

VERMONT STATE ADVISORY RESOURCES

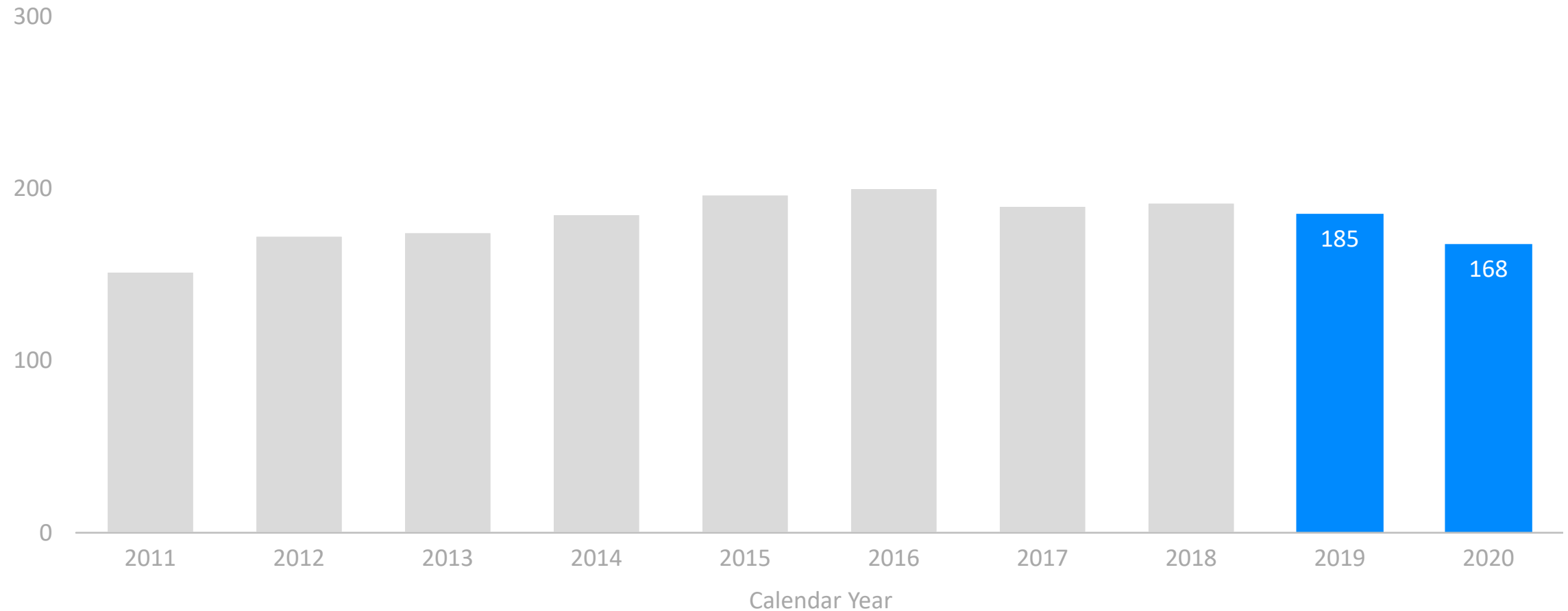
Vermont Workers Compensation System Overview
January 2022

Vermont 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 continues to decline
- Indemnity and medical severities increased in the latest year

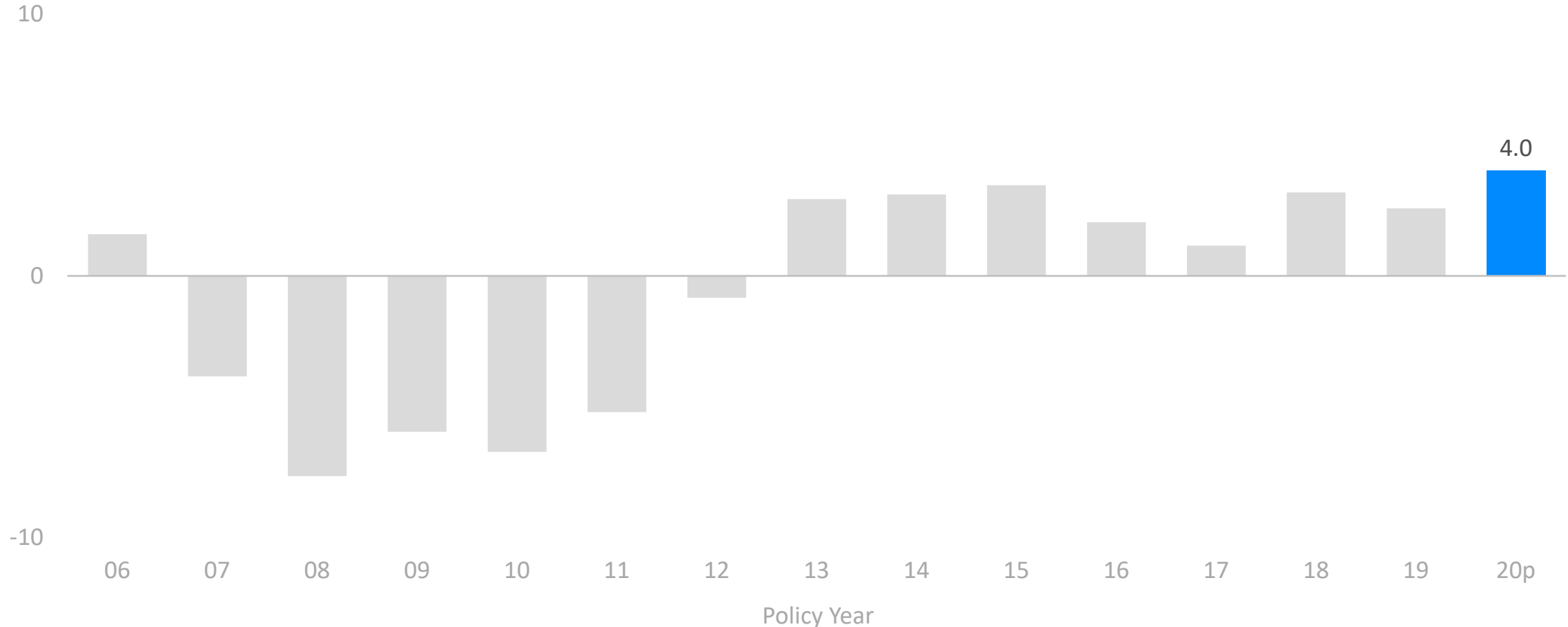
Vermont Premium Volume

Direct Written Premium in \$ Millions



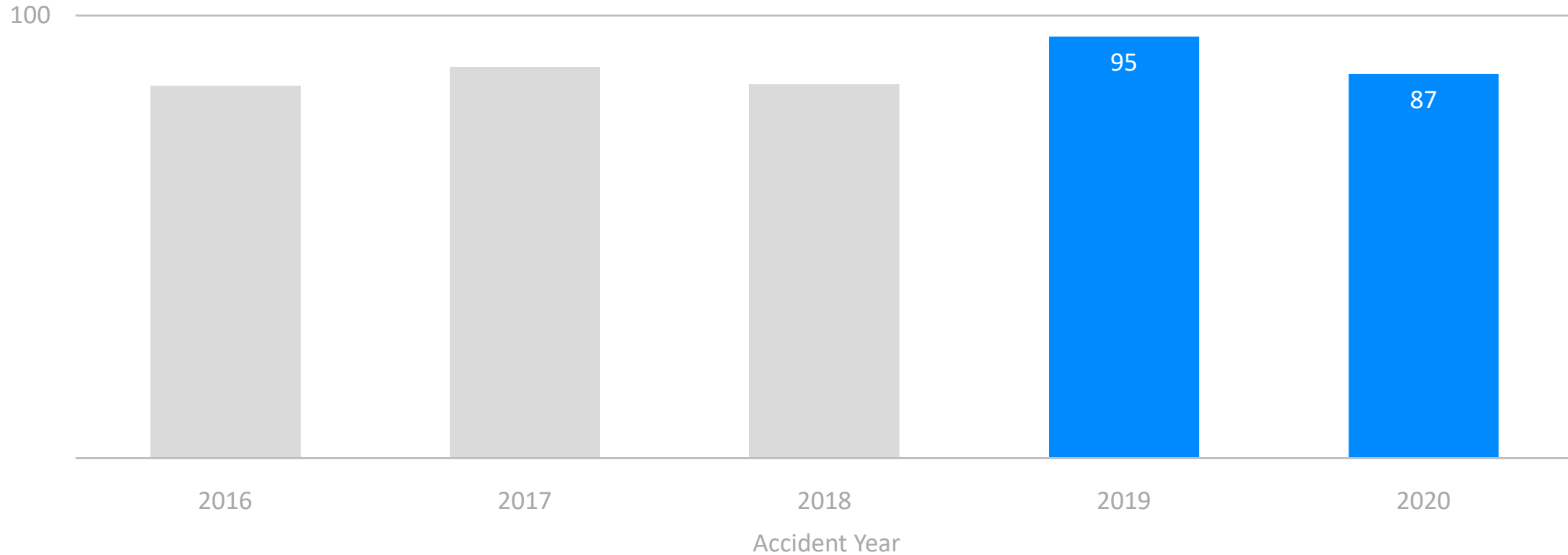
Source: NAIC's Annual Statement data.

Impact of Discounting on Workers Compensation Premium in Vermont



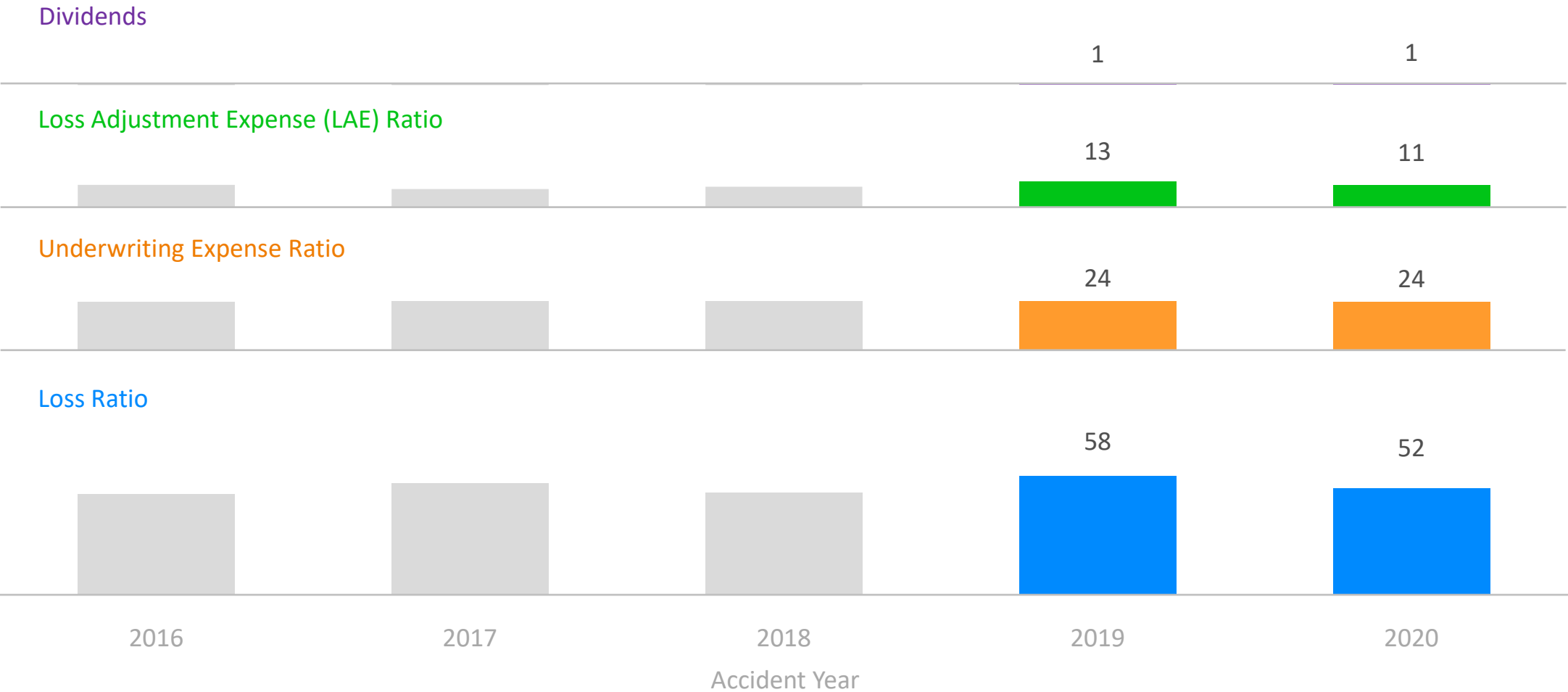
p Preliminary.
Based on data through 12/31/2020.

Vermont Combined Ratios



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

Vermont Combined Ratios by Component

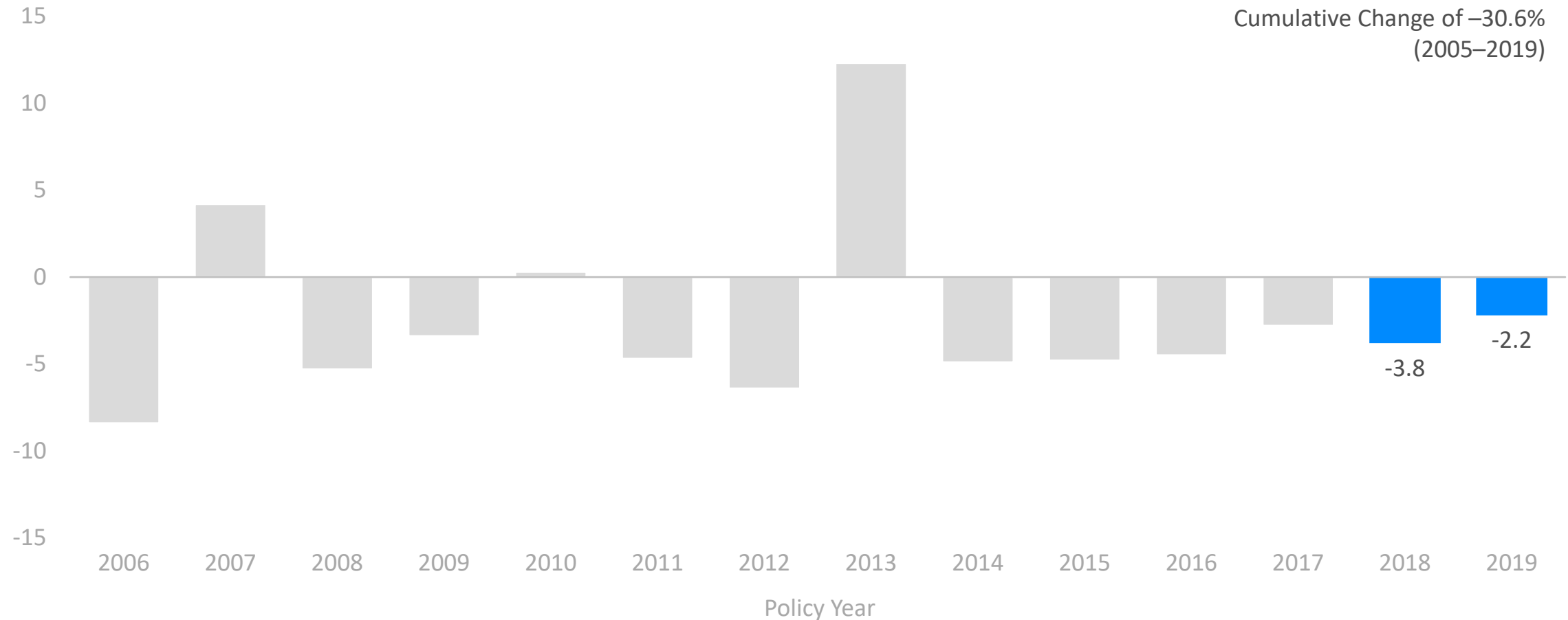


Sources: NCCI’s financial data through 12/31/2020 and NAIC’s Annual Statement data.



Vermont Change in Claim Frequency

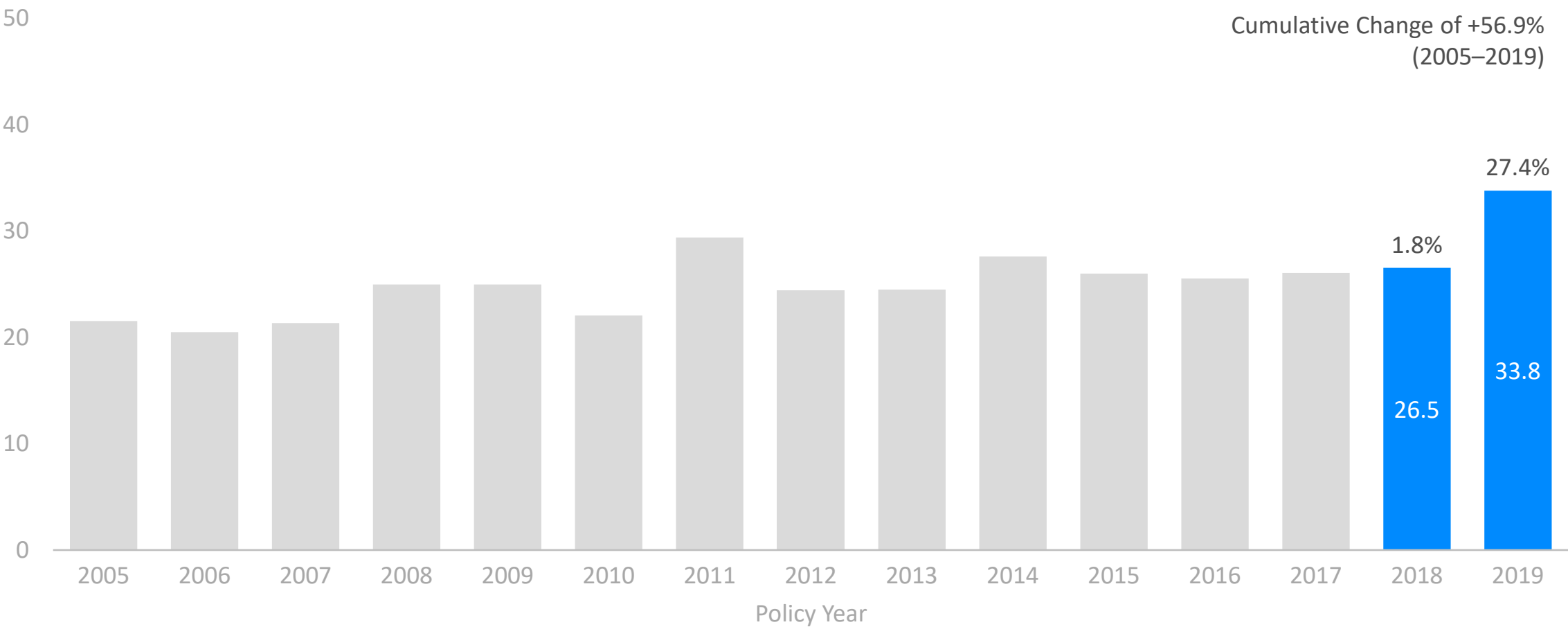
Percent Change in Lost-Time Claims, per \$ Million of On-Leveled Premium



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

Vermont Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

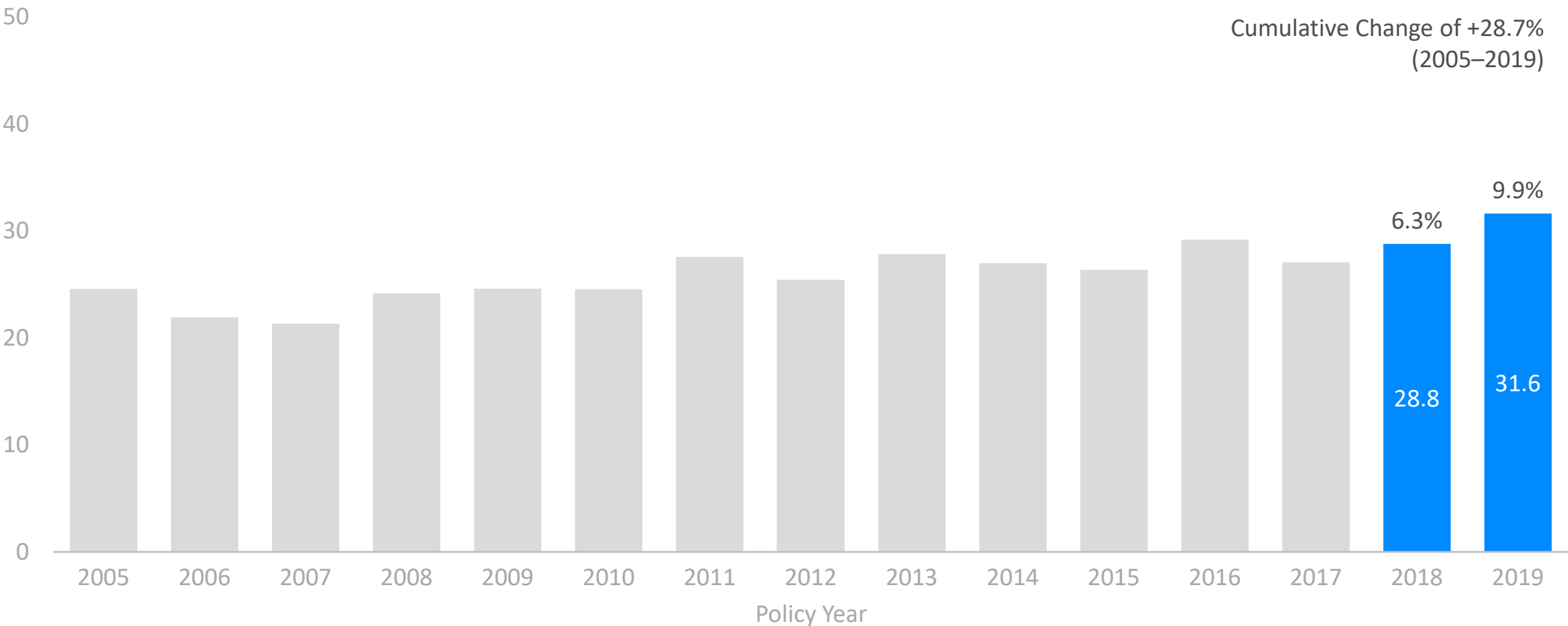


Based on NCCI’s financial data through 12/31/2020, on-leveled, and developed to ultimate.



Vermont Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

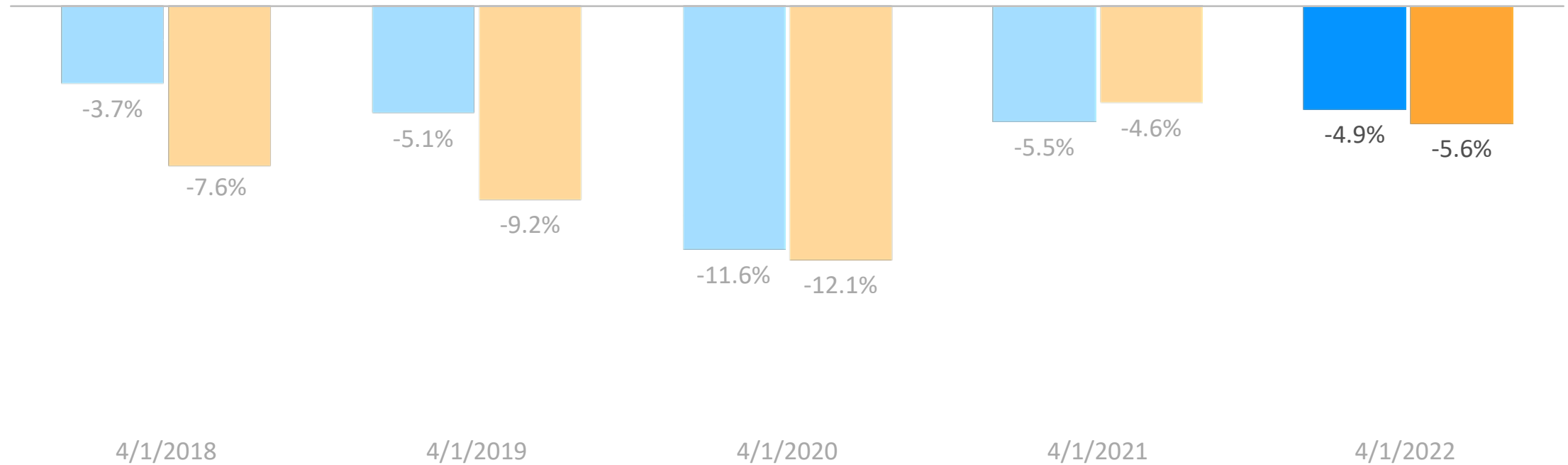


Based on NCCI’s financial data through 12/31/2020, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Vermont Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes

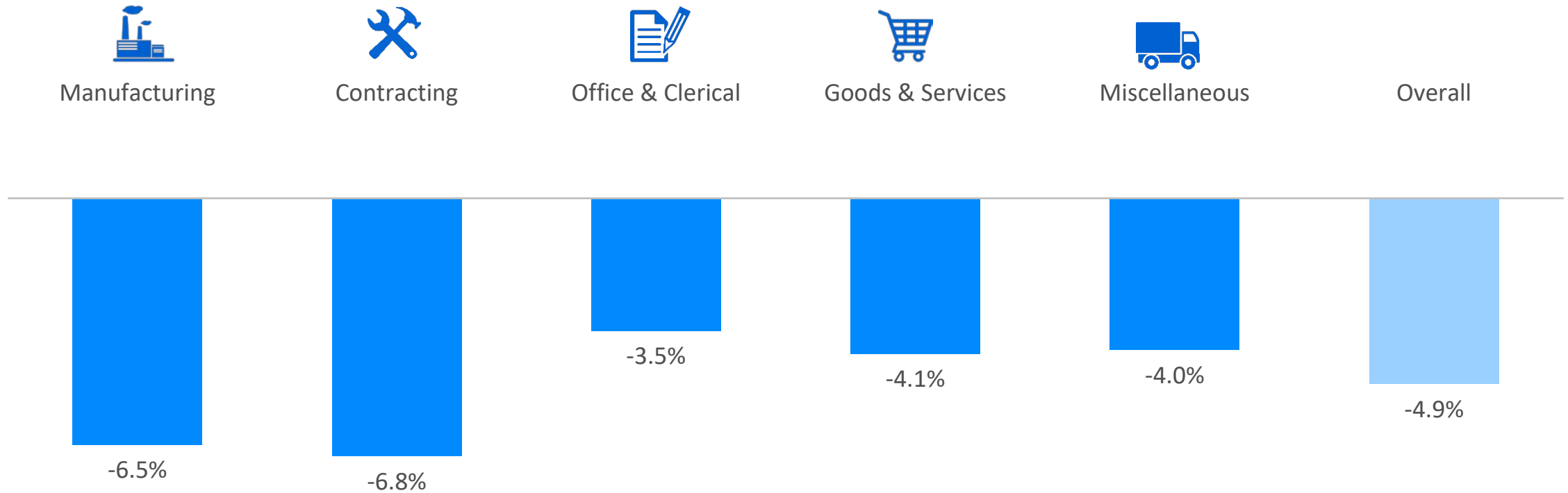


Vermont April 1, 2022 Loss Cost Filing

Change in Experience:	−4.1%
Change in Trend:	−1.1%
Change in Benefits:	+0.0%
Change in All Other:	+0.3%
<hr/>	
Overall Loss Cost Level Change:	−4.9%

Vermont April 1, 2022 Loss Cost Filing

Average Changes by Industry Group



Vermont Economic Drivers



Technology



Manufacturing



Tourism

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

Vermont Economic Assets and Challenges

■ Assets

- High level of educational attainment
- Strong tourism industry supported by locally owned businesses
- Low crime rate
- Very diverse industrial structure

■ Challenges

- Land-use laws limiting development
- High business costs
- Limited population growth, out-migration trends, and aging population

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

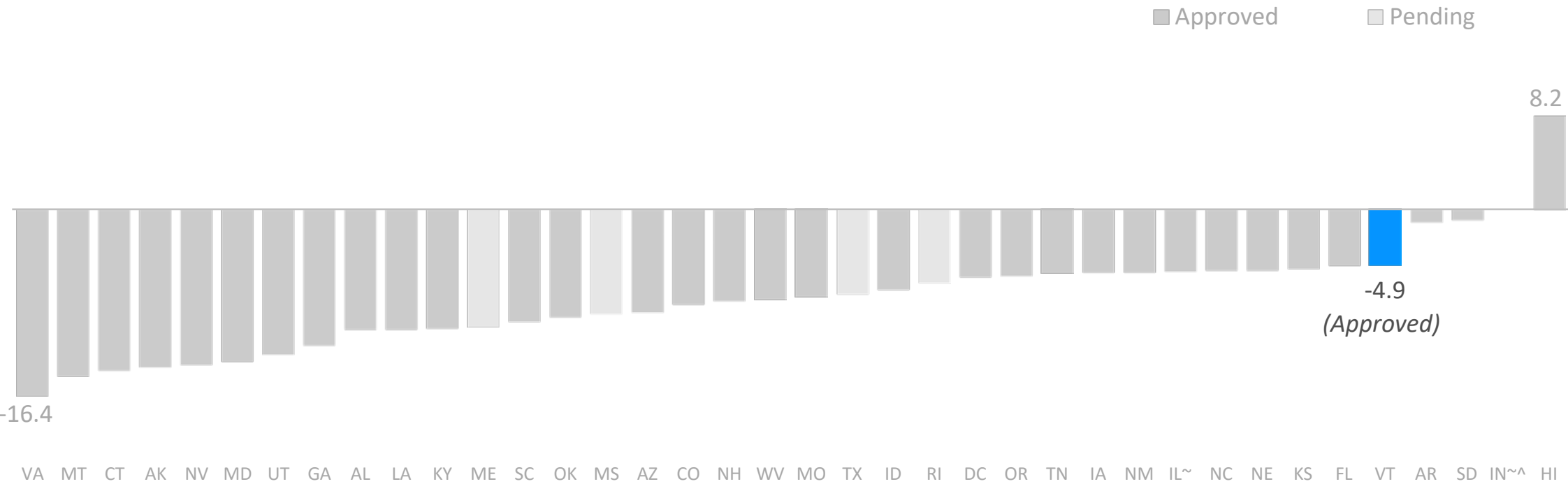
Vermont Business Cycle Status



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

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

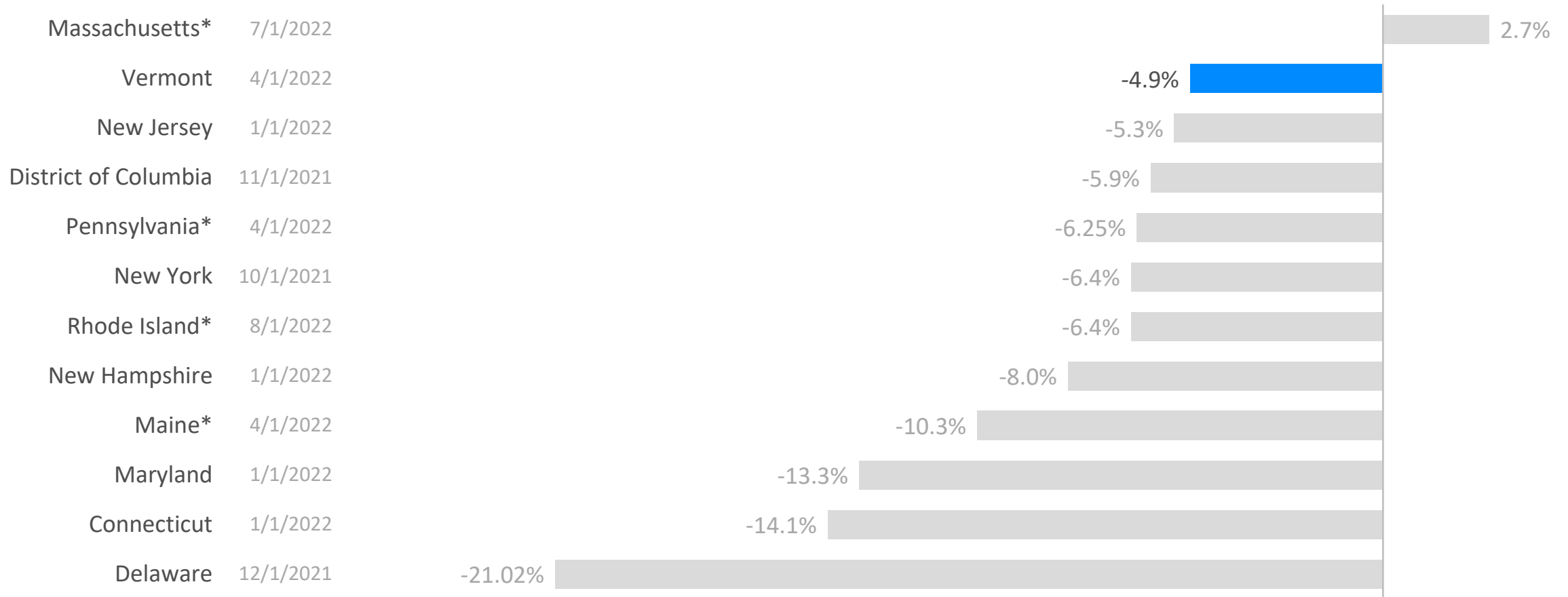


~Value shown is a rate level change; the IL and IN loss cost level changes are -7.4% and -2.7%, respectively.
^IN approved a flat (0.0%) rate level change.
Reflects the most recent experience filing in each jurisdiction as of 1/21/2022.
Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Northeastern States



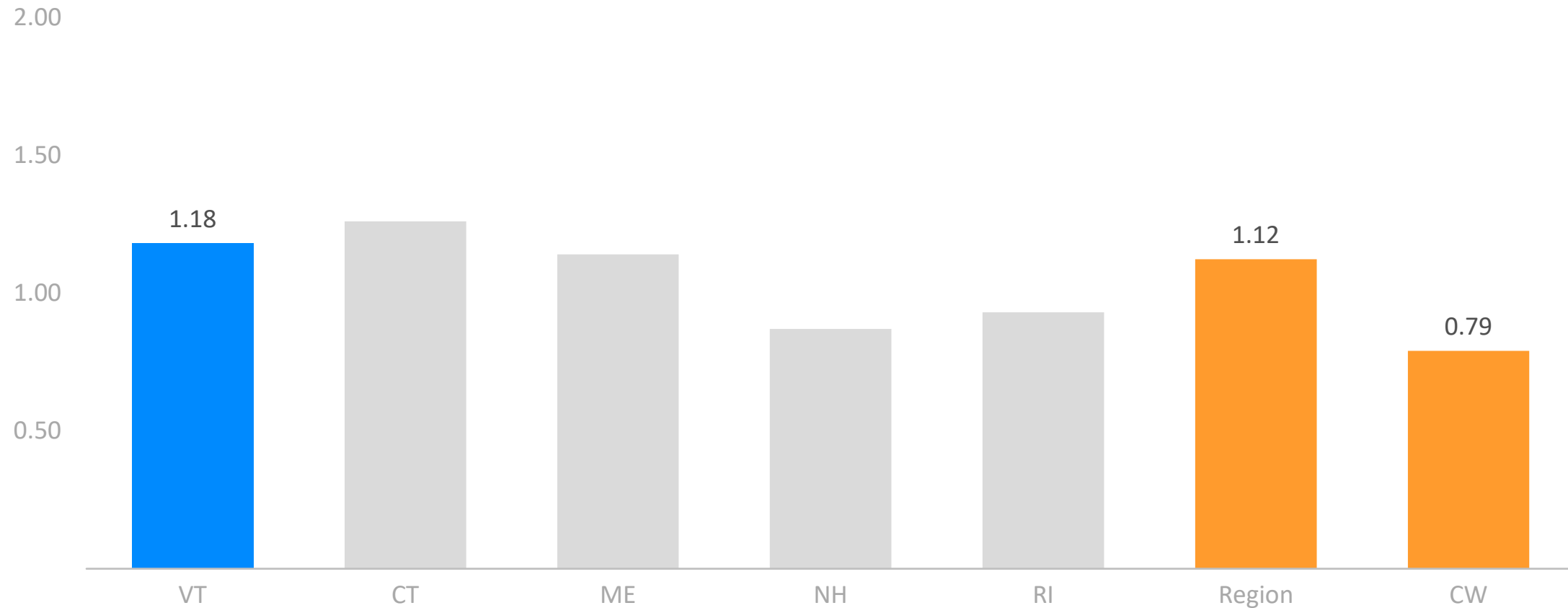
*Pending.

Reflects the most recent experience filing in each jurisdiction as of 1/21/2022.

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 Vermont 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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