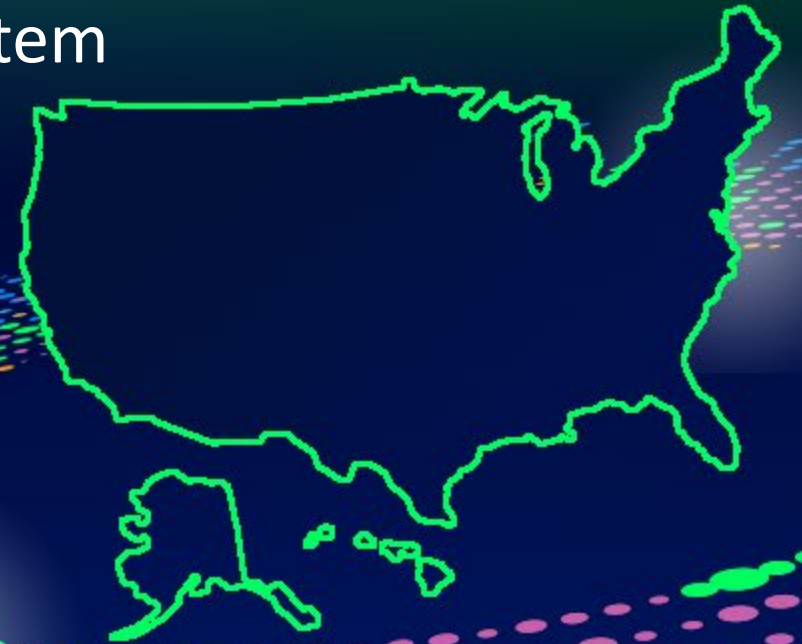


STATE ADVISORY RESOURCES

West Virginia State Workers Compensation System
September 2022

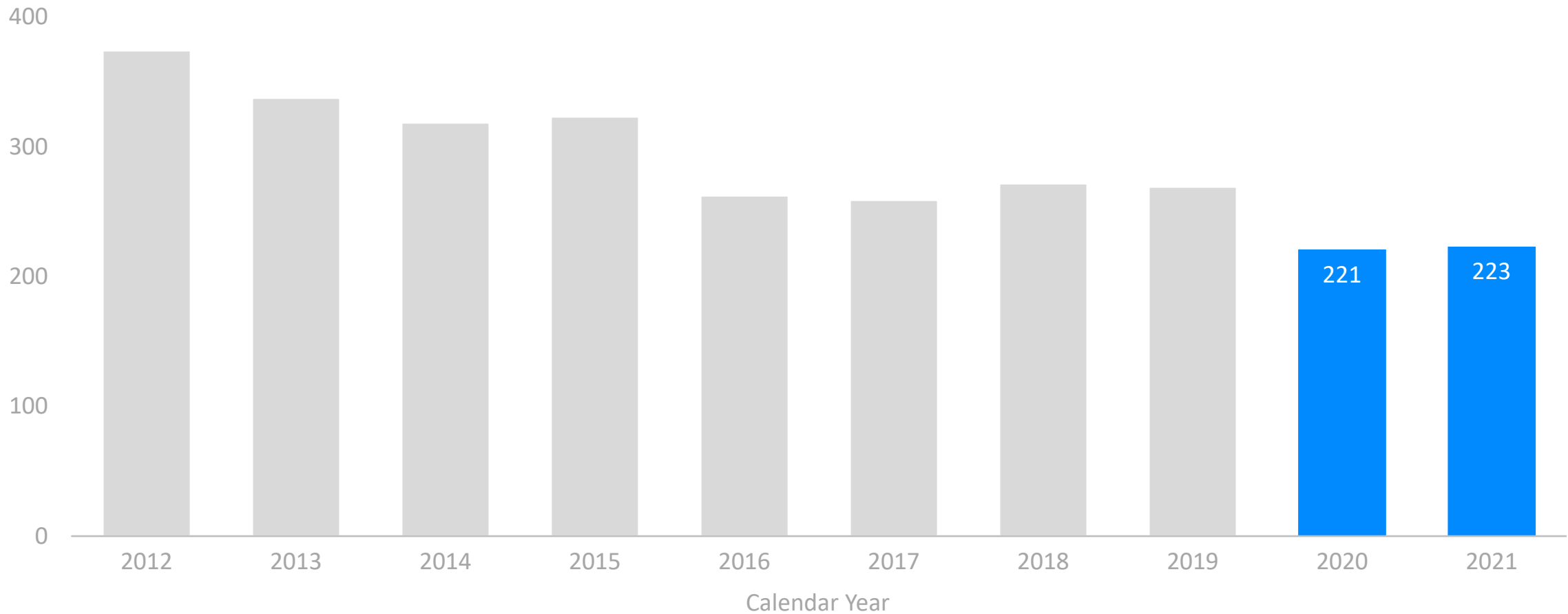


West Virginia Workers Compensation System— An Overview

- Written premium volume was stable in the latest year
- Accident year combined ratios continue to be favorable
- Lost-time claim frequency continues to exhibit a long-term pattern of decline
- Indemnity and medical severities exhibit some volatility

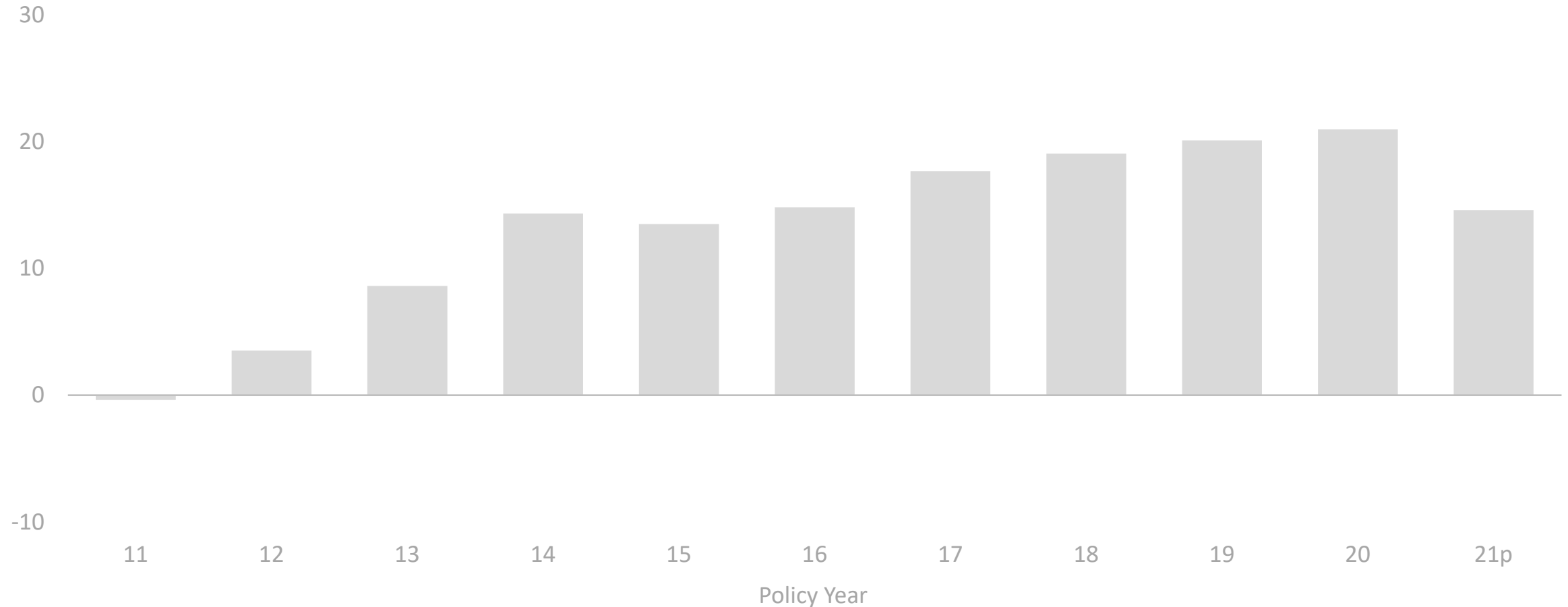
West Virginia Premium Volume

Direct Written Premium in \$ Millions



Source: NAIC's Annual Statement data.

Impact of Discounting on Workers Compensation Premium in West Virginia

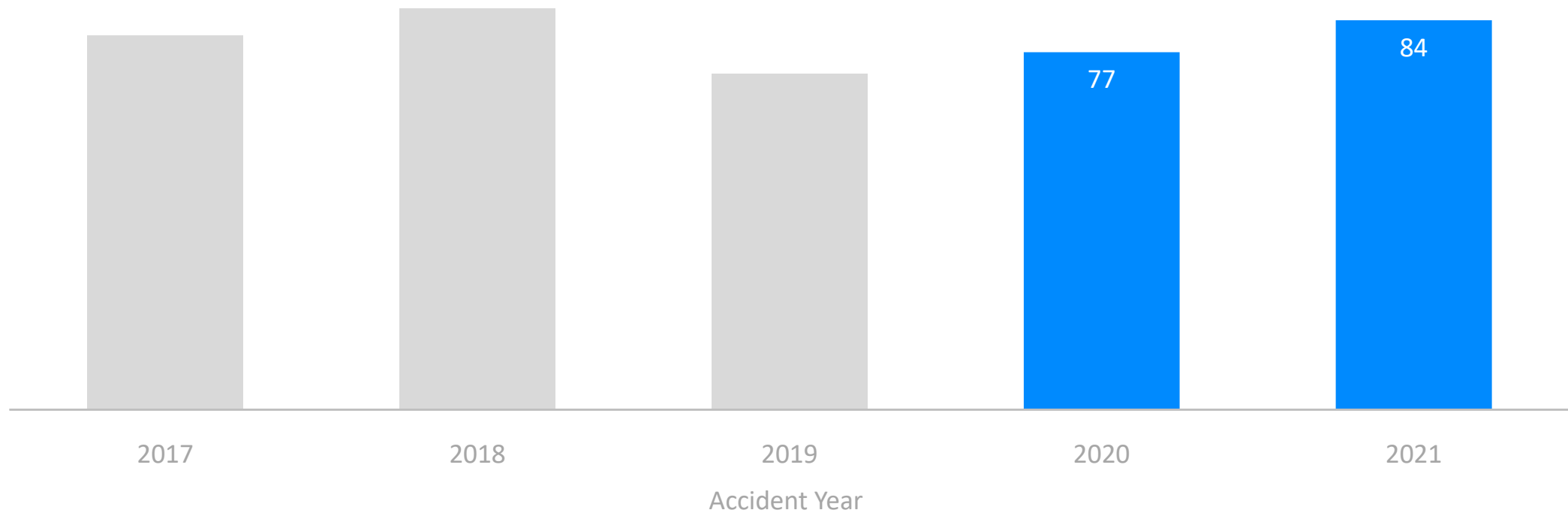


p Preliminary.
Based on data through 12/31/2021.

West Virginia Combined Ratios

Percent

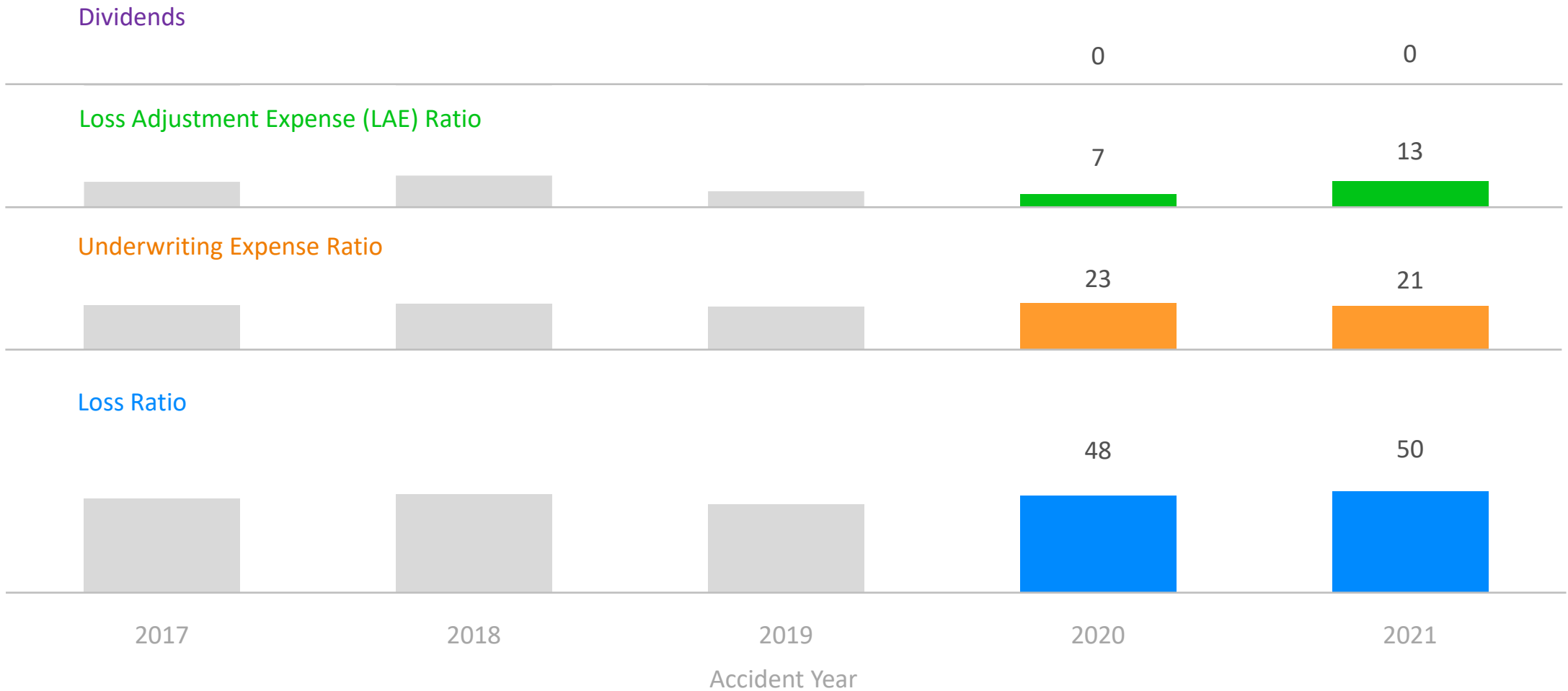
100



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

West Virginia Combined Ratios by Component

Percent

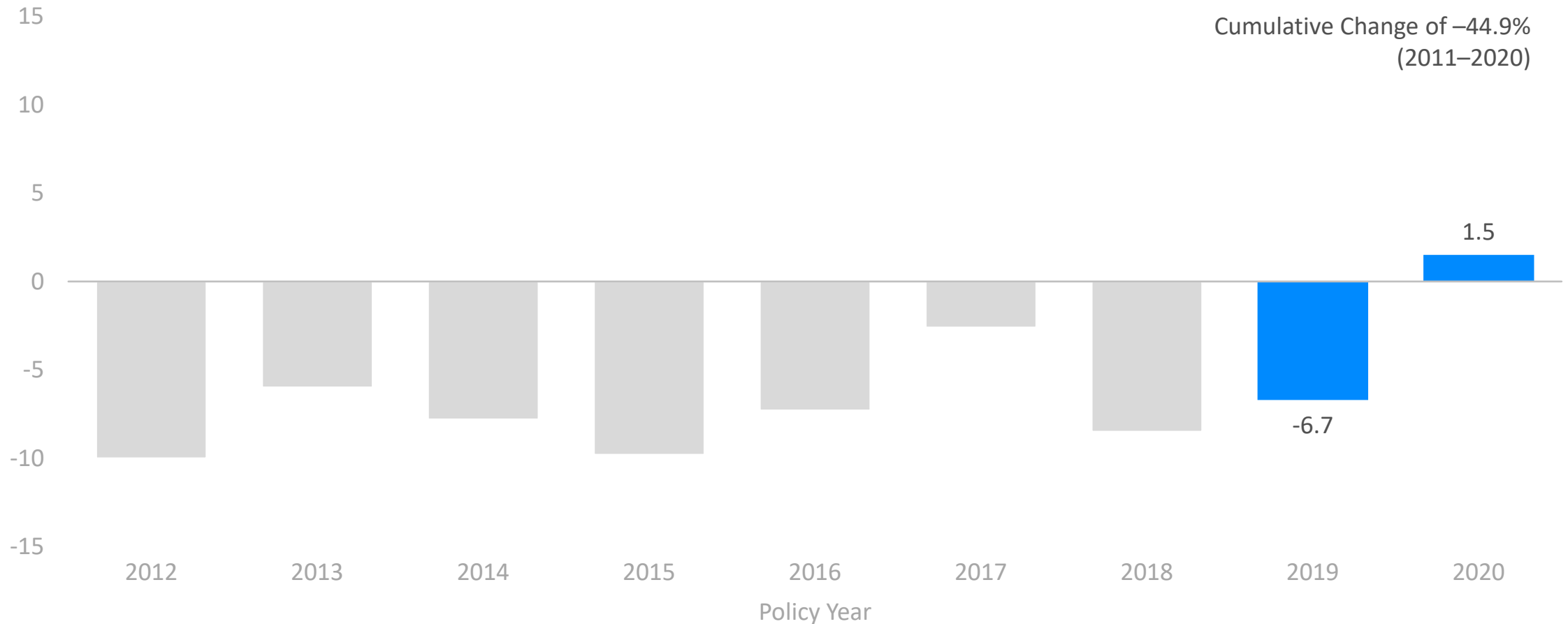


Sources: NCCI's Financial data through 12/31/2021 and NAIC's Annual Statement data.



West Virginia Change in Claim Frequency

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

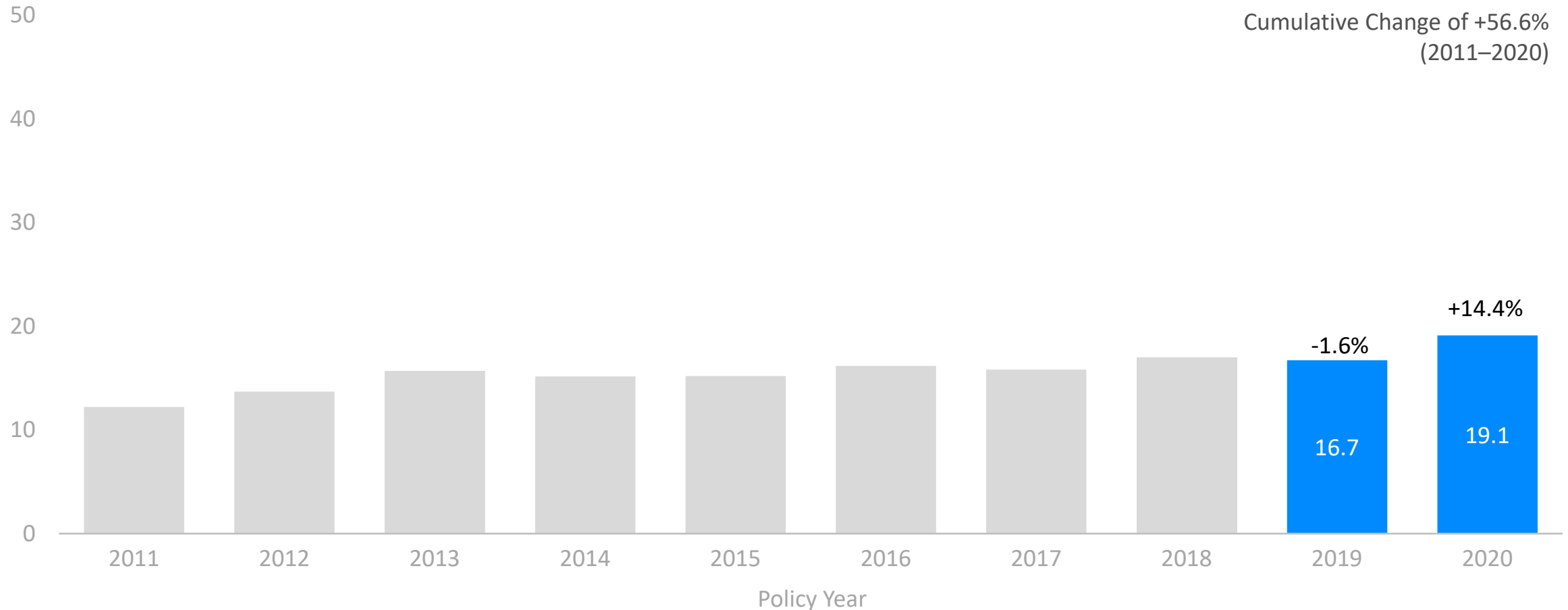


Based on NCCI's Financial data through 12/31/2021, on-levelled, and developed to ultimate, with premium adjusted to common wage level.



West Virginia Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

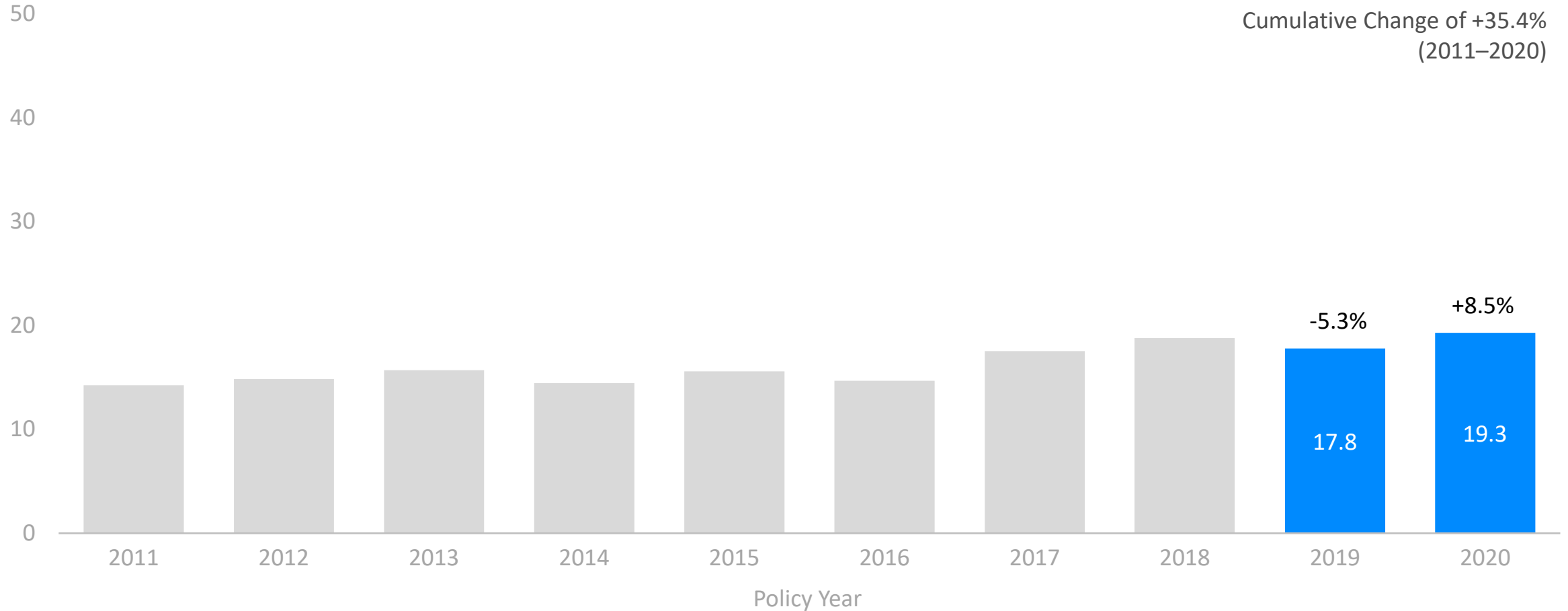


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.



West Virginia Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands

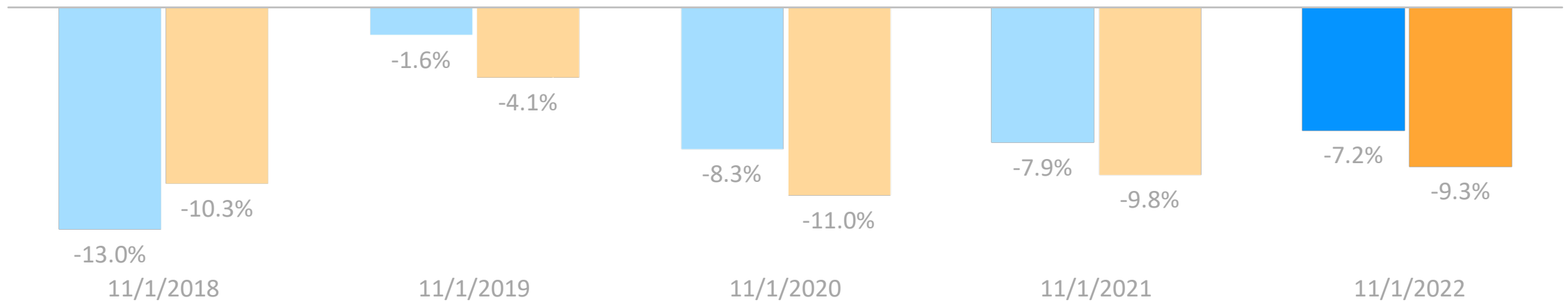


Based on NCCI's Financial data through 12/31/2021, on-leveled, and developed to ultimate.
Note that medical-only losses are included in the numerator.



West Virginia Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



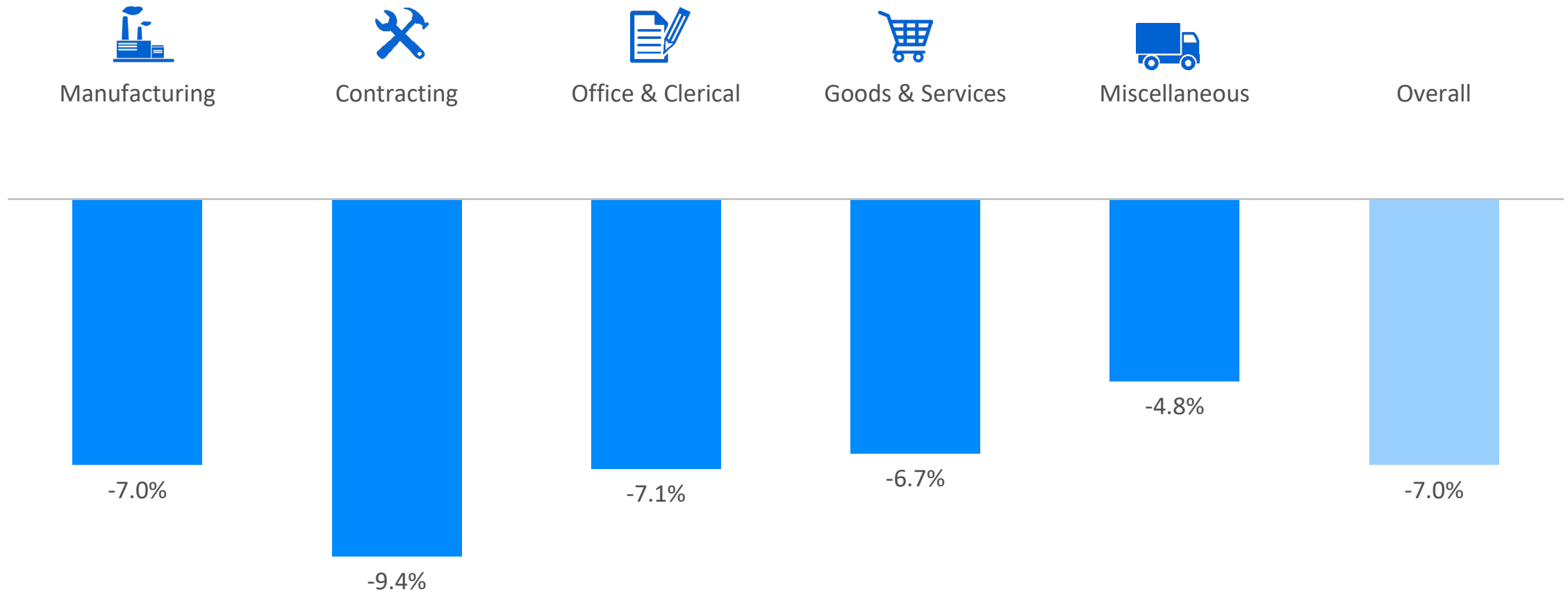
West Virginia November 1, 2022 Loss Cost Filing

Change in Experience:	-7.3%
Change in Trend:	+0.0%
Change in Benefits:	+0.0%
Change in All Other:	+0.3%
<hr/>	
Industrial Classes Loss Cost Level Change:	-7.0%*
Traumatic Underground Coal Loss Cost Change:	-8.1%
<hr/>	
Overall Loss Cost Level Change:	-7.2%

*Does not include Traumatic Underground Coal Mine.

West Virginia November 1, 2022 Loss Cost Filing*

Average Changes by Industry Group



*Does not include Traumatic Underground Coal Mine.

West Virginia Economic Drivers



Natural Resources



Health Services



Logistics

Source: Moody's Analytics.

West Virginia Economic Assets and Challenges

■ Assets

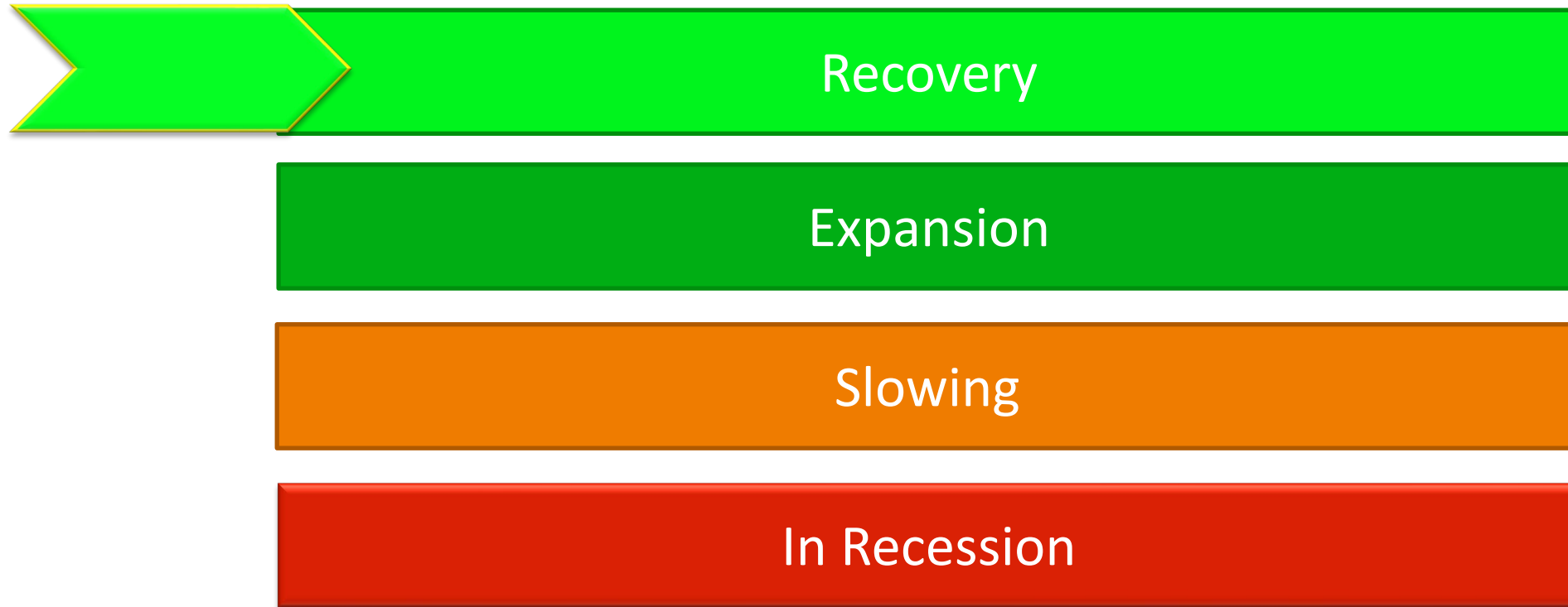
- High level of natural energy resources
- Affordable housing
- Inexpensive business and living costs

■ Challenges

- Lower than average number of highly skilled workers
- Low average income and declining population
- Ongoing reliance on the coal industry

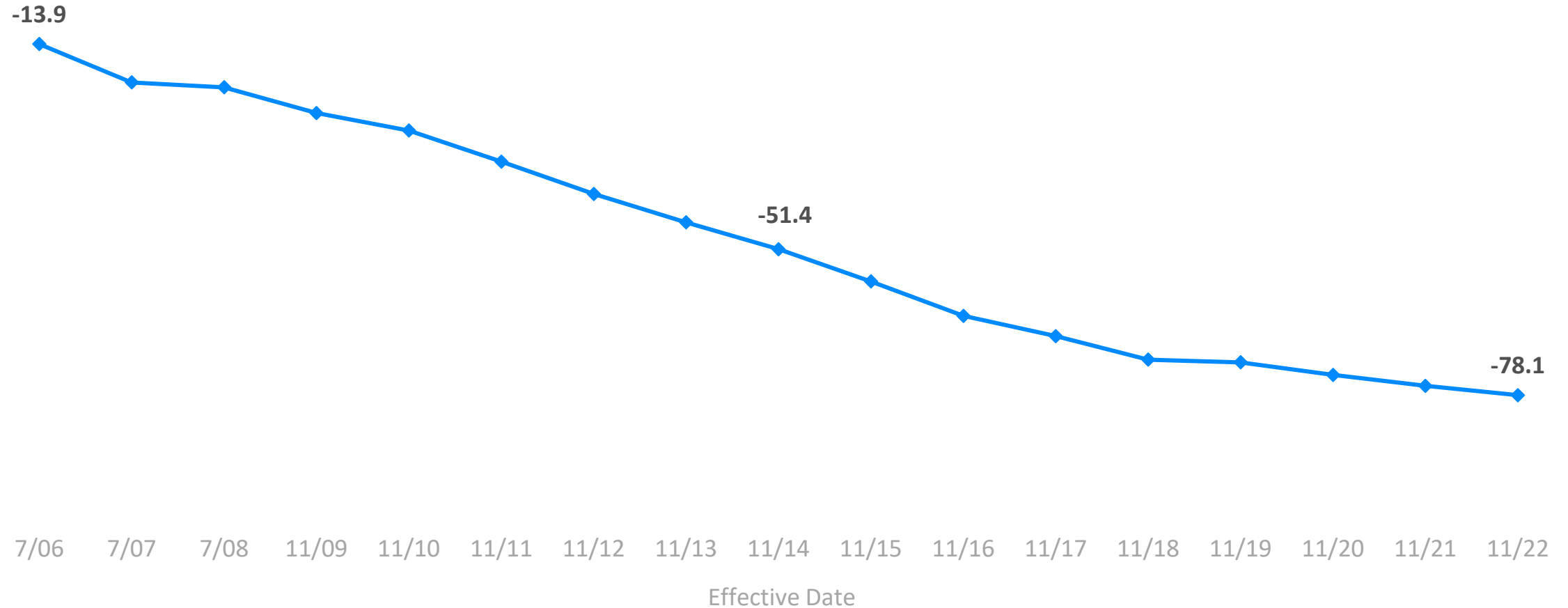
Source: Moody's Analytics.

West Virginia Business Cycle Status



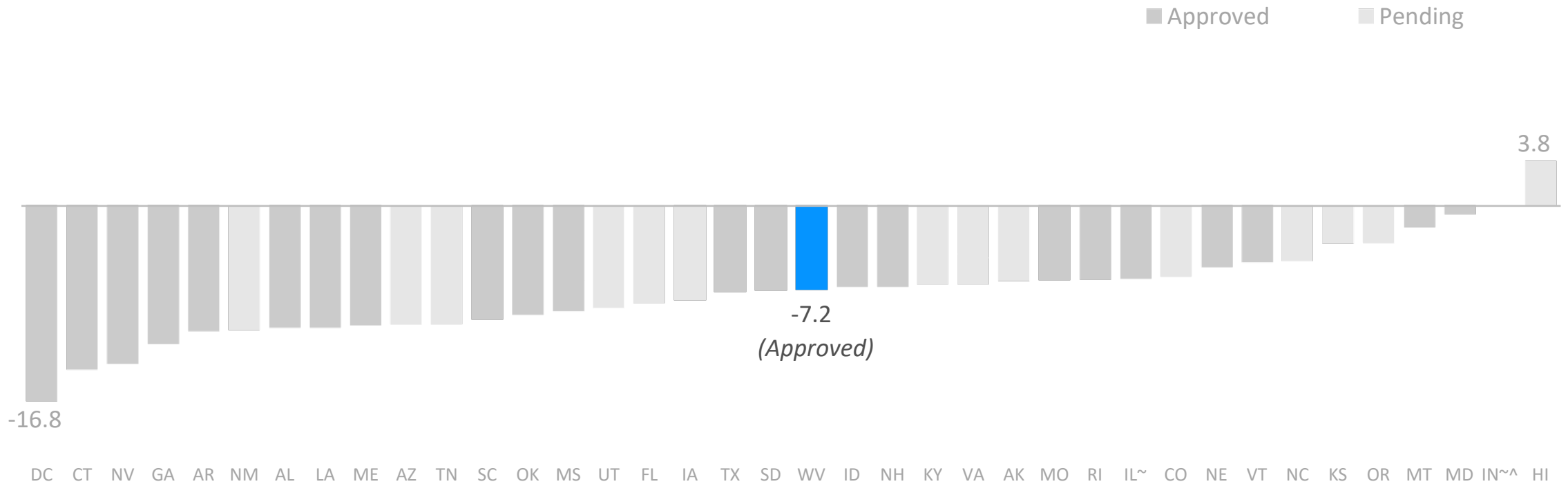
Source: Moody's Analytics.

West Virginia Cumulative Loss Cost Level Change (%)



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.

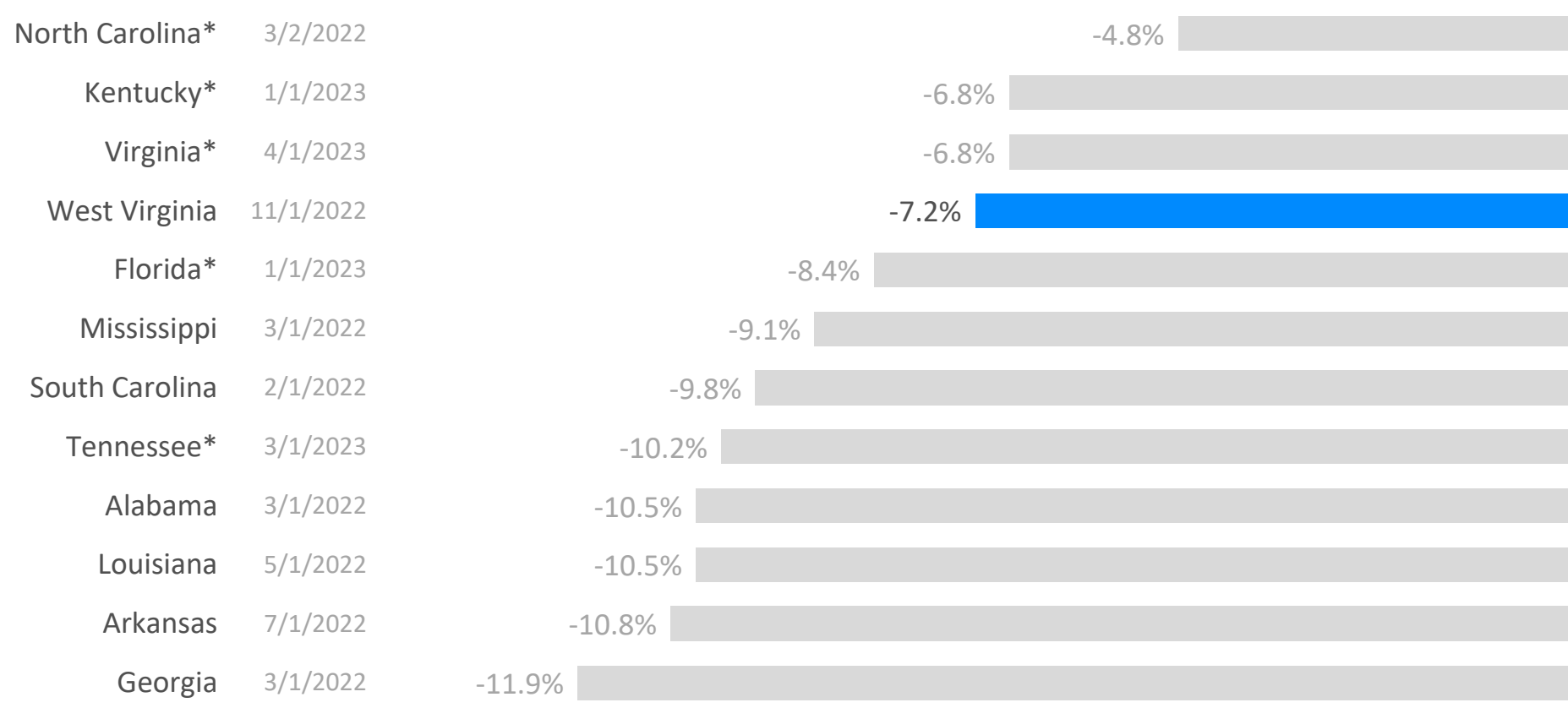
Reflects the most recent experience filing in each jurisdiction as of 9/9/2022.

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



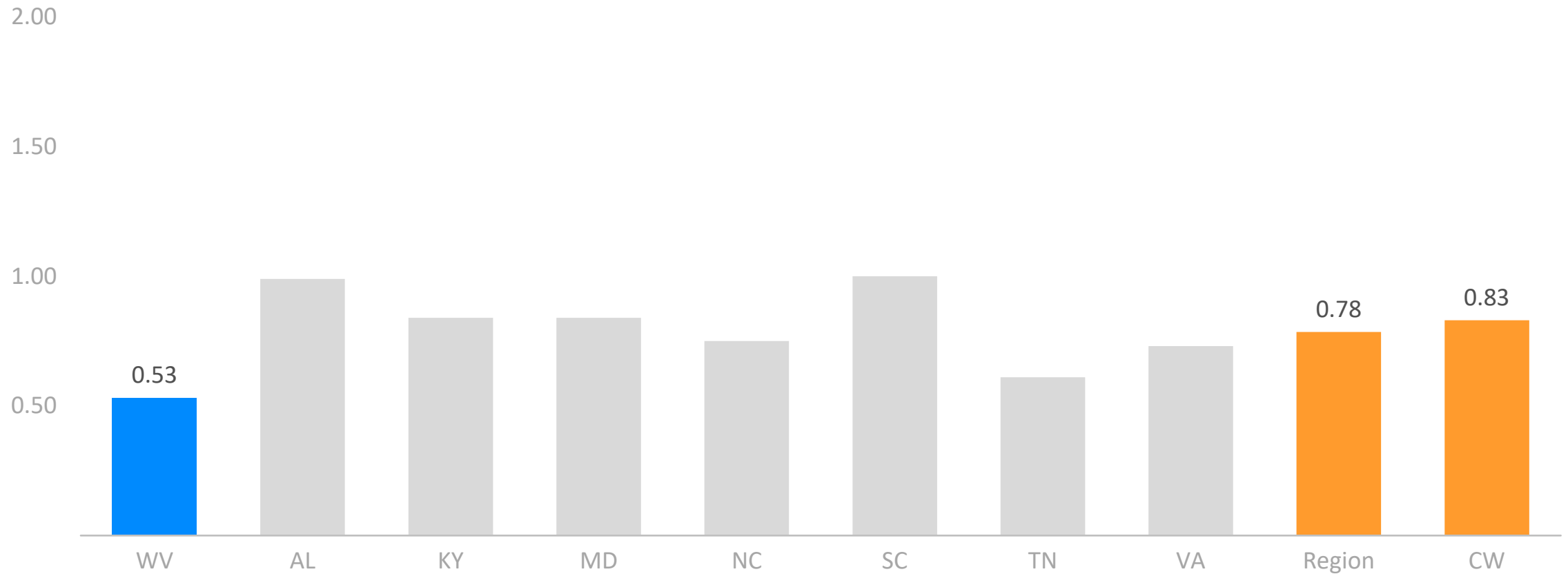
*Pending.

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

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 West Virginia 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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