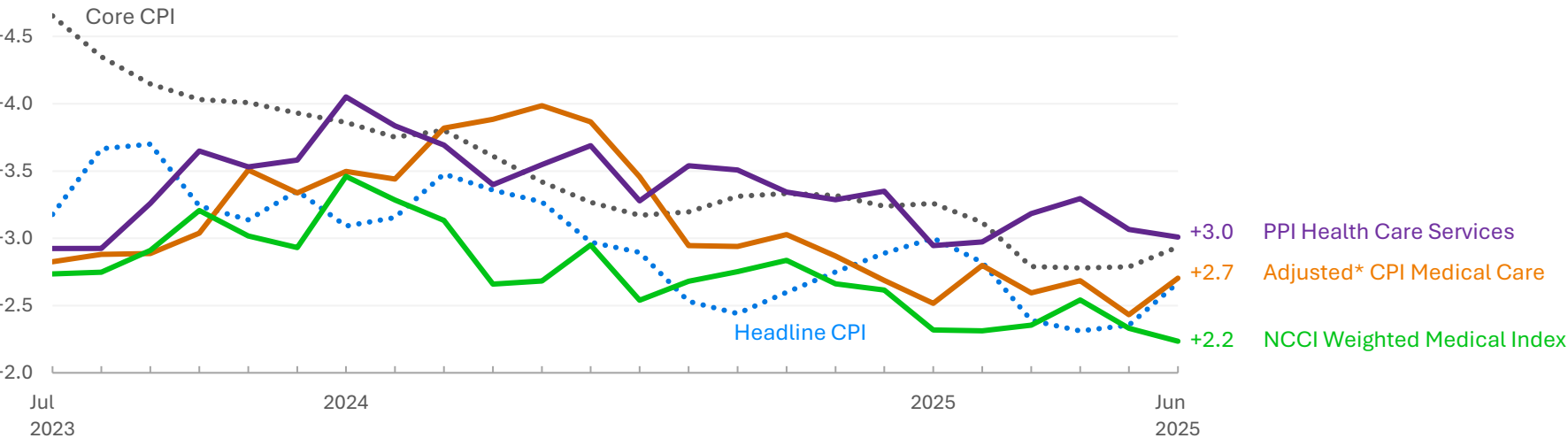




Aggregate Measures of General and Medical Inflation

Year-Over-Year Change, Percent



Inflation Aggregates (y/y %)	Dec	Jan	Feb	Mar	Apr	May	Jun
Headline CPI	2.9	3.0	2.8	2.4	2.3	2.4	2.7
Core CPI	3.2	3.3	3.1	2.8	2.8	2.8	2.9

1

Averages			
1-Year	3-Year	5-Year	2015–19
2.6	4.1	4.3	1.6
3.1	4.3	4.0	2.0

Medical Inflation Aggregates (y/y %)	Dec	Jan	Feb	Mar	Apr	May	Jun
Adjusted* CPI Medical Care	2.7	2.5	2.8	2.6	2.7	2.4	2.7
PPI Health Care Services	3.4	2.9	3.0	3.2	3.3	3.1	3.0
NCCI WC Weighted Medical Index	2.6	2.3	2.3	2.4	2.5	2.3	2.2

2

Averages			
1-Year	3-Year	5-Year	2015–19
2.8	3.1	2.8	2.4
3.2	3.2	3.1	1.6
2.5	2.6	2.5	1.2

1

Some of the first signs of the impact of tariffs on the economy were apparent in the June inflation data. Both headline and core CPI ticked up from the previous month.

Prices for furniture, appliances, other household goods, sporting equipment, pet supplies, audio and video products, apparel, shoes, alcoholic beverages, and food all rose above recent averages, likely indicating that tariffs are beginning to lead to higher prices for consumers.

In contrast to other goods, new and used car prices fell over the quarter, thanks in part to high inventory levels and rising dealer incentives. Once inventories wind down and production costs rise, new and used car prices will likely begin rising later this year.

While we do expect overall inflation to continue increasing over the next several quarters, it is unlikely to rise to the extent seen in 2022.

2

Medical price increases remained subdued in the second quarter. We continue to expect a small increase in the pace of medical inflation through the remainder of the year from the current low.

Details on Page 2.

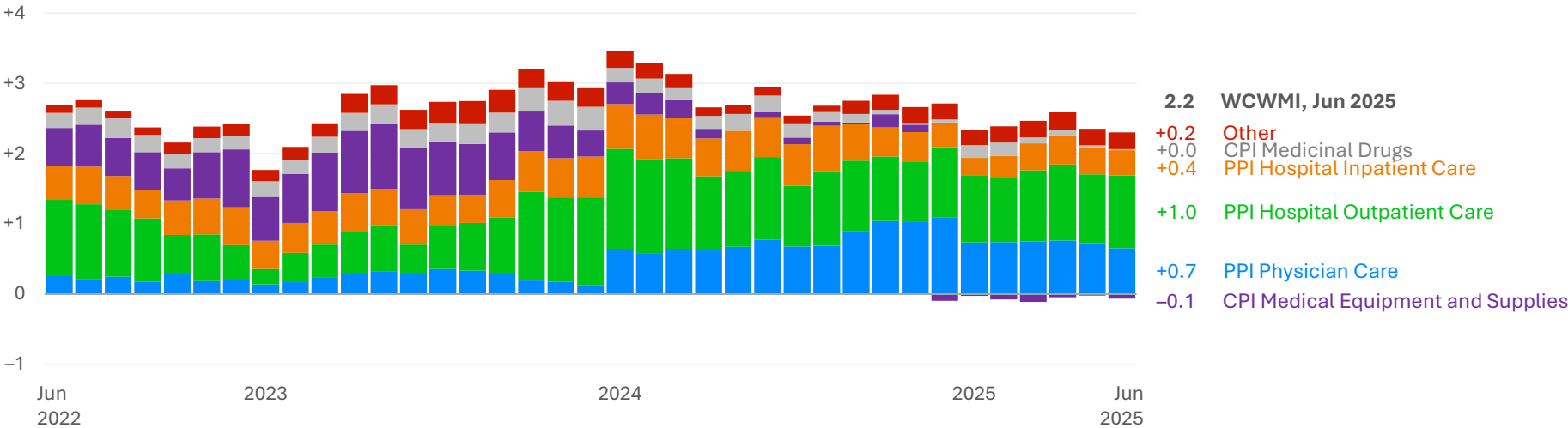
*Adjusted Medical CPI removes CPI Health Insurance from CPI Medical Care
Sources: US Bureau of Labor Statistics and NCCI's Medical Data Call; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point



NCCI MEDICAL INFLATION INSIGHTS

Workers Compensation Weighted Medical Price Index (WCWMI)

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



Medical Care Details (y/y %)		Averages						
		Dec	Jan	Feb	Mar	Apr	May	Jun
100%	NCCI WC Weighted Medical Index	2.6	2.3	2.3	2.4	2.5	2.3	2.2
40%	PPI Physician Care	2.7	1.8	1.8	1.9	1.9	1.8	1.6
27%	PPI Hospital Outpatient Care	3.7	3.5	3.4	3.8	4.0	3.6	3.8
12%	PPI Hospital Inpatient Care	2.9	2.1	2.6	3.2	3.5	3.2	3.0
9%	CPI Medical Equipment and Supplies	-1.1	-0.3	-0.8	-1.2	-0.5	-0.2	-0.7
7%	CPI Medicinal Drugs	0.6	2.6	2.7	1.2	1.1	0.3	0.3
5%	Other*	4.5	4.4	4.6	4.6	4.9	4.7	4.7

*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

- 1 The WCWMI remained near its recent lows in the second quarter due to moderating price growth for physician and hospital services.
- 2 Physician care price growth continued to moderate from last year's elevated levels. Fee schedules and Medicare-based pricing remained important factors. States without fee schedules may be experiencing higher price growth as physician care prices for private insurance and other payors have grown faster this year than those for Medicare and Medicaid.
- 3 Drugs and medical equipment, the two categories that will be directly impacted by tariffs, have yet to see any meaningful changes in price growth. Direct pharmaceutical tariffs have been announced but not yet implemented, potentially further delaying the impact to medical prices overall.
- 4 Long-term care price growth remained elevated and may continue to contribute to higher costs for longer-duration claims.