

# STATE ADVISORY RESOURCES

Utah Workers Compensation System  
November 2022

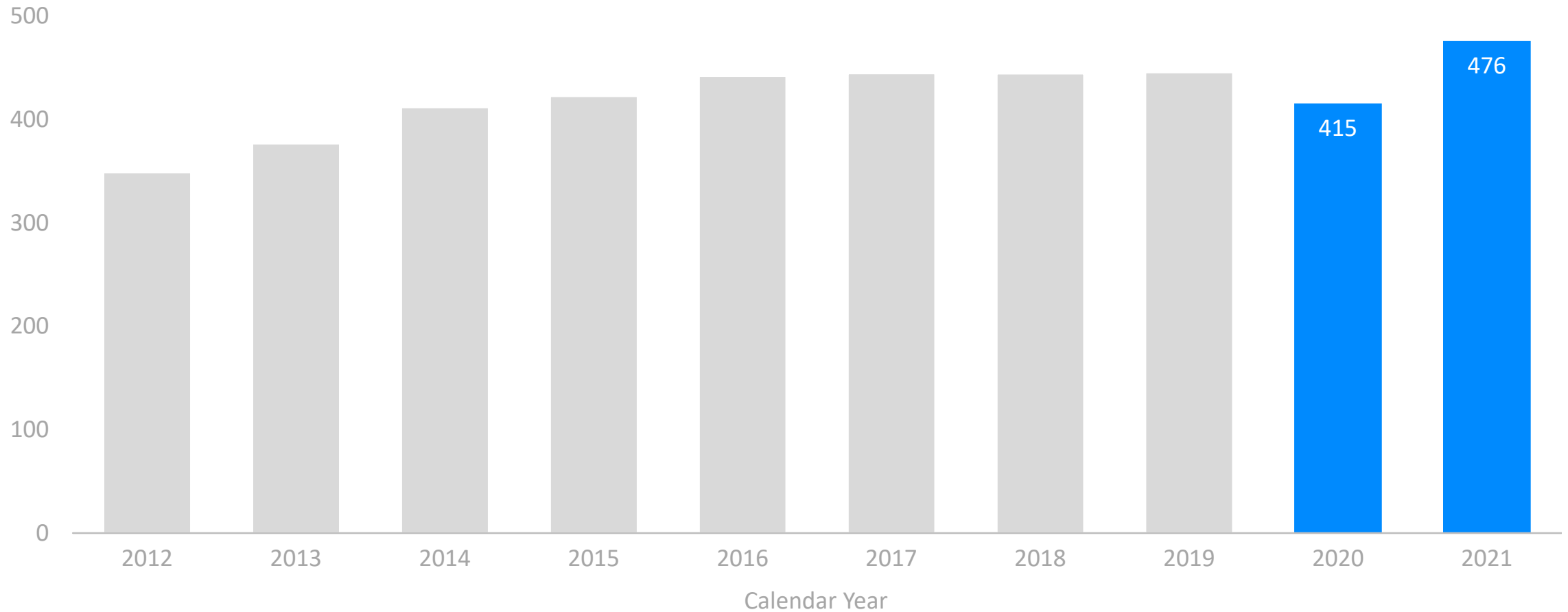


# Utah Workers Compensation System—An Overview

- Written premium volume increased in the latest year
- Accident year combined ratios continue to be favorable
- Despite a recent uptick, lost-time claim frequency exhibits long-term declines
- Indemnity severity increased slightly, while medical severity exhibited a decline

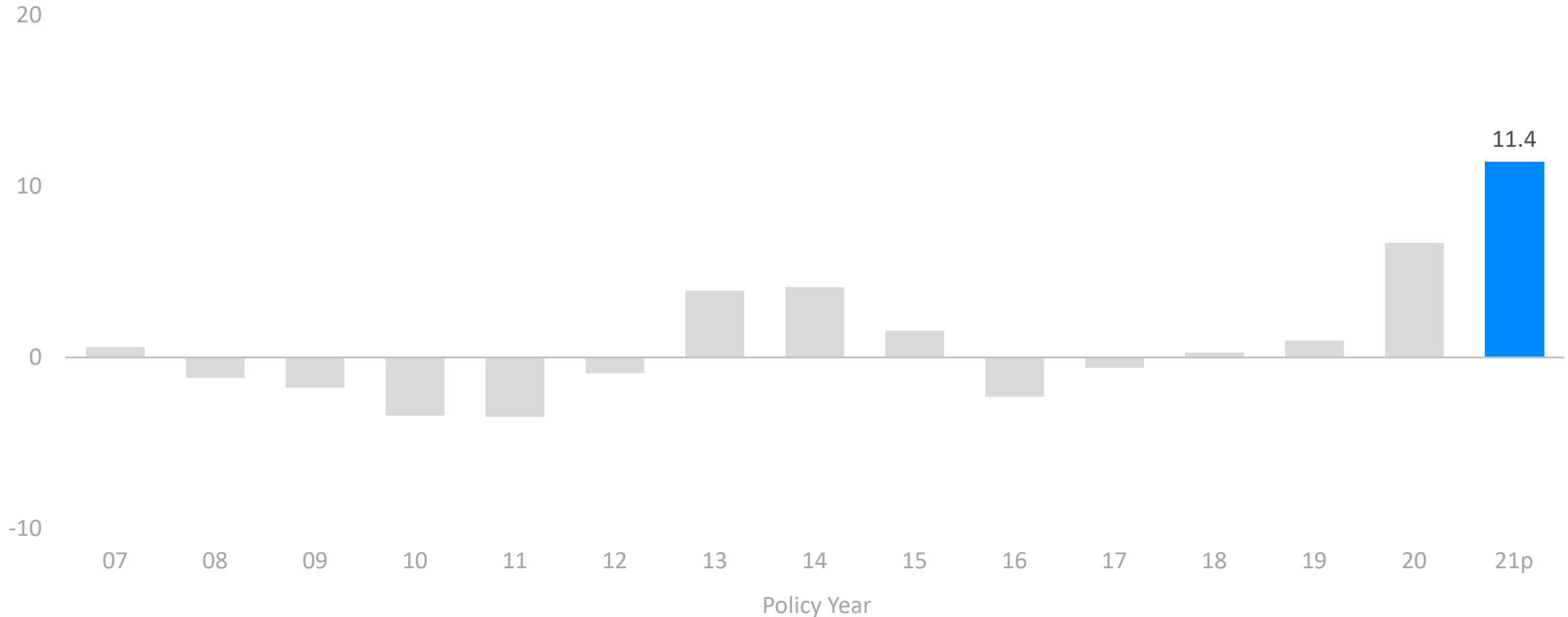
# Utah Premium Volume

Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

# Impact of Discounting on Workers Compensation Premium in Utah

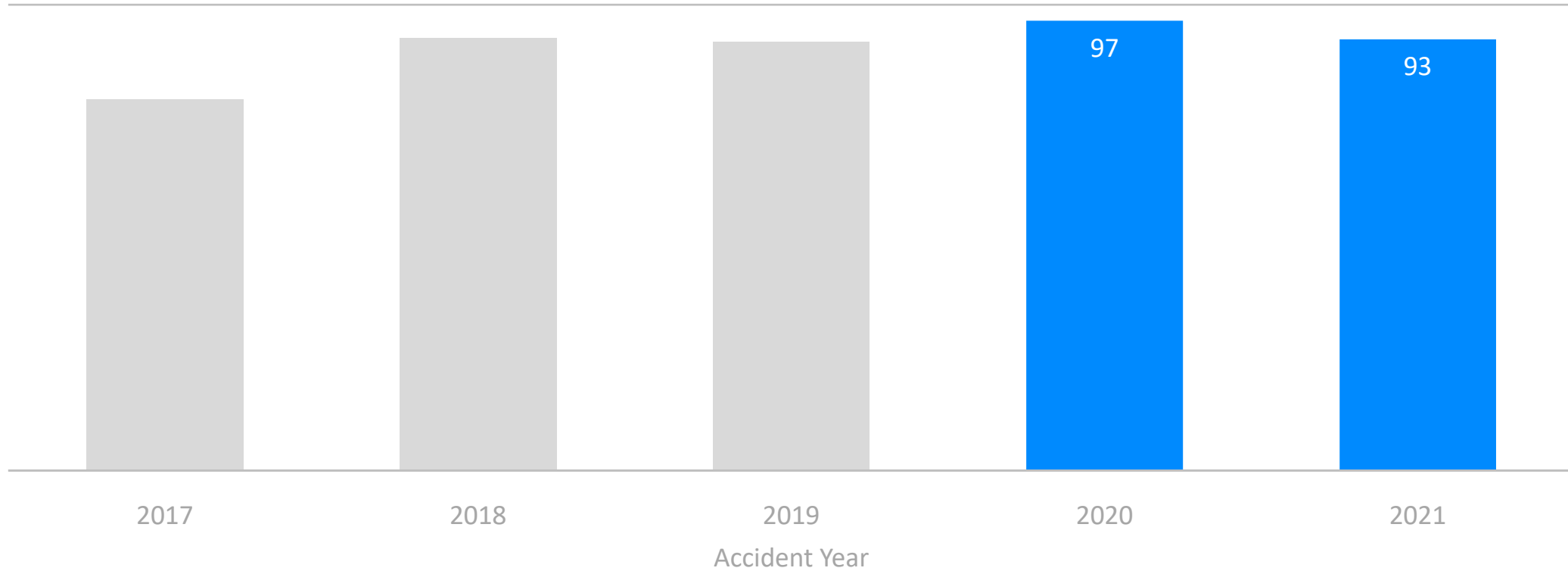


p Preliminary.  
Based on data through 12/31/2021.

# Utah Combined Ratios

Percent

100

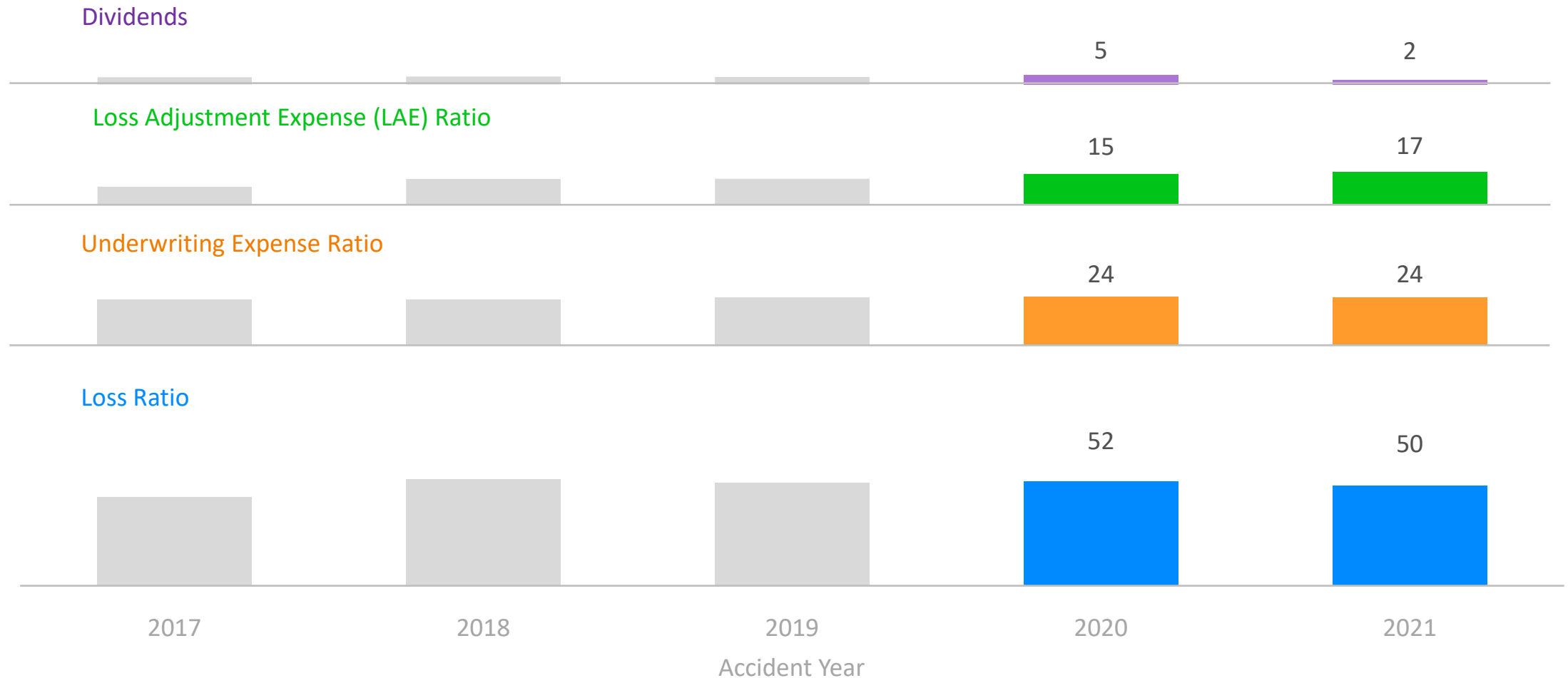


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Utah Combined Ratios by Component

Percent

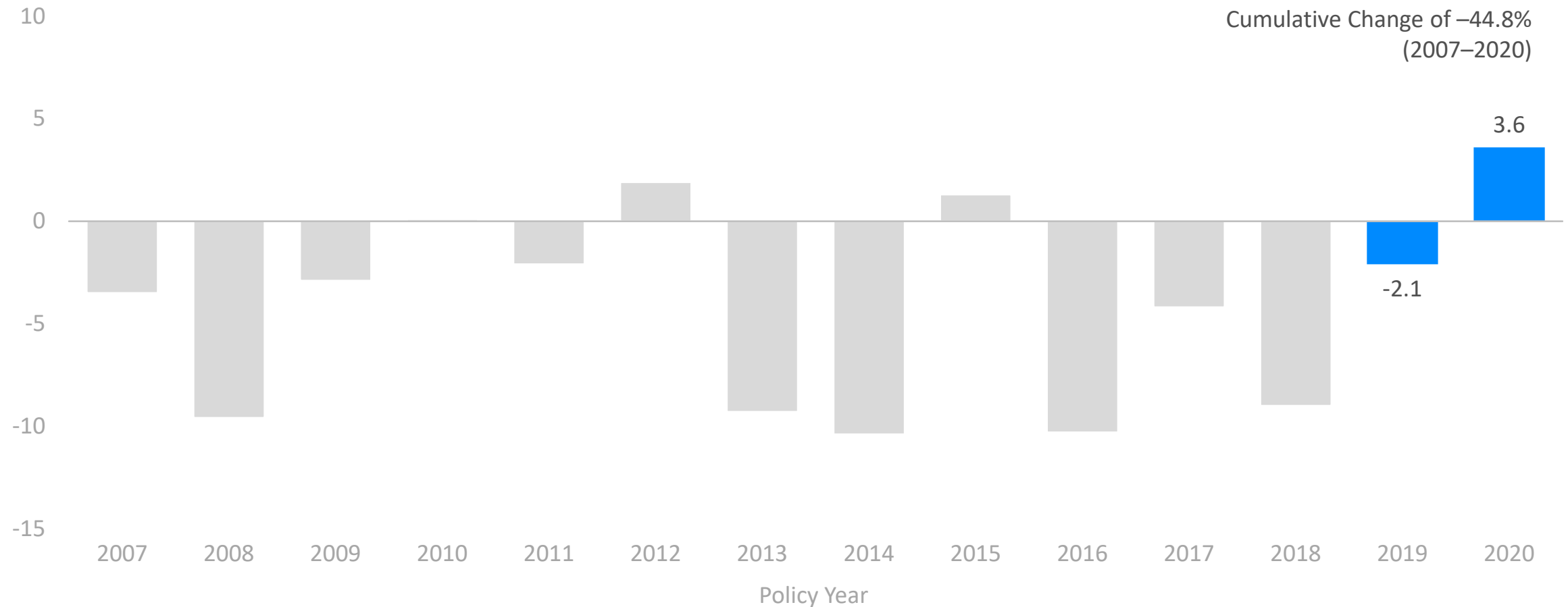


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



# Utah Change in Claim Frequency

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

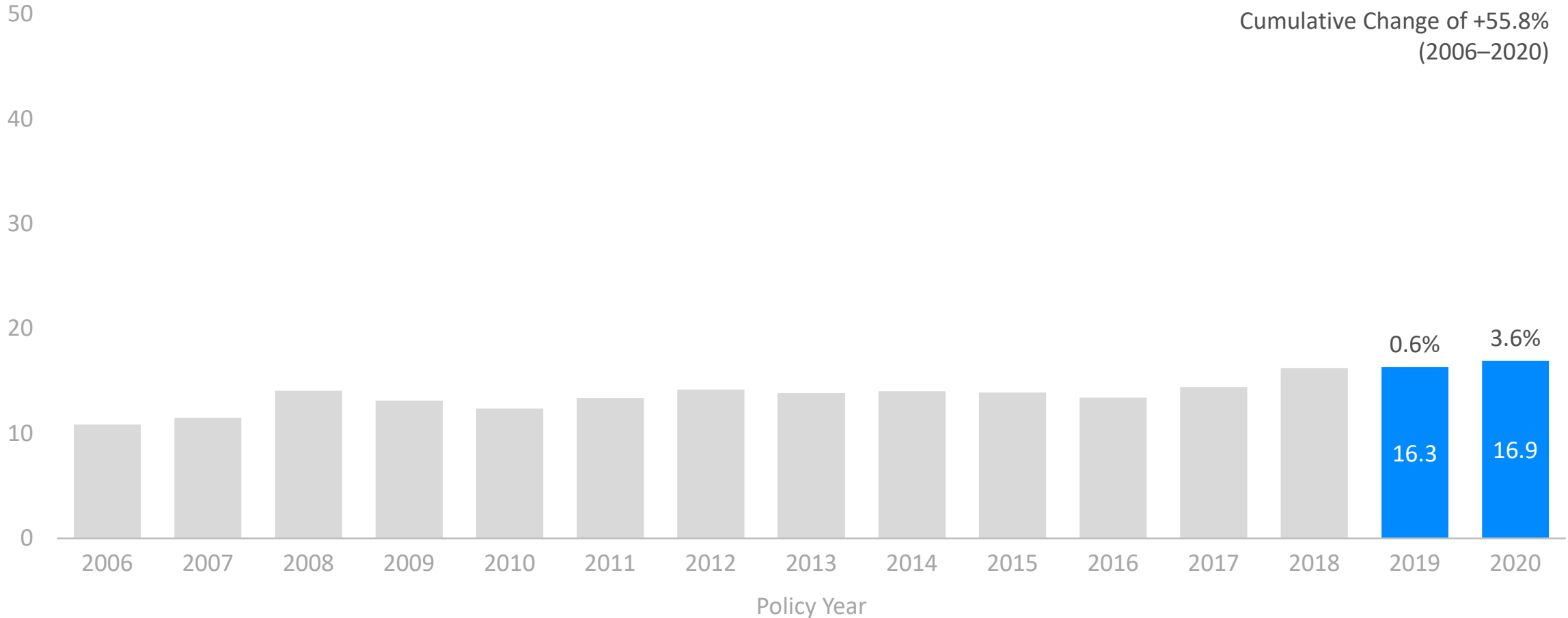


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate, with premium adjusted to common wage level.



# Utah Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands



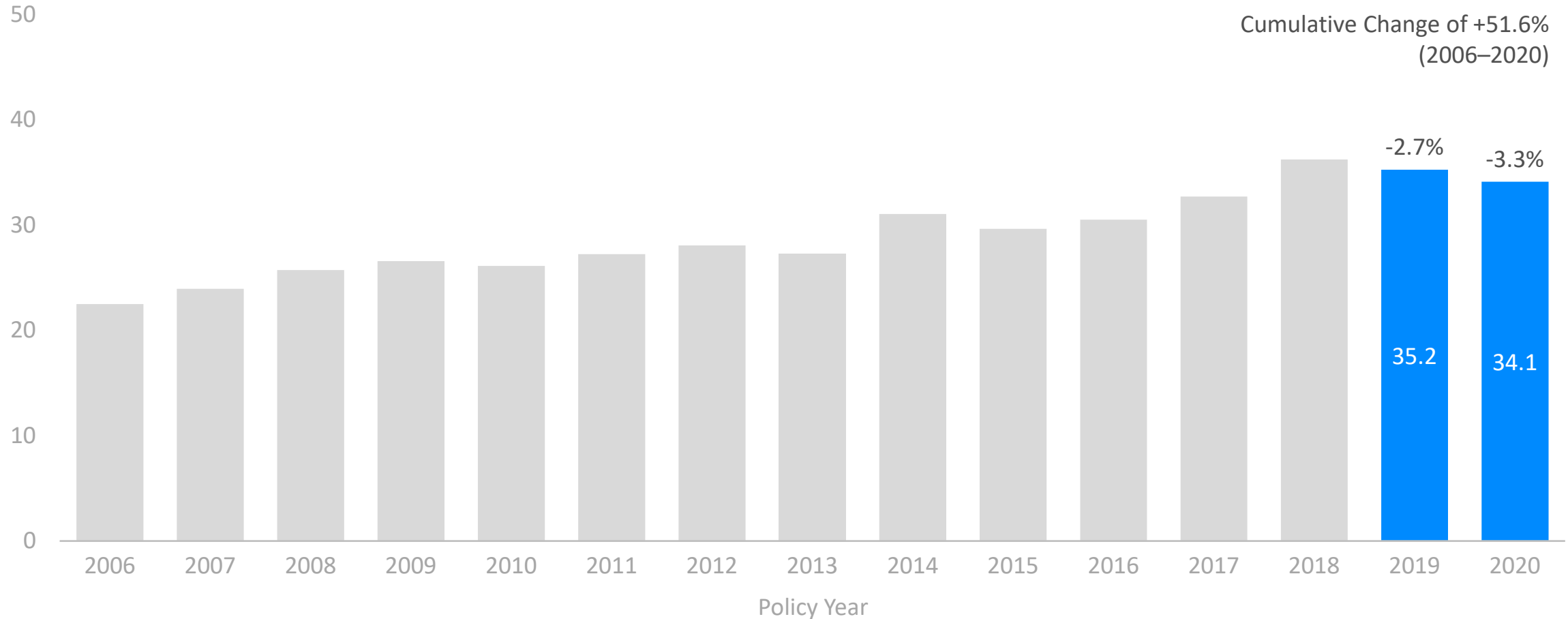
Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.





# Utah Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

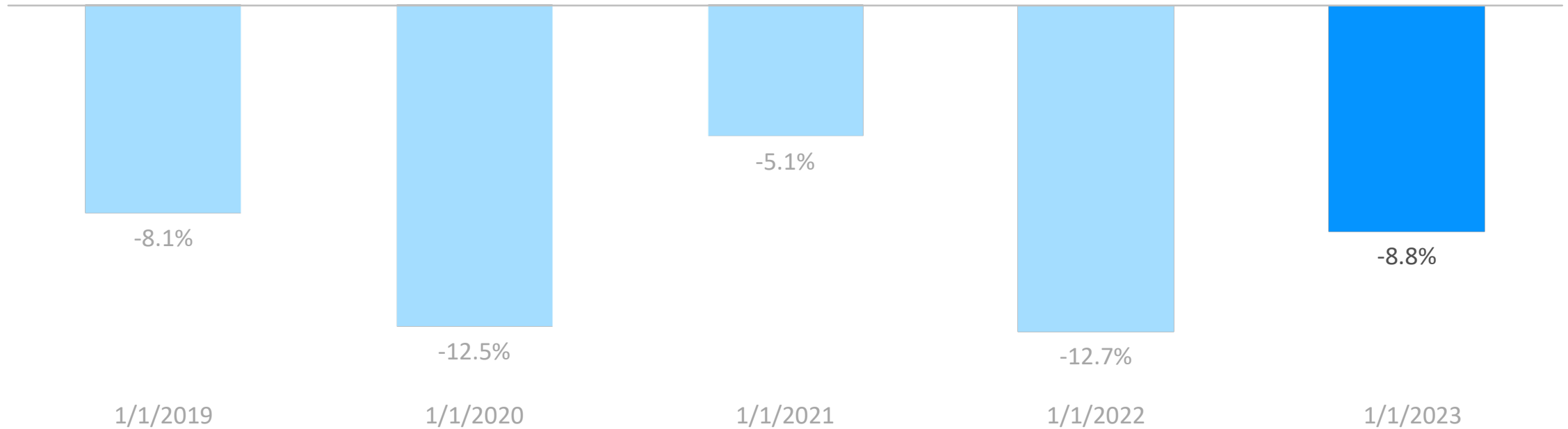


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.  
Note that medical-only losses are included in the numerator.



# Utah Filing Activity

## Voluntary Loss Cost Changes

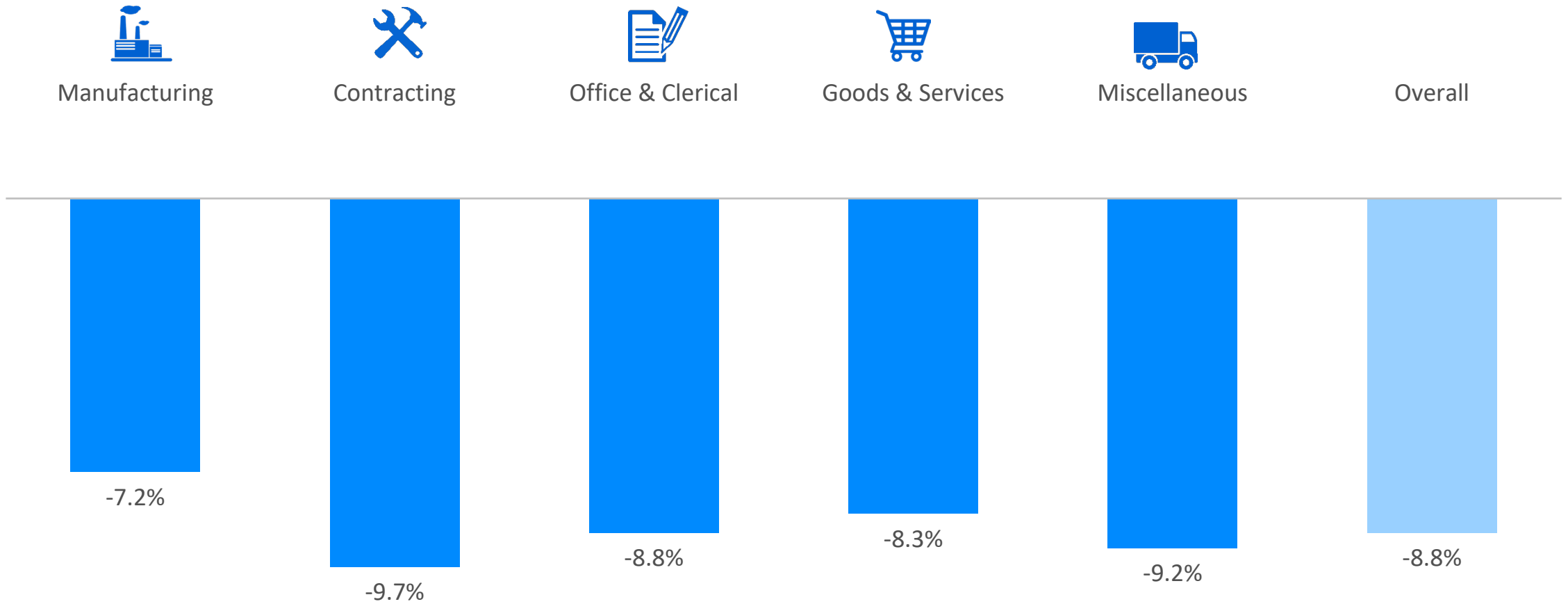


# Utah January 1, 2023 Loss Cost Filing

Change in Experience:	-8.6%
Change in Trend:	-1.4%
Change in Benefits:	+1.1%
Change in All Other:	+0.1%
<hr/>	
Overall Loss Cost Level Change:	-8.8%

# Utah January 1, 2023 Loss Cost Filing

## Average Changes by Industry Group



# Utah Economic Drivers



High Tech



Finance



Defense

Source: Moody's Analytics.

# Utah Economic Assets and Challenges

## ■ Assets

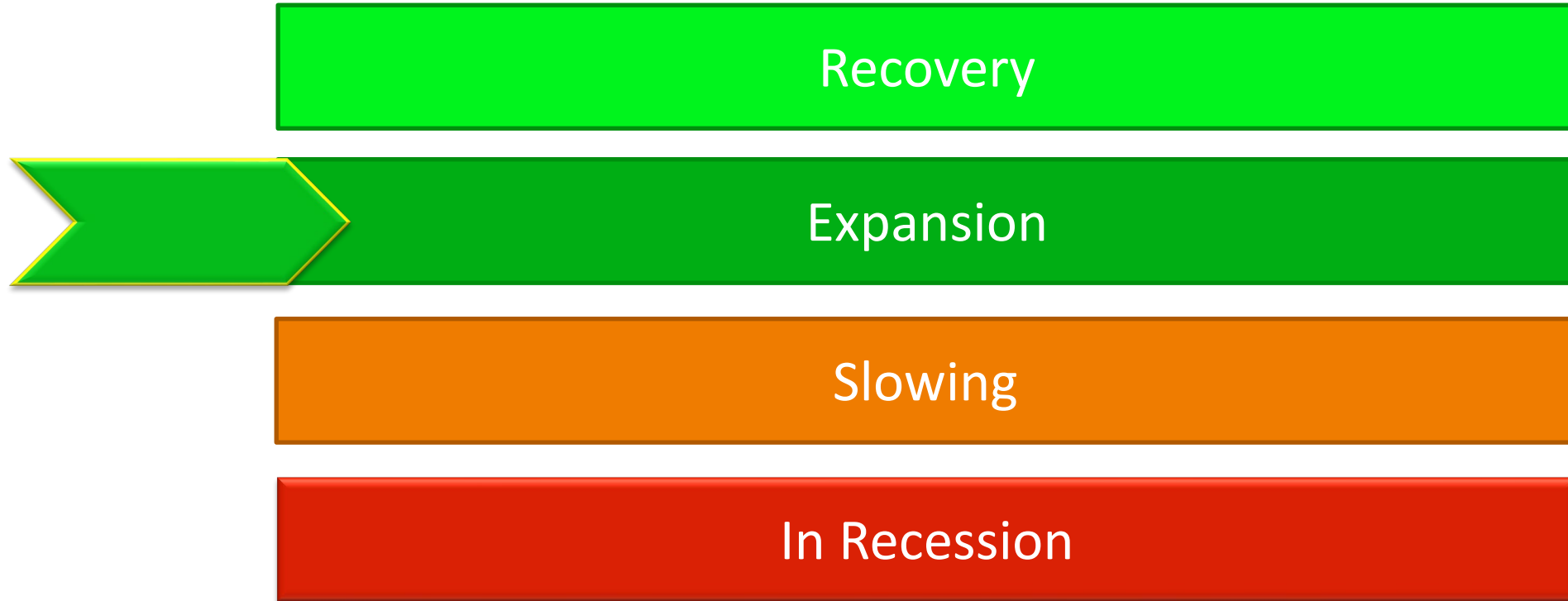
- Strong finance and technology sectors
- Healthy population growth and deep talent pool
- Lower cost of living and business expenses compared to other West Coast technology centers
- Strong state budget and finances
- Large military presence and defense investment

## ■ Challenges

- Federal government dependency
- Limited availability of office space

Source: Moody's Analytics.

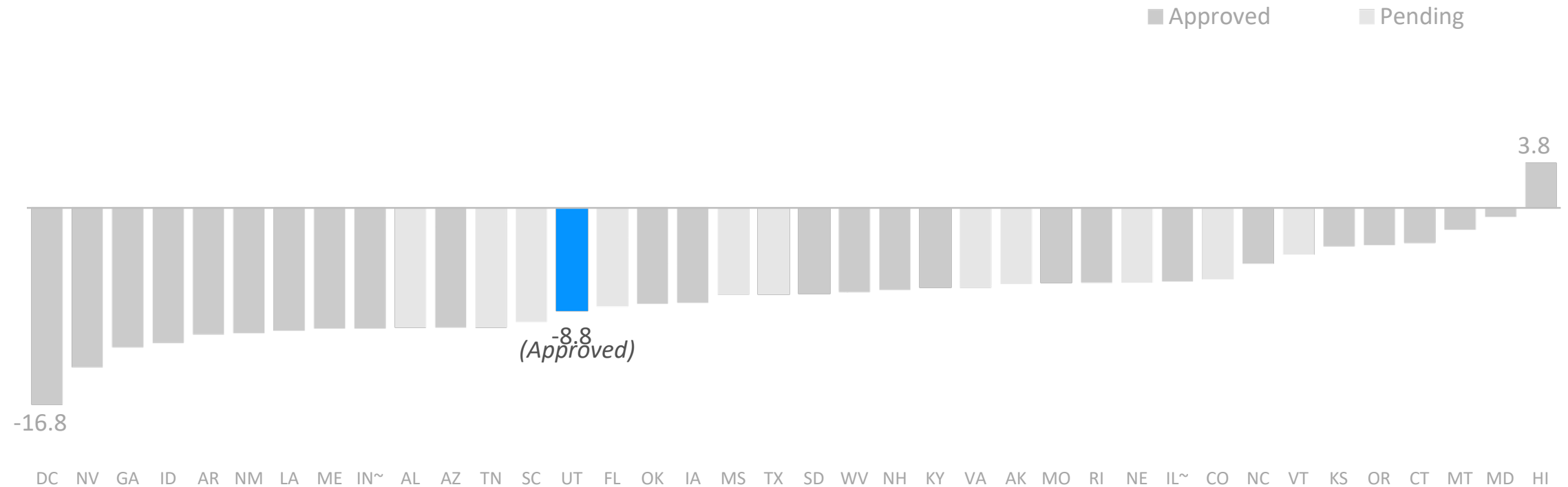
# Utah Business Cycle Status



Source: Moody's Analytics.

# Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



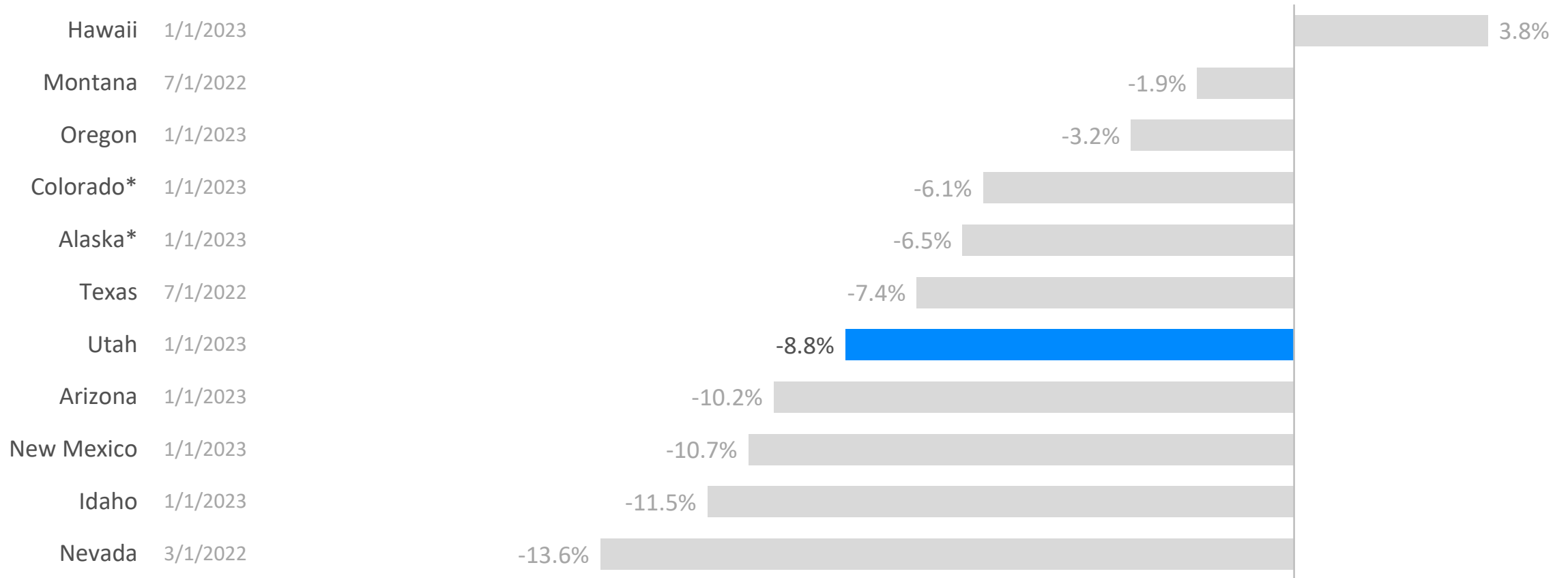
~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.  
 Reflects the most recent experience filing in each jurisdiction as of 10/28/2022.  
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.





# Current Voluntary Market Loss Cost/Rate Changes

## Western States



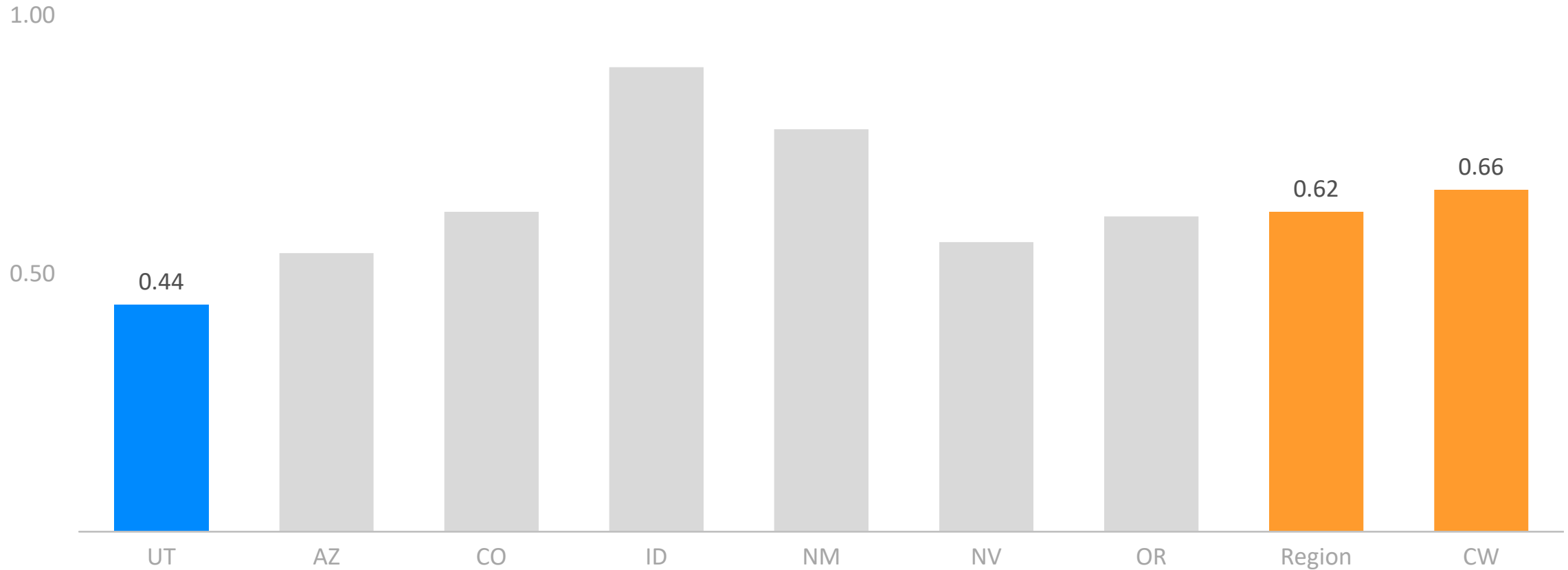
\*Pending.

Reflects the most recent experience filing in each jurisdiction as of 10/28/2022.

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 Utah Payroll Distribution



Based on approved rates and loss costs in various jurisdictions from filings using data valued as of 12/31/2020.



# CONTACT US



**Brett Barratt**

Senior State Relations Executive

[brett\\_barratt@ncci.com](mailto:brett_barratt@ncci.com)



**Brad Rosin**

Director & Actuary

[brad\\_rosin@ncci.com](mailto:brad_rosin@ncci.com)