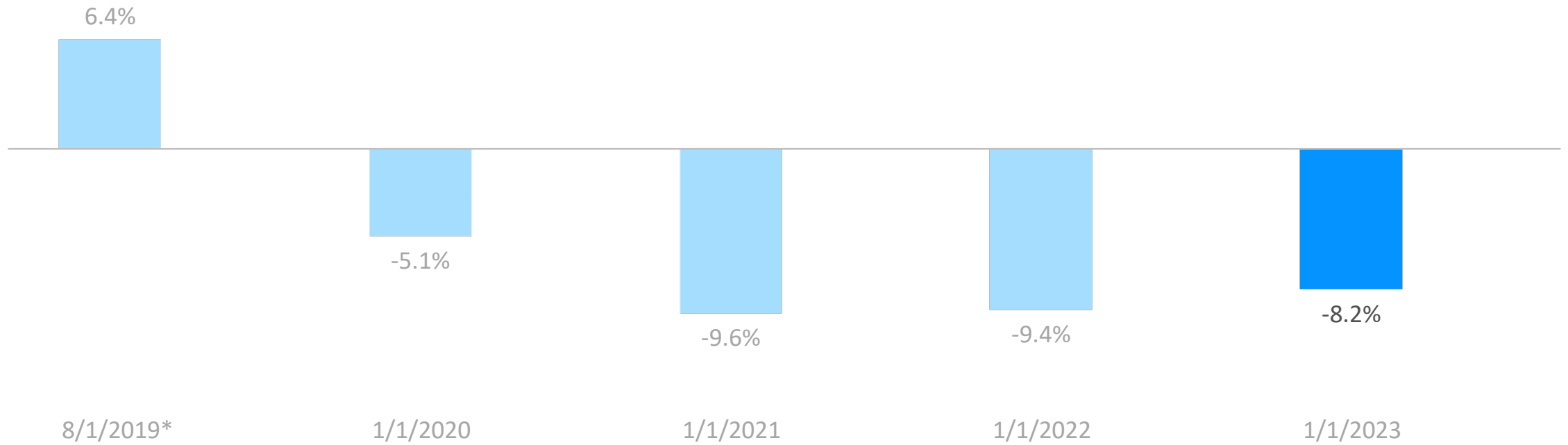
Lost-Time Claim Severity in \$ Thousands



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

# Oklahoma Filing Activity

## Advisory Loss Cost Level Changes



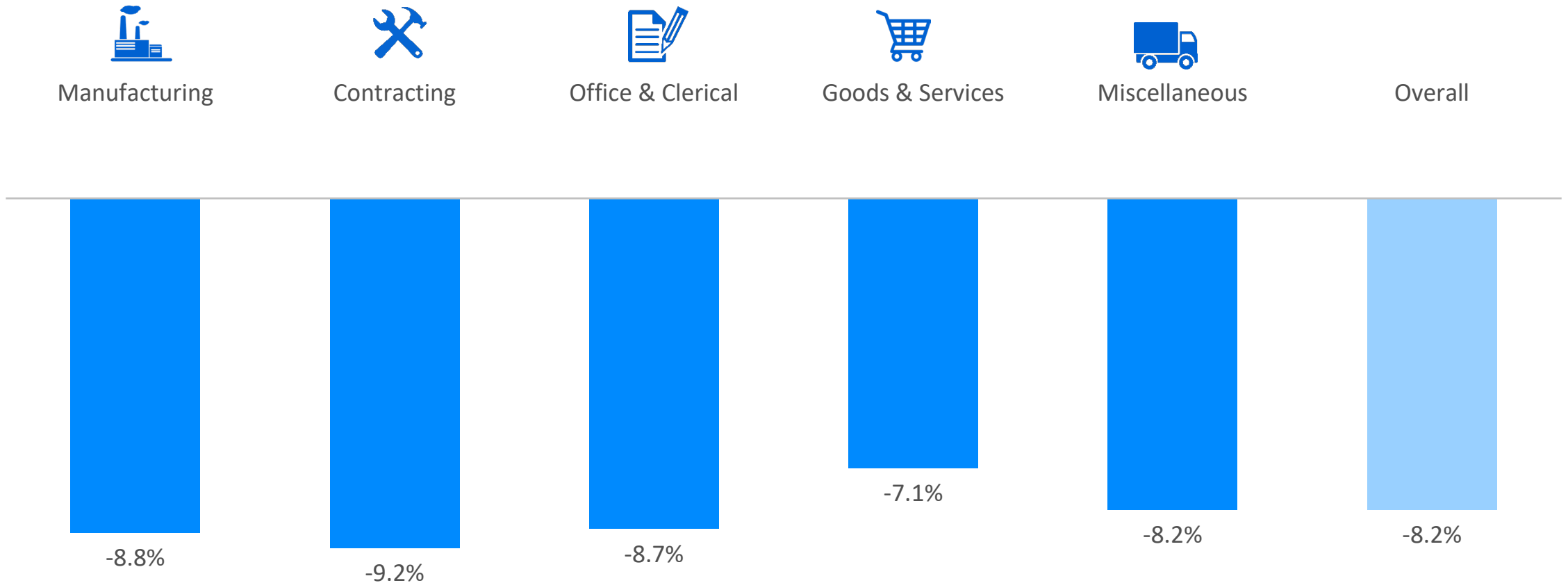
\*Law-only filing.

# Oklahoma January 1, 2023 Loss Cost Filing

Change in Experience:	-6.0%
Change in Trend:	-2.0%
Change in Benefits:	+1.5%
Change in All Other:	-1.8%
<hr/>	
Overall Loss Cost Level Change:	-8.2%

# Oklahoma January 1, 2023 Loss Cost Filing

Average Changes by Industry Group



# Oklahoma Economic Drivers



Energy & Resources



Agriculture



Defense

Source: Moody's Analytics.

# Oklahoma Economic Assets and Challenges

## ■ Assets

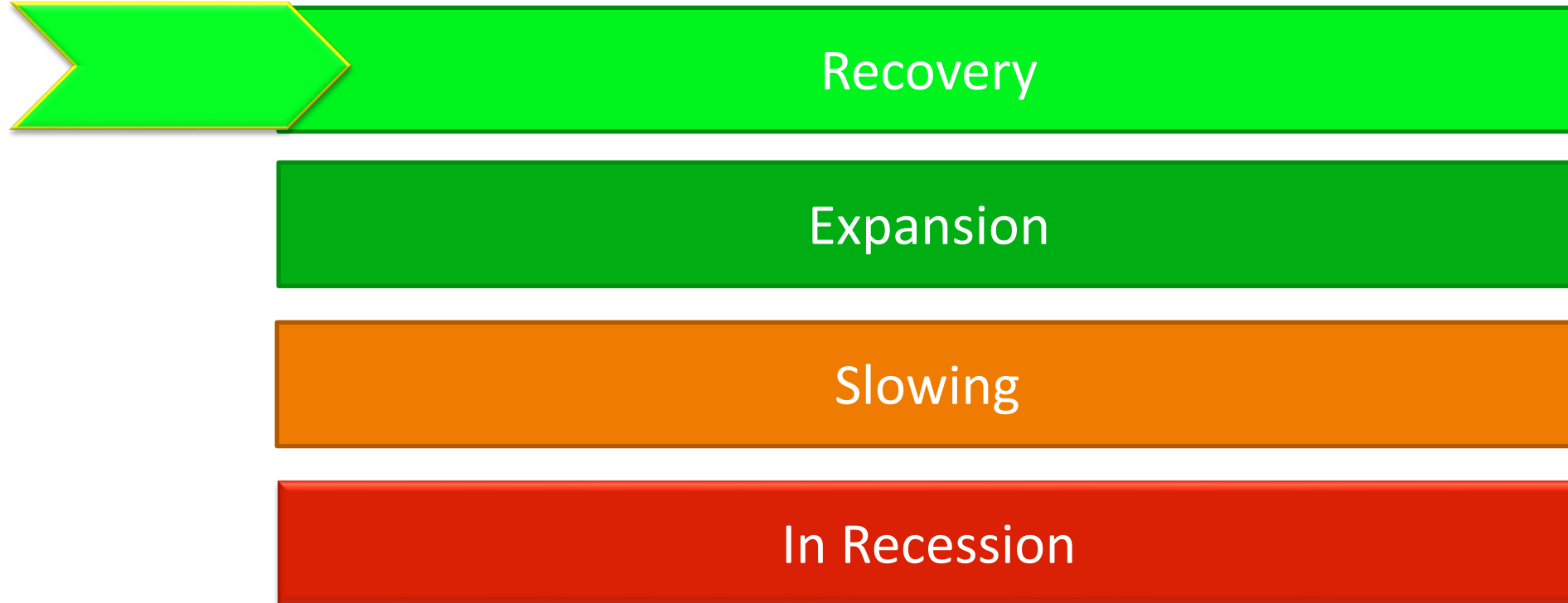
- Lower-than-average cost of living
- Abundant energy opportunities

## ■ Challenges

- High number of government jobs that rely on federal funding
- Cyclical energy industry
- Lower-than-average income

Source: Moody's Analytics.

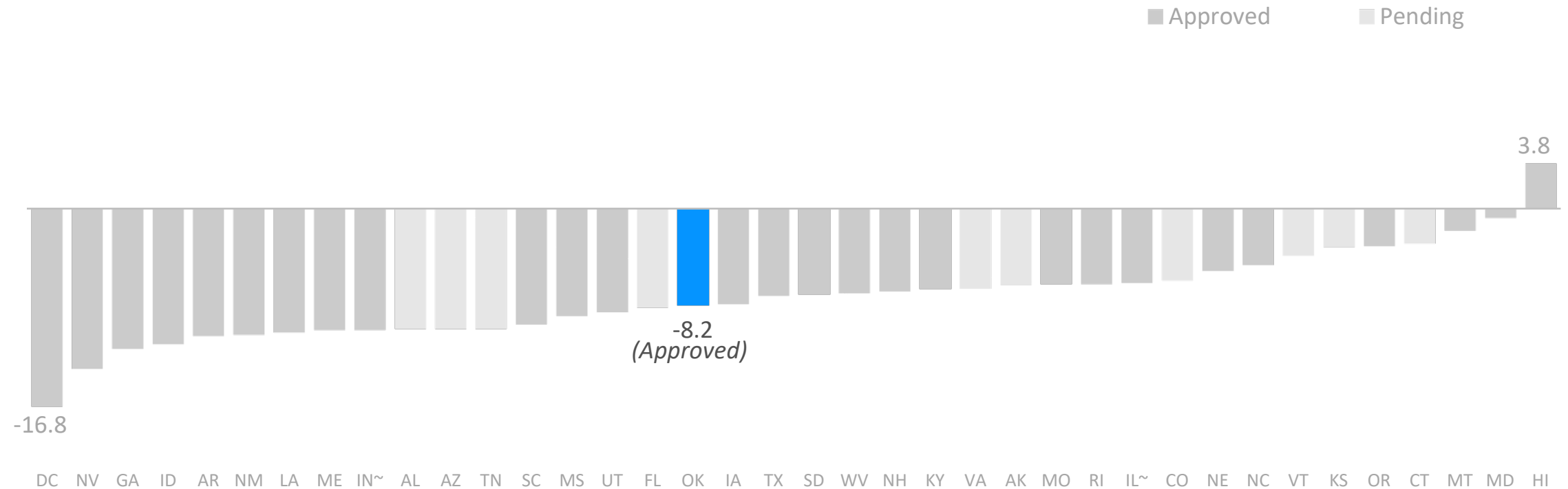
# Oklahoma Business Cycle Status



Source: Moody's Analytics.

# Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



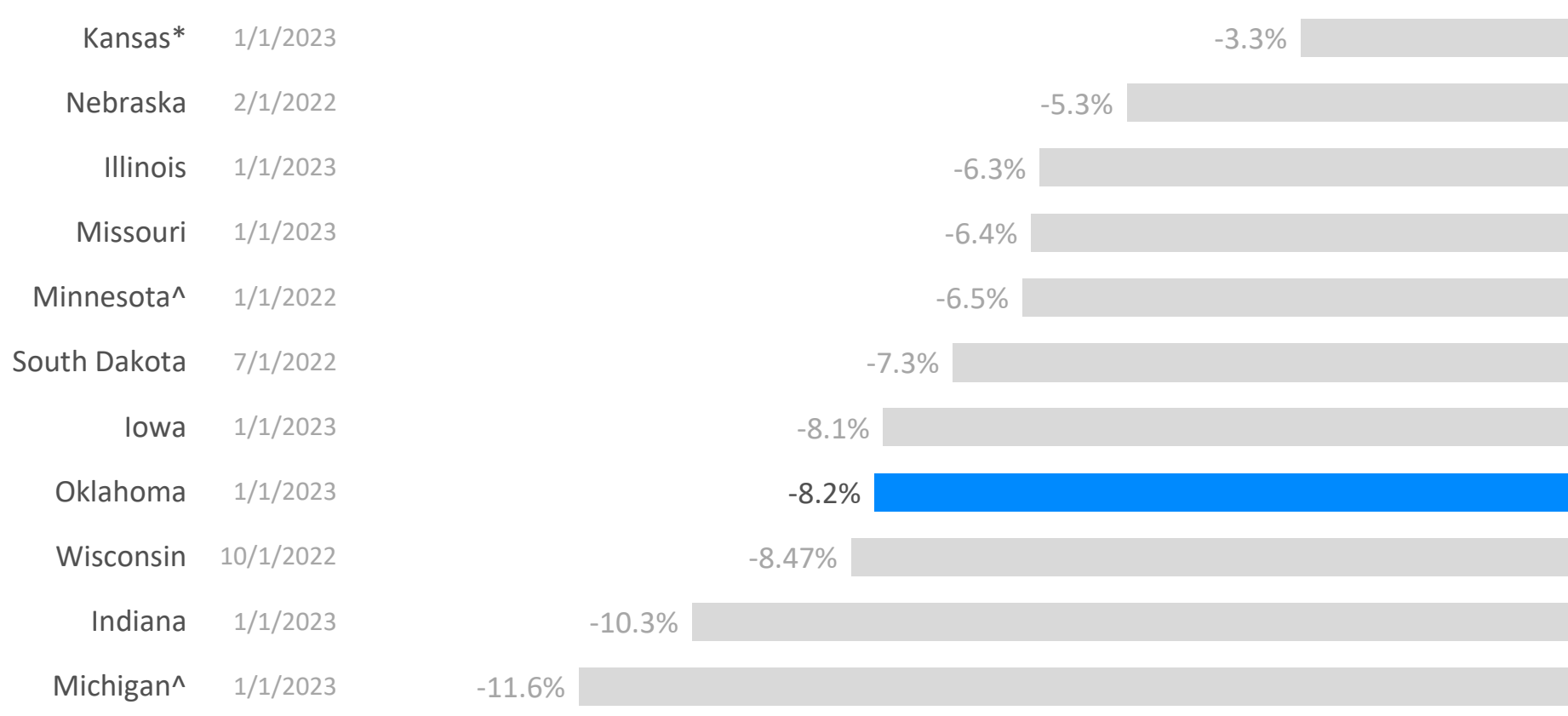
~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.  
 Reflects the most recent experience filing in each jurisdiction as of 10/7/2022.  
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.





# Current Voluntary Market Loss Cost/Rate Changes

## Midwestern States



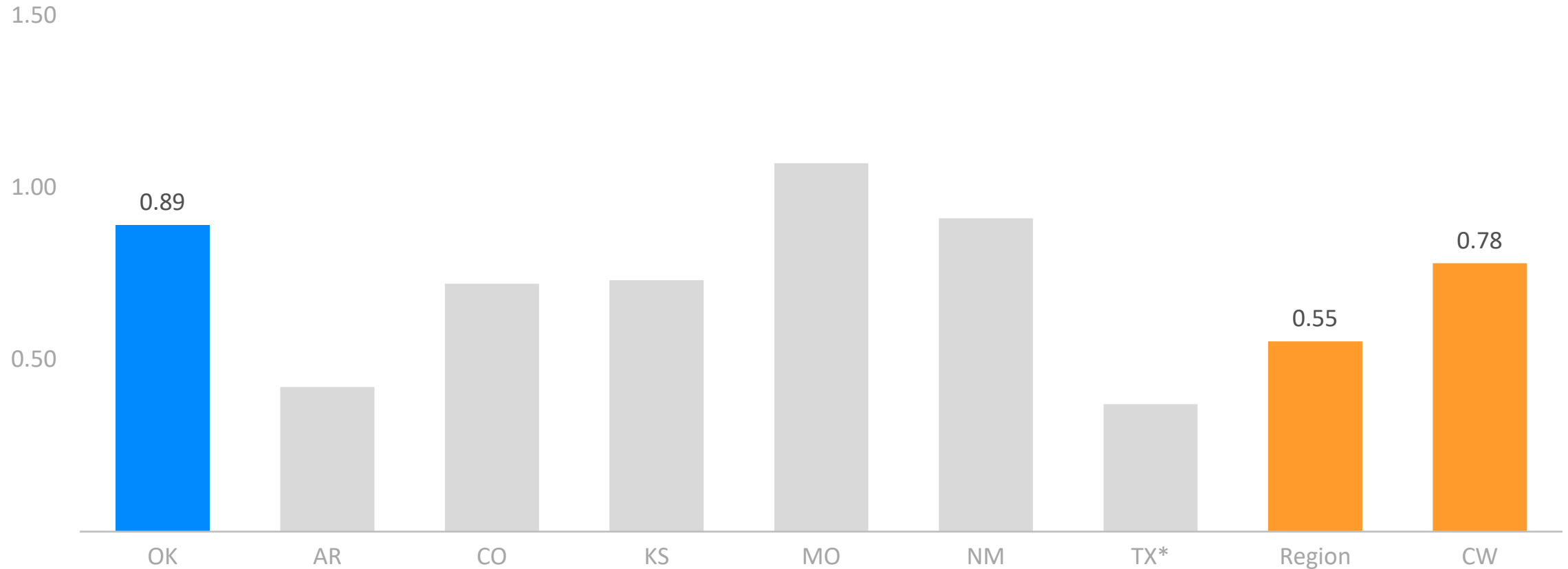
\*Pending.

Reflects the most recent experience filing in each jurisdiction as of 10/7/2022.

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 Oklahoma Payroll Distribution



\*Texas uses a classification plan that can vary significantly from other NCCI states, potentially affecting the magnitude of its loss cost in relation to other states.  
Based on approved rates and loss costs in various jurisdictions from filings using data valued as of 12/31/2020.



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