

# RHODE ISLAND STATE ADVISORY RESOURCES

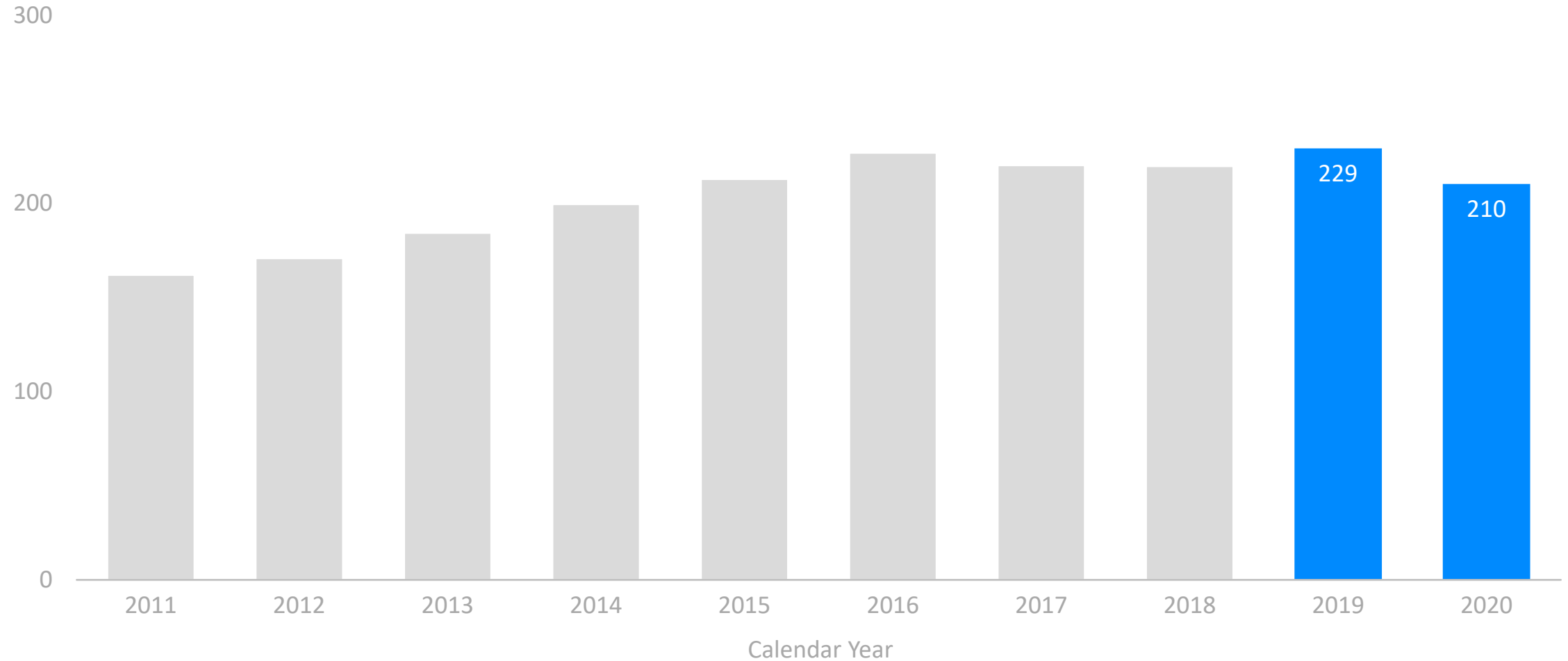
Rhode Island Workers Compensation System Overview  
January 2022

# Rhode Island Workers Compensation System— An Overview

- Written premium volume decreased in the latest year
- The accident year combined ratio was favorable in 2020
- Lost-time claim frequency continues to decline
- Indemnity severity has outpaced wage growth in the latest three policy years, while medical severity growth has been more modest

# Rhode Island Premium Volume

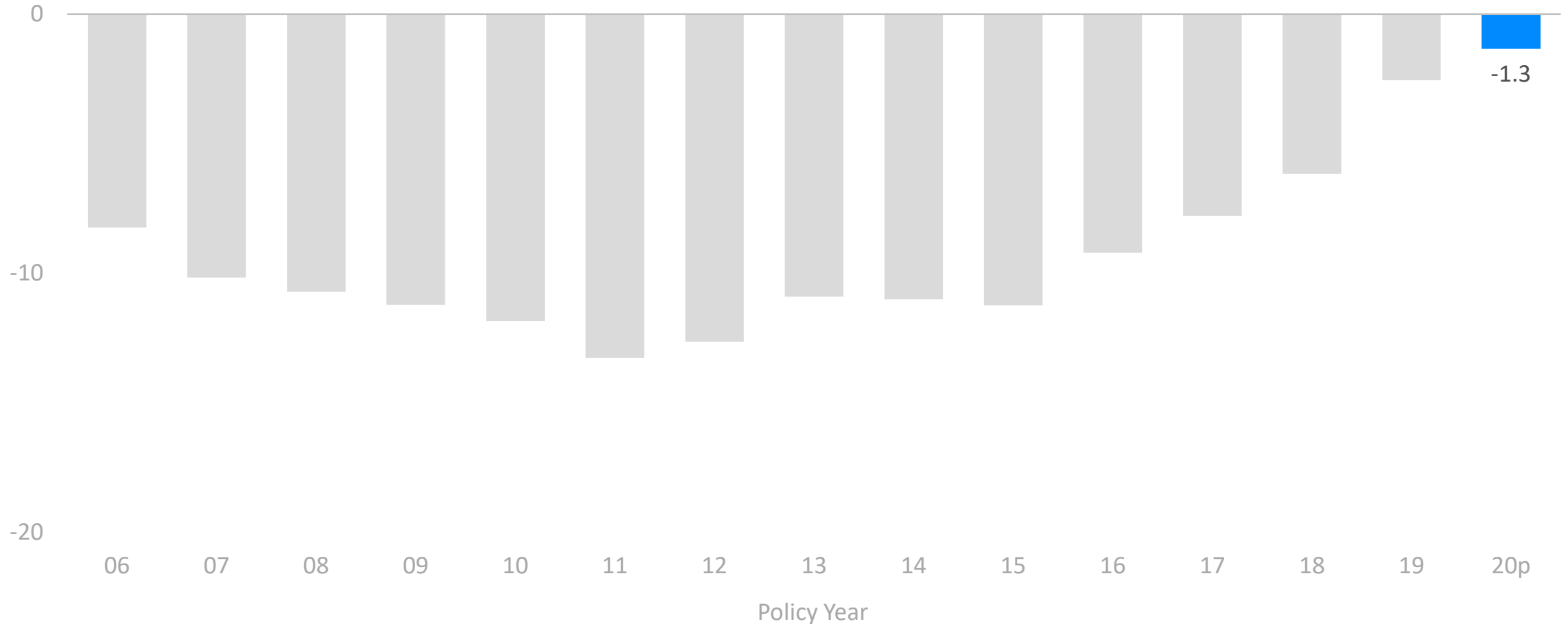
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



# Impact of Discounting on Workers Compensation Premium in Rhode Island

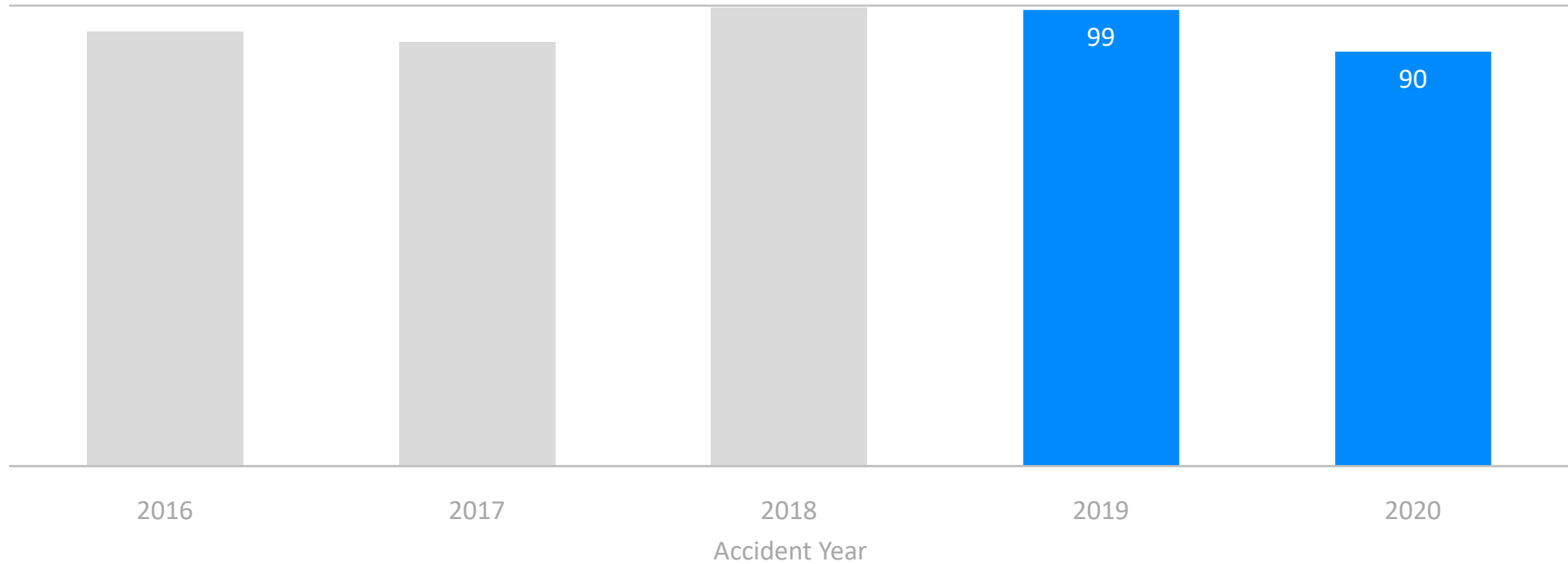


p Preliminary.  
Based on data through 12/31/2020.

# Rhode Island Combined Ratios

Percent

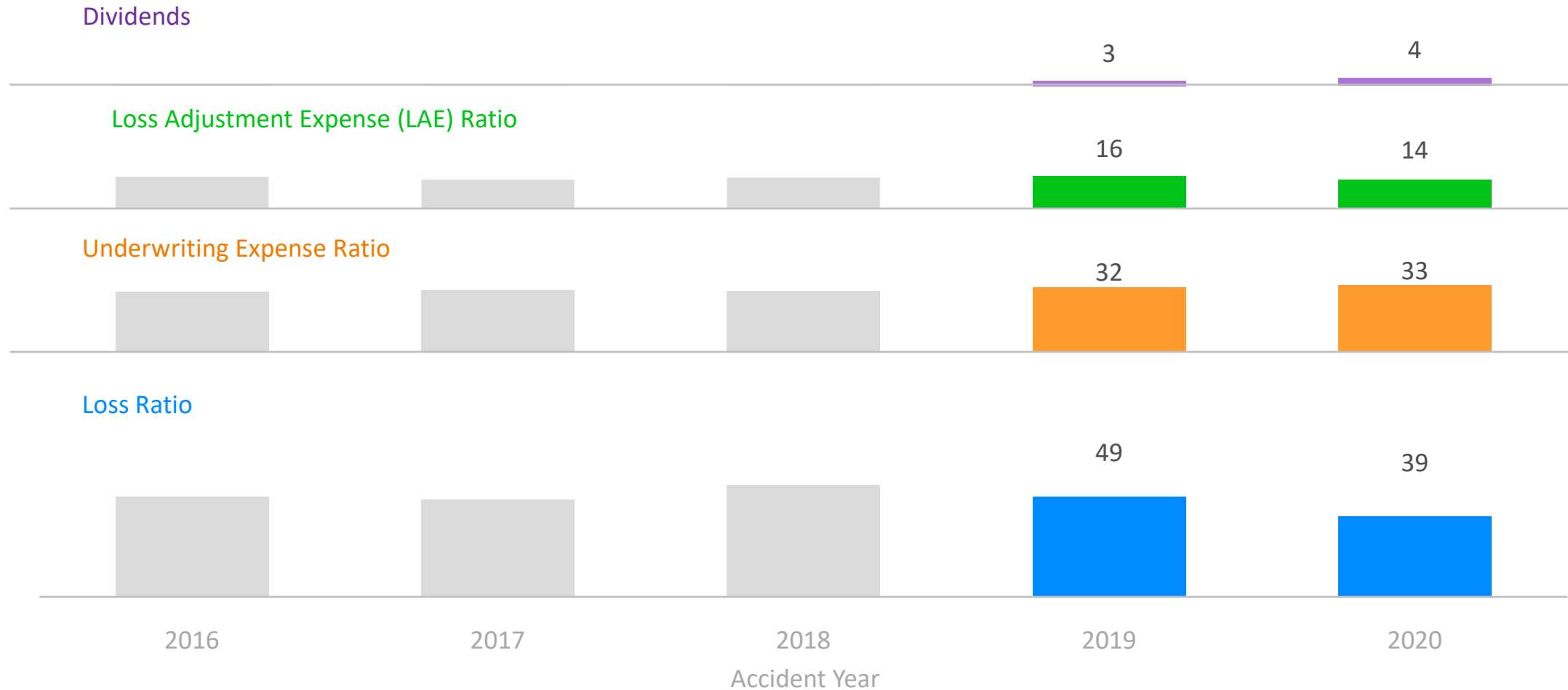
100



Sources: NCCI's financial data through 12/31/2020 and NAIC's Annual Statement data.

# Rhode Island Combined Ratios by Component

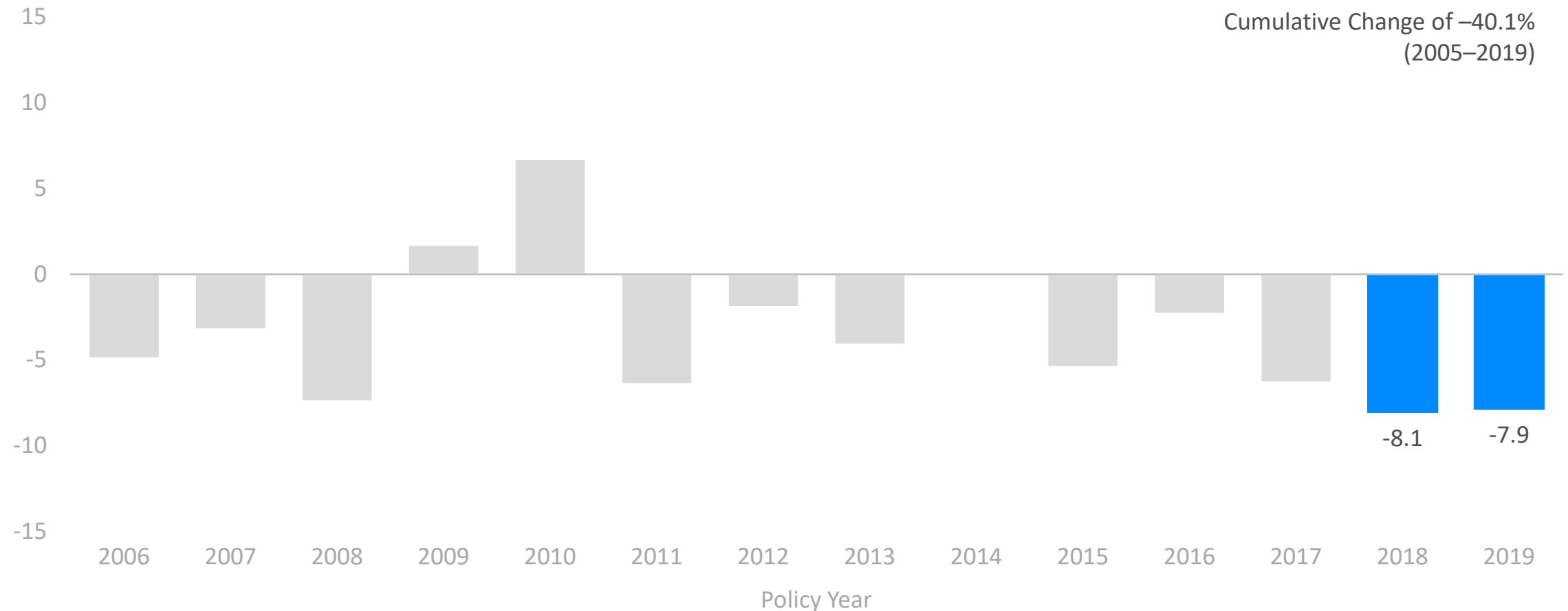
Percent



Sources: NCCI's financial data through 12/31/2020 and NAIC's Annual Statement data.

# Rhode Island Change in Claim Frequency

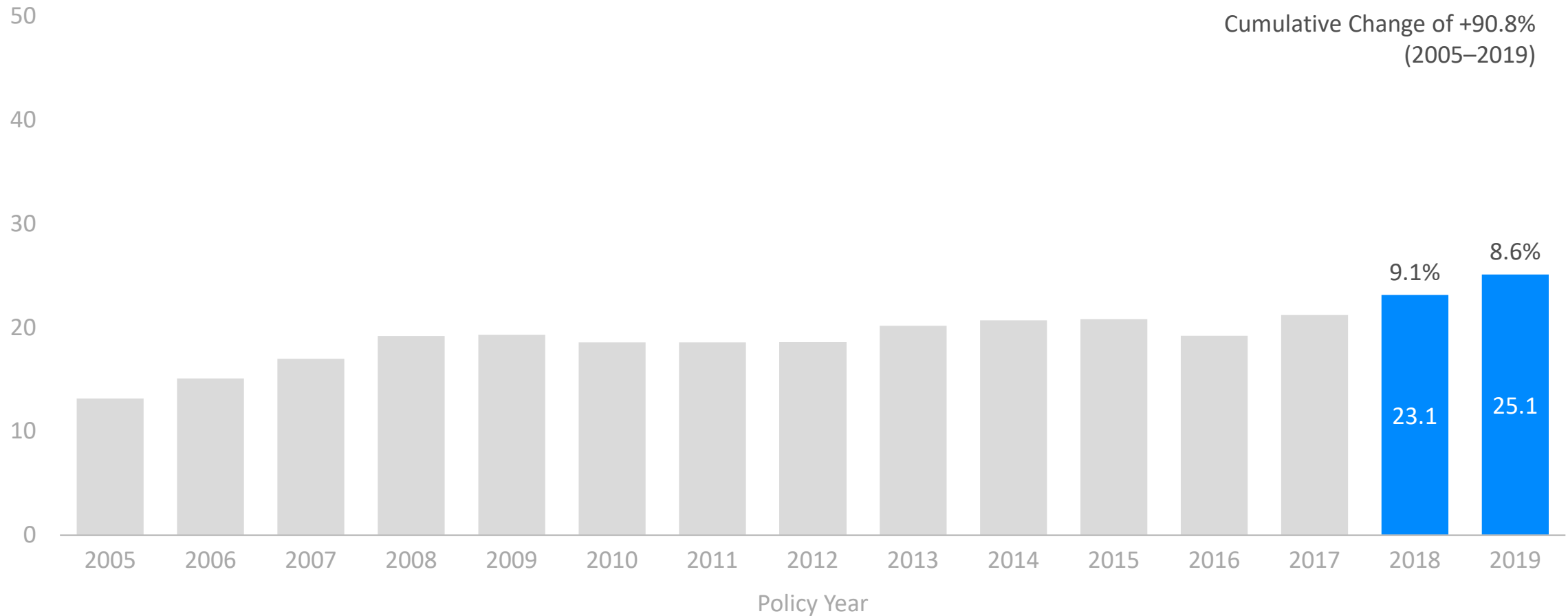
Percent Change in Lost-Time Claims, per \$ Million of On-Leveled Premium



Based on NCCI's financial data through 12/31/2020, on-leveled, and developed to ultimate, with premium adjusted to common wage level.

# Rhode Island Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands



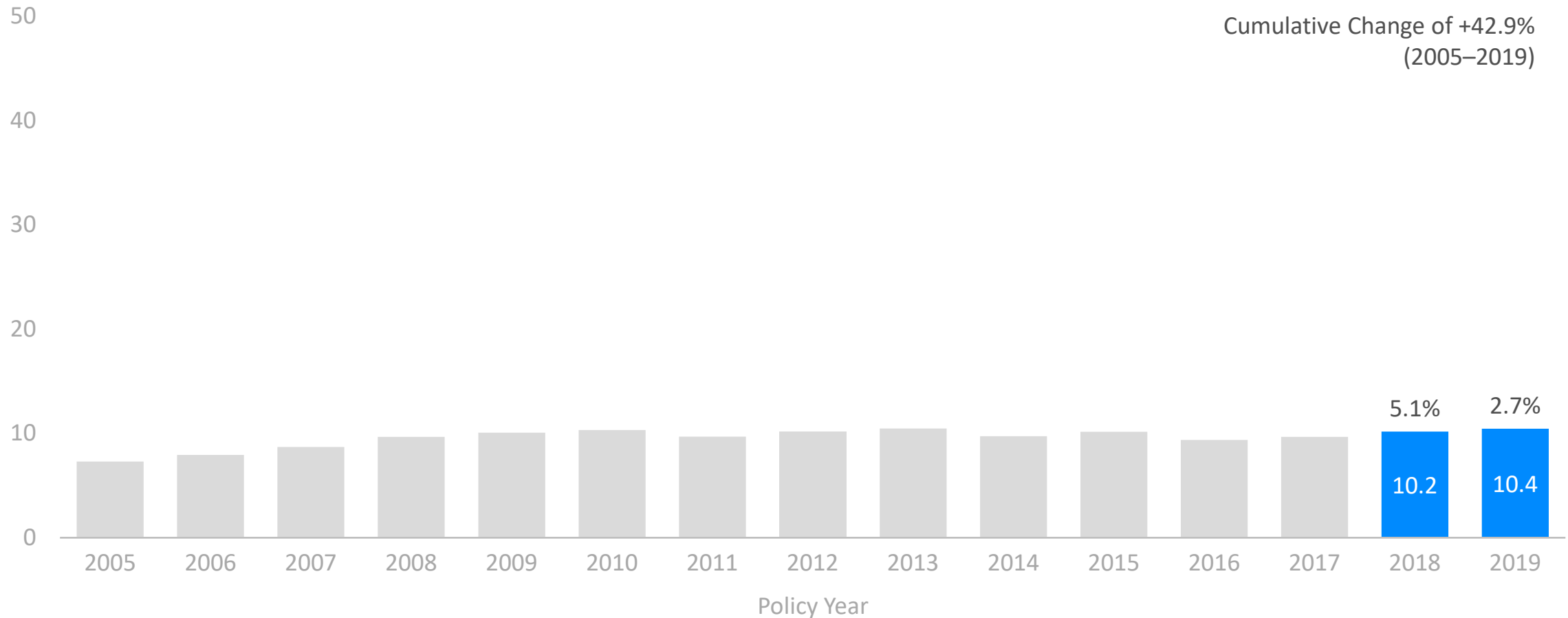
Based on NCCI's financial data through 12/31/2020, on-leveled, and developed to ultimate.





# Rhode Island Average Medical Claim Severity

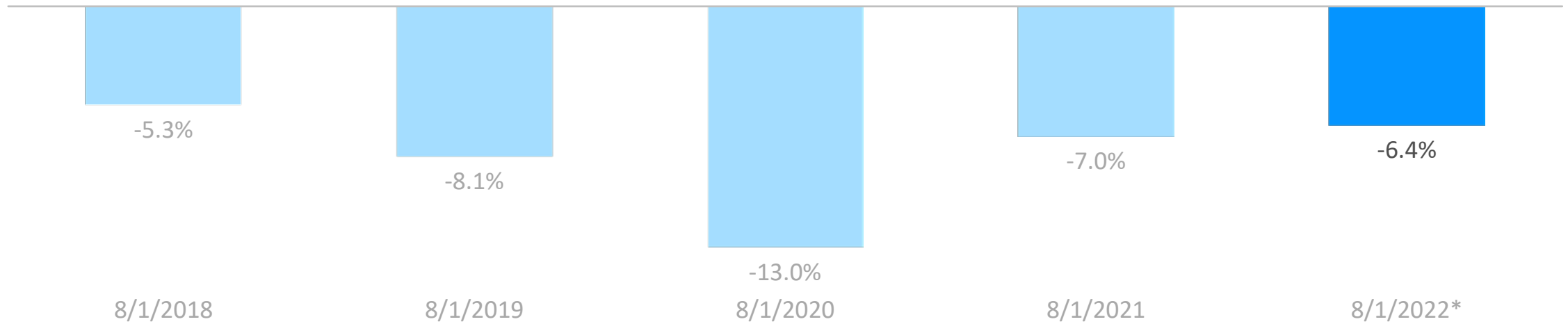
Lost-Time Claim Severity in \$ Thousands



Based on NCCI's financial data through 12/31/2020, on-leveled, and developed to ultimate.  
Note that medical-only losses are included in the numerator.

# Rhode Island Filing Activity

## Voluntary Loss Cost Changes



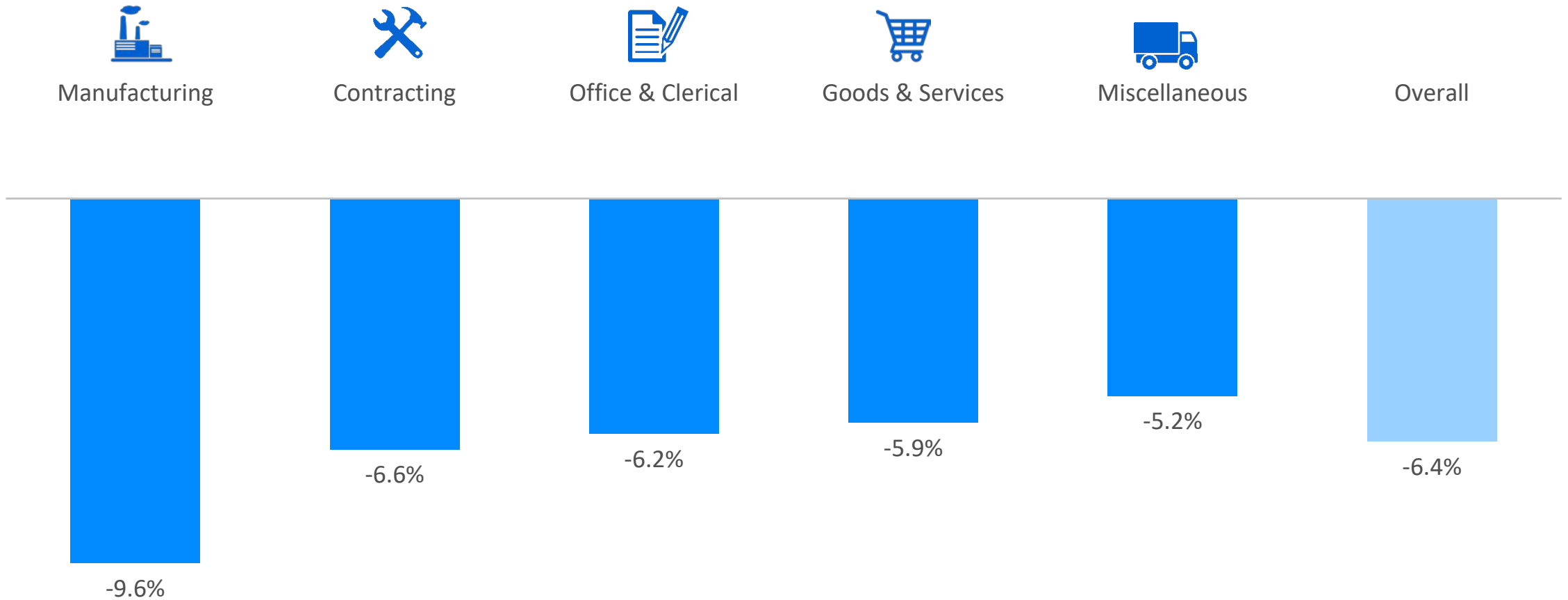
\*Pending.

# Rhode Island August 1, 2022 Loss Cost Filing

Change in Experience:	-5.0%
Change in Trend:	-3.0%
Change in Benefits:	+1.9%
Change in All Other:	-0.3%
<hr/>	
Overall Loss Cost Level Change:	-6.4%

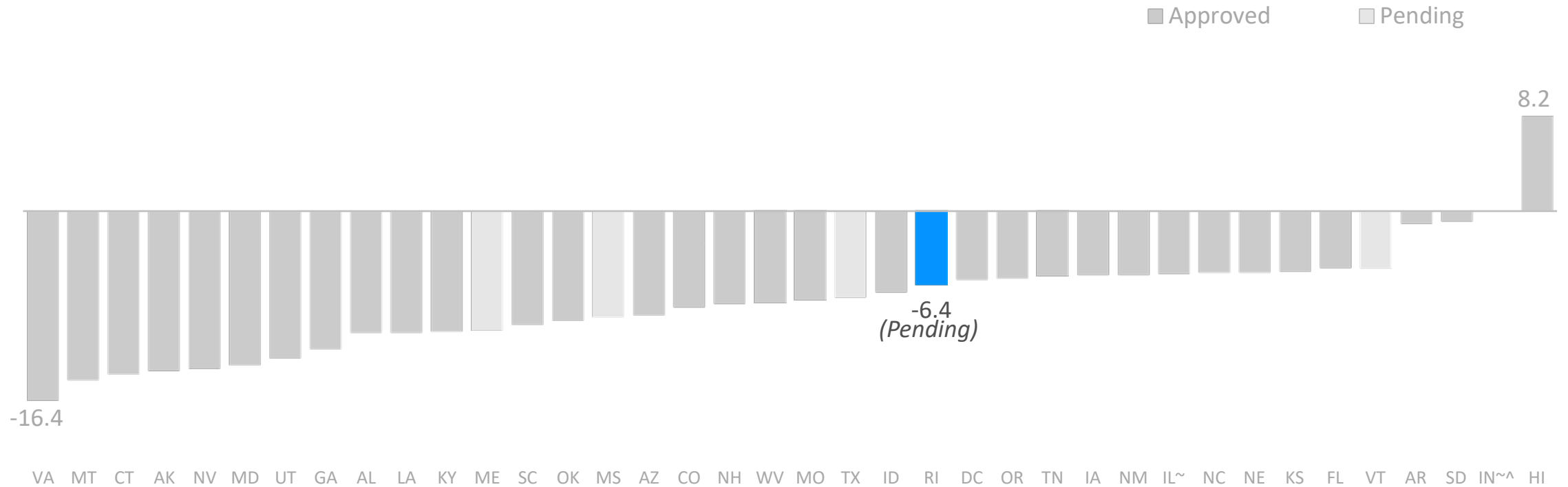
# Rhode Island August 1, 2022 Loss Cost Filing

Average Changes by Industry Group



# 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 -7.4% and -2.7%, respectively.

^IN approved a flat (0.0%) rate level change.

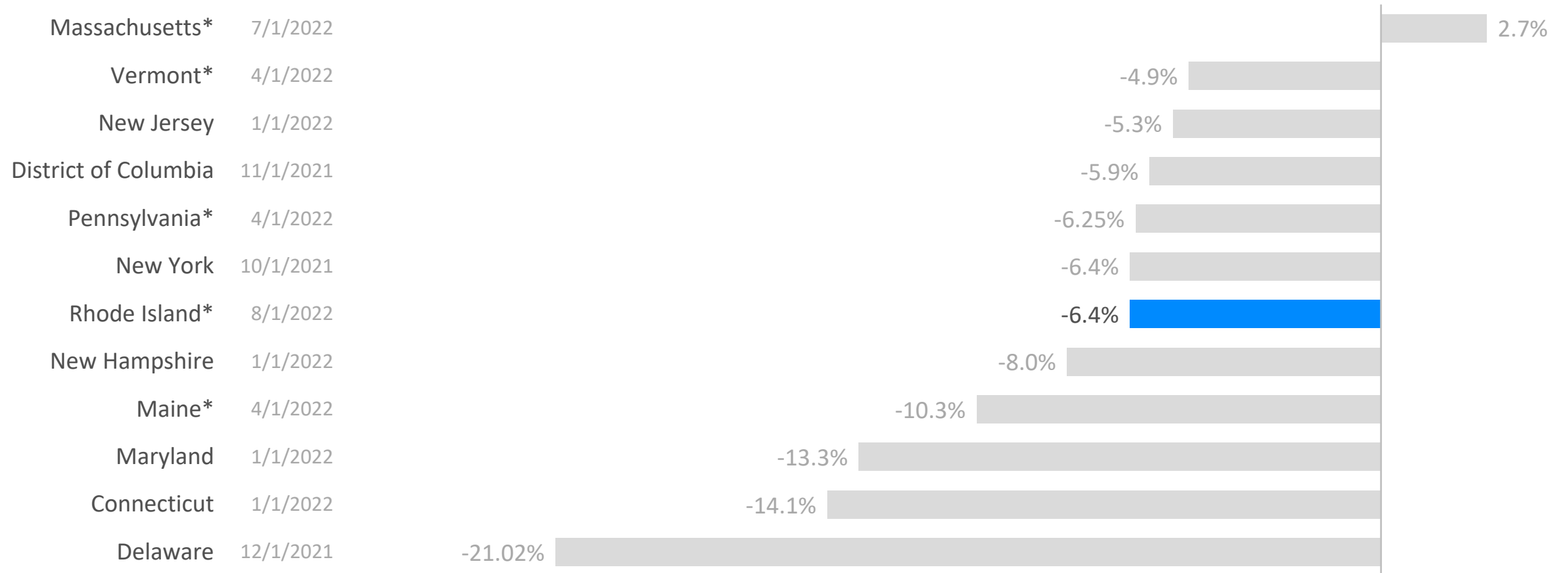
Reflects the most recent experience filing in each jurisdiction as of 1/14/2022.

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

## Northeastern States



\*Pending

Reflects the most recent experience filing in each jurisdiction as of 1/14/2022.

Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.

# Rhode Island Economic Drivers



Technology



Health Services



Financial Services

Source: Moody's Analytics, Précis® U.S. State, Rhode Island, September 2021.

# Rhode Island Economic Assets and Challenges

## ■ Assets

- Numerous colleges and universities
- Established education and healthcare industries
- Developing biotech industry

## ■ Challenges

- Population is declining and tax burden is significant
- Infrastructure is aging
- Income distribution is uneven

Source: Moody's Analytics, Précis® U.S. State, Rhode Island, September 2021.



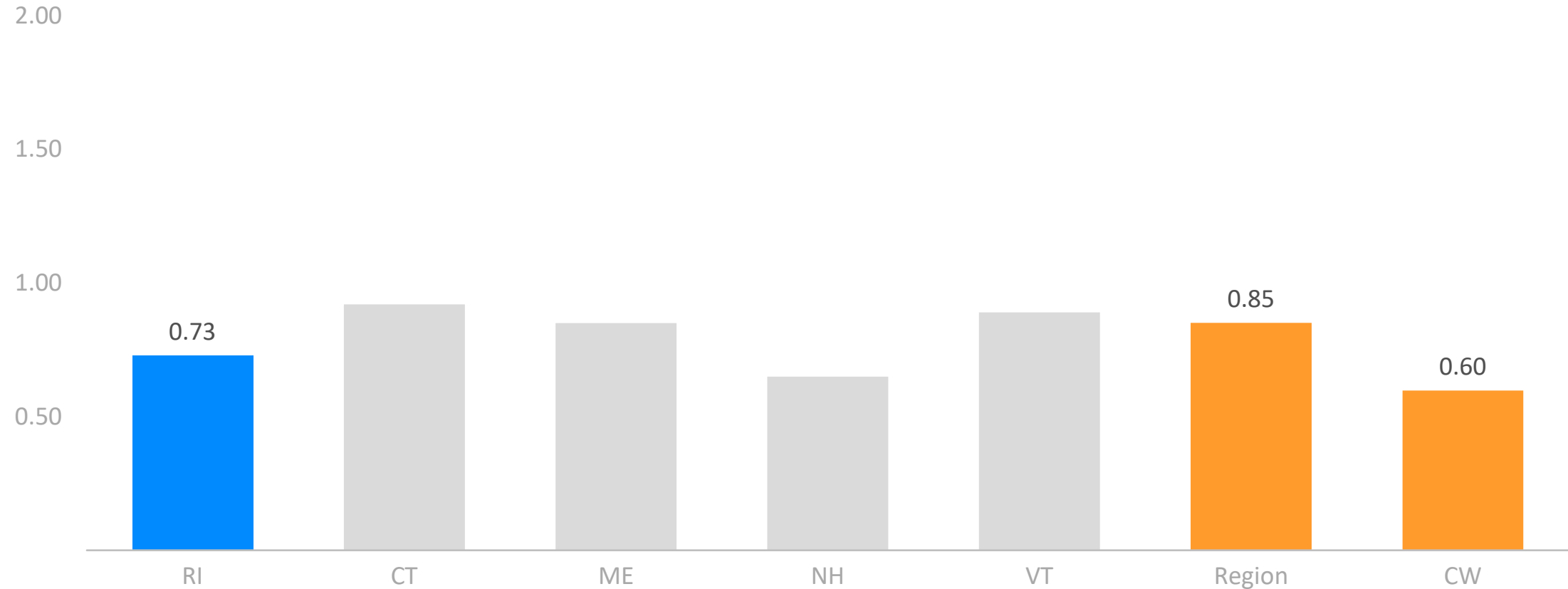
# Rhode Island Business Cycle Status



Source: Moody's Analytics, Précis® U.S. State, Rhode Island, September 2021.

# Average Voluntary Pure Loss Costs

Using Rhode Island Payroll Distribution



Based on approved rates and loss costs in various jurisdictions from filings using data valued as of 12/31/2019.

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