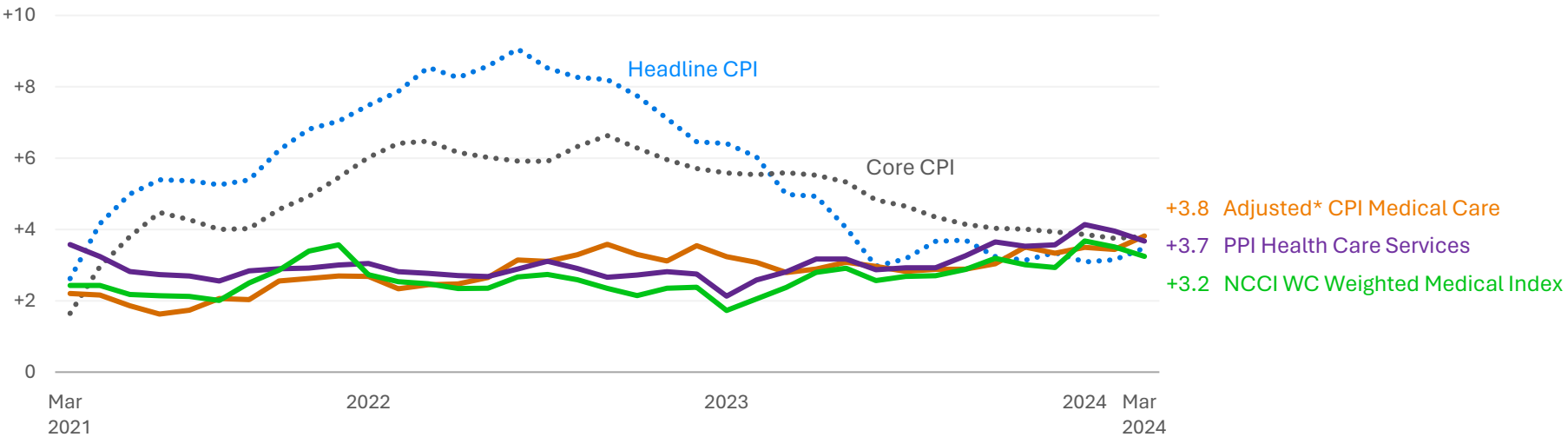




Aggregate Measures of General and Medical Inflation

Year-Over-Year Change, Percent



Inflation Aggregates (y/y %)	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Headline CPI	3.7	3.2	3.1	3.4	3.1	3.2	3.5
Core CPI	4.1	4.0	4.0	3.9	3.9	3.8	3.8

1

Medical Inflation Aggregates (y/y %)	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Adjusted* CPI Medical Care	2.9	3.0	3.5	3.3	3.5	3.4	3.8
PPI Health Care Services	3.3	3.6	3.5	3.6	4.1	4.0	3.7
NCCI WC Weighted Medical Index	2.9	3.2	3.0	2.9	3.7	3.5	3.2

2

Averages			
1-Year	3-Year	5-Year	2015-19
3.5	5.7	4.1	1.6
4.4	5.0	3.8	2.0

Averages			
1-Year	3-Year	5-Year	2015-19
3.2	2.8	2.5	2.4
3.4	3.0	2.8	1.6
3.0	2.6	2.3	1.2

1 Broad economic inflation remained sticky in the first quarter of 2024, with both headline and core CPI showing little change in trend since mid-2023. Both measures of economic inflation remain well above the Fed's 2% target.

Shelter prices continue to make up the largest contribution to core inflation. Price growth in other services, excluding shelter, remained firm in Q1. This growth challenged the Fed's ability to begin lowering interest rates.

2 Medical inflation aggregates largely saw their pace of growth over the past 12 months increase slightly in Q1 compared to the end of 2023.

An emerging trend in the first quarter of 2024 has been a divergence between the adjusted medical care CPI and the PPI.

The rate of price growth in the PPI increased in January as some one-time price changes for Medicare and Medicaid patients pushed up growth. However, price growth softened some in the following months after the one-time increases.

Price growth in the adjusted medical care CPI was more consistent through the quarter, largely coming from hospital inpatient and hospital outpatient price growth, contrasting with the PPI.

More details on page 2.

*Adjusted Medical CPI Removes CPI Health Insurance From CPI Medical Care

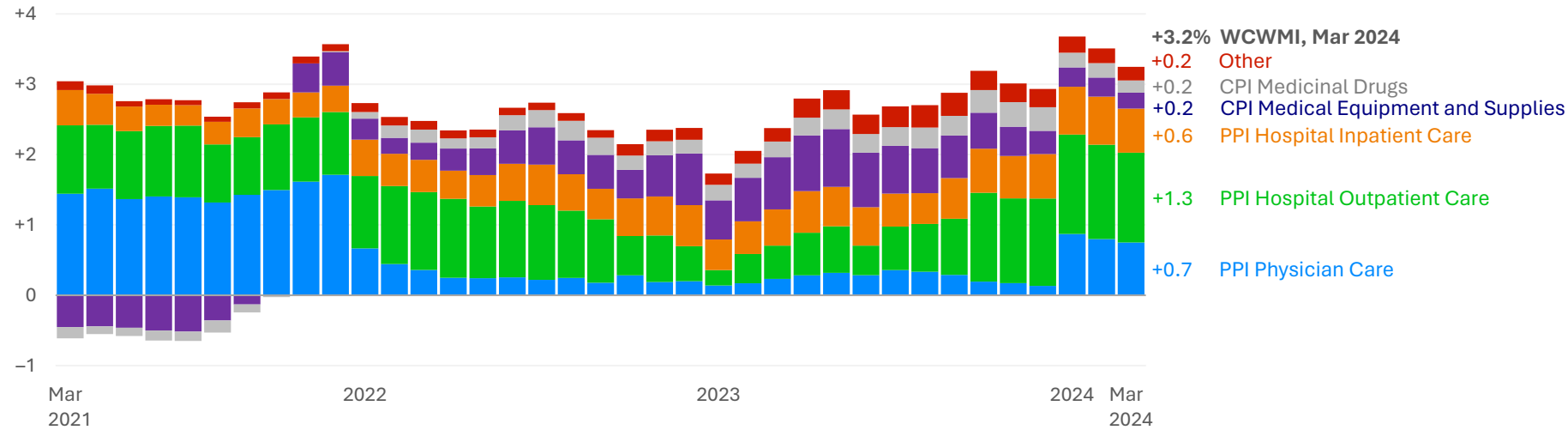
Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point



NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

Component Contributions to the Year-Over-Year Change, Percent



1 The WCWMI saw its pace of price growth increase in January due to price increases in physician services and facilities taking effect on the first of the year. Following those increases, price growth cooled in February and March across every subcategory, bringing the overall index back to growing near its recent trend of 3%.

2 Physician care prices increased by ~1.5% in Q1. These price changes included a 1% increase for private insurance patients, a 2% decline in prices for Medicare patients, and an 11.4% increase in prices for Medicaid patients.

Fee schedules will likely insulate workers compensation from some of these price increases for physicians led by the change in Medicaid.

3 Facilities saw continued firm price growth in Q1 and remain the largest contributor to the WCWMI overall, accounting for roughly 60% of price increases over the last 12 months.

Hospital outpatient prices increased by 1.6% in Q1 for Medicare patients and 1.5% for private insurance patients with most of the increases coming in January, before price growth softened in February and March.

Hospital inpatient price growth was more subdued, increasing 1.2% in Q1 for private insurance patients while prices for Medicare patients changed little.

Medical Care Details (y/y %)	Sep	Oct	Nov	Dec	Jan	Feb	Mar
100% NCCI WC Weighted Medical Index	2.9	3.2	3.0	2.9	3.7	3.5	3.2
40% PPI Physician Care	0.7	0.5	0.4	0.3	2.2	2.0	1.9
27% PPI Hospital Outpatient Care	3.0	4.7	4.5	4.6	5.2	5.0	4.7
13% PPI Hospital Inpatient Care	4.4	4.8	4.7	4.9	5.2	5.3	4.8
8% CPI Medical Equipment and Supplies	7.6	6.4	5.2	4.1	3.4	3.4	2.8
7% CPI Medicinal Drugs	4.0	4.6	5.0	4.8	3.0	2.9	2.5
5% Other*	6.6	5.5	5.3	5.2	4.6	4.2	3.9

Averages				
	1-Year	3-Year	5-Year	2015-19
1	3.0	2.6	2.3	1.2
2	1.0	1.5	1.5	0.5
3	4.5	3.8	3.6	2.1
	6.6	4.1	2.0	0.3
	3.8	2.1	1.3	2.2
	5.3	3.4	3.1	1.9

*Other is represented as long-term care (PPI Home and Hospice Care and PPI Nursing Home Care)

Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point