

STATE ADVISORY RESOURCES

Rhode Island Workers Compensation System
January 2023

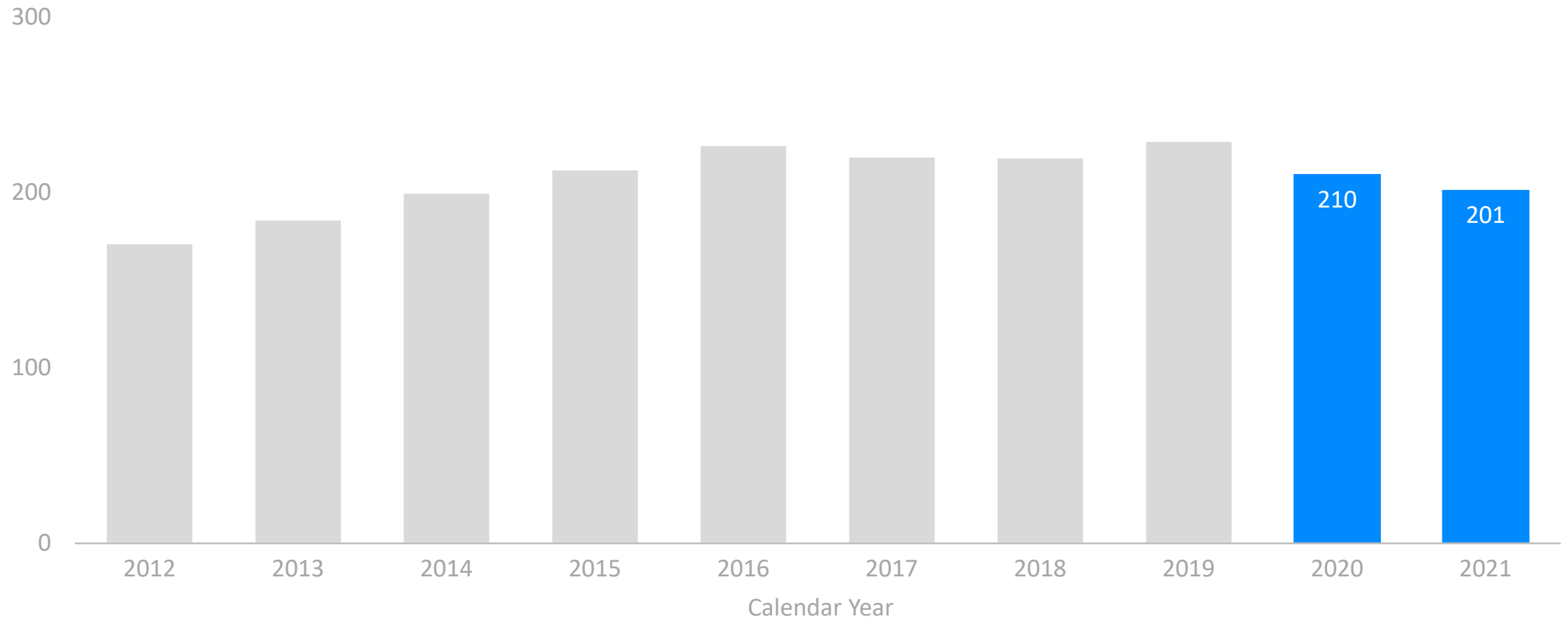


Rhode Island Workers Compensation System— An Overview

- Written premium volume decreased in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency decreased slightly in the latest year and continues to show a long-term pattern of decline
- Indemnity and medical severities decreased significantly in the latest policy year

Rhode Island Premium Volume

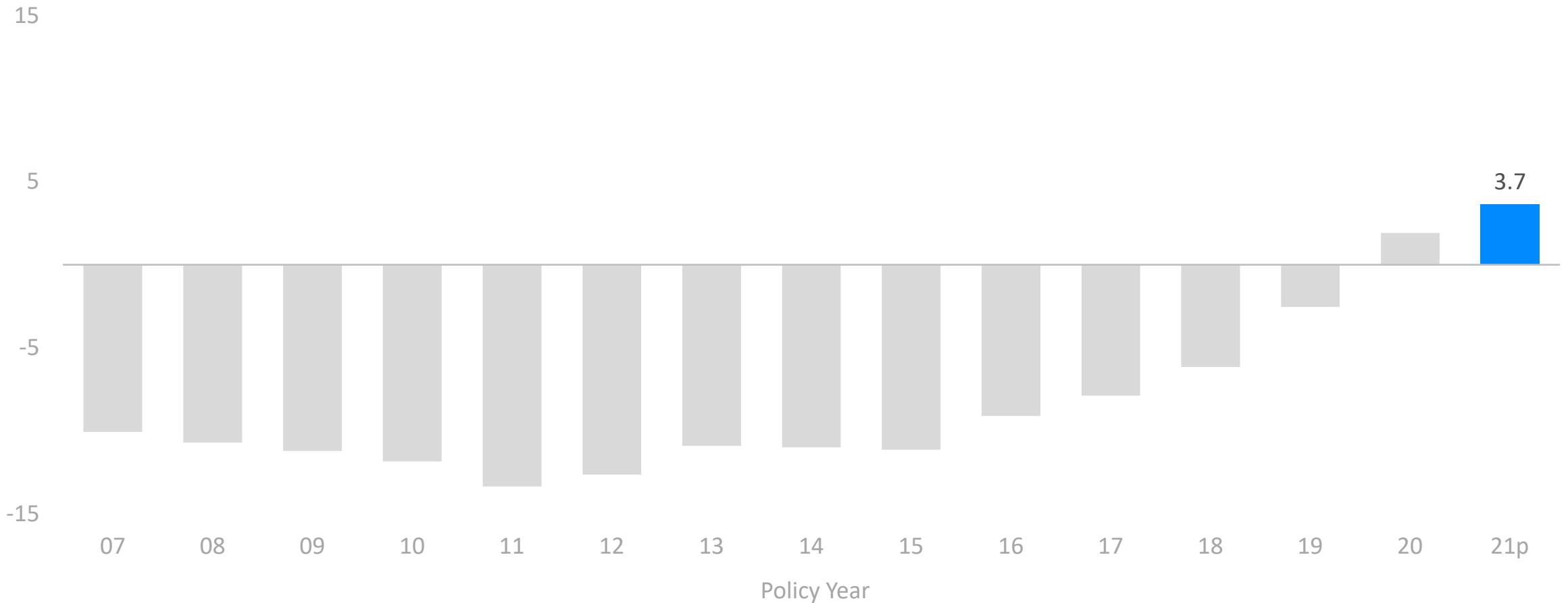
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



Impact of Discounting on Workers Compensation Premium in Rhode Island



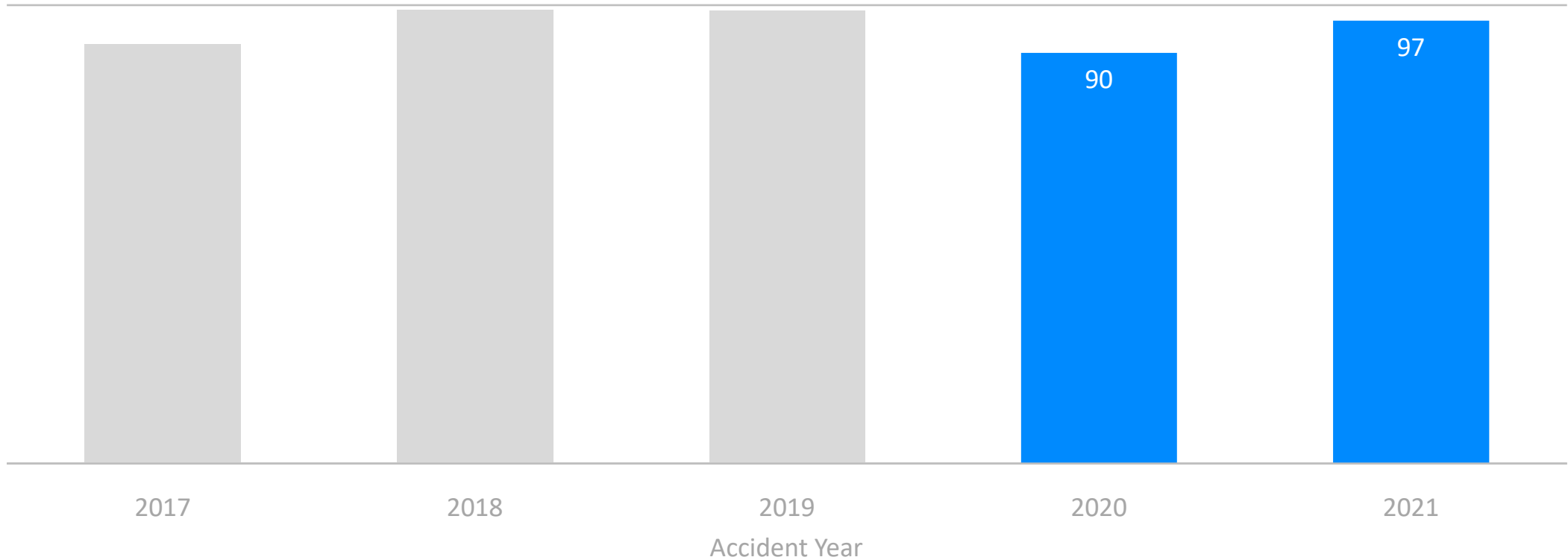
p Preliminary.
Based on data through 12/31/2021.



Rhode Island Combined Ratios

Percent

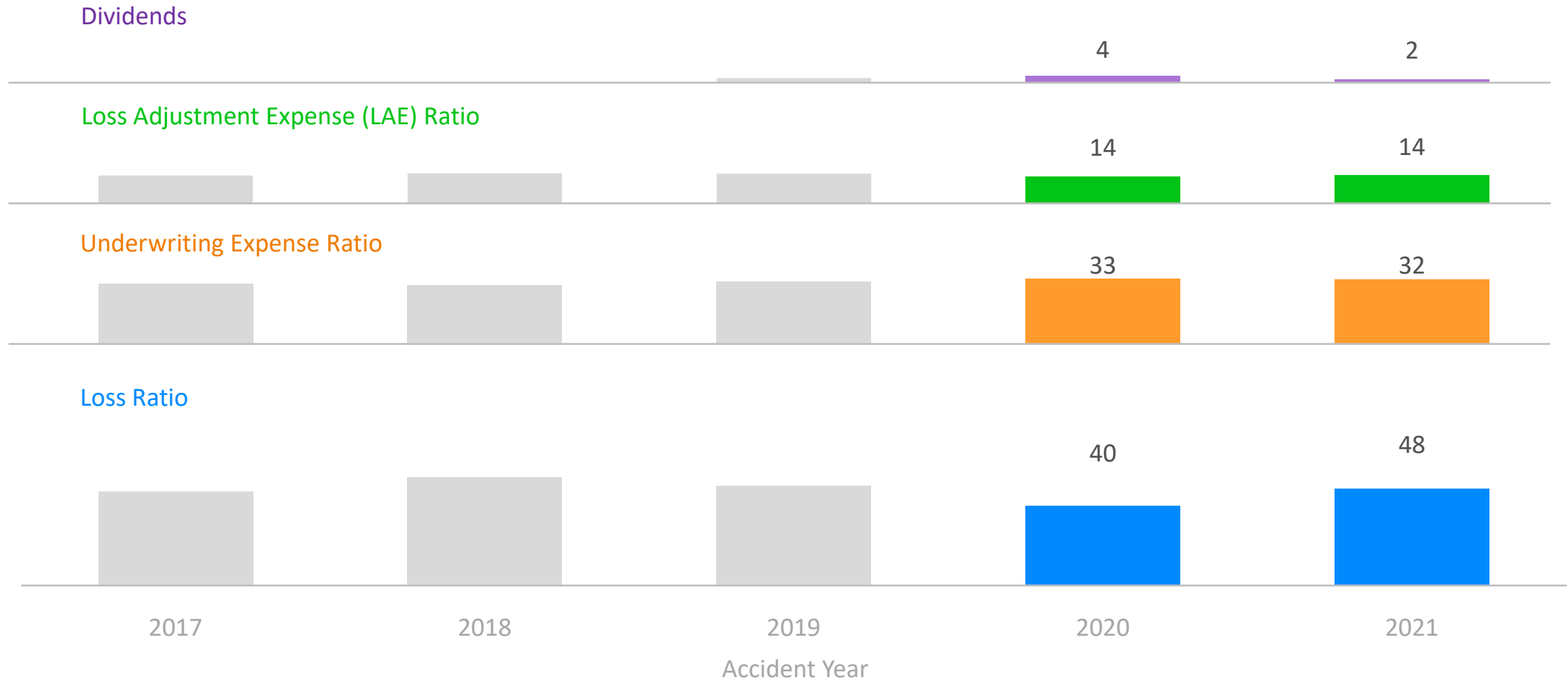
100



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

Rhode Island Combined Ratios by Component

Percent

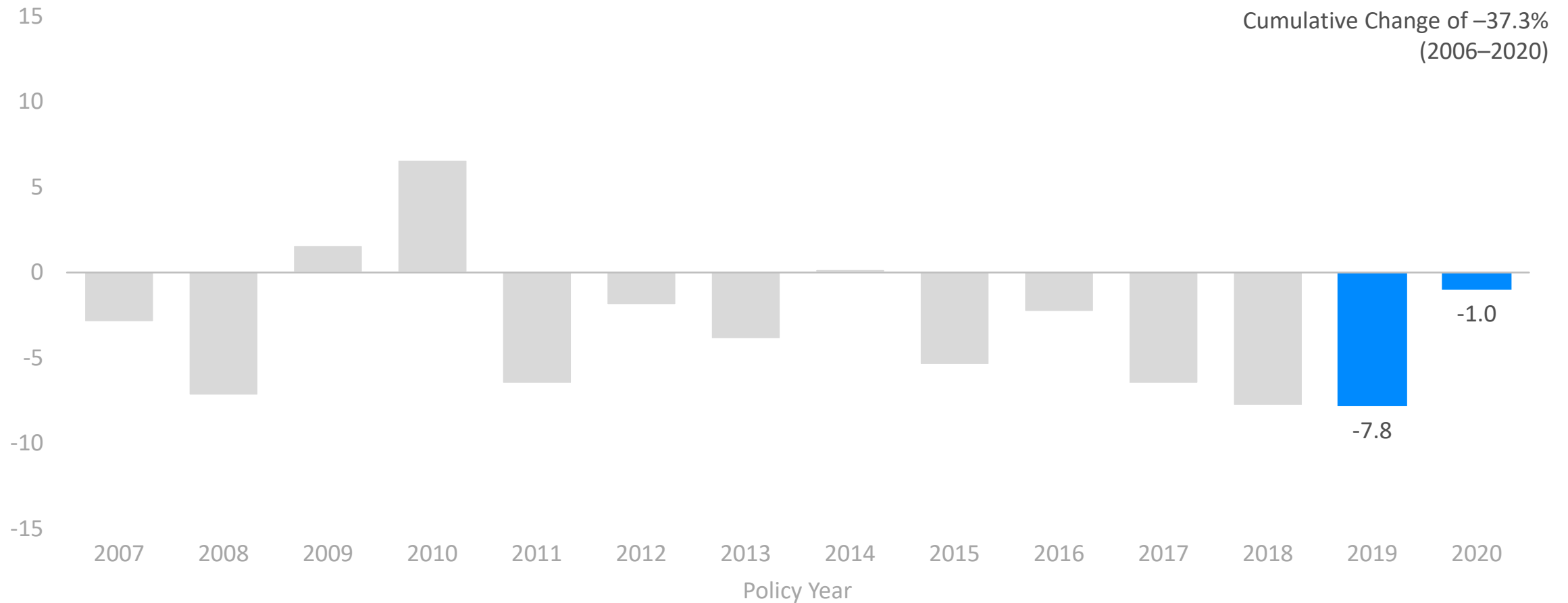


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Rhode Island Change in Claim Frequency

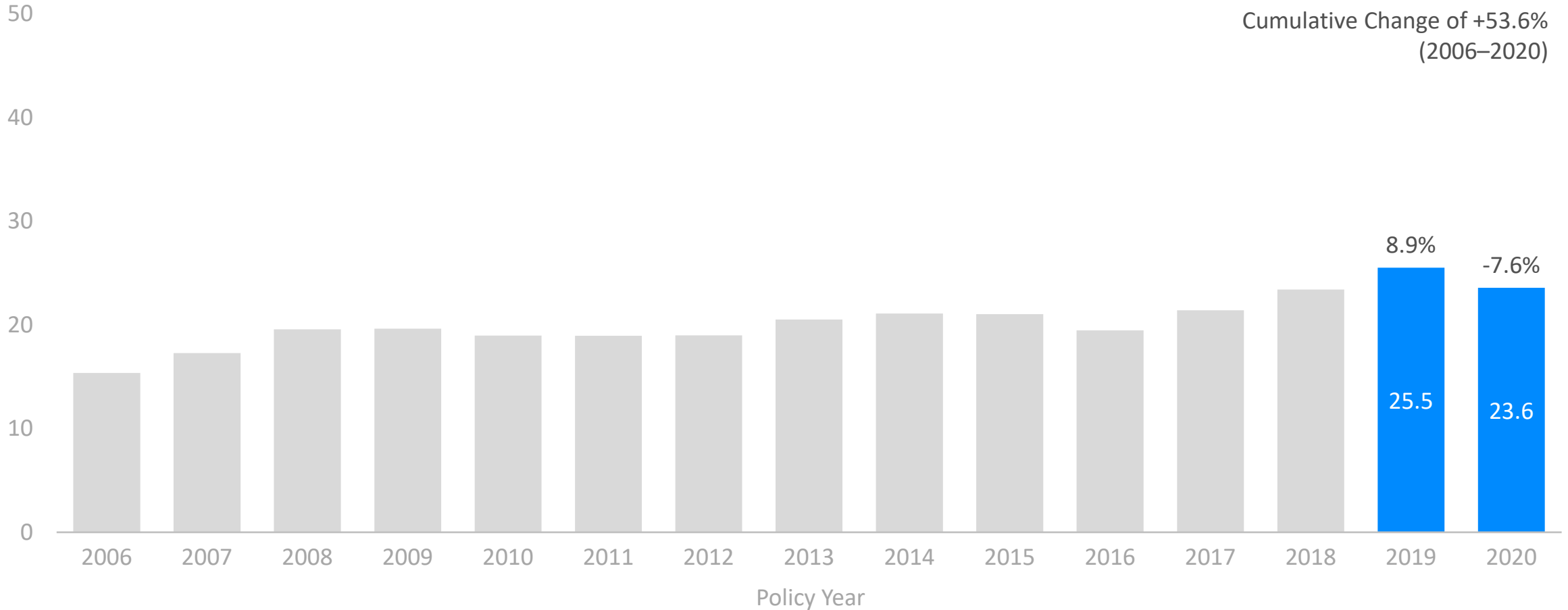
Percent Change in Lost-Time Claims, per \$ Million of On-Levelled Premium



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

Rhode Island Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

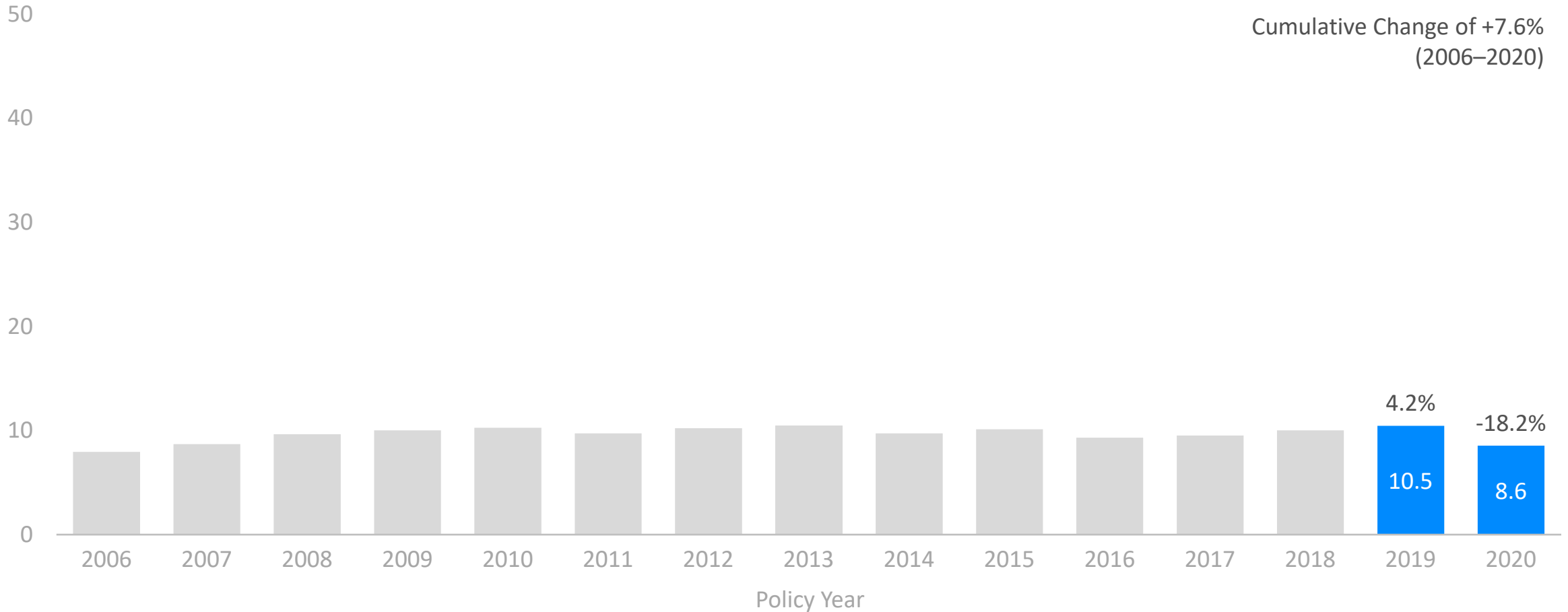


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Rhode Island Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

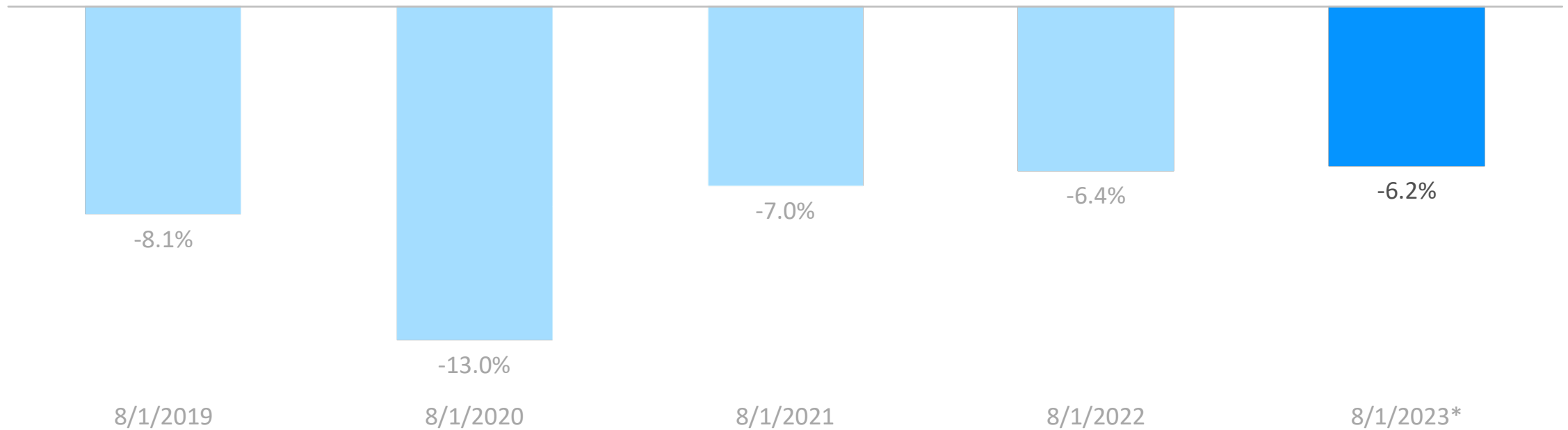


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Rhode Island Filing Activity

Statewide Loss Cost Changes



*Pending.

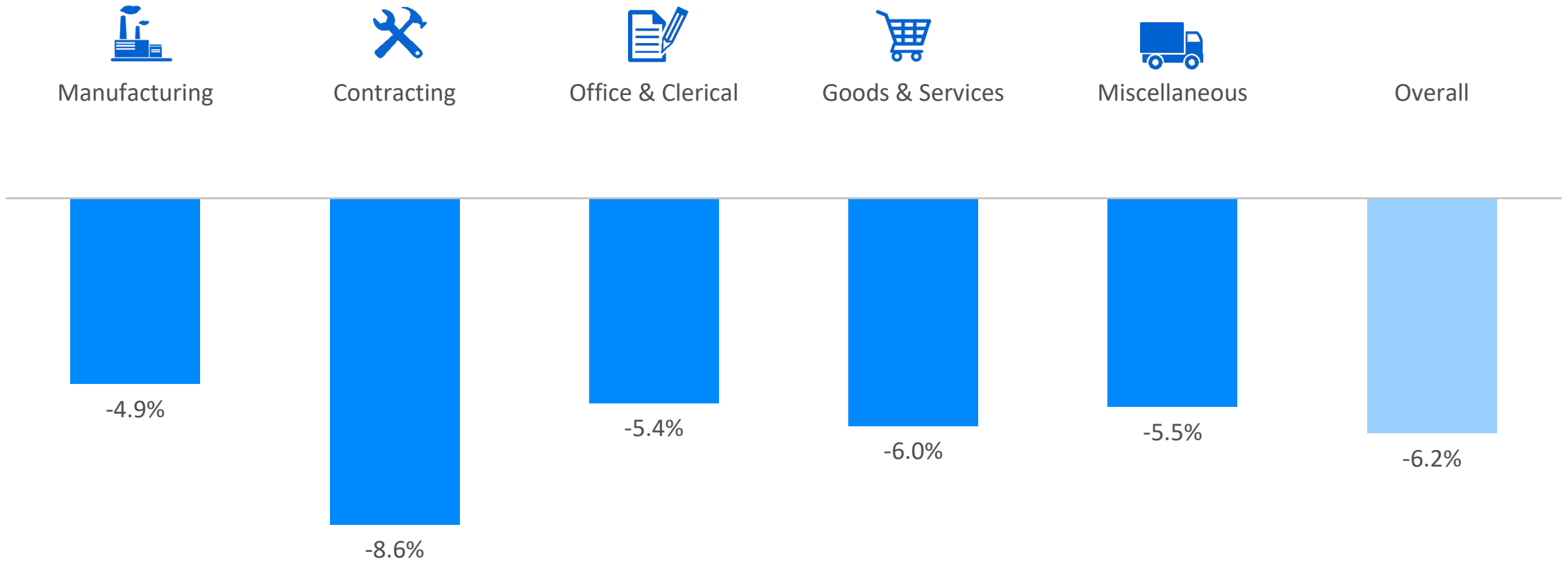


Rhode Island August 1, 2023 Loss Cost Filing

Change in Experience:	-6.6%
Change in Trend:	+0.0%
Change in Benefits:	+0.4%
Change in All Other:	+0.0%
<hr/>	
Overall Loss Cost Level Change:	-6.2%

Rhode Island August 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Rhode Island Economic Drivers



Financial



Medical



Technology

Source: Moody's Analytics.

Rhode Island Economic Assets and Challenges

■ Assets

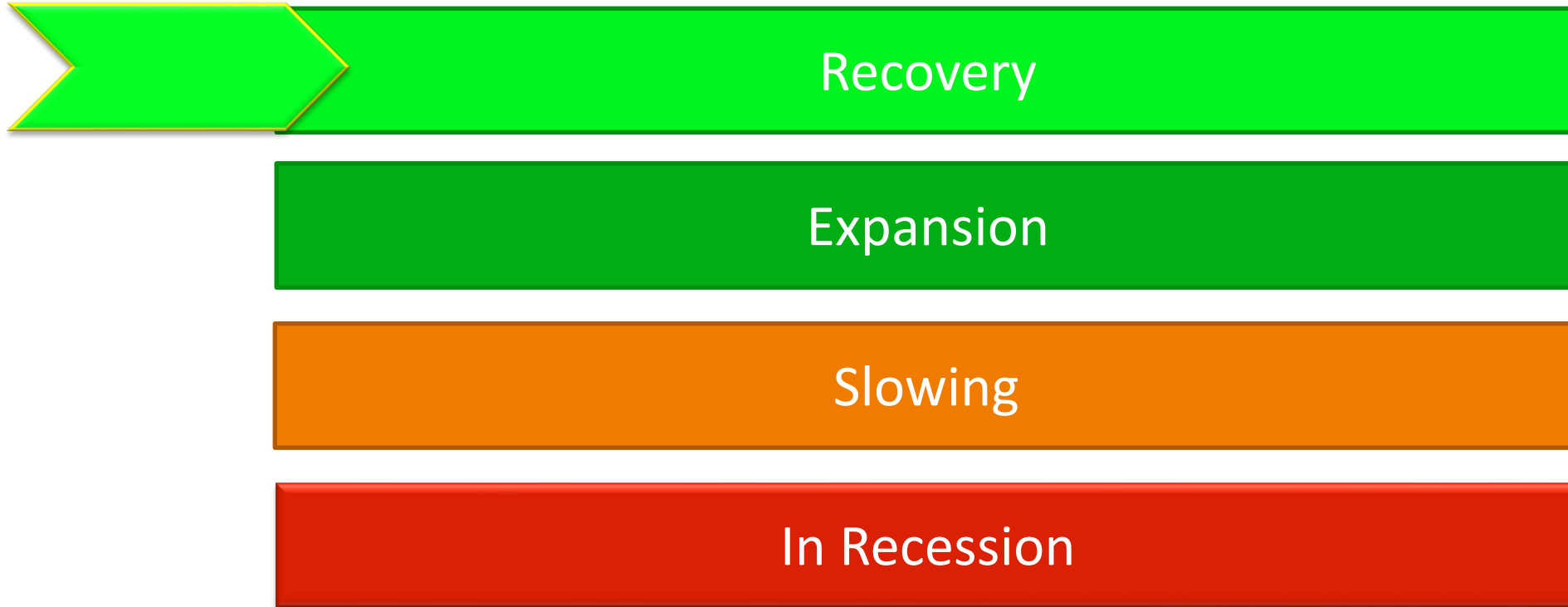
- Proximity to Boston and its economy
- Higher education and healthcare industries are well established
- Growing biotech industry

■ Challenges

- Significant tax burden and aging infrastructure
- Highly concentrated population and slowing growth, with wide range of income levels
- Challenging age profile

Source: Moody's Analytics.

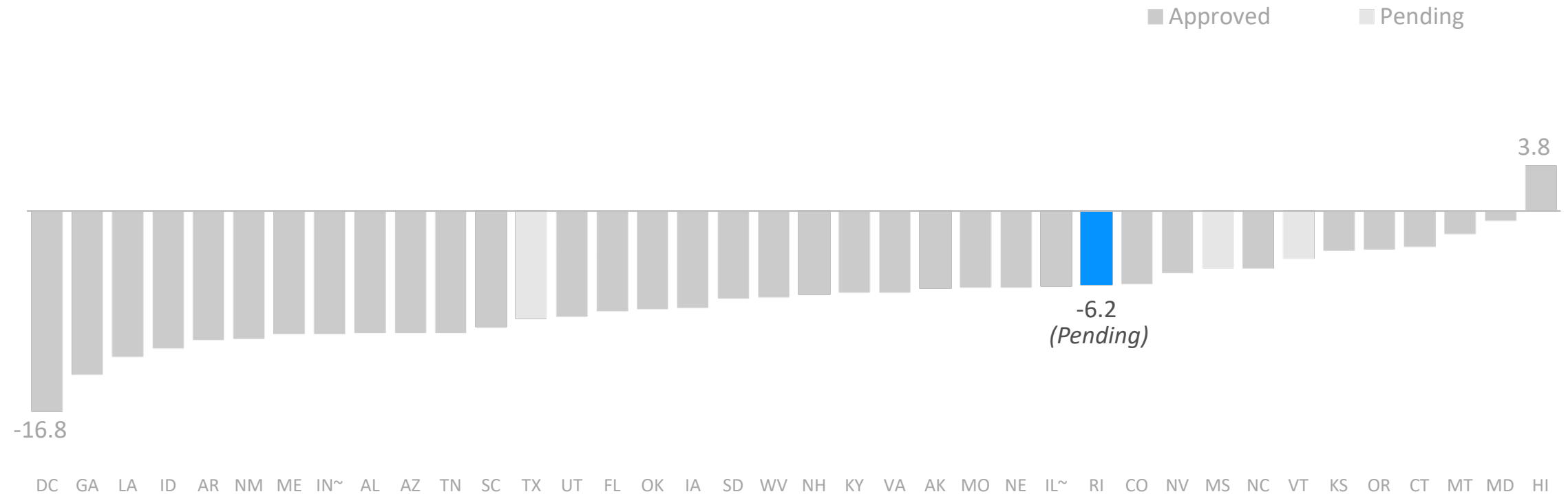
Rhode Island Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

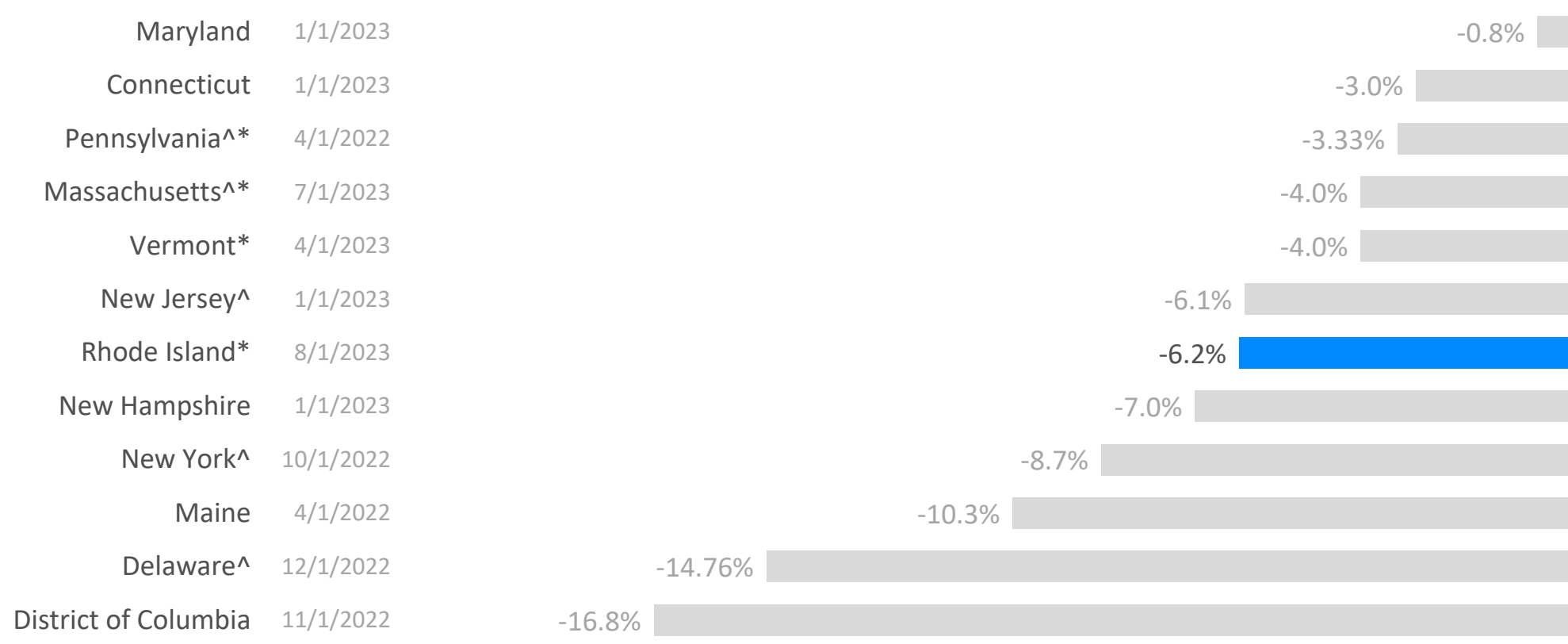


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 1/6/2023.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Northeastern States



[^]An independent bureau state.

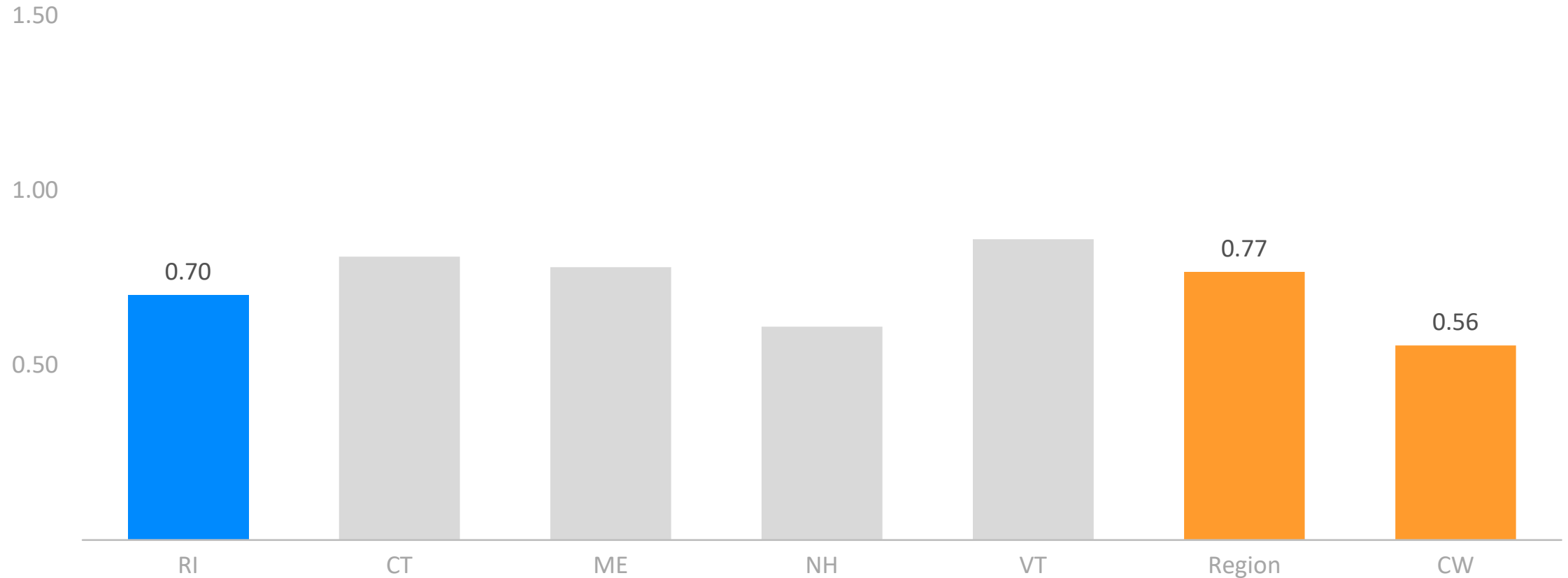
^{*}Pending.

Reflects the most recent experience filing in each jurisdiction as of 1/6/2023.

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 Rhode Island 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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