

STATE ADVISORY RESOURCES

Vermont Workers Compensation System
January 2023

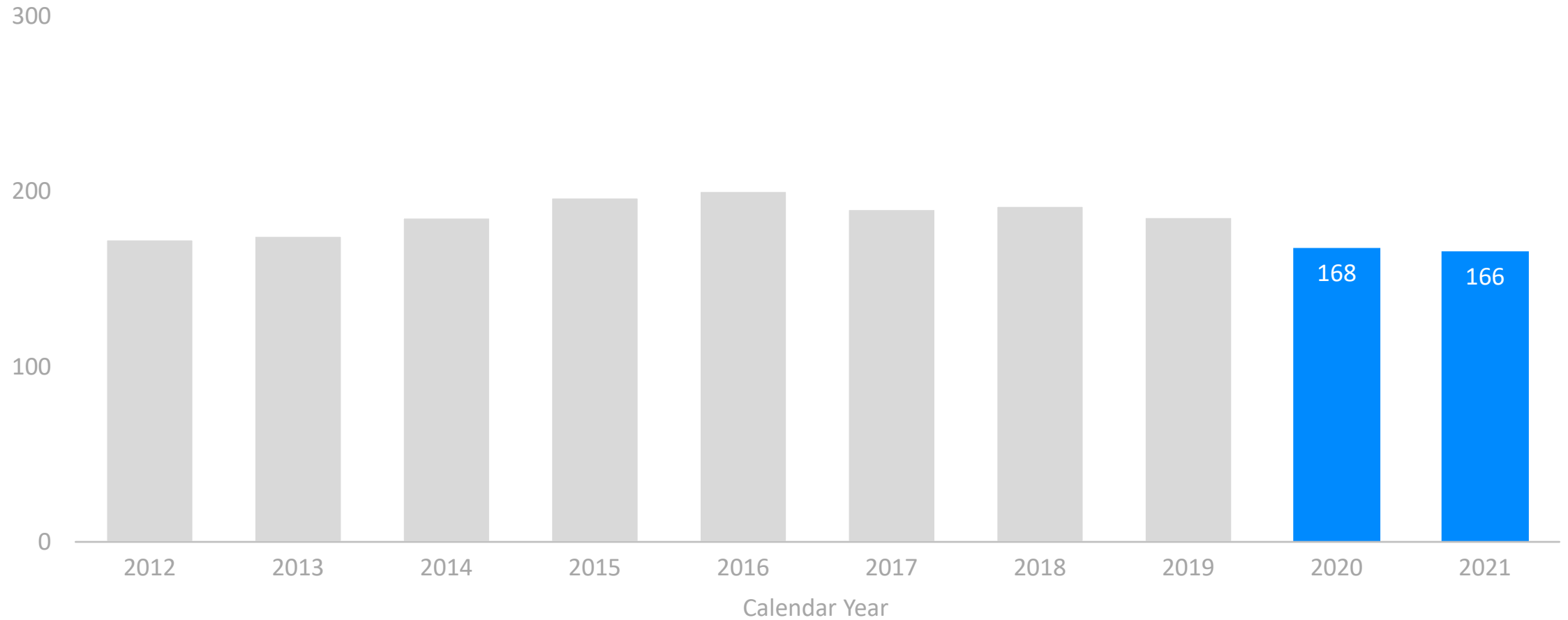


Vermont Workers Compensation System—An Overview

- Written premium volume decreased slightly in the latest year
- Combined ratio for accident year 2021 is higher than in recent years
- Lost-time claim frequency increased in the latest year
- Indemnity and medical severities exhibit some variability in recent years with large increases in Policy Year 2019 followed by relatively more significant decreases in Policy Year 2020

Vermont Premium Volume

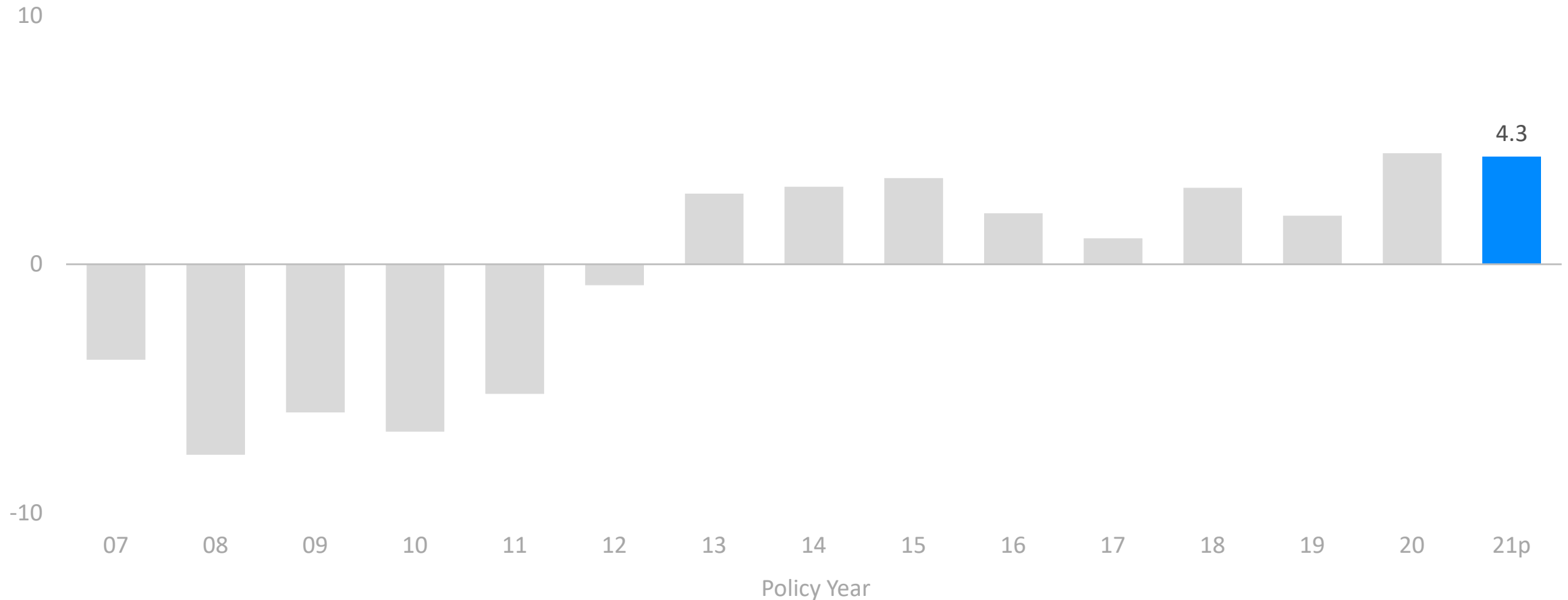
Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.



Impact of Discounting on Workers Compensation Premium in Vermont



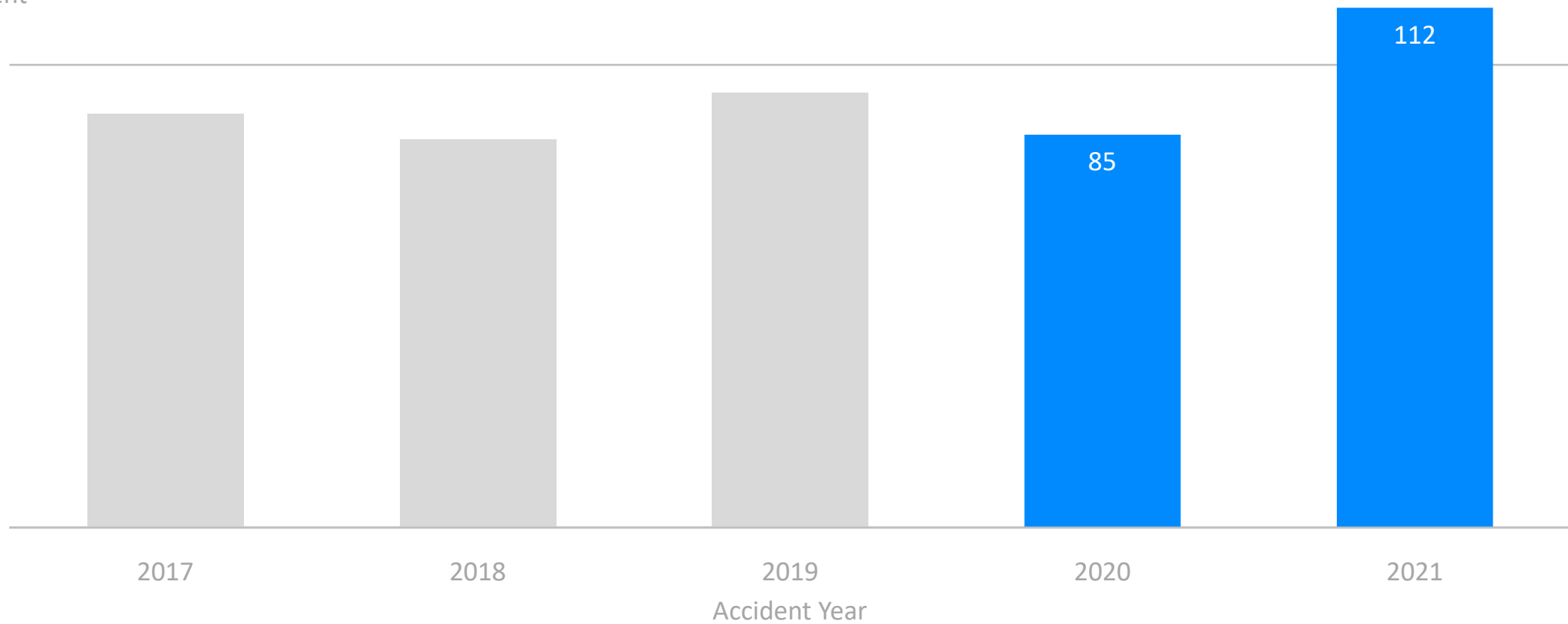
p Preliminary.
Based on data through 12/31/2021.



Vermont Combined Ratios

Percent

100

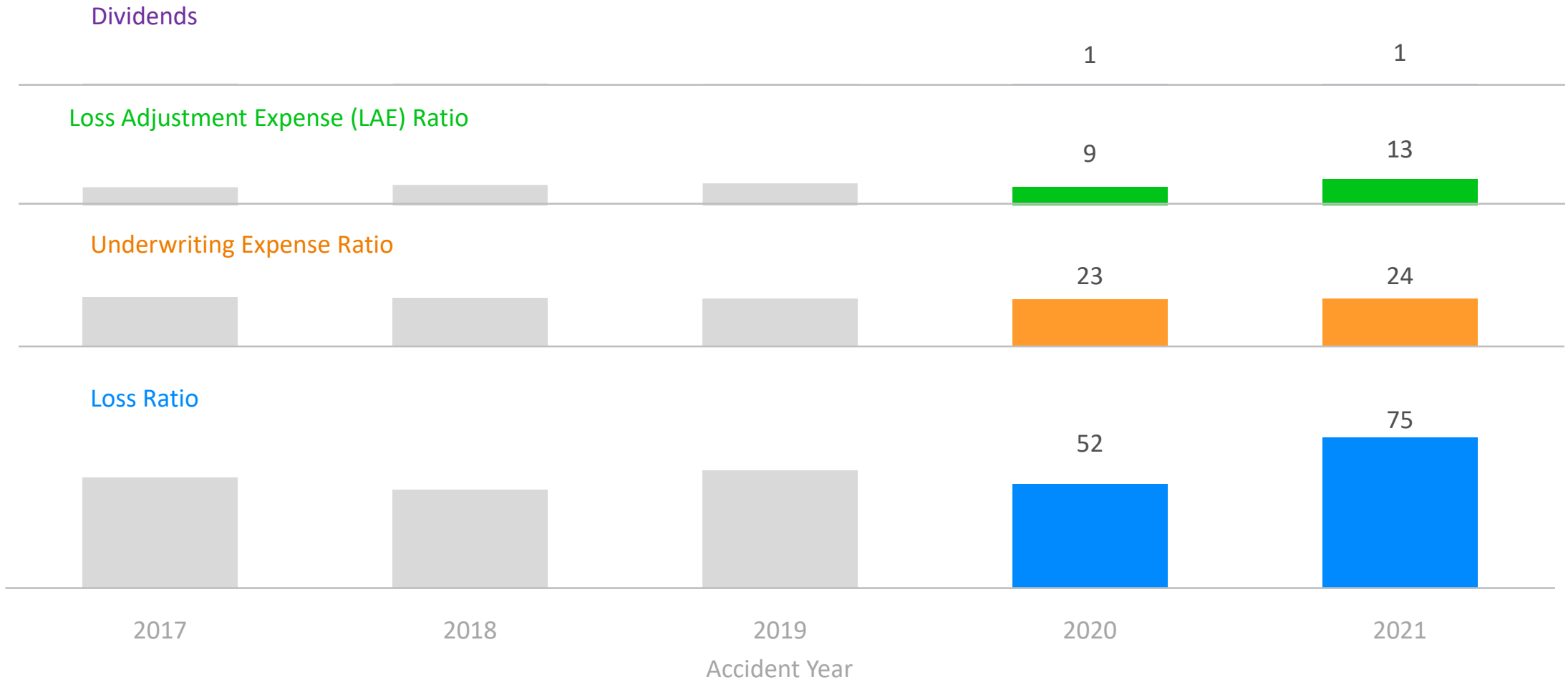


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Vermont Combined Ratios by Component

Percent

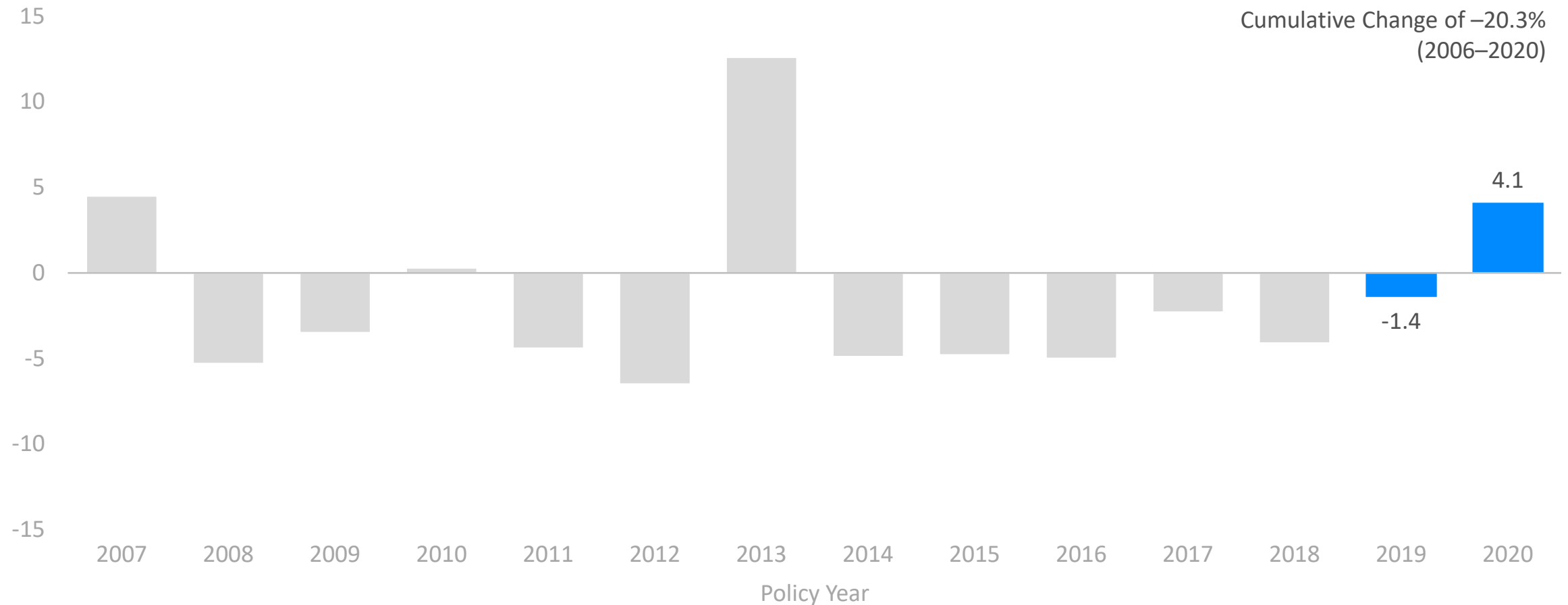


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



Vermont Change in Claim Frequency

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

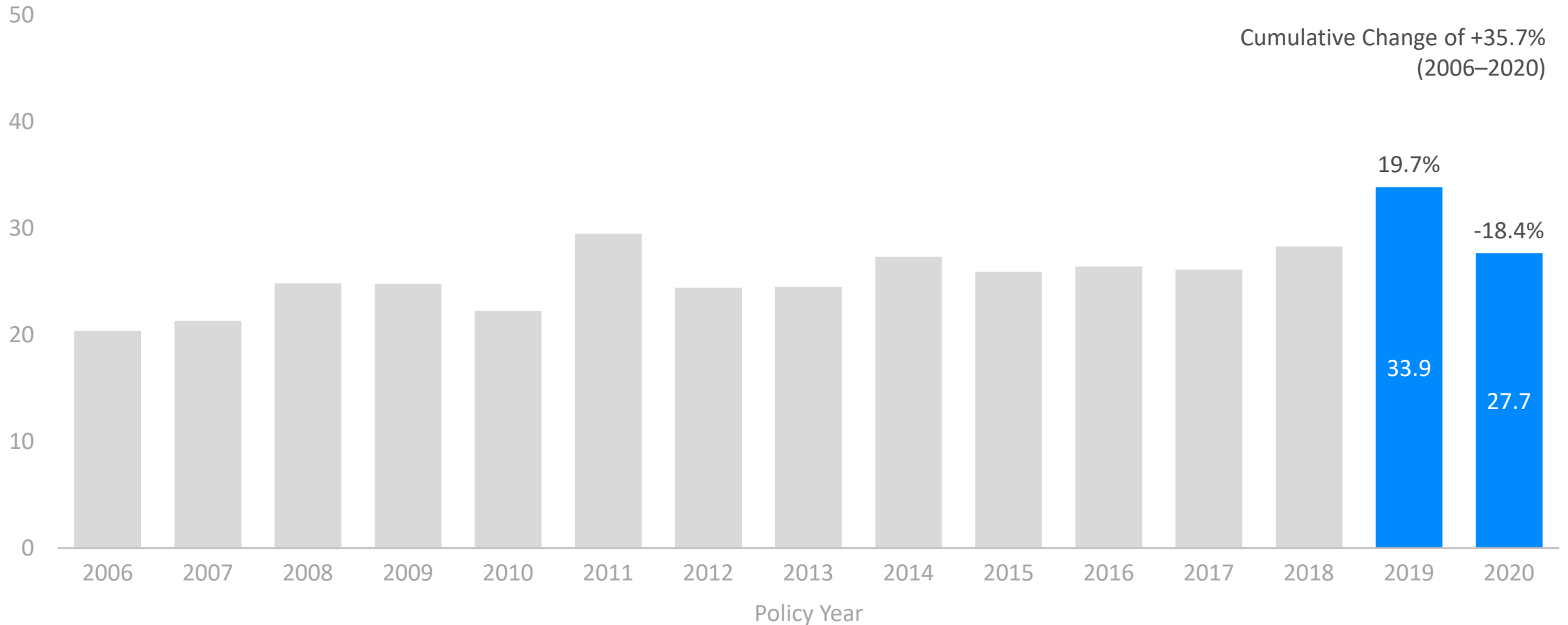


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate, with premium adjusted to common wage level.



Vermont Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

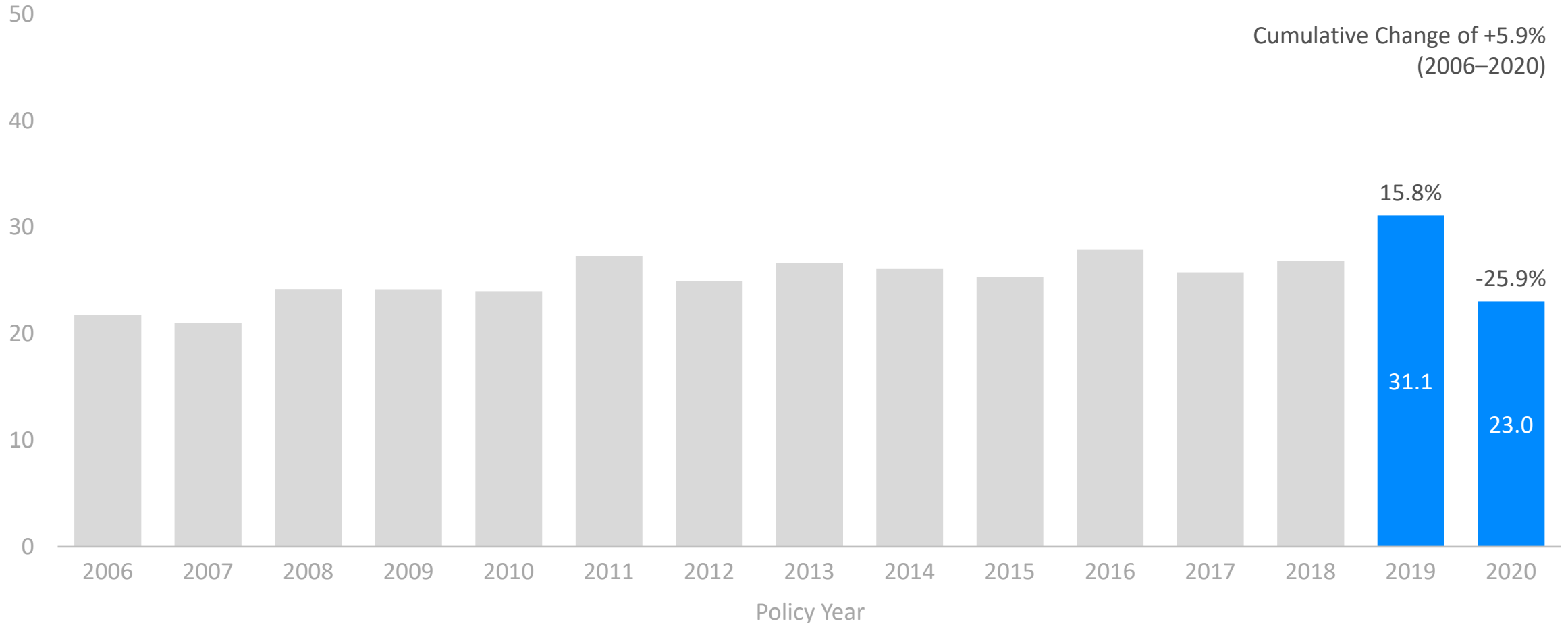


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



Vermont Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

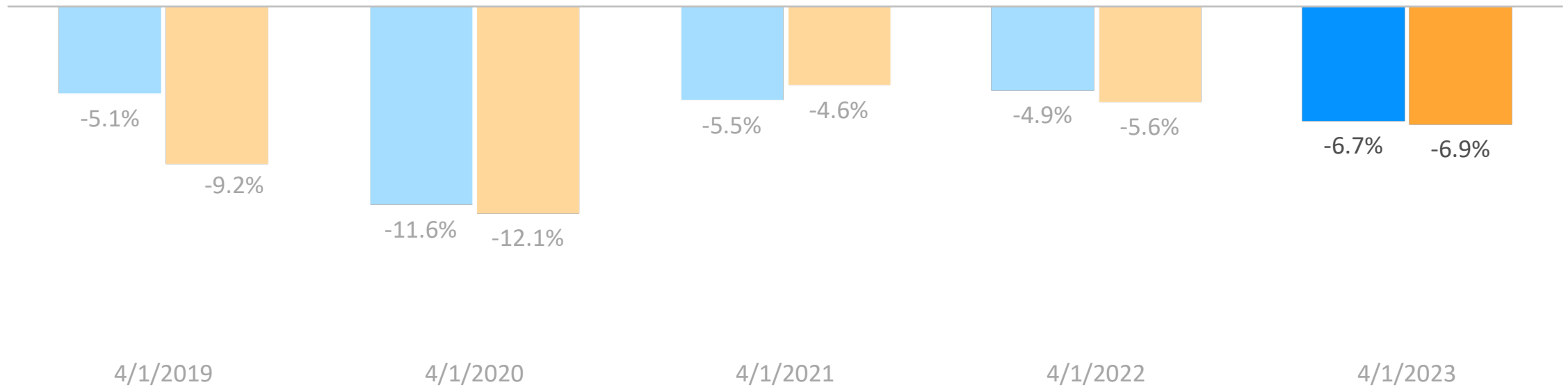


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



Vermont Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



Vermont April 1, 2023 Loss Cost Filing

Change in Experience:	-6.8%
Change in Trend:	+0.0%
Change in Benefits:	+0.0%
Change in All Other:	+0.1%
<hr/>	
Overall Loss Cost Level Change:	-6.7%

Vermont April 1, 2023 Loss Cost Filing

Average Changes by Industry Group



Manufacturing



Contracting



Office & Clerical

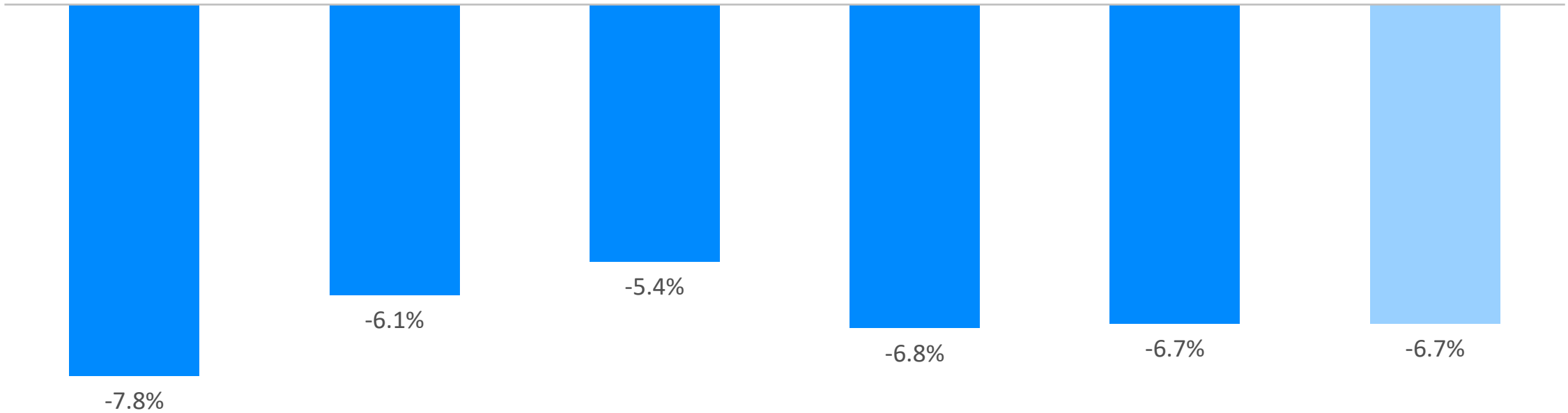


Goods & Services



Miscellaneous

Overall



Vermont Economic Drivers



Technology



Manufacturing



Tourism

Source: Moody's Analytics.

Vermont Economic Assets and Challenges

■ Assets

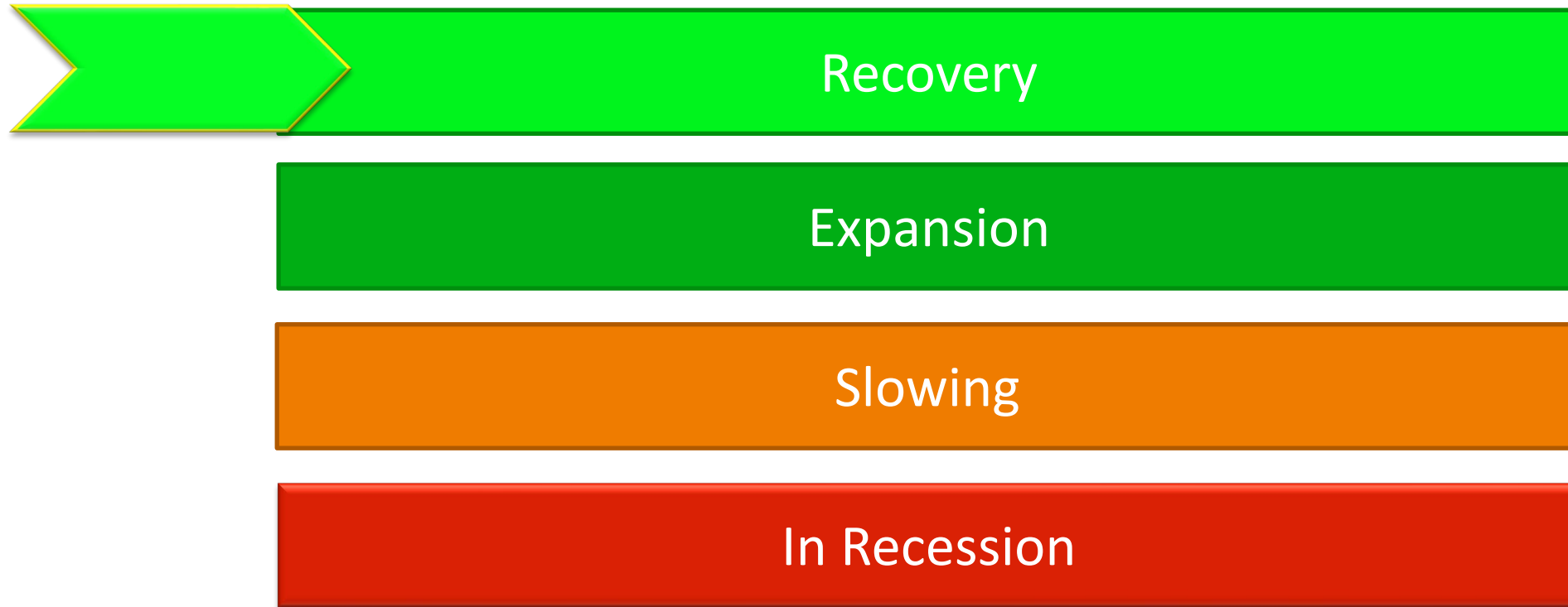
- High level of educational attainment
- Strong tourism industry
- Wide range of industries represented

■ Challenges

- Land development limitations
- Significant business costs
- Unfavorable migration trends and increasing average age of labor pool

Source: Moody's Analytics.

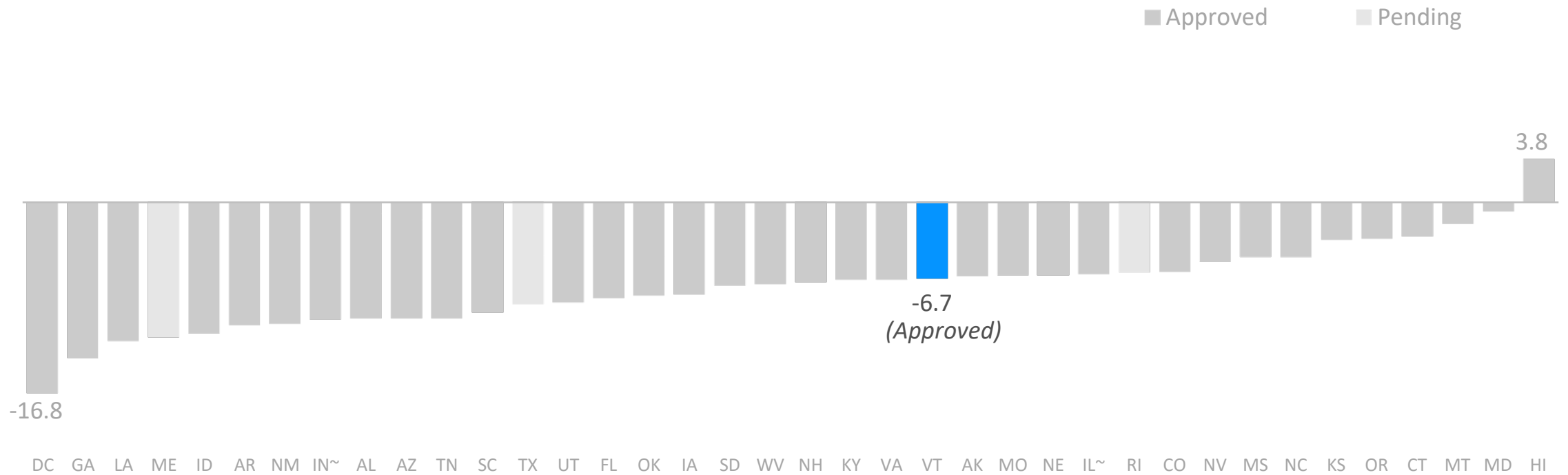
Vermont Business Cycle Status



Source: Moody's Analytics.

Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings

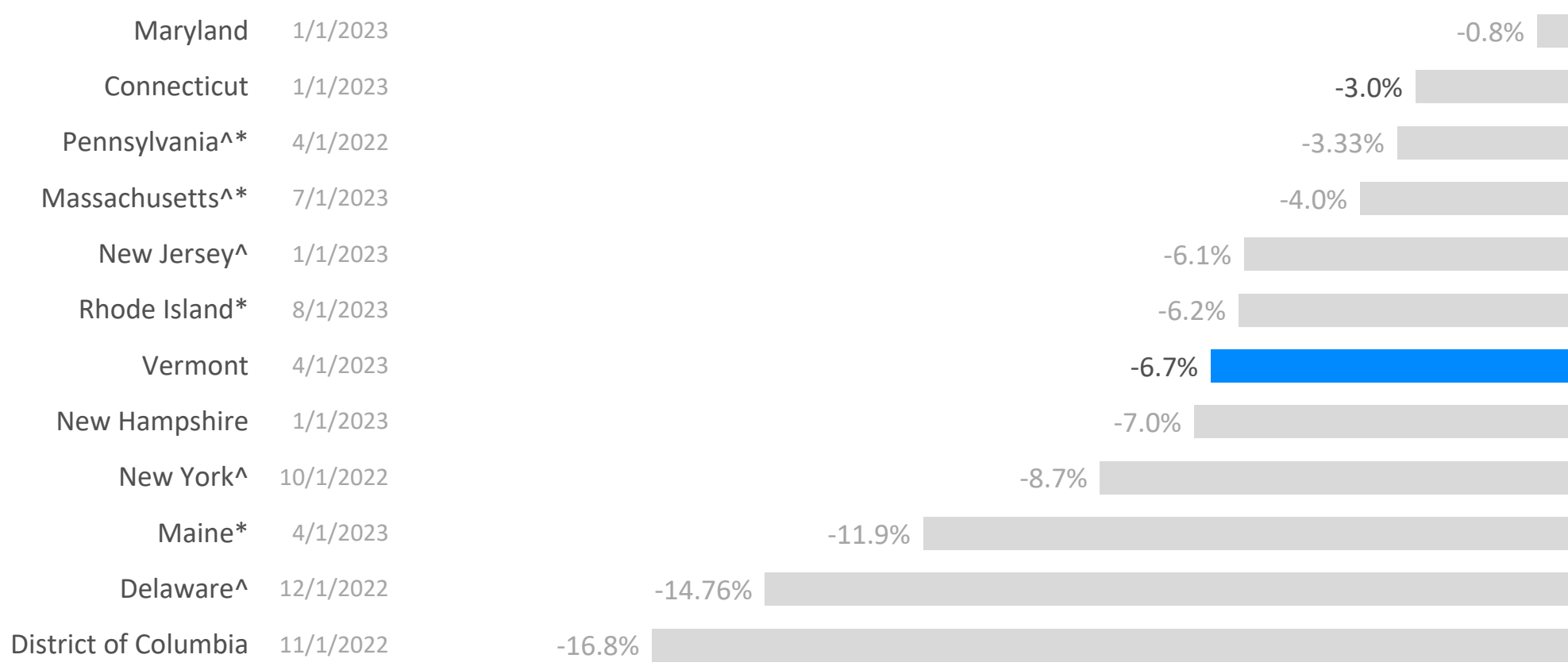


~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.
 Reflects the most recent experience filing in each jurisdiction as of 1/13/2023.
 Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons.



Current Voluntary Market Loss Cost/Rate Changes

Northeastern States



[^]An independent bureau state.

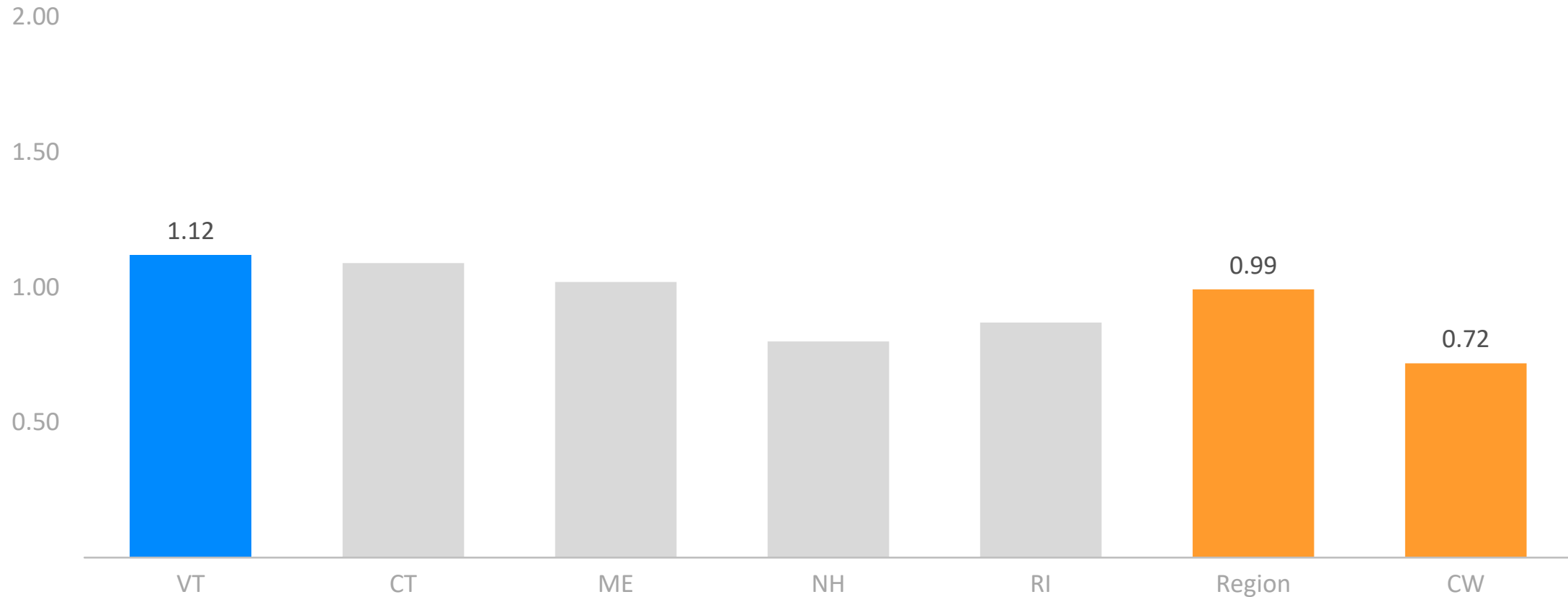
^{*}Pending.

Reflects the most recent experience filing in each jurisdiction as of 1/13/2023.

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 Vermont 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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