

STATE ADVISORY RESOURCES

Virginia State Workers Compensation System
September 2022

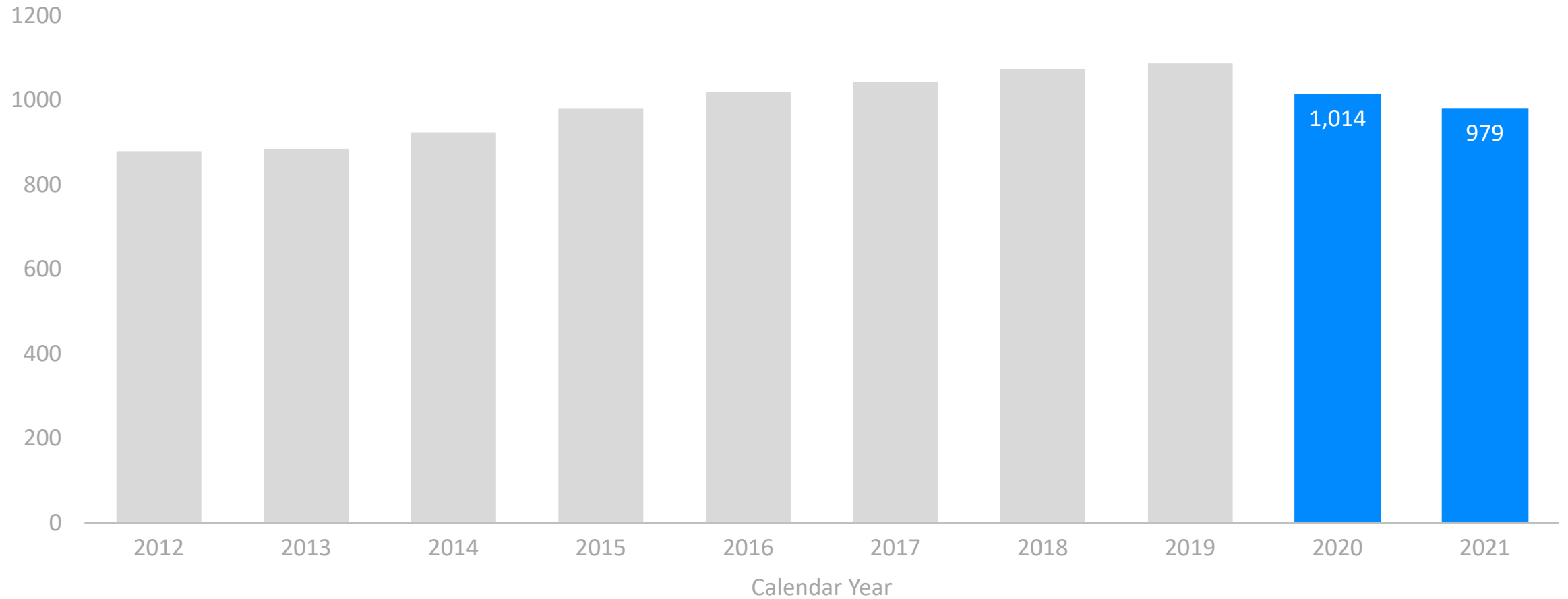


Virginia Workers Compensation System—An Overview

- Written premium declined in 2021
- Combined ratios have been favorable over the recent past
- It is likely that the implementation of Virginia's medical fee schedule, effective January 1, 2018, has contributed to the favorable experience observed since that time

Virginia Premium Volume

Direct Written Premium in \$ Millions

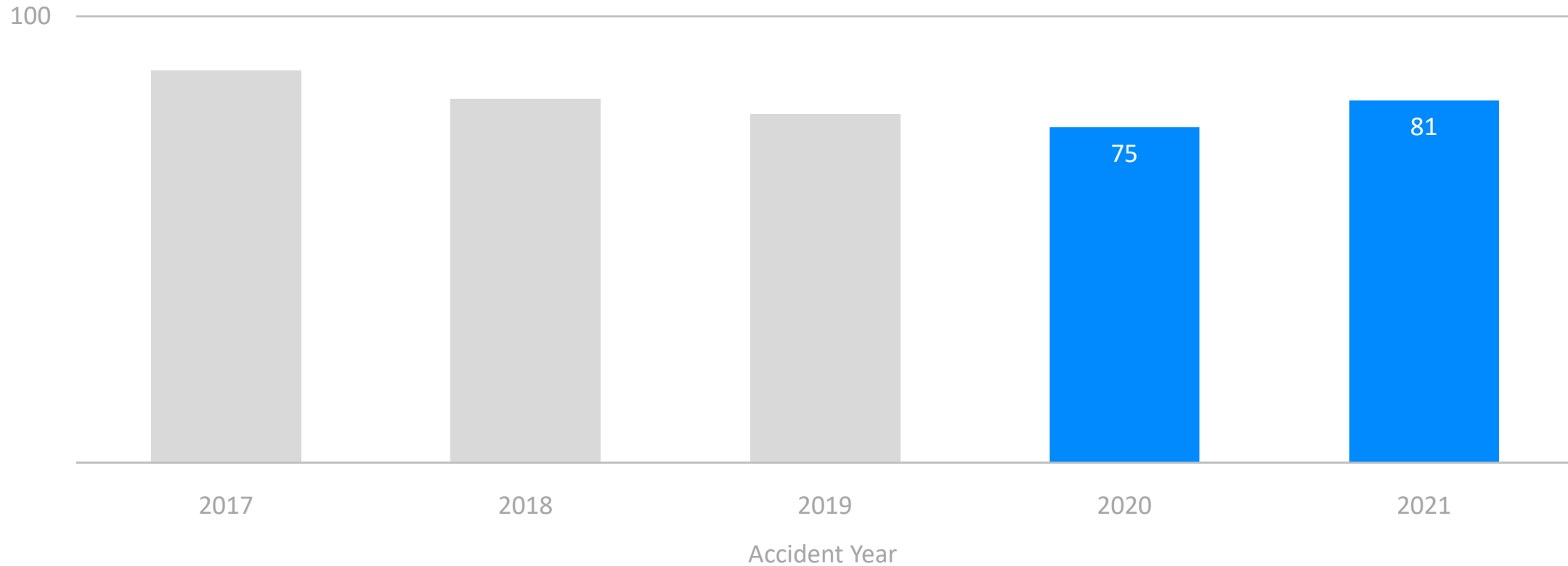


Source: NAIC's Annual Statement data.



Virginia Combined Ratios

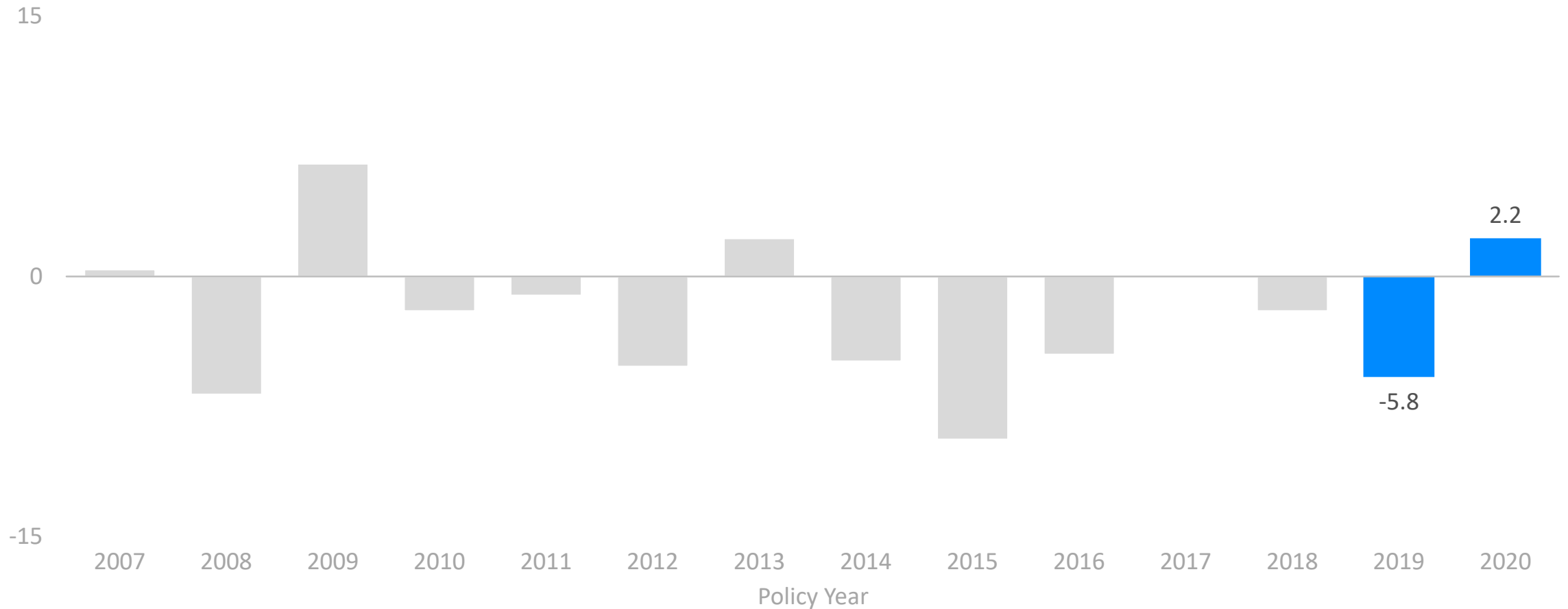
Percent



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

Virginia Change in Claim Frequency

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

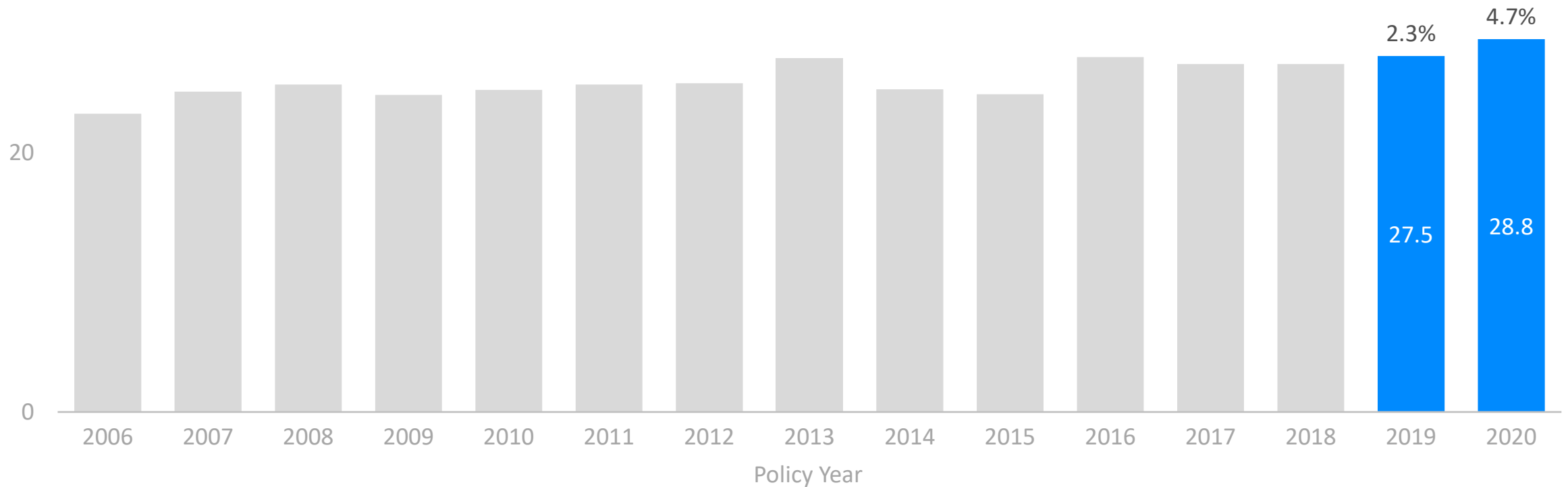


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate, with premium adjusted to common wage level.

Virginia Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

40

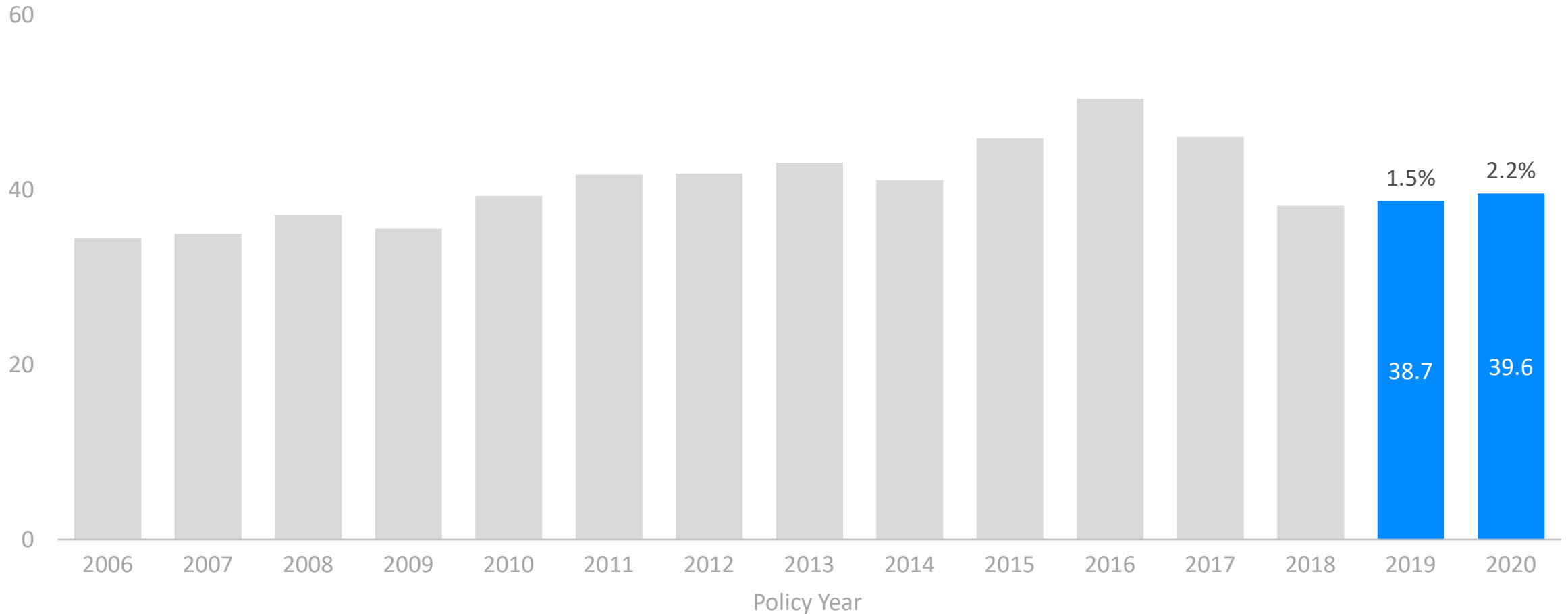


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Virginia Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

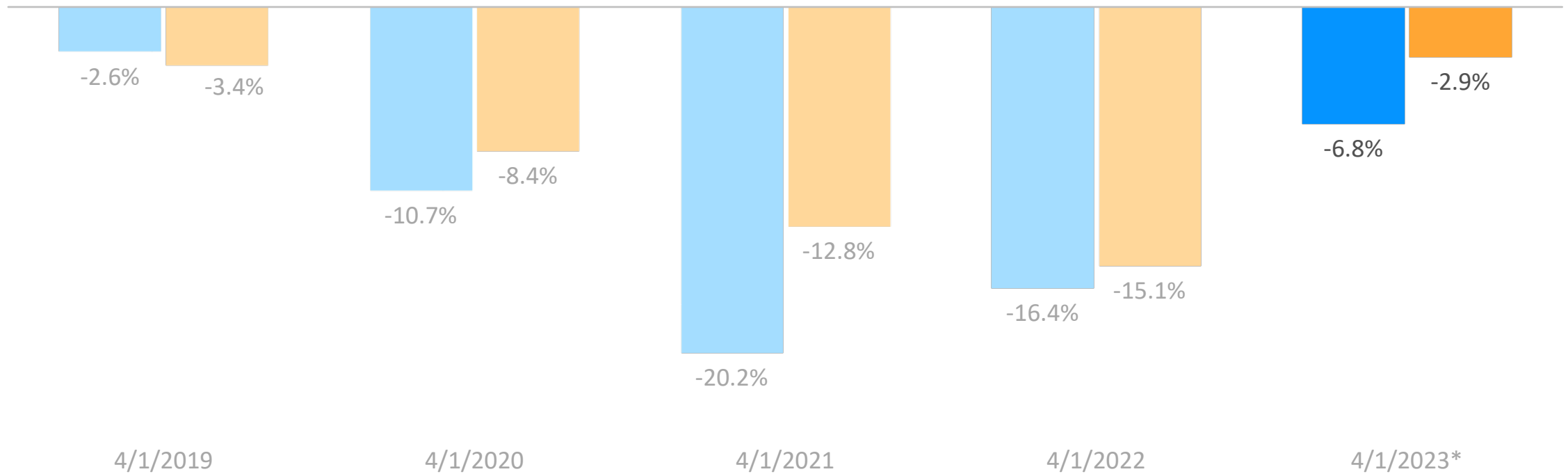


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Virginia Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Level Changes



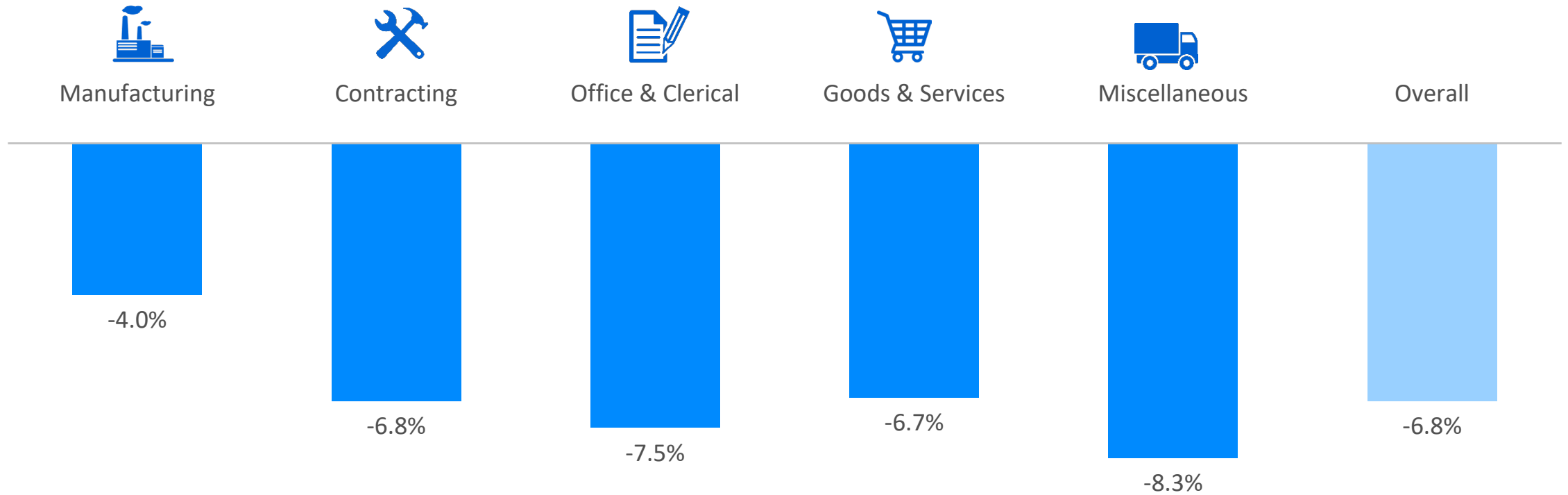
*Pending.

Virginia April 1, 2023 Loss Cost Filing

Experience, Trend, and Benefit Change:	–6.1%
Change in the Loss Cost Differential:	–0.6%
Change in Loss-Based Expenses:	–0.1%
<hr/>	
Overall Loss Cost Level Change:	–6.8%

Virginia April 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Virginia Economic Drivers



Defense



Federal Government



Tourism

Source: Moody's Analytics.

Virginia Economic Assets and Challenges

■ Assets

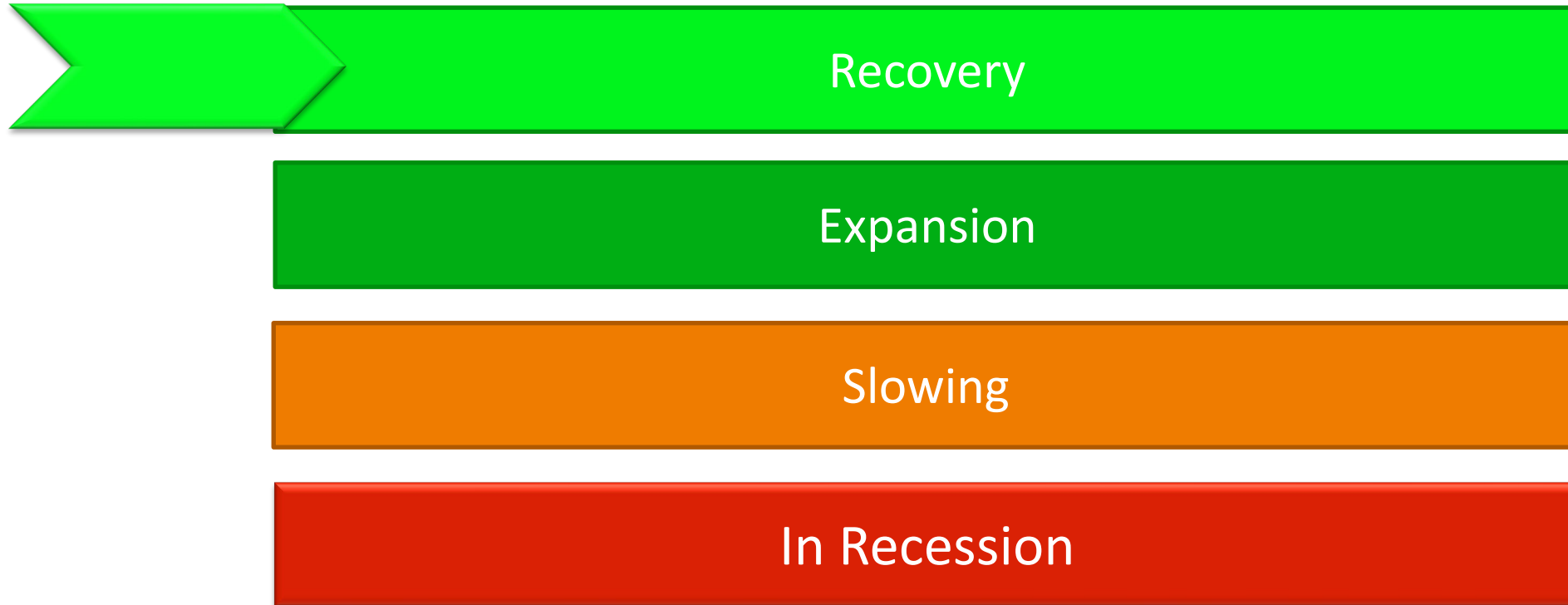
- Nonexcessive business costs
- Not beholden to declining sectors due to economic diversity
- Larger share of technology jobs than many states

■ Challenges

- Divergence of northern VA economy and the rest of the state
- Economy remains tied to Federal spending
- Subject to trade issues with China

Source: Moody's Analytics.

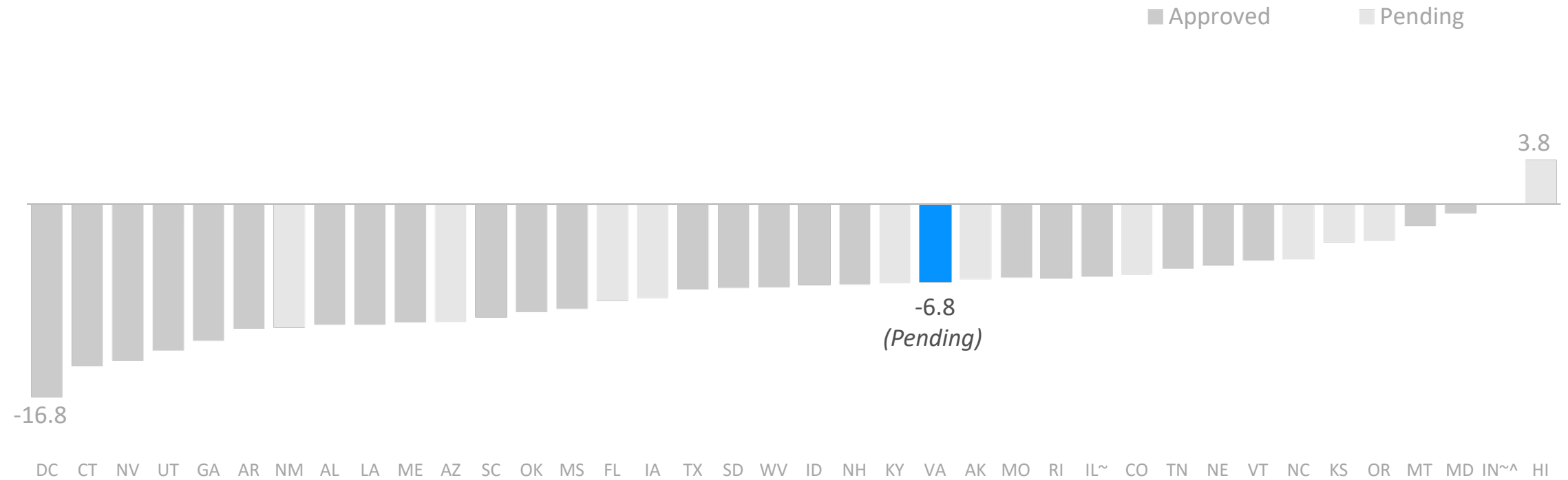
Virginia Business Cycle Status



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 -2.7%, respectively.

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

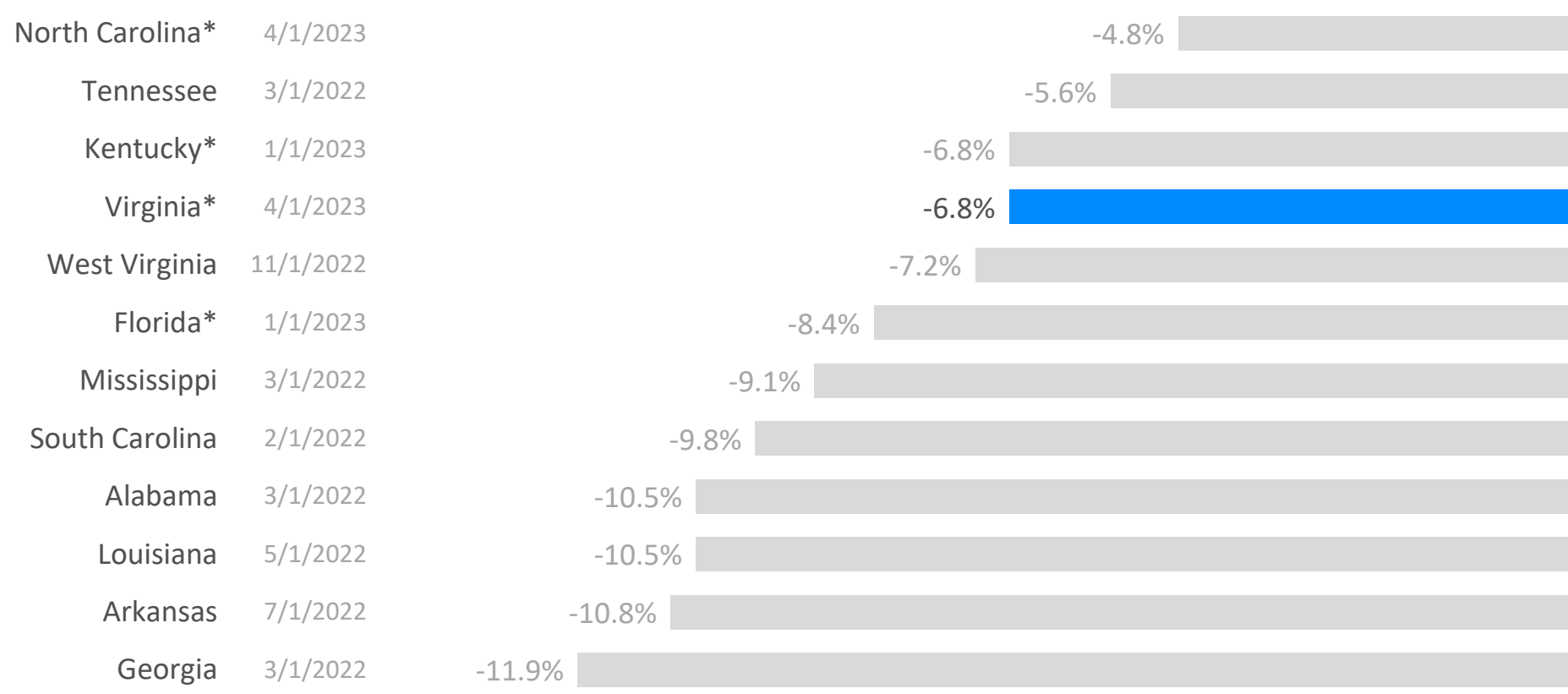
Reflects the most recent experience filing in each jurisdiction as of 9/2/2022.

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

Southeastern States



*Pending.

Reflects the most recent experience filing in each jurisdiction as of 9/2/2022.

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

CONTACT US



David Benedict
Senior State Relations Executive
david_benedict@ncci.com



Jay Rosen
Practice Leader and Senior Actuary
jay_rosen@ncci.com