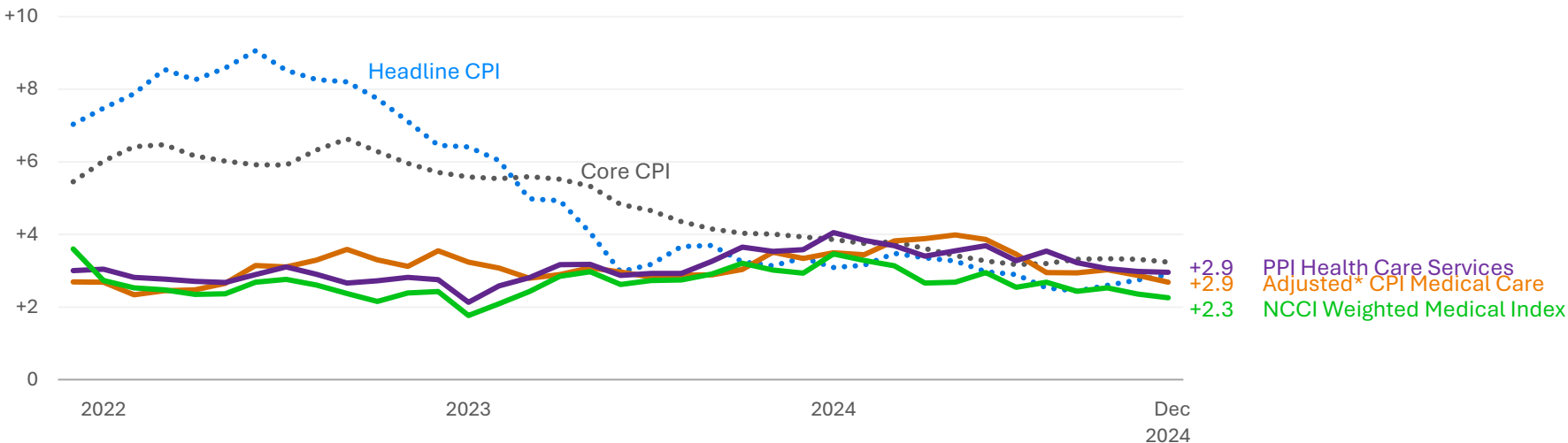




Aggregate Measures of General and Medical Inflation

Year-Over-Year Change, Percent



Inflation Aggregates (y/y %)	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headline CPI	3.0	2.9	2.5	2.4	2.6	2.7	2.9
Core CPI	3.3	3.2	3.2	3.3	3.3	3.3	3.2

Medical Inflation Aggregates (y/y %)	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Adjusted* CPI Medical Care	3.9	3.5	2.9	2.9	3.0	2.9	2.7
PPI Health Care Services	3.7	3.3	3.5	3.2	3.1	3.0	3.0
NCCI WC Weighted Medical Index	2.9	2.5	2.7	2.4	2.5	2.4	2.3

*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

Averages			
1-Year	3-Year	5-Year	2015-19
3.0	5.0	4.2	1.6
3.4	4.8	3.9	2.0

Averages			
1-Year	3-Year	5-Year	2015-19
3.4	3.1	2.8	2.4
3.4	3.1	3.0	1.6
2.7	2.6	2.4	1.2

1 Inflation moderated in 2024, though progress towards the Fed's 2% target slowed. Prices for all items increased by 2.9% from the previous year while core prices rose by 3.2%.

Core inflation remained steady, growing just above 3% for most of the year. Housing and rents remained the most significant contributors to core inflation.

As we head into 2025, inflation will remain an uncertainty as fiscal policy changes may complicate the Fed's efforts to continue to bring inflation down.

2 Medical price inflation moderated more sharply than overall inflation in 2024. All three high-frequency indices that we use to track medical prices softened in the second half of the year.

The Centers for Medicare and Medicaid Services forecast that prices for the Personal Health Care index will rise 2.6% in 2025, suggesting the recent softening in medical prices may continue through this year.

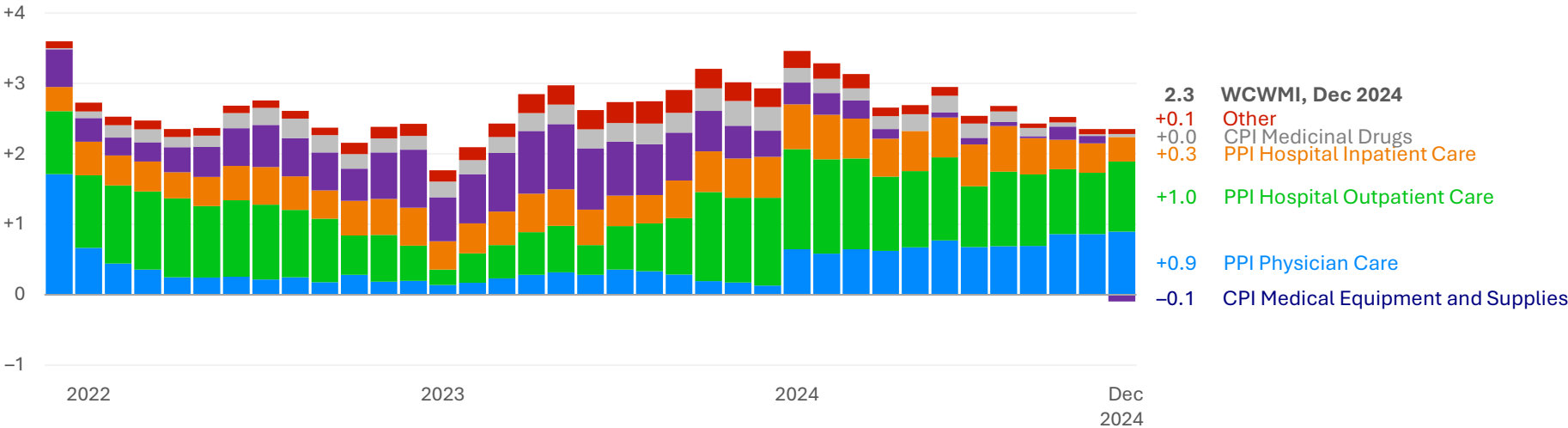
More details on Page 2.



NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

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



Medical Care Details (y/y %)		Jun	Jul	Aug	Sep	Oct	Nov	Dec
100%	NCCI WC Weighted Medical Index	2.9	2.5	2.7	2.4	2.5	2.4	2.3
40%	PPI Physician Care	1.9	1.7	1.7	1.7	2.2	2.2	2.2
27%	PPI Hospital Outpatient Care	4.4	3.2	3.9	3.8	3.4	3.2	3.7
12%	PPI Hospital Inpatient Care	4.7	4.9	5.4	4.3	3.5	3.5	2.9
9%	CPI Medical Equipment and Supplies	0.8	1.0	0.6	0.3	2.1	1.2	-1.1
7%	CPI Medicinal Drugs	3.3	2.9	2.1	1.7	0.9	0.3	0.6
5%	Other*	2.4	2.2	1.6	1.2	1.5	1.5	1.4

*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

Averages				
1-Year	3-Year	5-Year	2015-19	
2.7	2.6	2.4	1.2	
1.8	1.0	1.6	0.5	
4.0	3.4	3.3	1.7	
4.5	4.2	3.8	2.1	
1.3	4.8	1.8	0.3	
2.2	3.0	1.6	2.2	
2.5	3.4	3.0	1.9	

1 NCCI's Workers Compensation Weighted Medical Price Index (WCWMI) grew by 2.3% in 2024 compared to 2.9% in 2023.

The WCWMI trended similarly to other high-frequency medical price indices, though slightly lower due to different weights. Price growth was firm in the first half of the year before softening in the second half of the year.

As we think about medical price inflation in 2025, several key trends from 2024 will be worth watching.

2 Physician services, the largest category of spend in workers compensation, saw price growth above longer-term averages in 2024.

This price growth was driven by increases in non-Medicare prices offsetting a small decline in Medicare prices. This trend will be one we watch in 2025 as it has implications for prices in fee schedule and non-fee schedule states.

3 In the second half of 2024, facilities prices moderated, marking another key trend we will be watching in 2025.

Longer-term trends in prices for inpatient and outpatient services suggest this softening may be temporary.