Loss Cost and Rate Changes: Will There Be a Turn?

Investigating a Question That NCCI Often Hears From Industry Stakeholders

NCCI's filed loss costs and rates have largely declined for more than a decade, driven by:

- Decreases in claim frequency
- Moderate medical and indemnity claim cost changes
- Growing wages, which drive premium growth

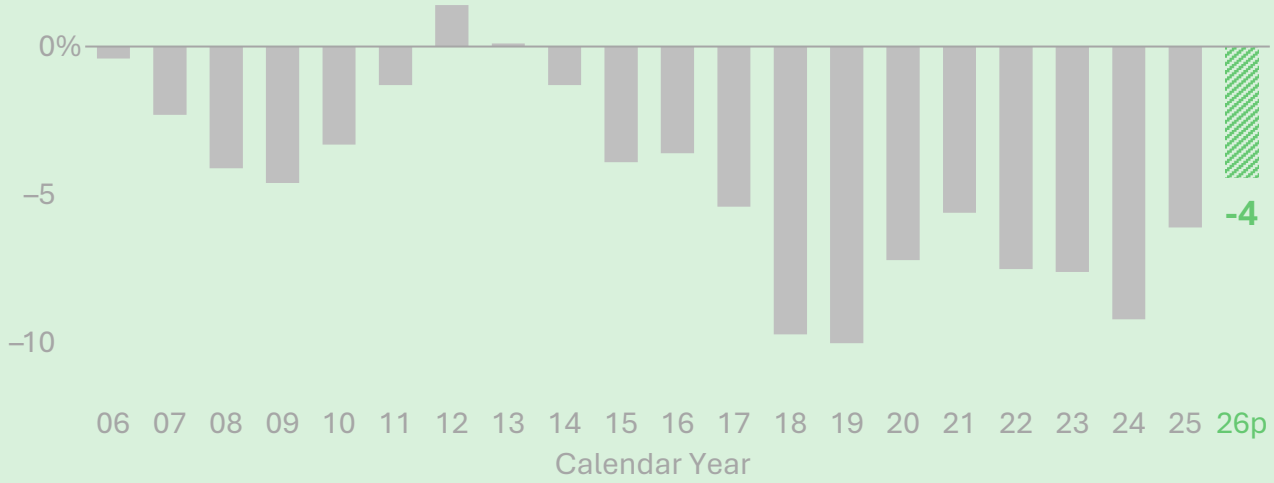
NCCI's latest loss cost and rate filings have mostly been decreases, although the pace of declines has slowed in recent years as:

- The pace of wage growth has eased relative to post-pandemic highs, and
- While medical inflation remains in line with the five-year average, medical severity in Accident Year 2024 grew by about 6%, pointing to an uptick in utilization of medical services

NCCI's latest loss ratio trends continue to show declines, suggesting that in the current environment, modest decreases are still expected year to year.

NCCI Bureau Loss Cost Level Changes—Weighted by Effective Date and Premium

See Summary of Loss Cost/Rate Filing Information* for more details.



p Preliminary. Reflects pending and approved changes in advisory rates, loss costs, and assigned risk rates as of 10/24/2025. IN and NC are filed in cooperation with state rating bureaus.

Forward Looking

NCCI keeps a close eye on labor market and inflationary measures, including medical and general price indices. Check out the latest quarterly Medical Inflation Insights on **ncci.com**.

NCCI's 2025 in Sight, 2024 in Review: The Latest Results for Workers Compensation reveals a first look at the combined ratio for Calendar Year 2025, which is currently projected to be between 85% and 93%.

Potential Disruptors

While loss costs have continued to decline in most states, potential disruptors may include:

- A reversal of declines in frequency
- Accelerating medical inflation in workers compensation
- Significant shifts in medical utilization
- Legislative changes that affect costs
- Major economic disruptions
- AI reshaping workforce dynamics

*NCCI products are available to NCCI affiliates and regulators. Questions? Contact NCCI's Customer Service at 800-**NCCI**-123, option 7.