

Industry Insights

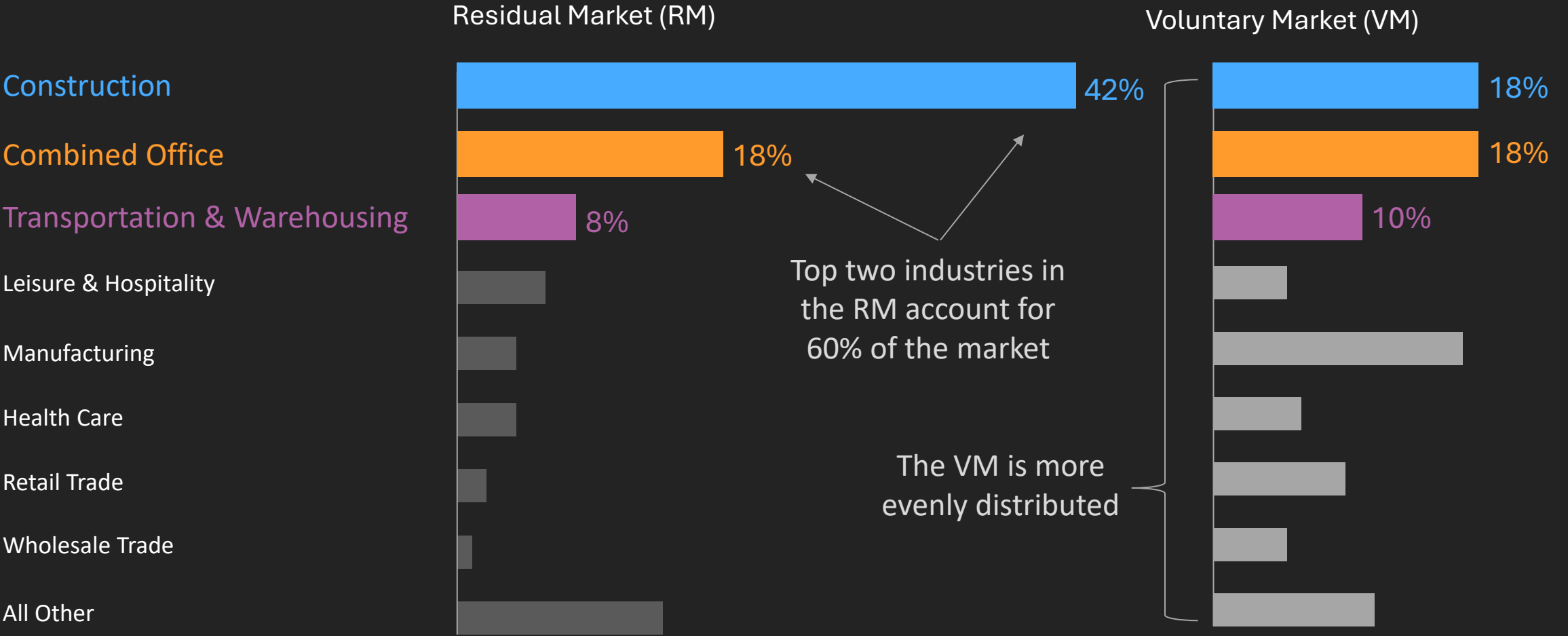
Sandra Kipust, FCAS, MAAA

Senior Practice Leader and Actuary
NCCI



Market Share by Industry—Residual vs. Voluntary Market

Based on 2023p Premium



p Preliminary

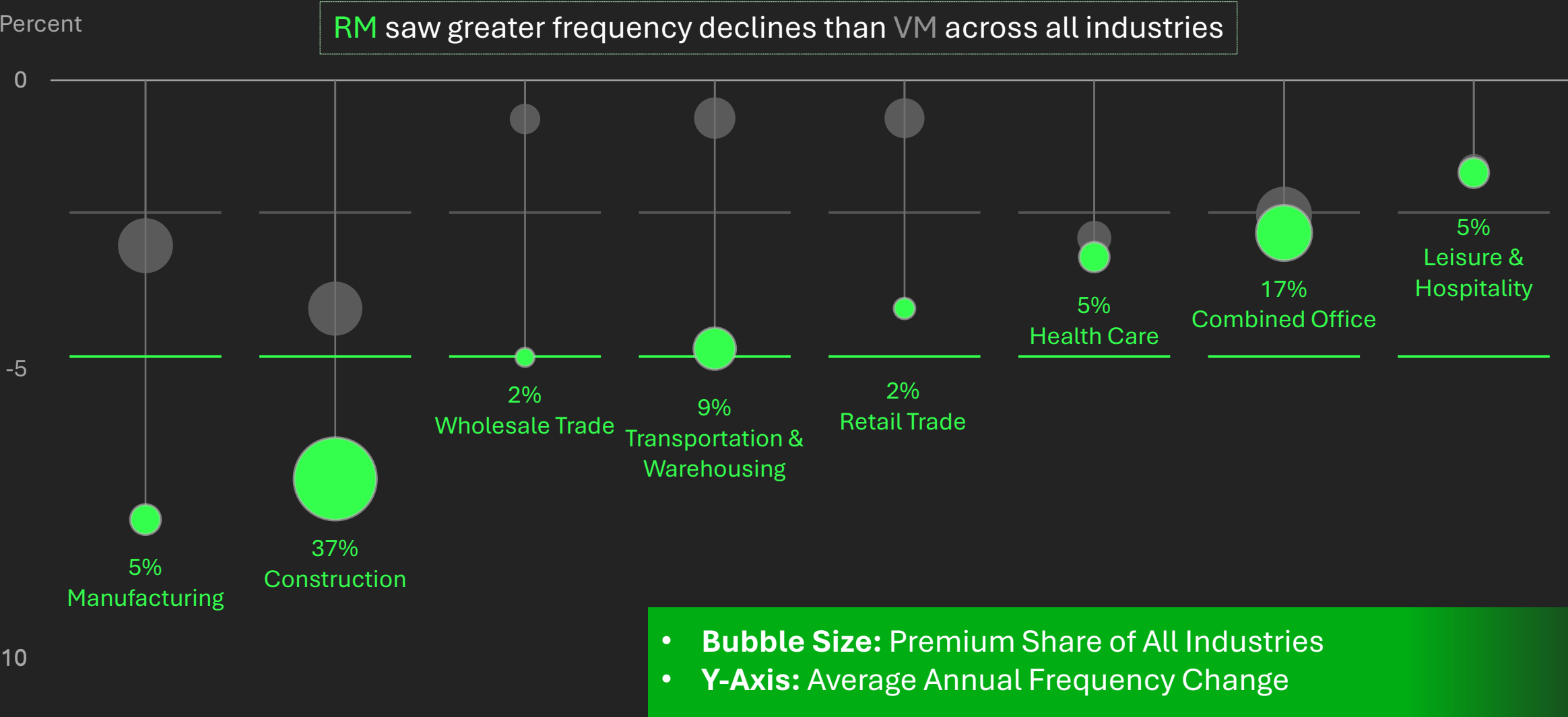
Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, includes high-deductible policies

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Market Share and Change in Claim Frequency by Industry

AYs 2015–2023p, VM vs. RM



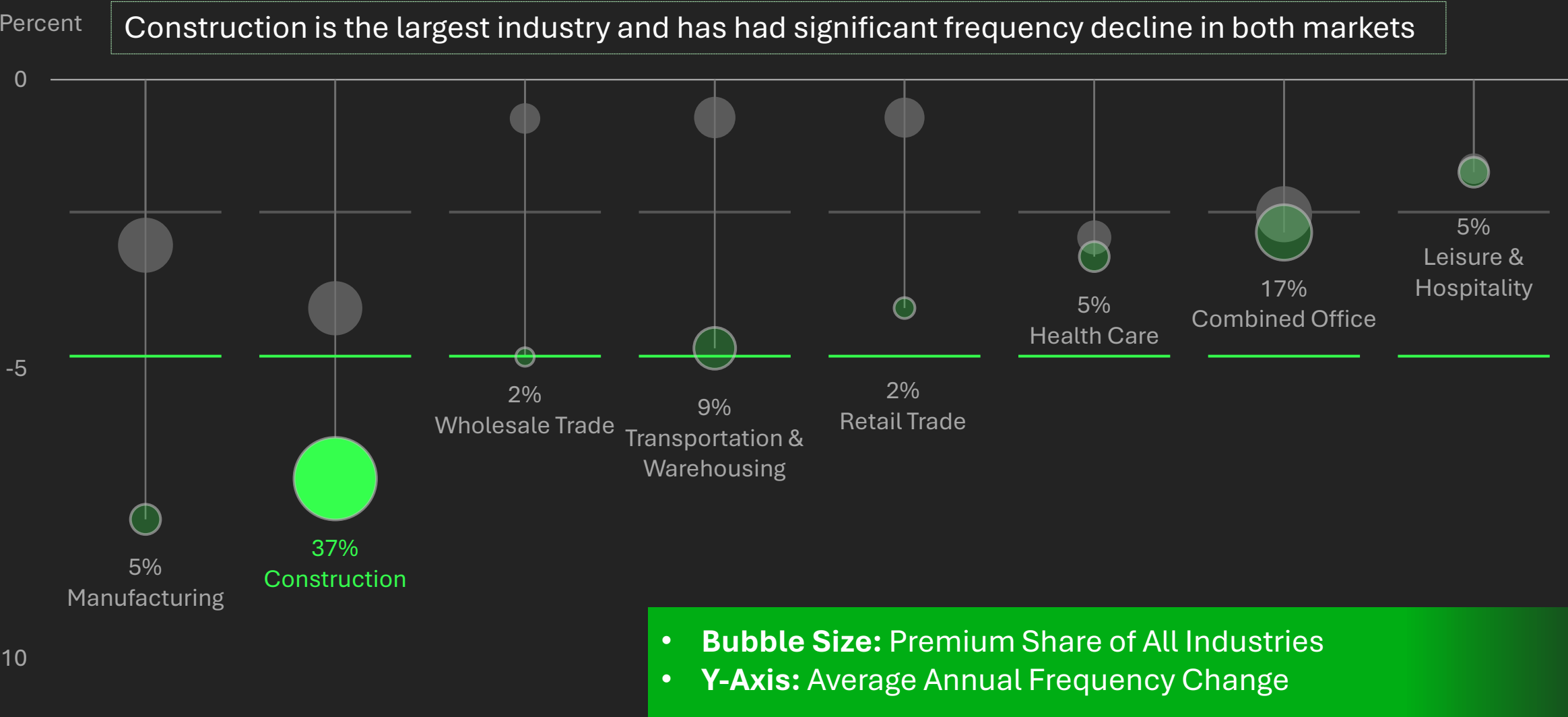
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Market Share and Change in Claim Frequency by Industry

AYs 2015–2023p, VM vs. RM



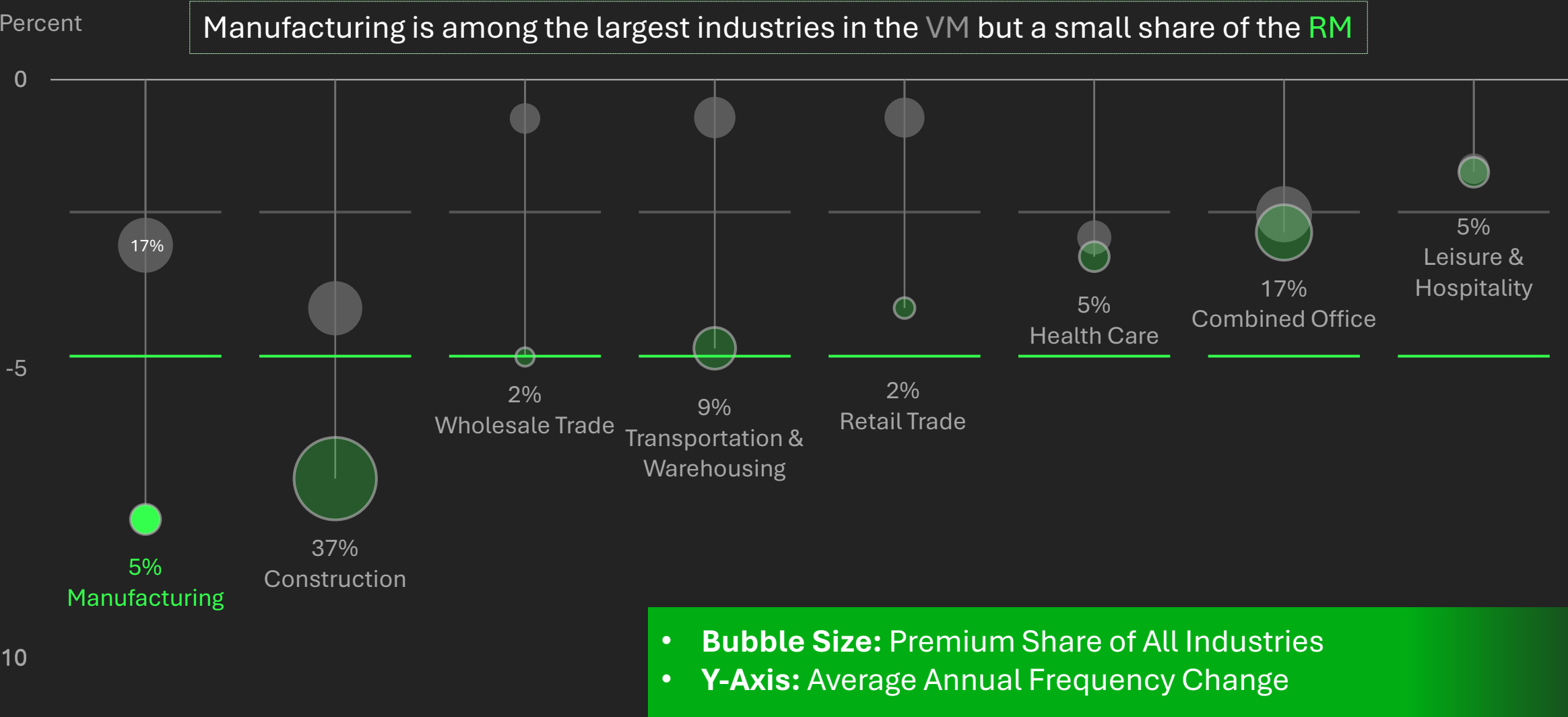
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Market Share and Change in Claim Frequency by Industry

AYs 2015–2023p, VM vs. RM



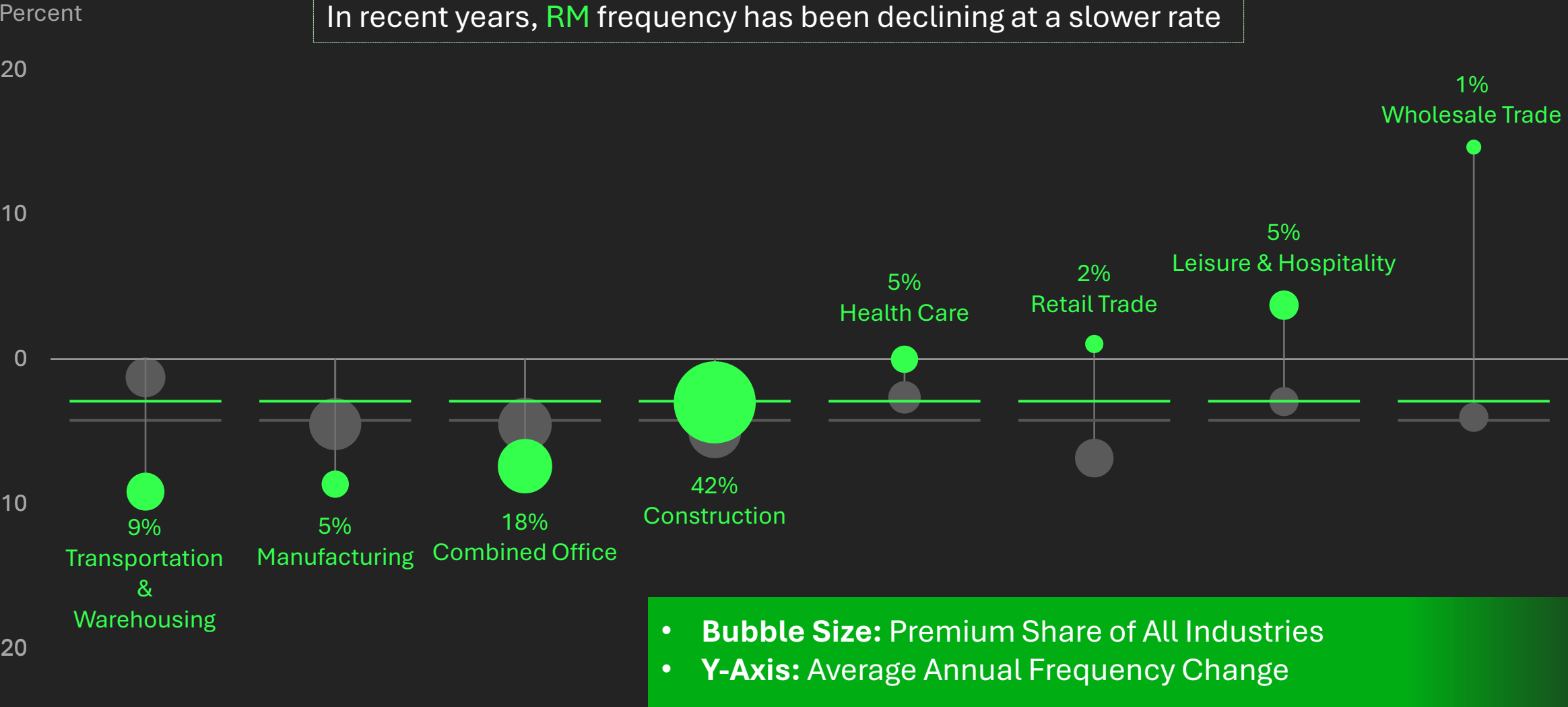
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Market Share and Change in Claim Frequency by Industry

AYs 2021–2023p, VM vs. RM



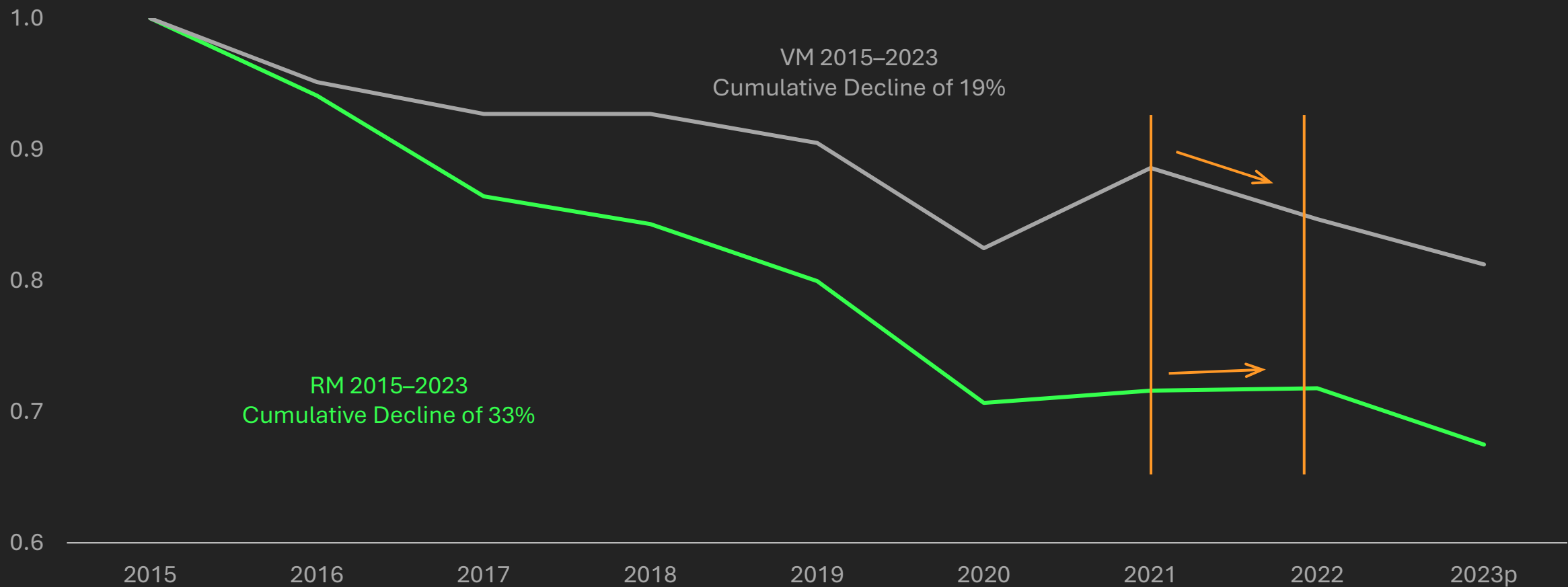
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

RM Claim Frequency Has Declined More Than VM

Cumulative Change in Claim Frequency, Indexed to 2015



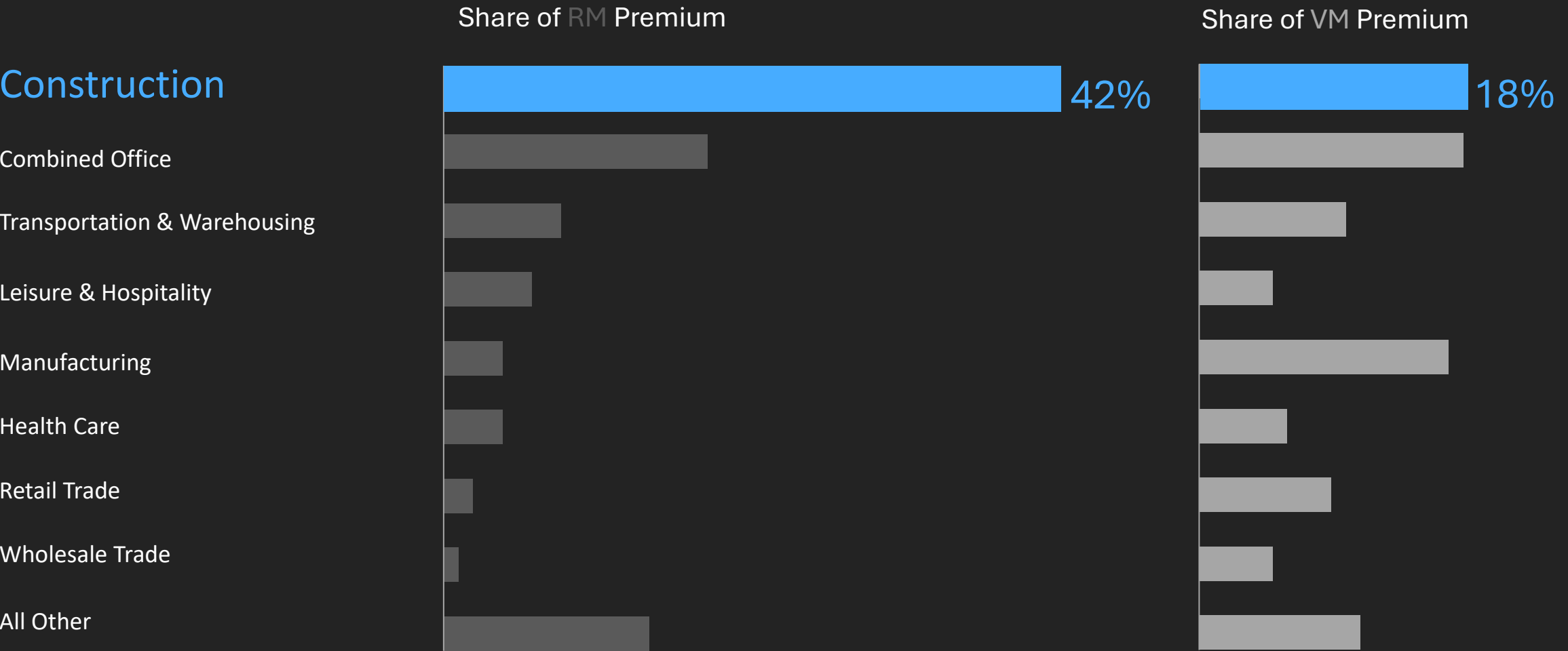
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

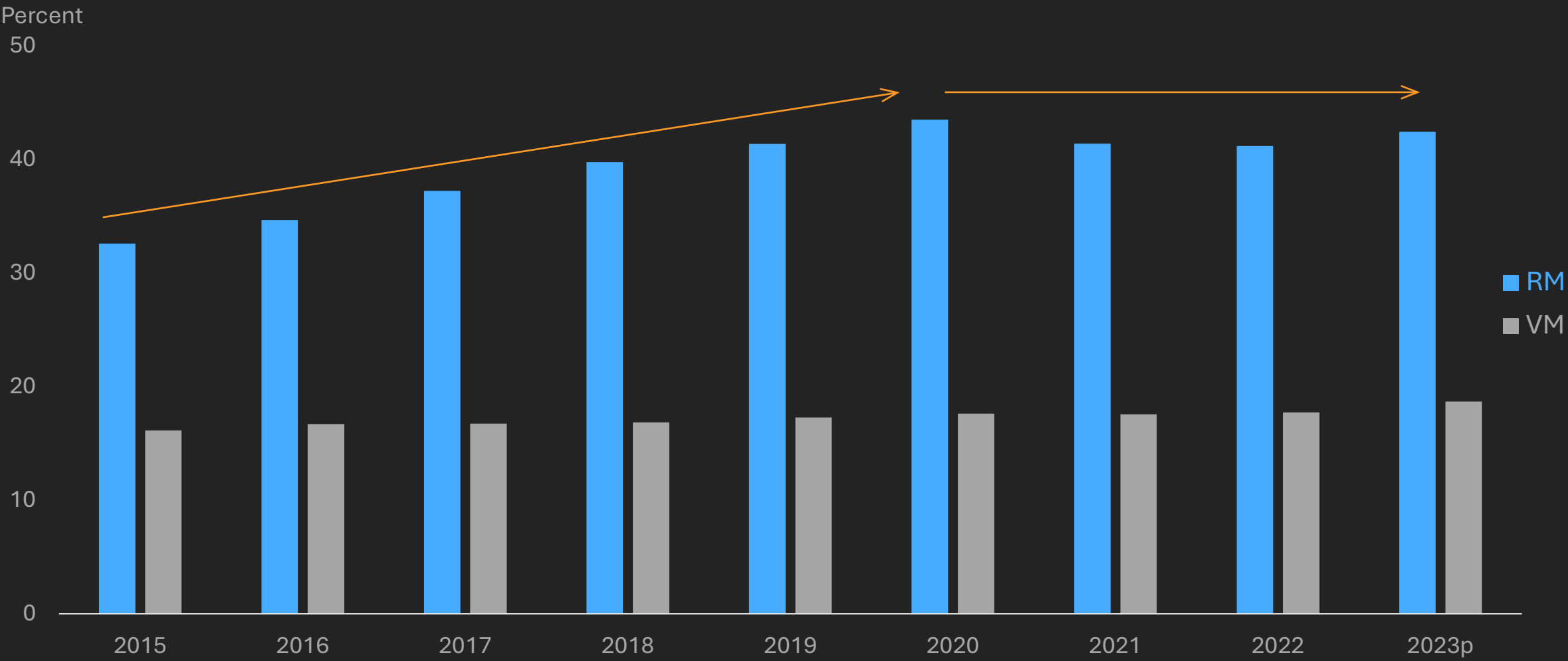
Construction Share of Premium in the RM Is Twice That of the VM

Based on 2023p Premium



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, includes high-deductible policies

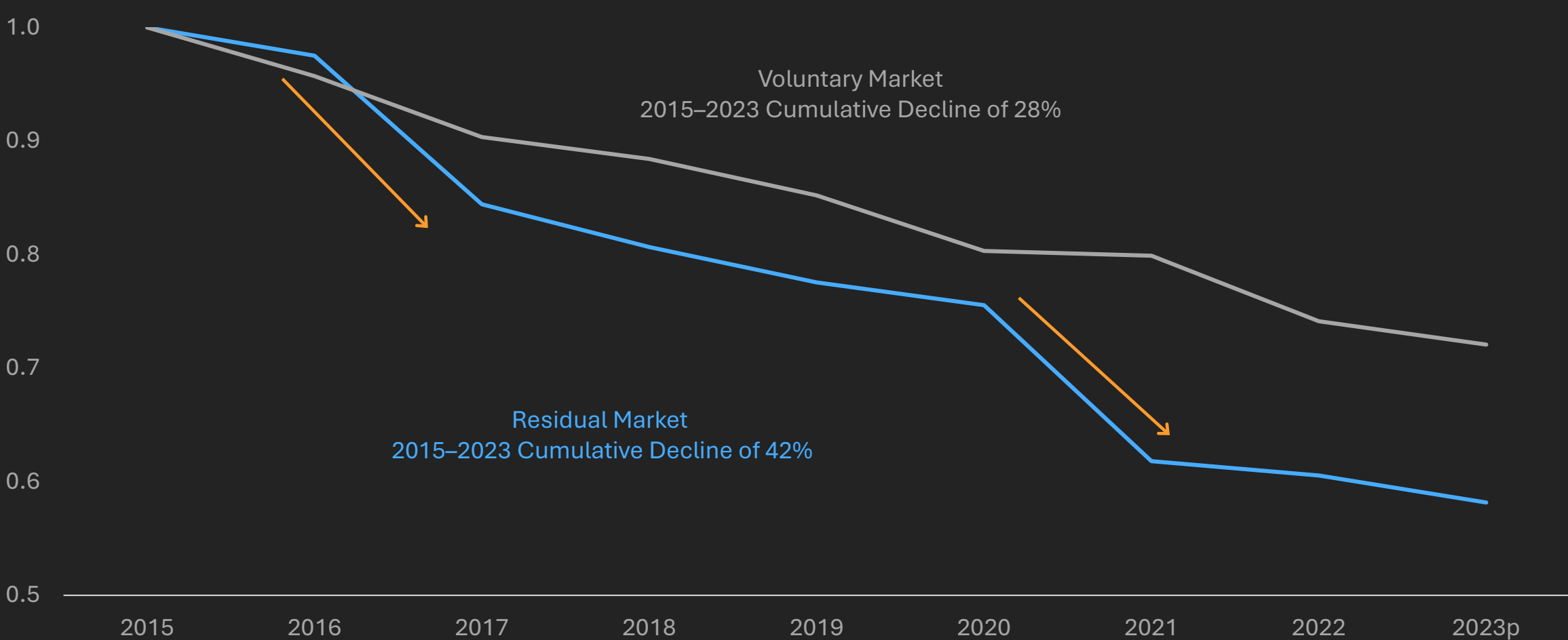
Construction Share of RM Premium Grew



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, includes high-deductible policies

RM Construction Claim Frequency Declined More Than VM

Cumulative Change in Claim Frequency, Indexed to 2015



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

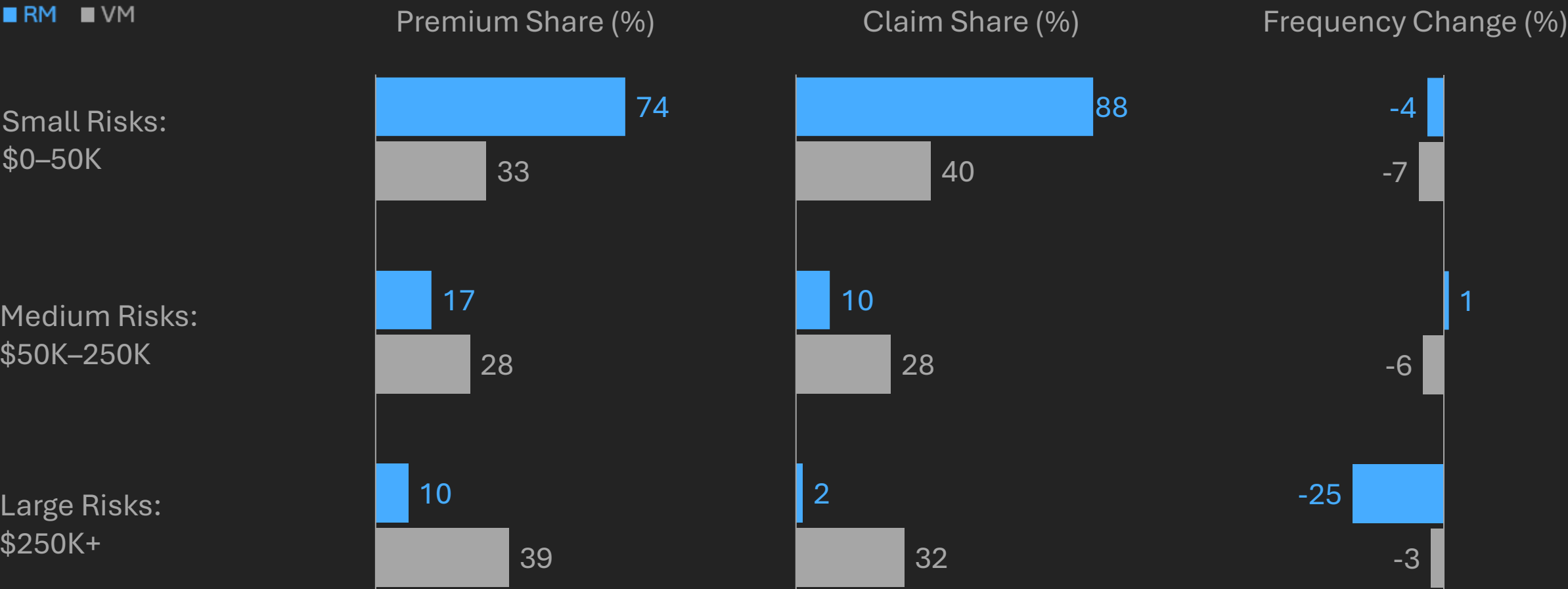
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Drivers of Construction Frequency

1. Size of Risk
2. Cause of Injury
3. Part of Body
4. Top 10 Classes

Risk Size Comparison for the Construction Industry

AYs 2021–2023p



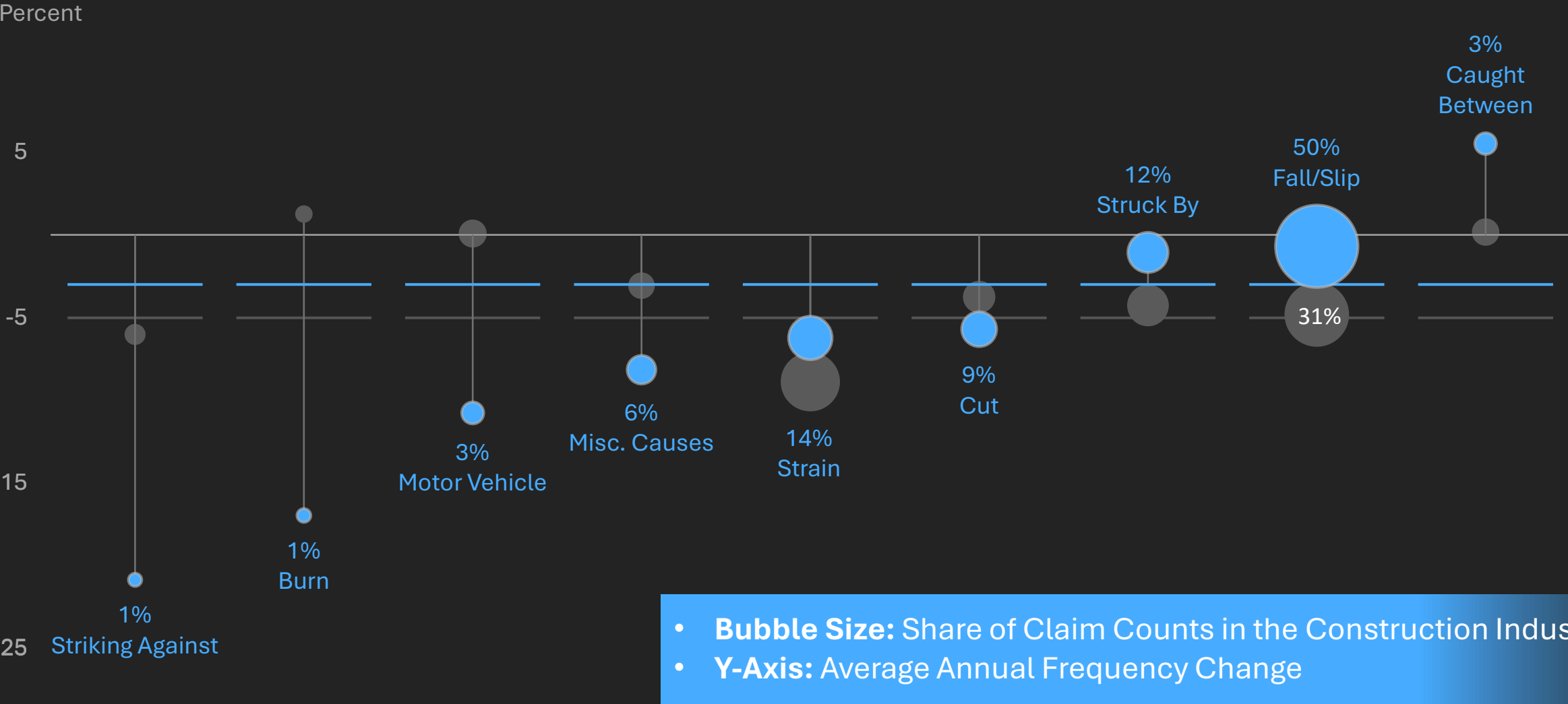
p Preliminary

Source: Based on NCCI’s Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Cause of Injury

Construction Industry, AYs 2021–2023p, VM vs. RM



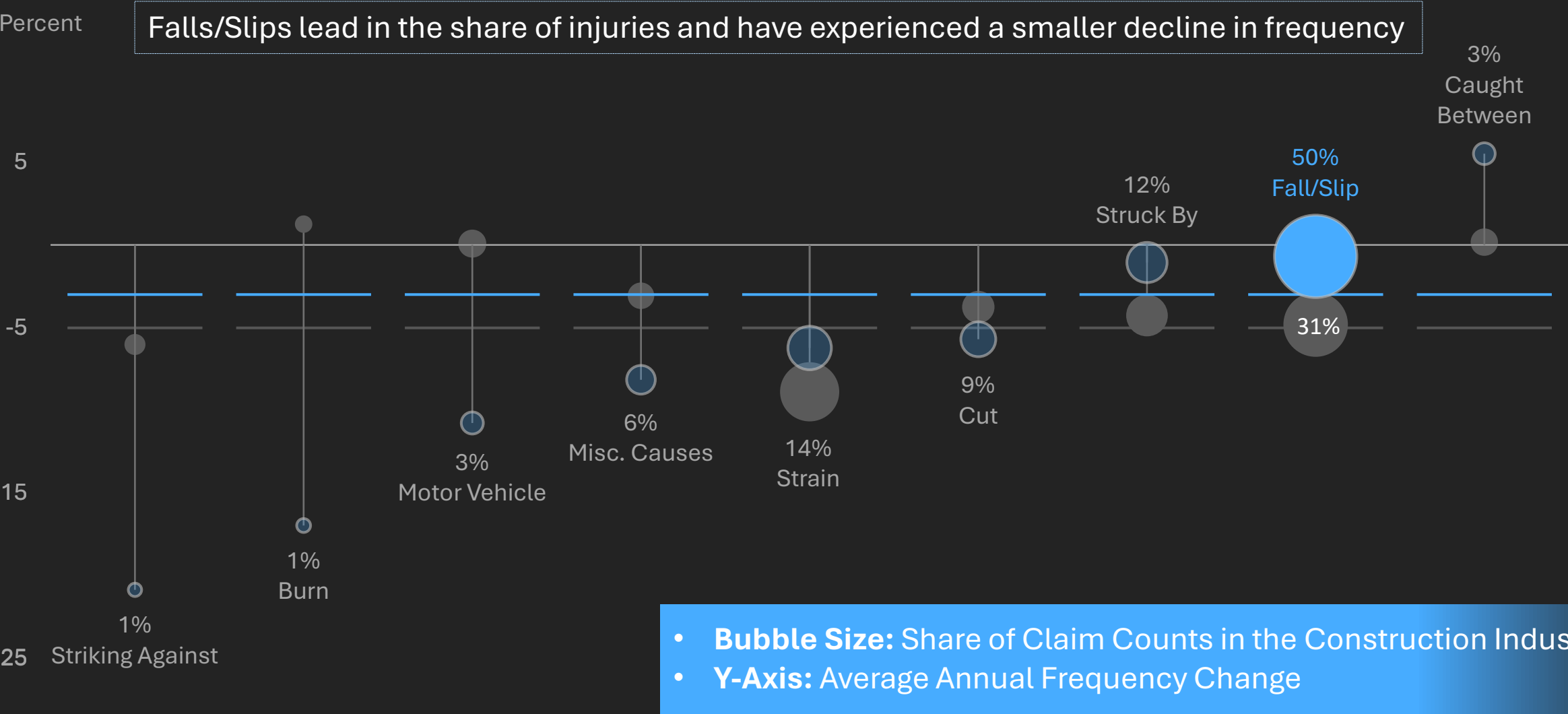
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Cause of Injury

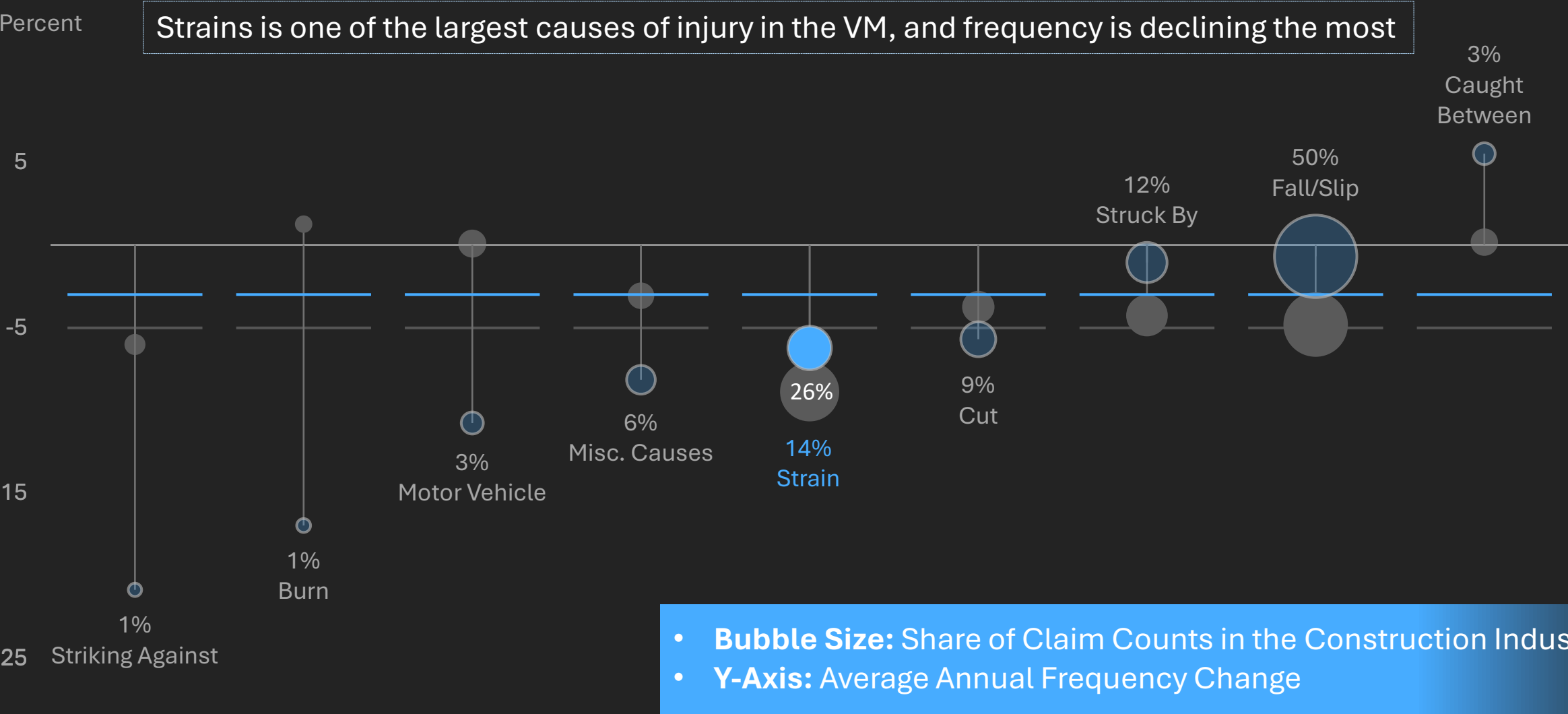
Construction Industry, AYs 2021–2023p, VM vs. RM



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Cause of Injury

Construction Industry, AYs 2021–2023p, VM vs. RM



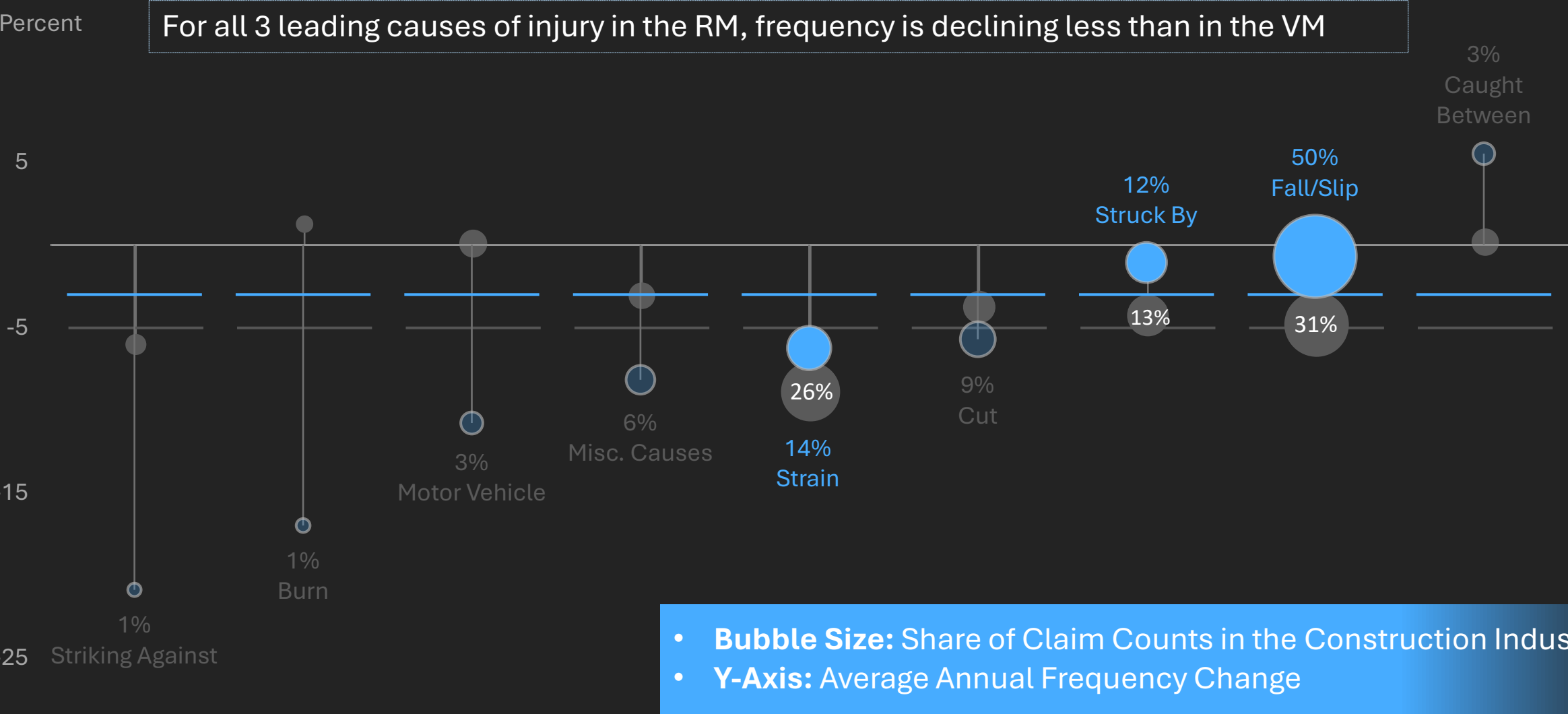
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Cause of Injury

Construction Industry, AYs 2021–2023p, VM vs. RM



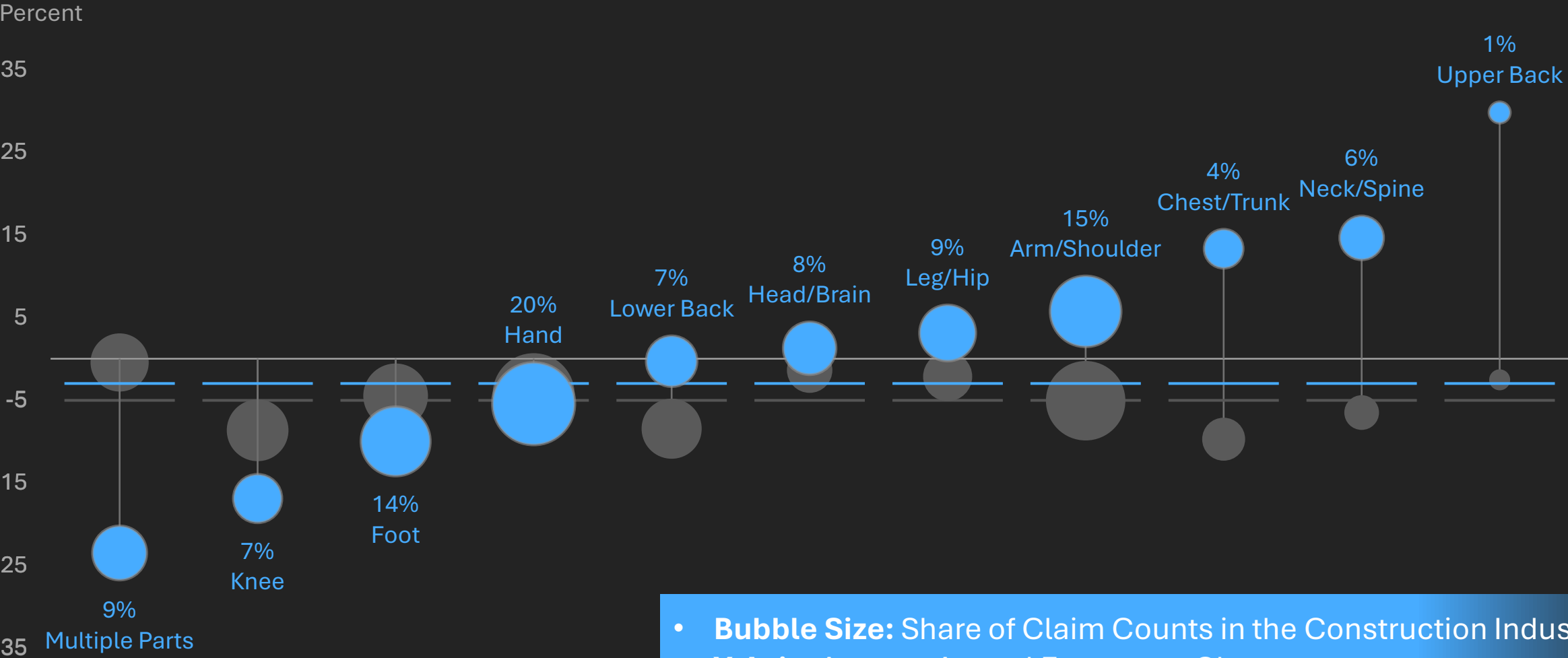
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Part of Body

Construction Industry, AYs 2021–2023p, VM vs. RM



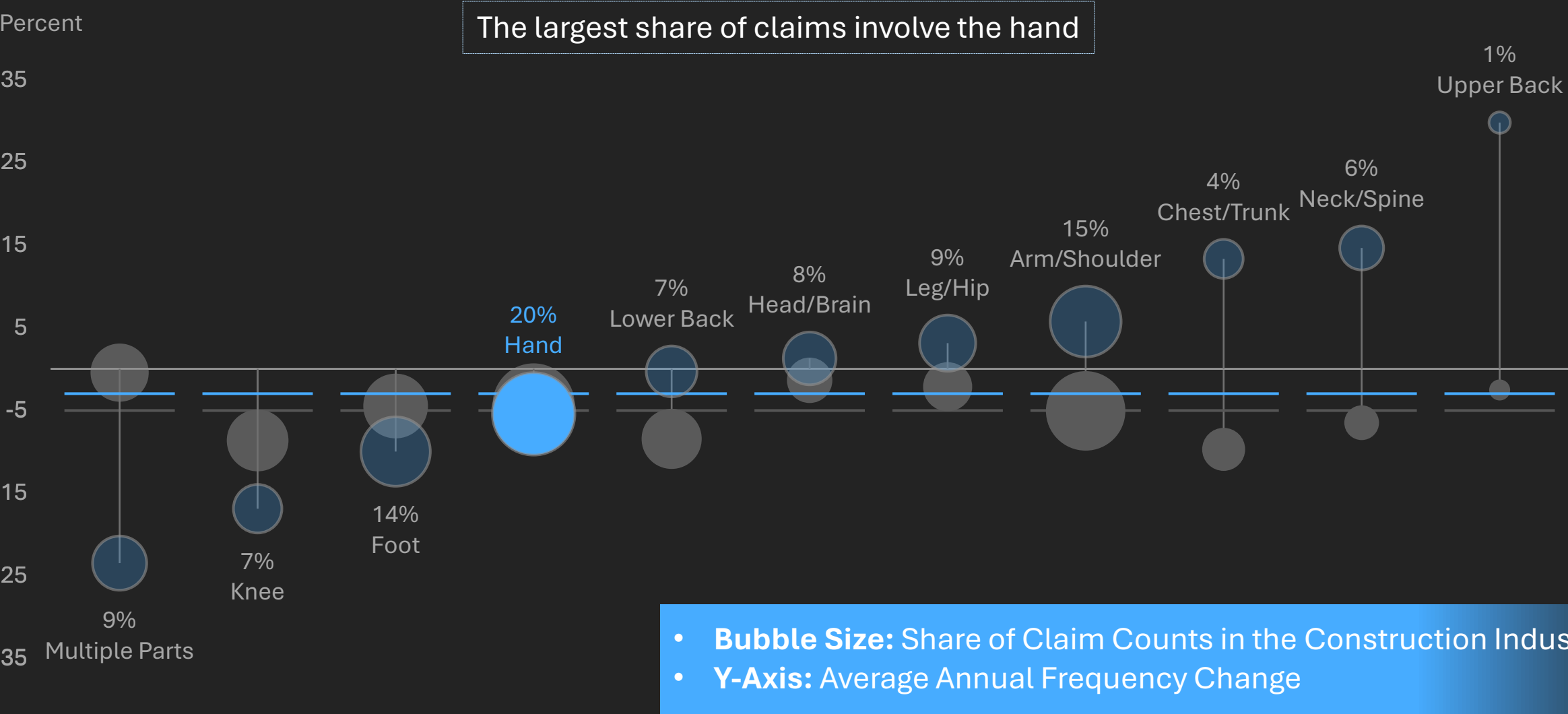
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Part of Body

Construction Industry, AYs 2021–2023p, VM vs. RM



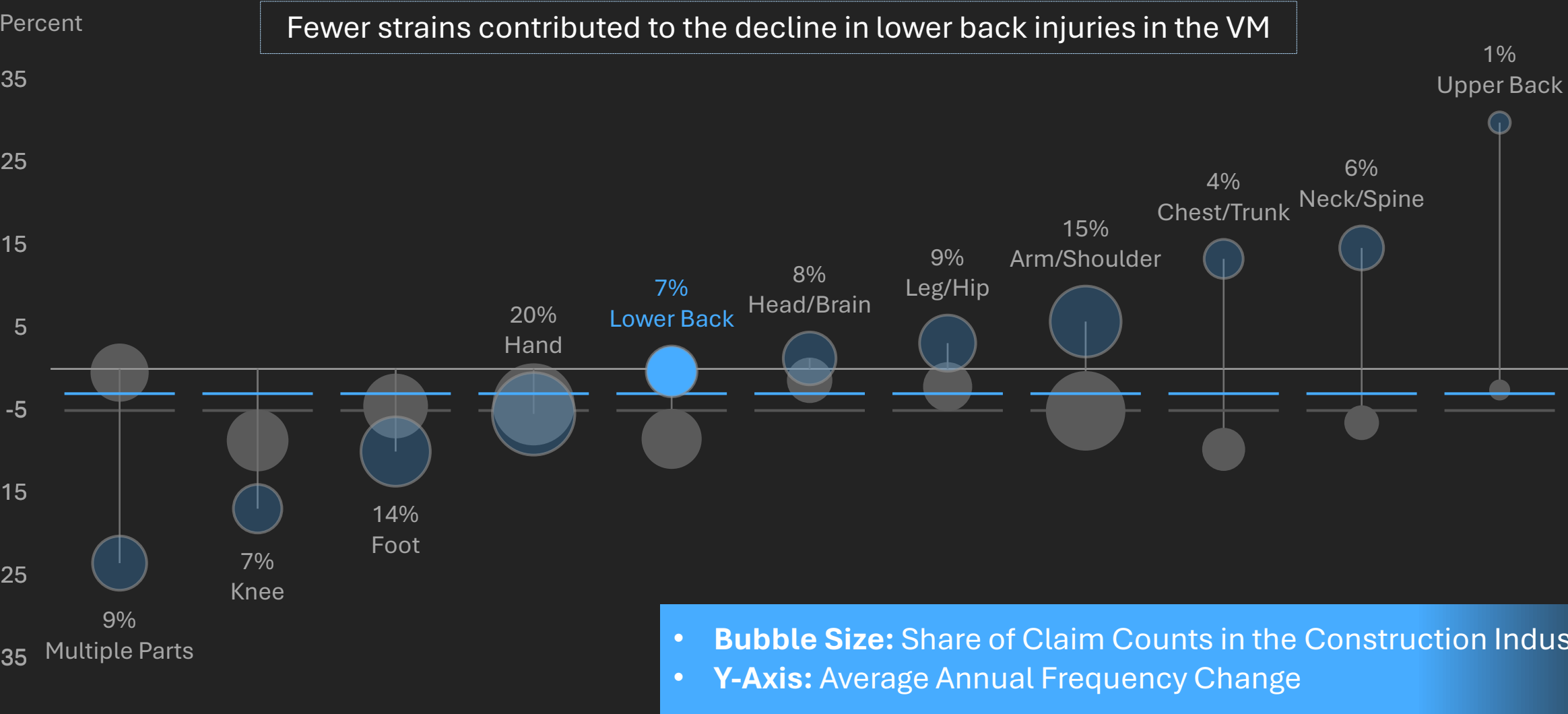
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Part of Body

Construction Industry, AYs 2021–2023p, VM vs. RM



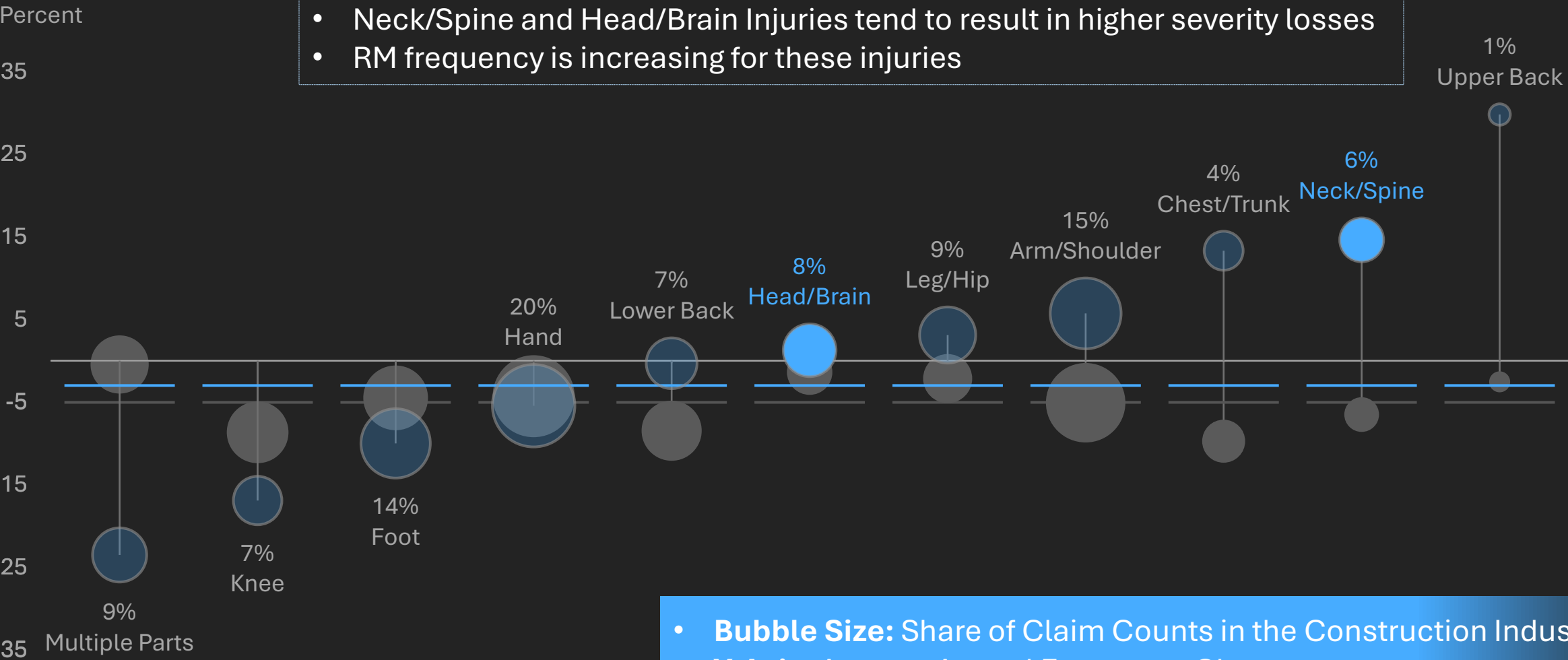
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Part of Body

Construction Industry, AYs 2021–2023p, VM vs. RM



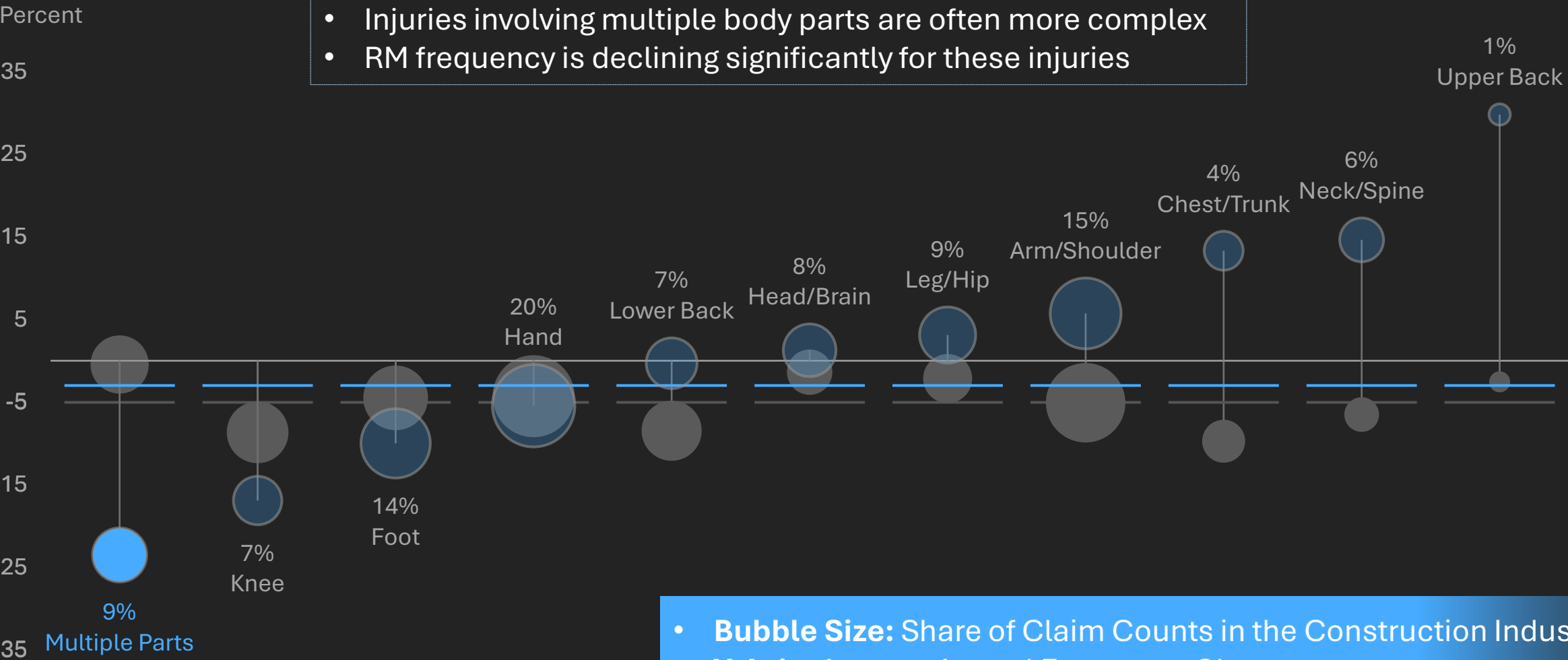
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Claim Counts and Change in Frequency by Part of Body

Construction Industry, AYs 2021–2023p, VM vs. RM



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

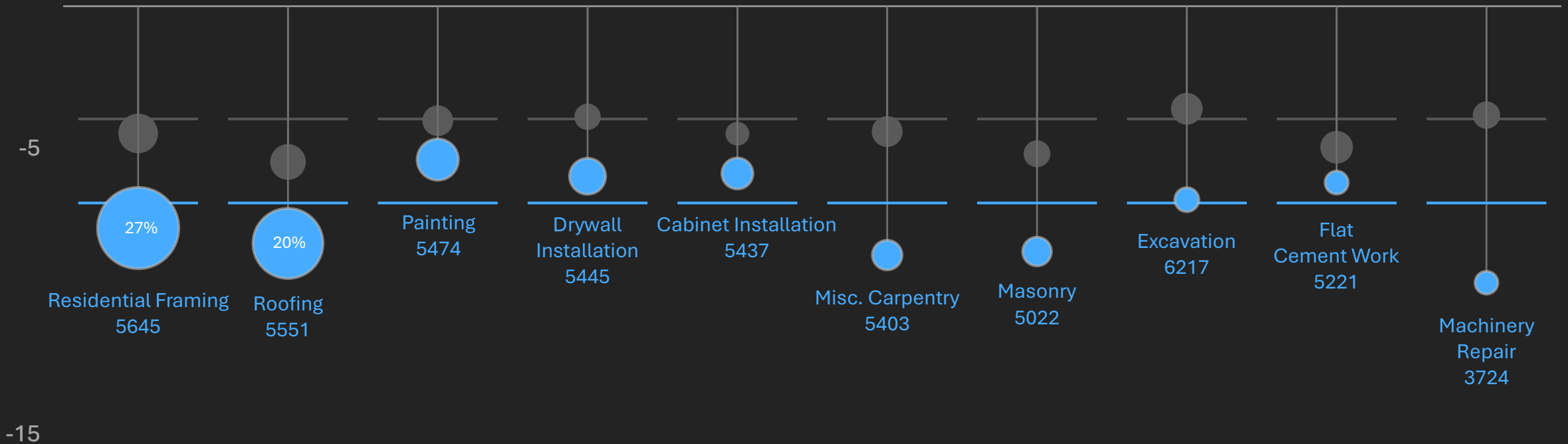
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Top 10 Construction Classes Account for 75% of RM Construction

AYs 2015–2023p, VM vs. RM

Percent
5

- **Bubble Size:** Premium Share of the Construction Industry
- **Y-Axis:** Average Annual Frequency Change



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

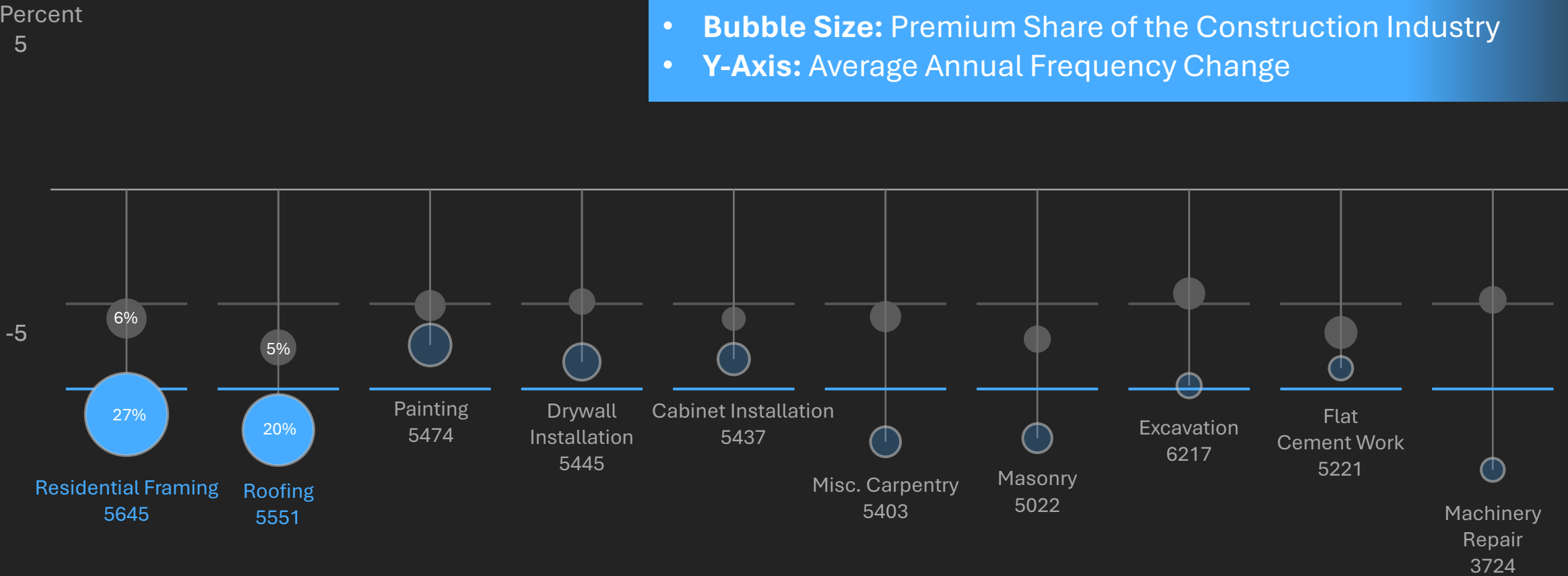
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

© 2025 NCCI Holdings, Inc. All Rights Reserved.

RMF
2025

2 Largest Construction Classes Comprise Almost 50% of RM Construction

AYs 2015–2023p, VM vs. RM



-15

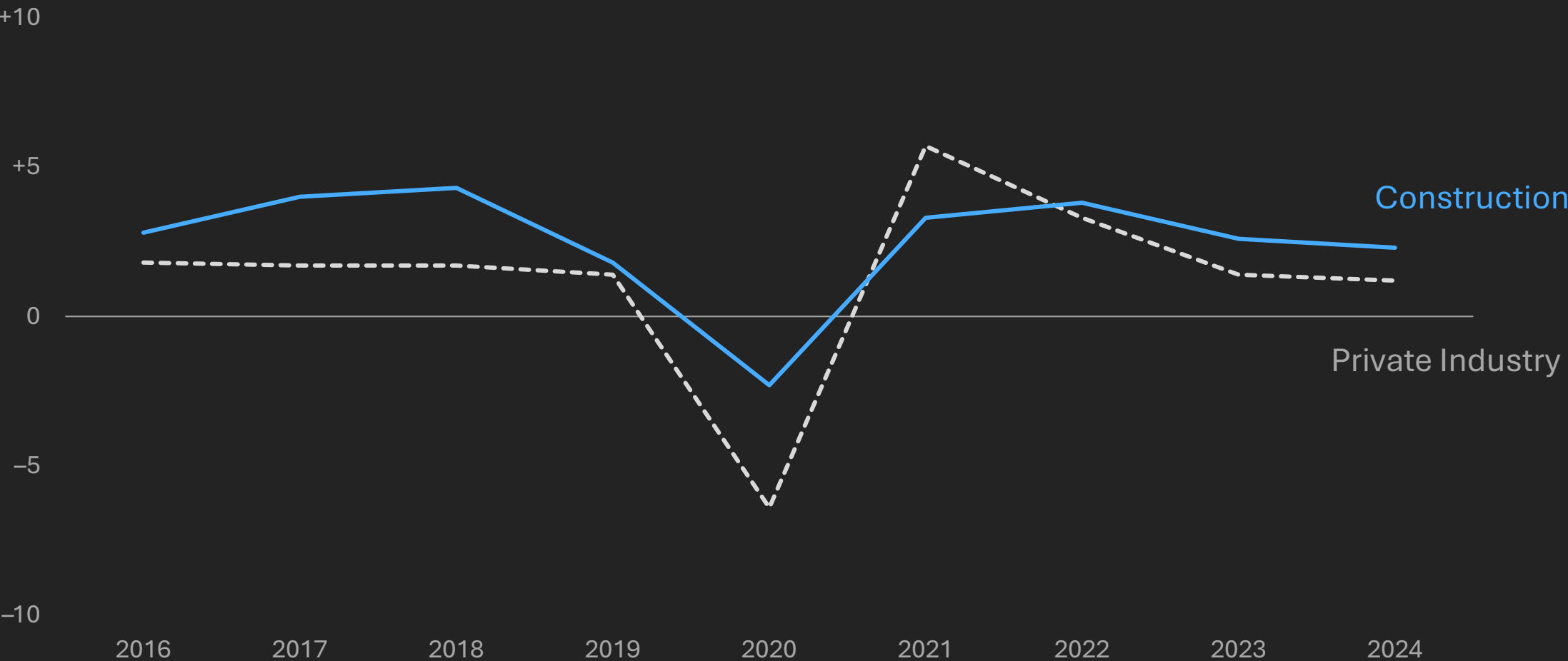
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Construction Employment Growth Has Been Strong

Year-Over-Year Percentage Change



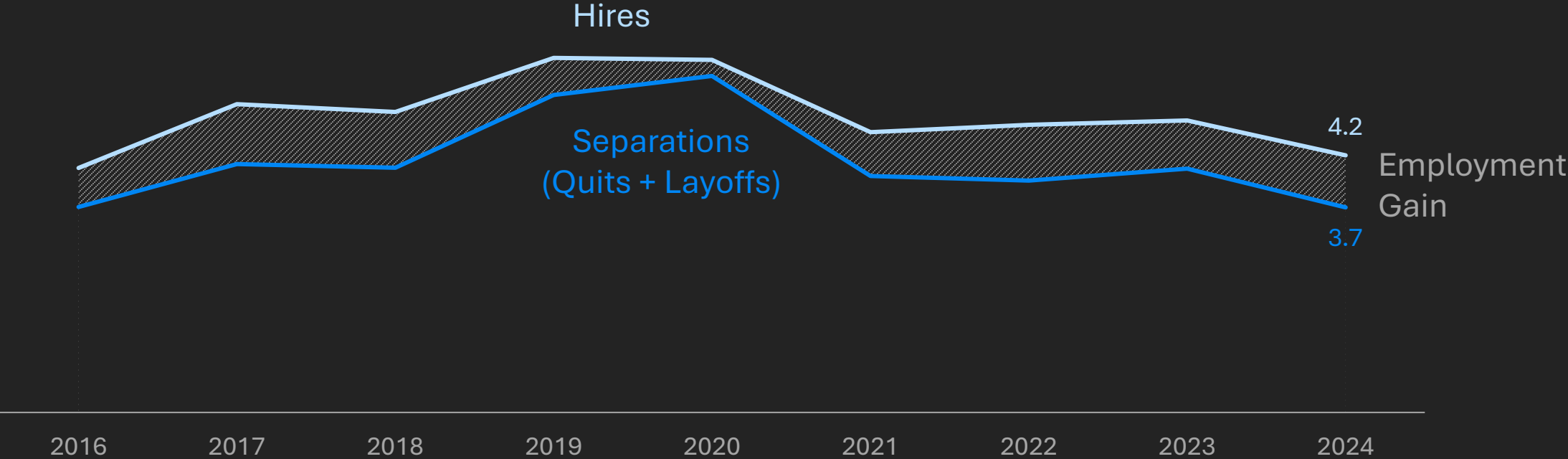
Source: US Bureau of Labor Statistics: Current Employment Statistics (CES)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Although Employment Grows, Since 2021 There's Less Turnover

Construction Sector

Number of Workers
(Millions)



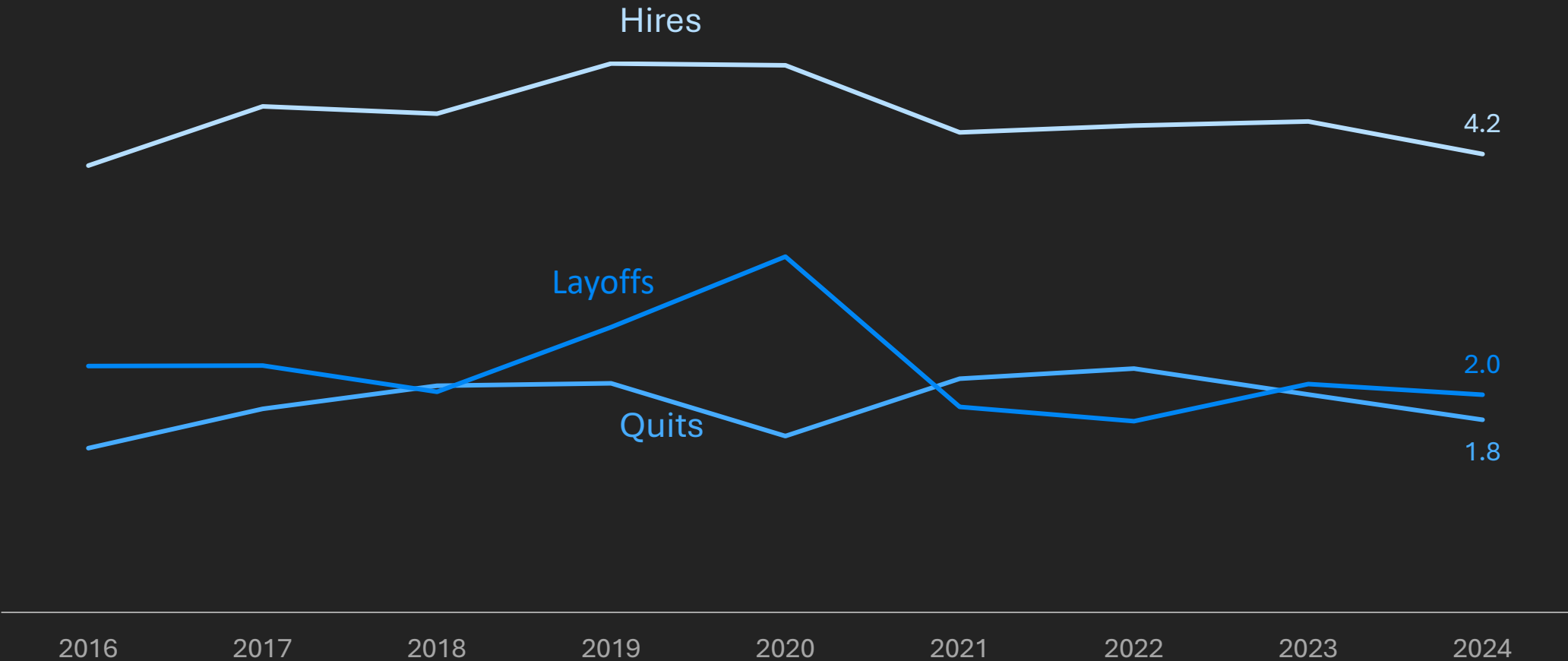
Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

While Hiring Is Strong, Layoffs Outpace Quits in Most Years

Construction Sector

Number of Workers
(Millions)

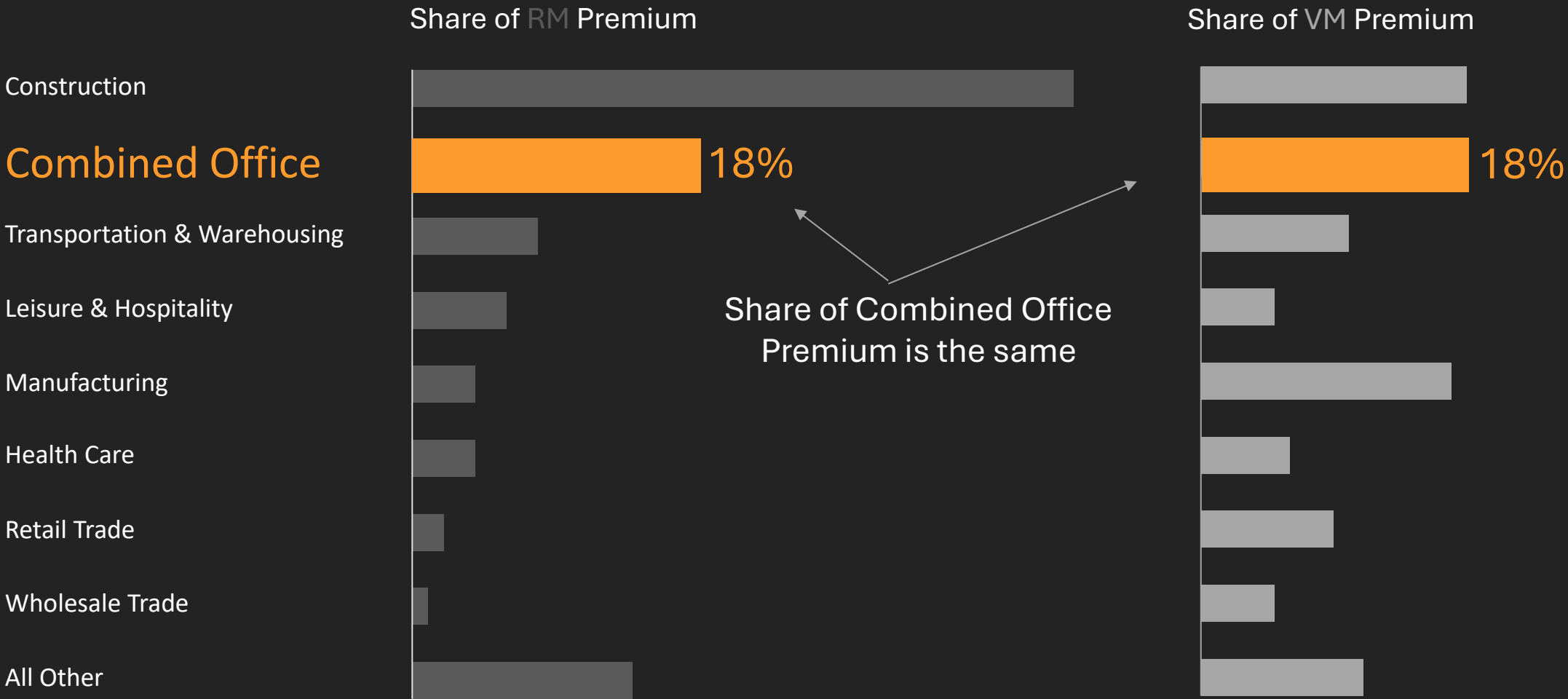


Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Comparable Shares of Combined Office for RM and VM

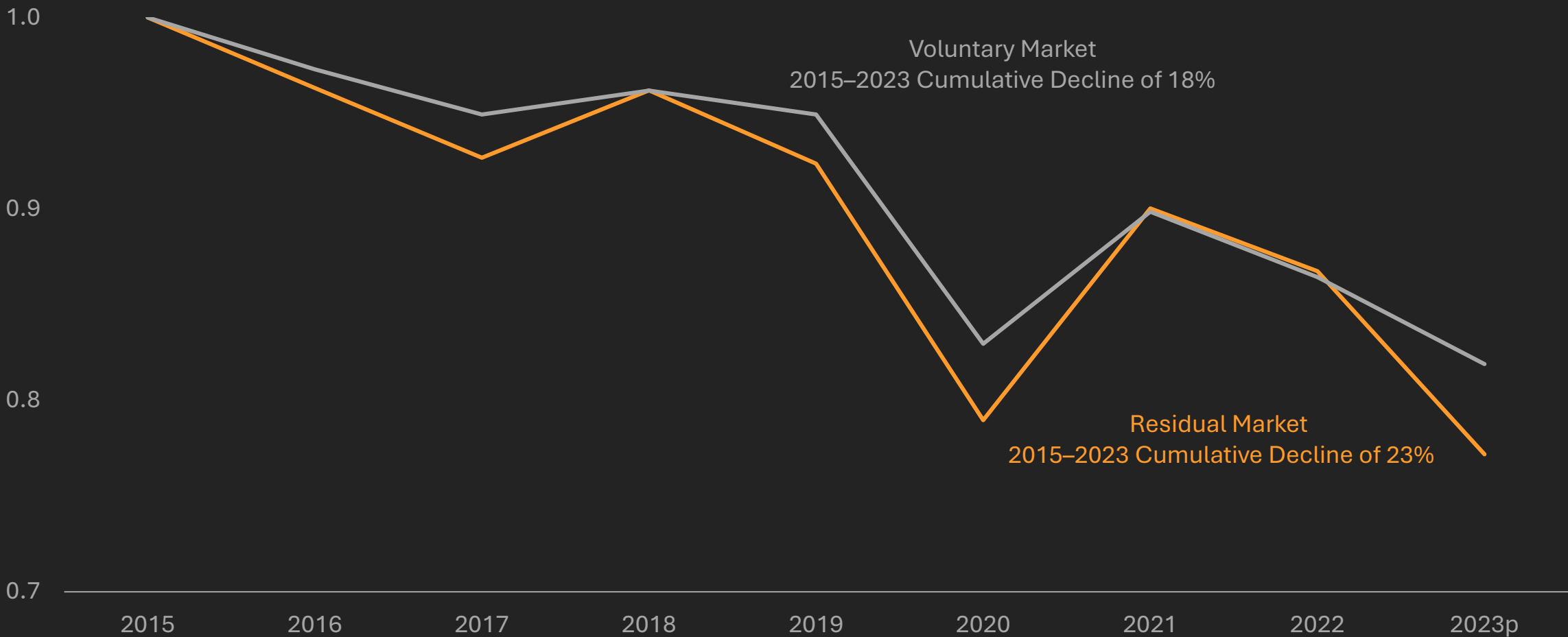
Based on 2023p Premium



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, includes high-deductible policies

Combined Office Frequency Trend Is Similar in the 2 Markets

Cumulative Change in Claim Frequency, Indexed to 2015



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

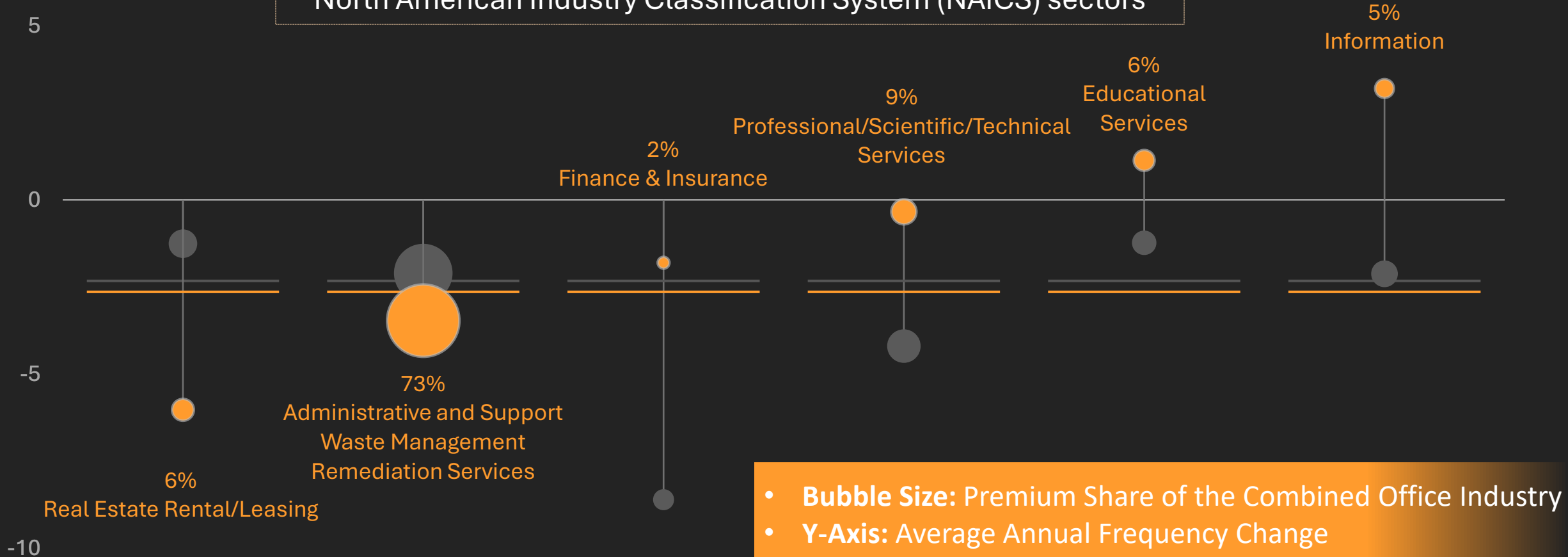
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Combined Office Frequency Change and Market Share by Sector

AYs 2015–2023p, VM vs. RM

Percent

We have defined Combined Office as the combination of these North American Industry Classification System (NAICS) sectors



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

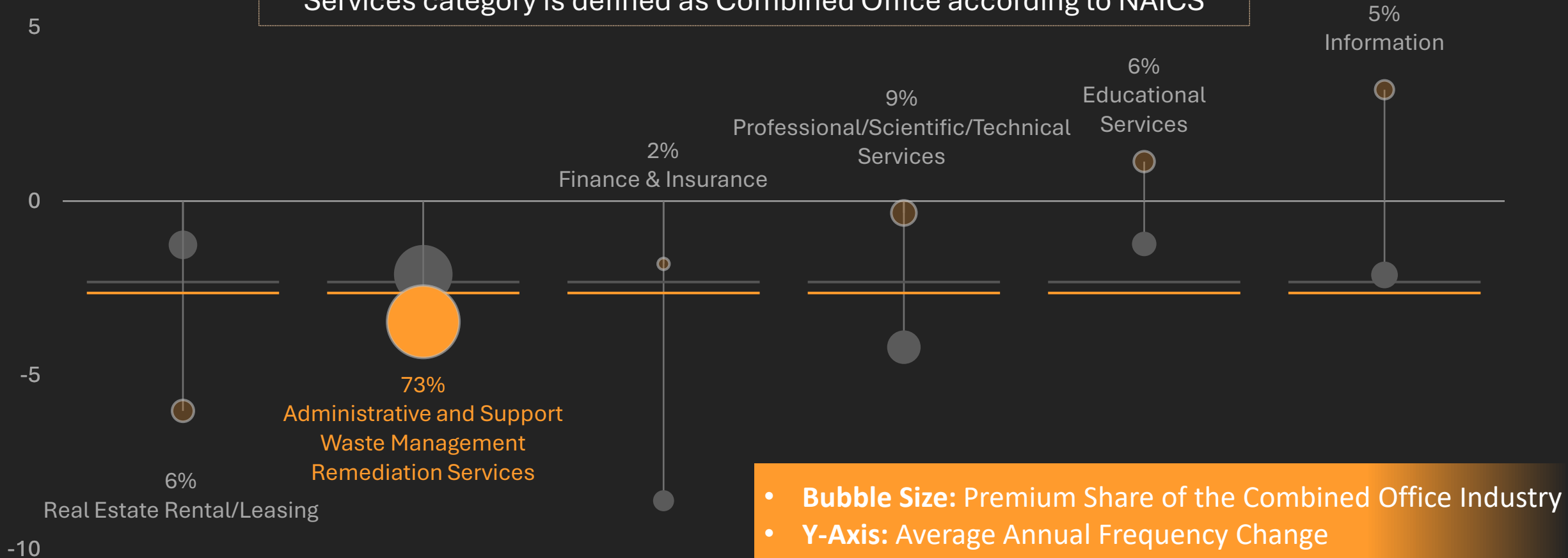
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Combined Office Frequency Change and Market Share by Sector

AYs 2015–2023p, VM vs. RM

Percent

Administrative and Support and Waste Management and Remediation Services category is defined as Combined Office according to NAICS



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

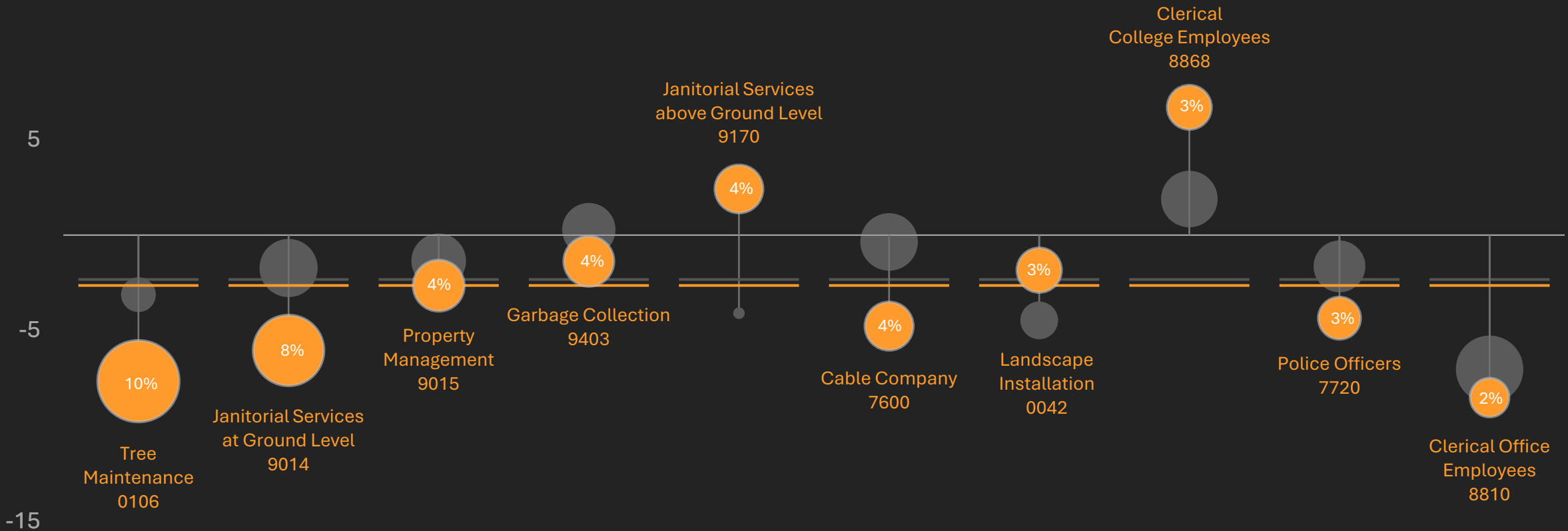
Top 10 Combined Office Classes

AYs 2015–2023p, VM vs. RM

Percent

15

- **Bubble Size:** Premium Share of the Combined Office Industry
- **Y-Axis:** Average Annual Frequency Change



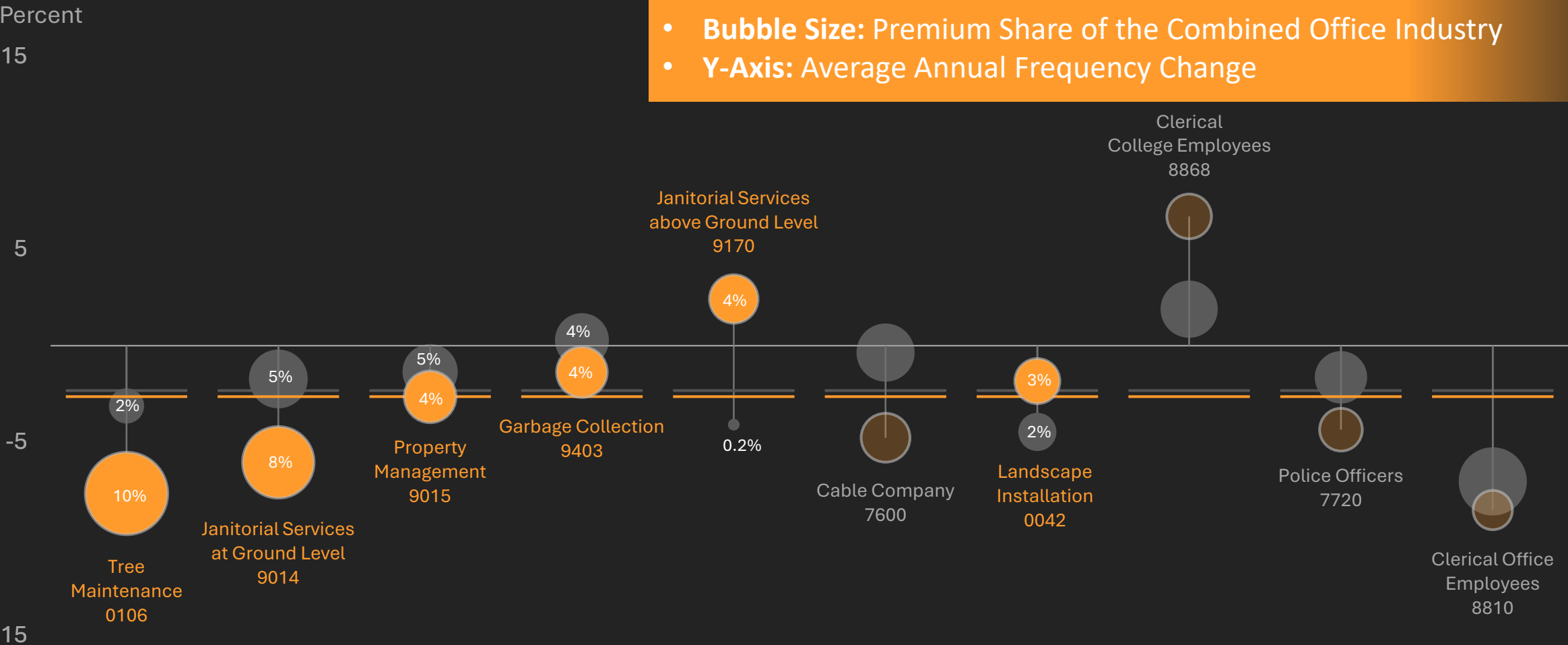
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Combined Office Covers a Broad Range of Classes

AYs 2015–2023p, VM vs. RM



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

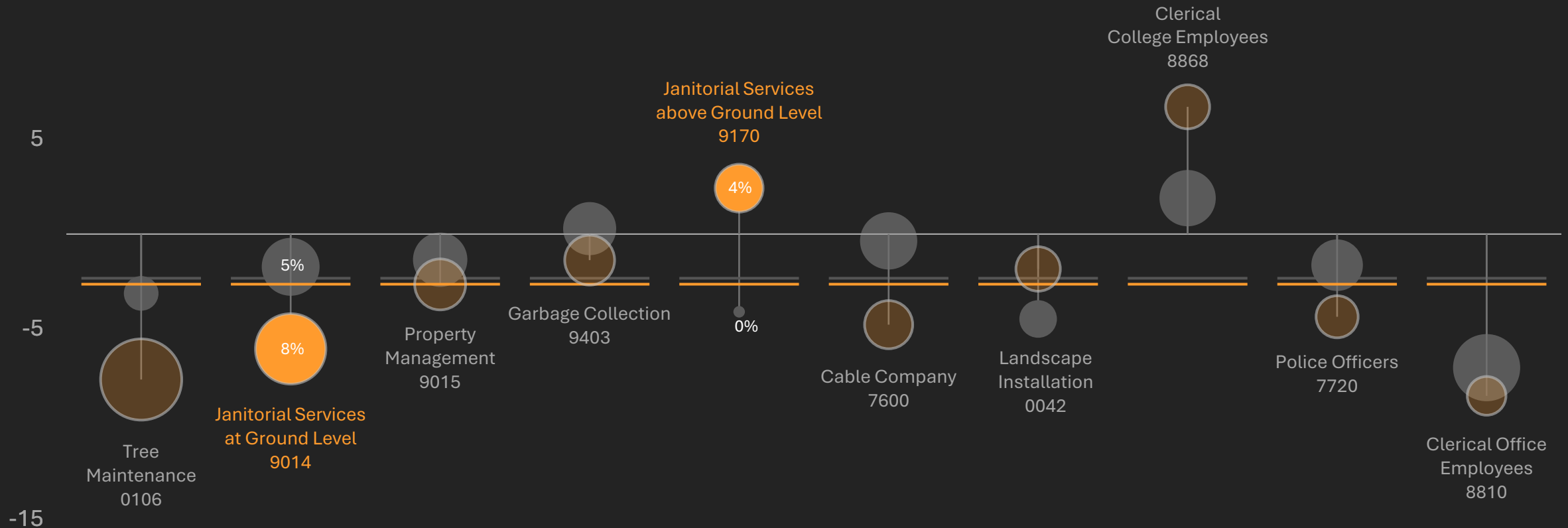
Janitorial Services Above Ground Makes Up a Larger Share of Combined Office in the RM, and Frequency Is Increasing

AYs 2015–2023p, VM vs. RM

Percent

15

- **Bubble Size:** Premium Share of the Combined Office Industry
- **Y-Axis:** Average Annual Frequency Change



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

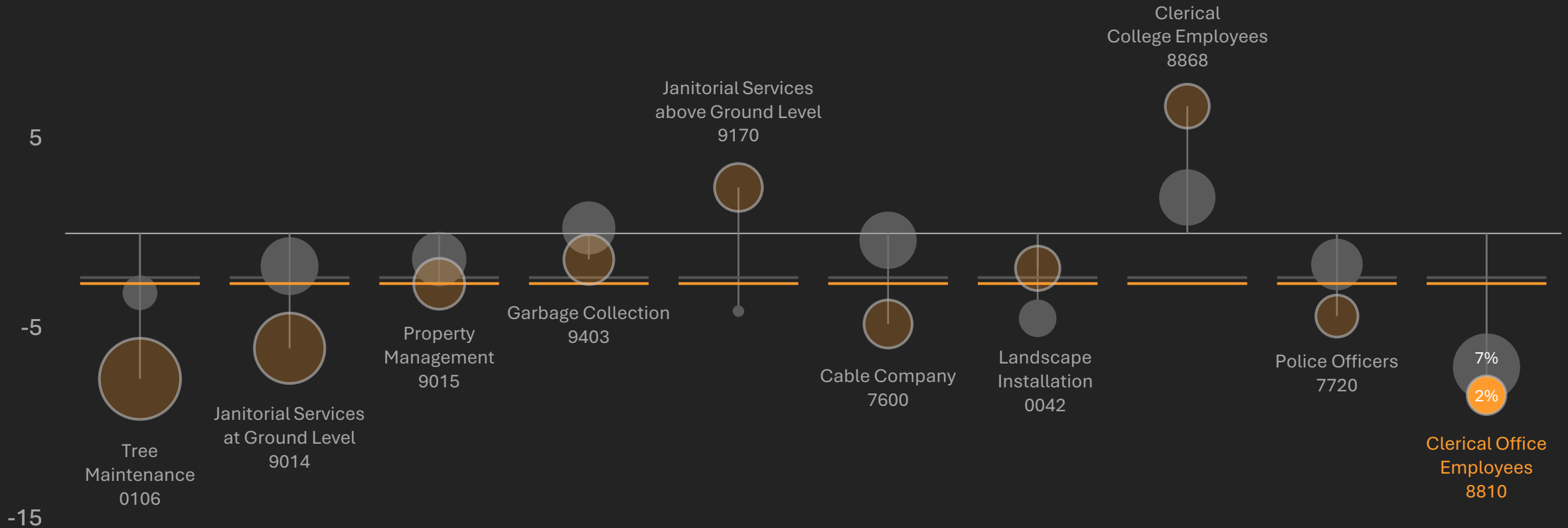
8810 Frequency Is Declining; Could be Driven by Remote Work

AYs 2015–2023p, VM vs. RM

Percent

15

- **Bubble Size:** Premium Share of the Combined Office Industry
- **Y-Axis:** Average Annual Frequency Change



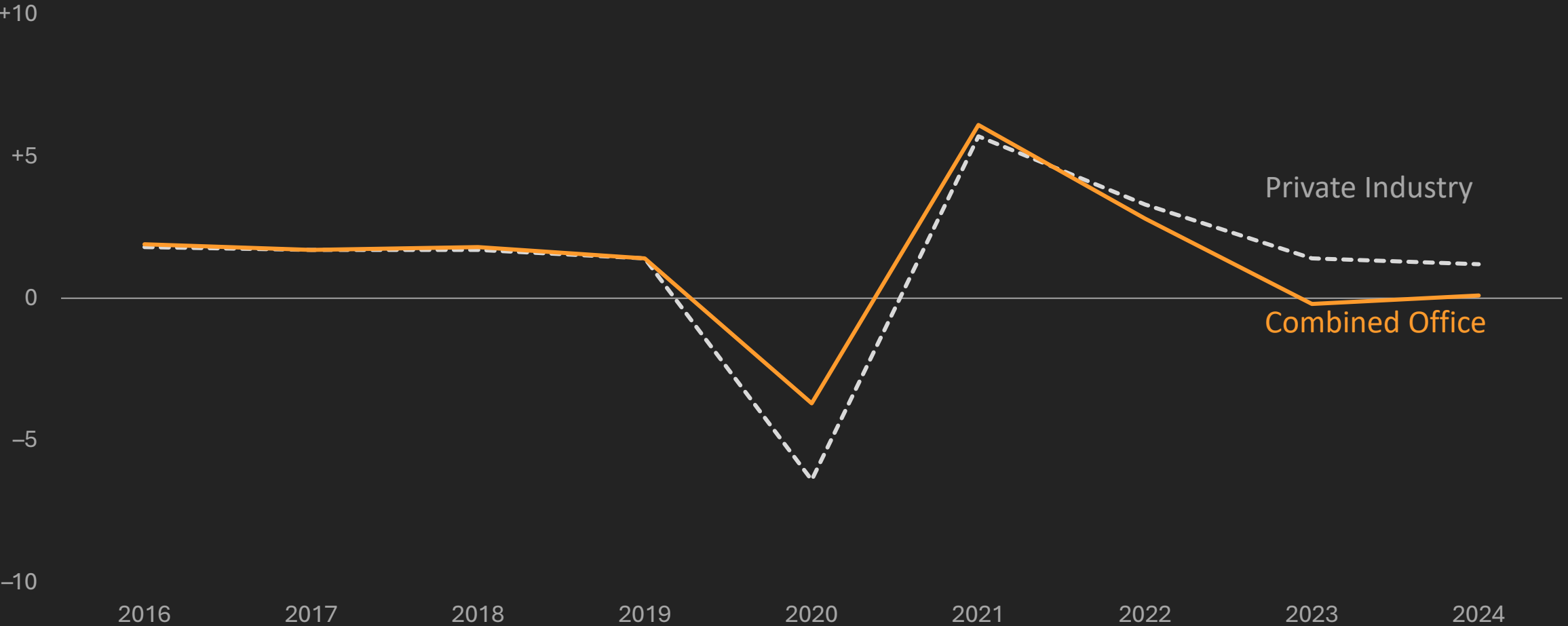
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Combined Office Employment Growth Declined More Significantly in Recent Years

Year-Over-Year Percentage Change



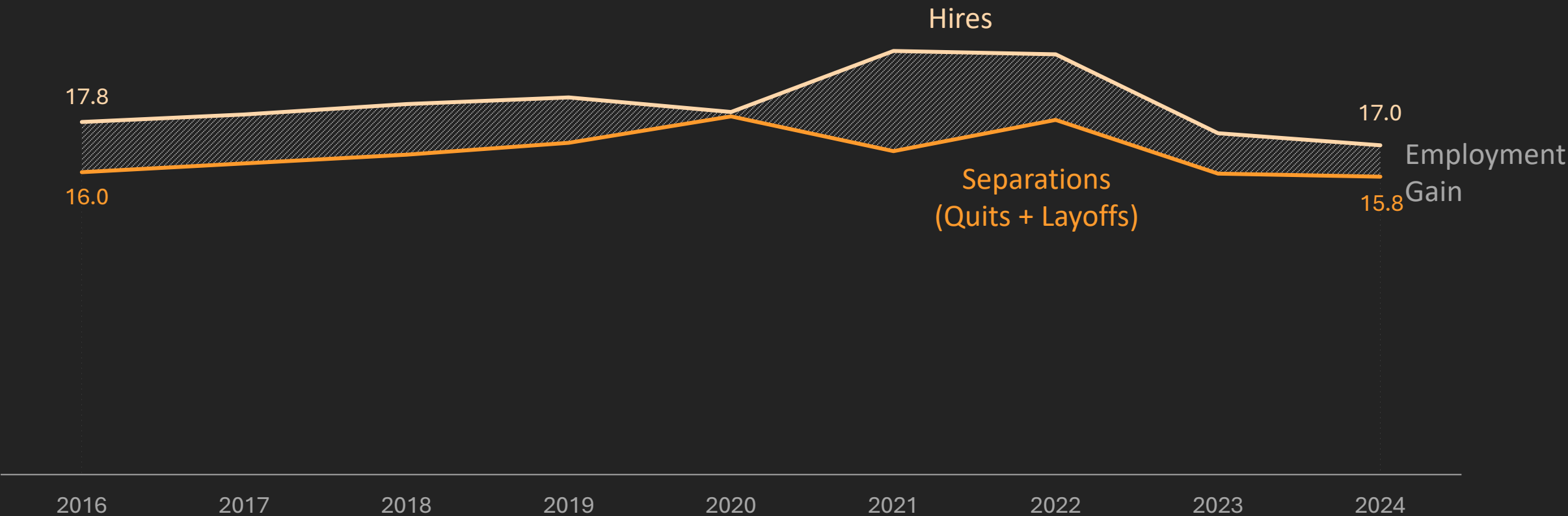
Source: US Bureau of Labor Statistics: Current Employment Statistics (CES)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Less Churn in the Latest Years

Combined Office Sector

Number of Workers
(Millions)

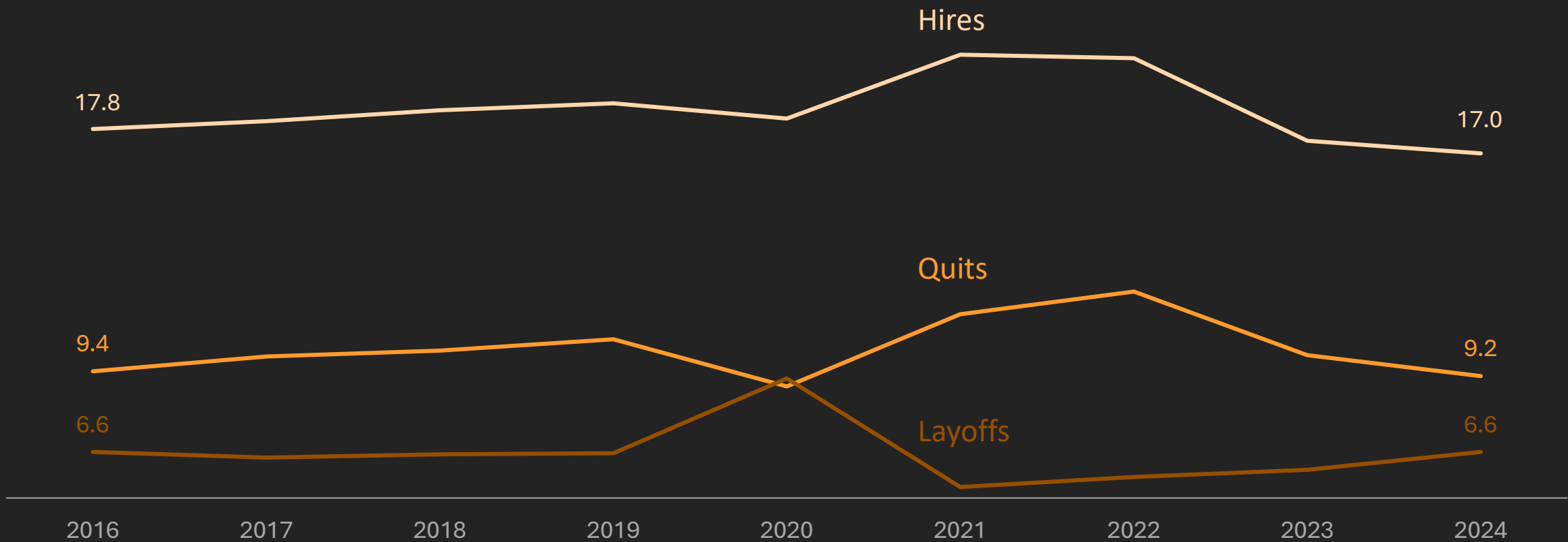


Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

Hires and Quits Decreased, While Layoffs Increased in Recent Years

Combined Office Sector

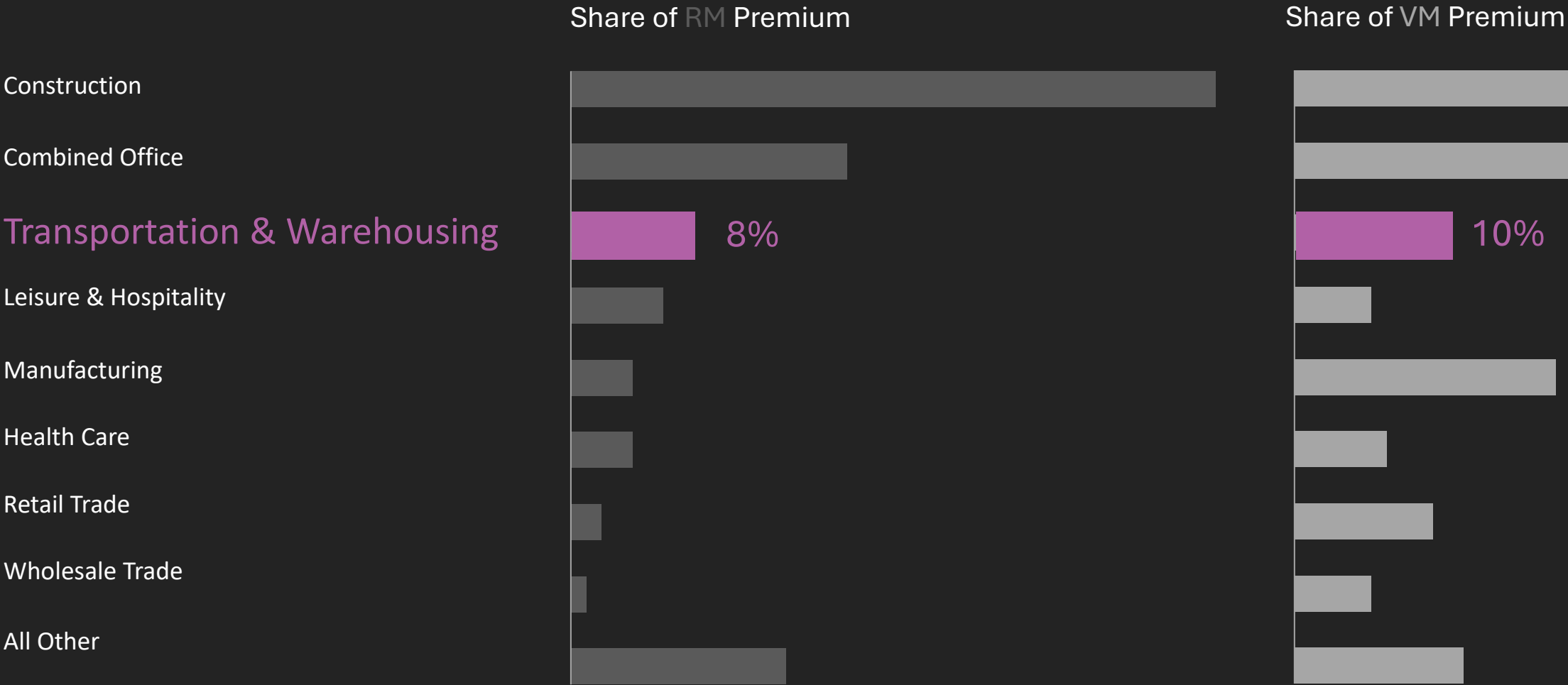
Number of Workers
(Millions)



Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

Similar Market Shares for Transportation & Warehousing (T&W)

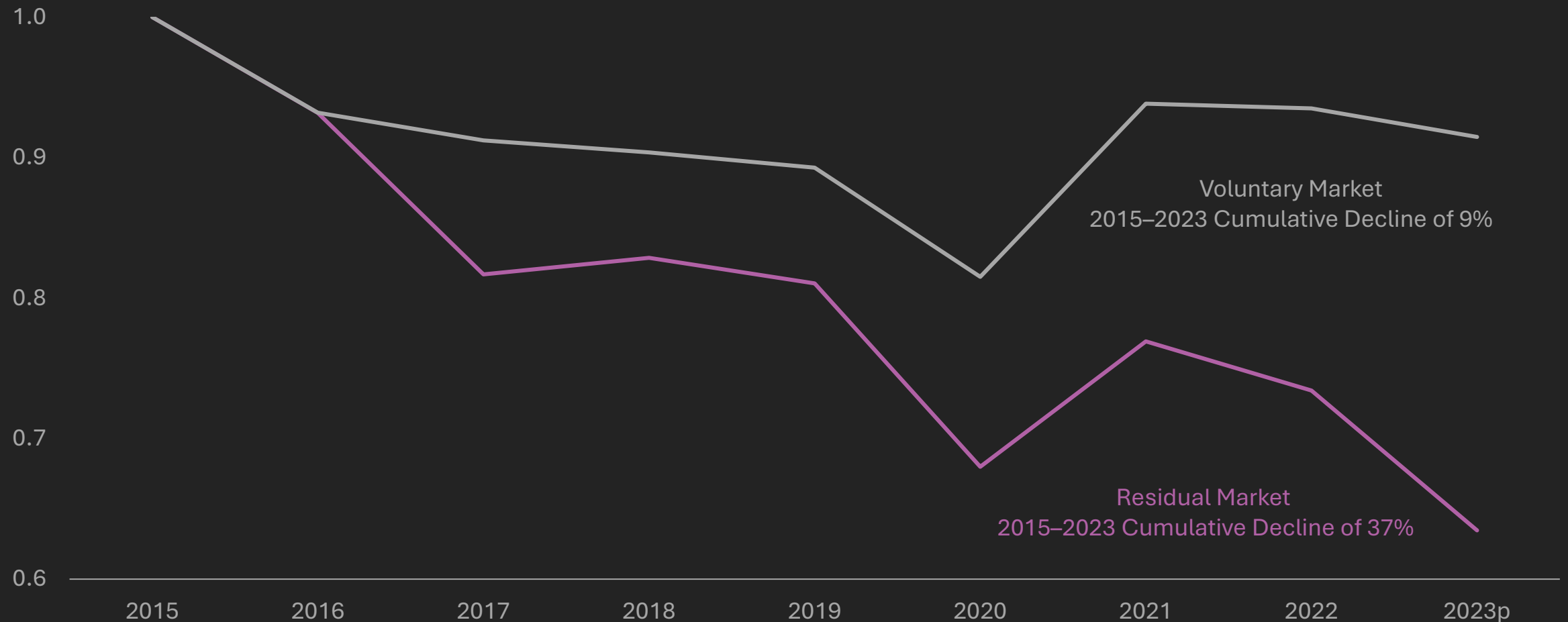
Based on 2023p Premium



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, includes high-deductible policies

T&W Claim Frequency Trend Has Been Relatively Flat in the VM

Cumulative Change in Claim Frequency, Indexed to 2015



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

© 2025 NCCI Holdings, Inc. All Rights Reserved.

RMF
2025

T&W Frequency Declined More Significantly in the RM vs. the VM

Cumulative Change in Frequency, AYs 2015–2023p



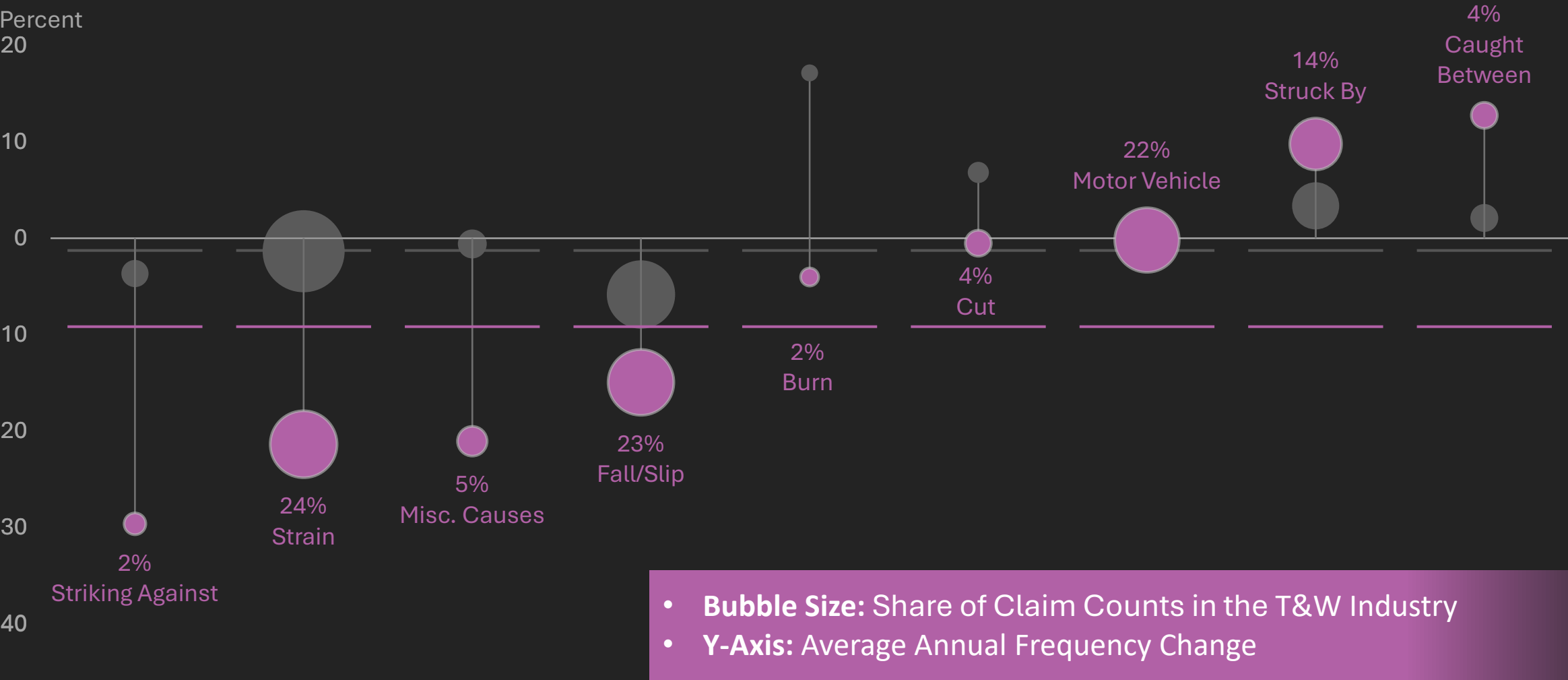
p Preliminary

Source: Based on NCCI’s Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

T&W Claim Counts and Change in Frequency by Cause of Injury

AYs 2021–2023p, VM vs. RM



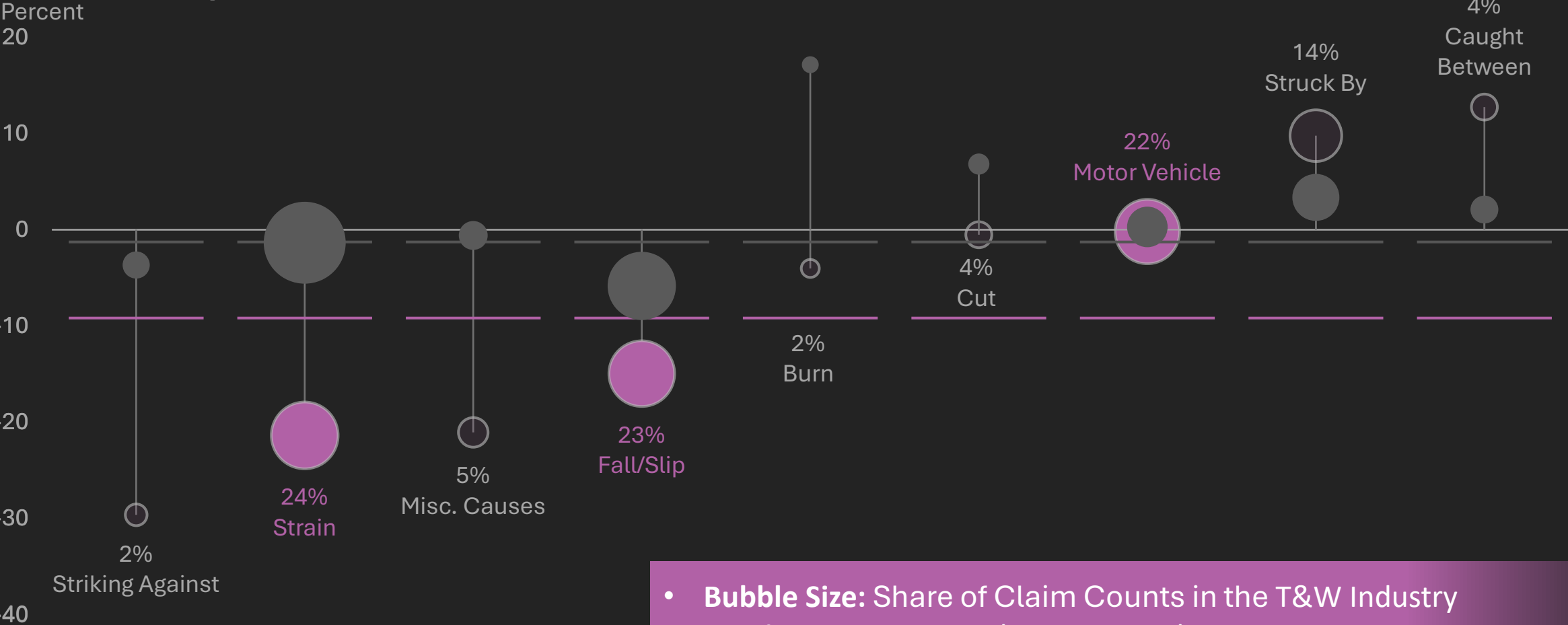
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Strains, Falls/Slips, and Motor Vehicle Accidents Had the Largest Share of Claims in the RM

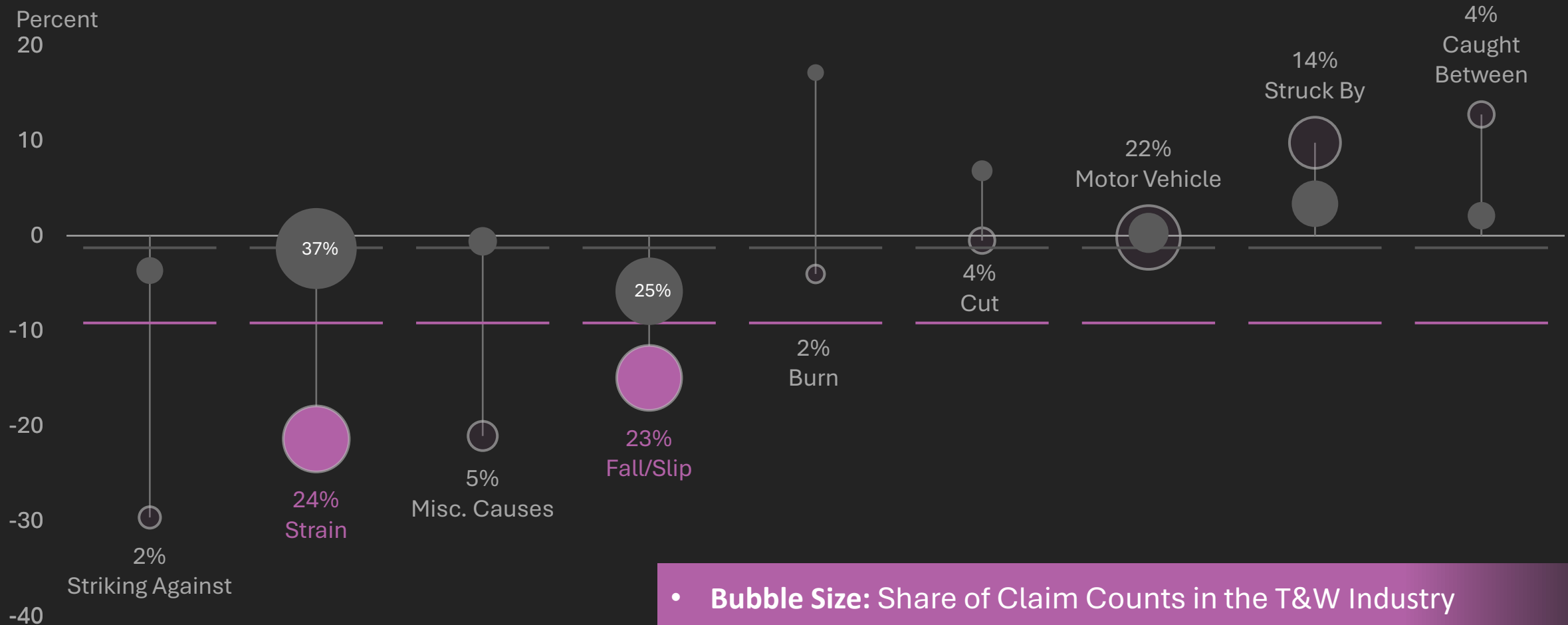
AYs 2021–2023p, VM vs. RM



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Frequency Is Declining Significantly for Strains and Fall/Slips

AYs 2021–2023p, VM vs. RM



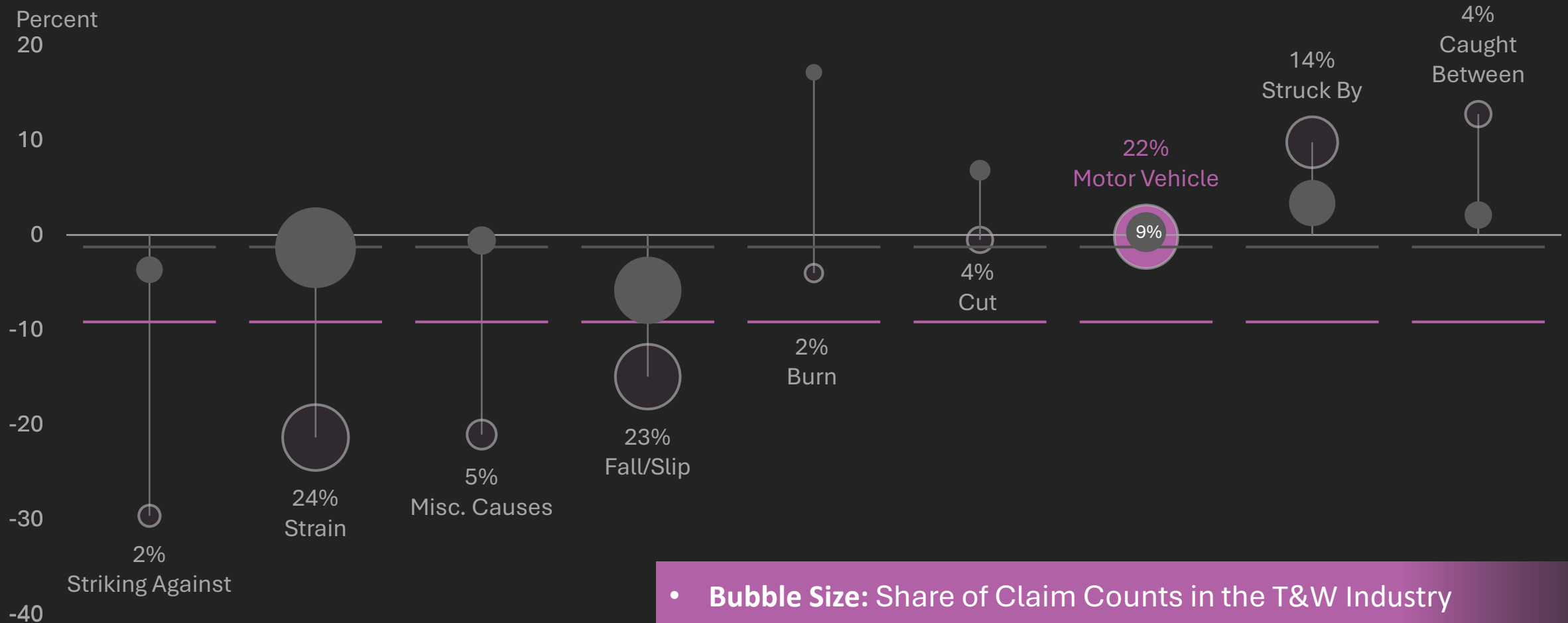
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Frequency of Motor Vehicle Accidents Is NOT Declining

AYs 2021–2023p, VM vs. RM



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

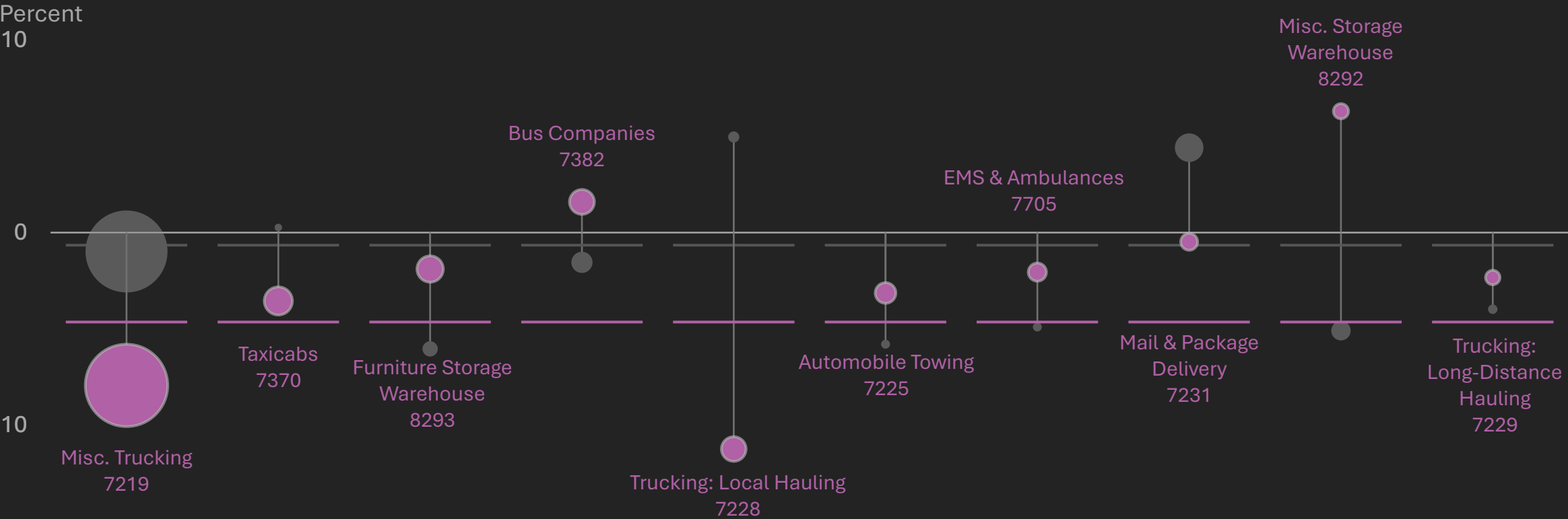
Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

© 2025 NCCI Holdings, Inc. All Rights Reserved.

RMF
2025

Top 10 Transportation & Warehousing Classes

AYs 2015–2023p, VM vs. RM



- **Bubble Size:** Premium Share of the T&W Industry
- **Y-Axis:** Average Annual Frequency Change

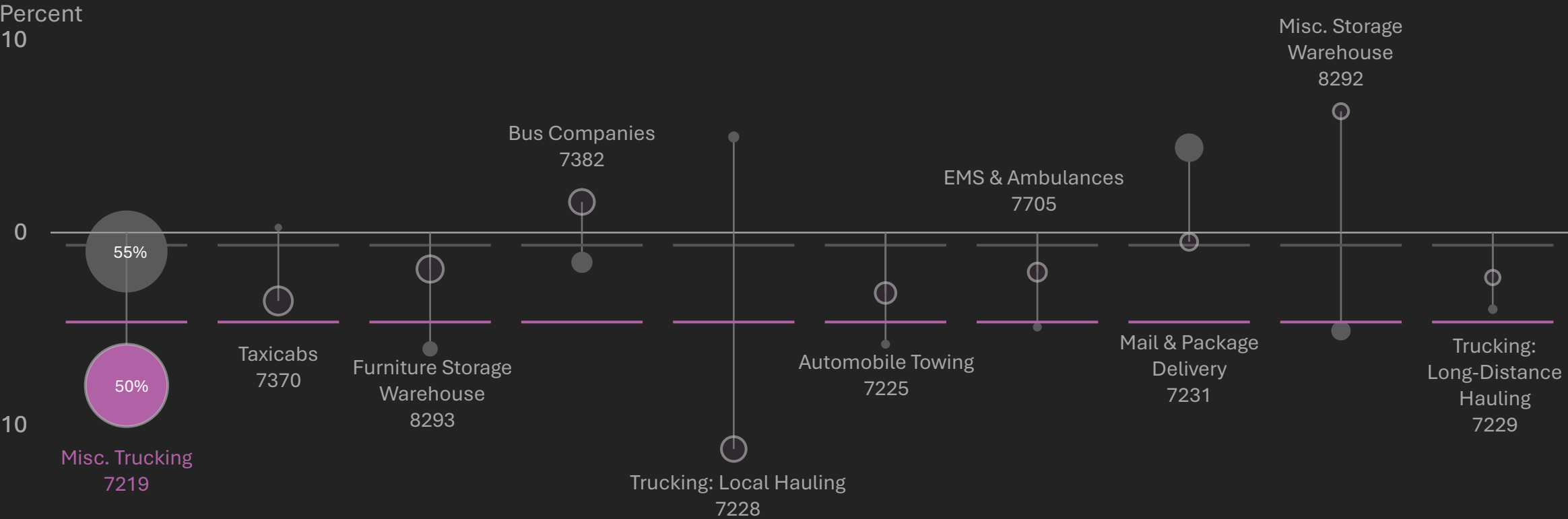
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Miscellaneous Trucking Has the Largest Market Share in T&W

AYs 2015–2023p, VM vs. RM



- **Bubble Size:** Premium Share of the T&W Industry
- **Y-Axis:** Average Annual Frequency Change

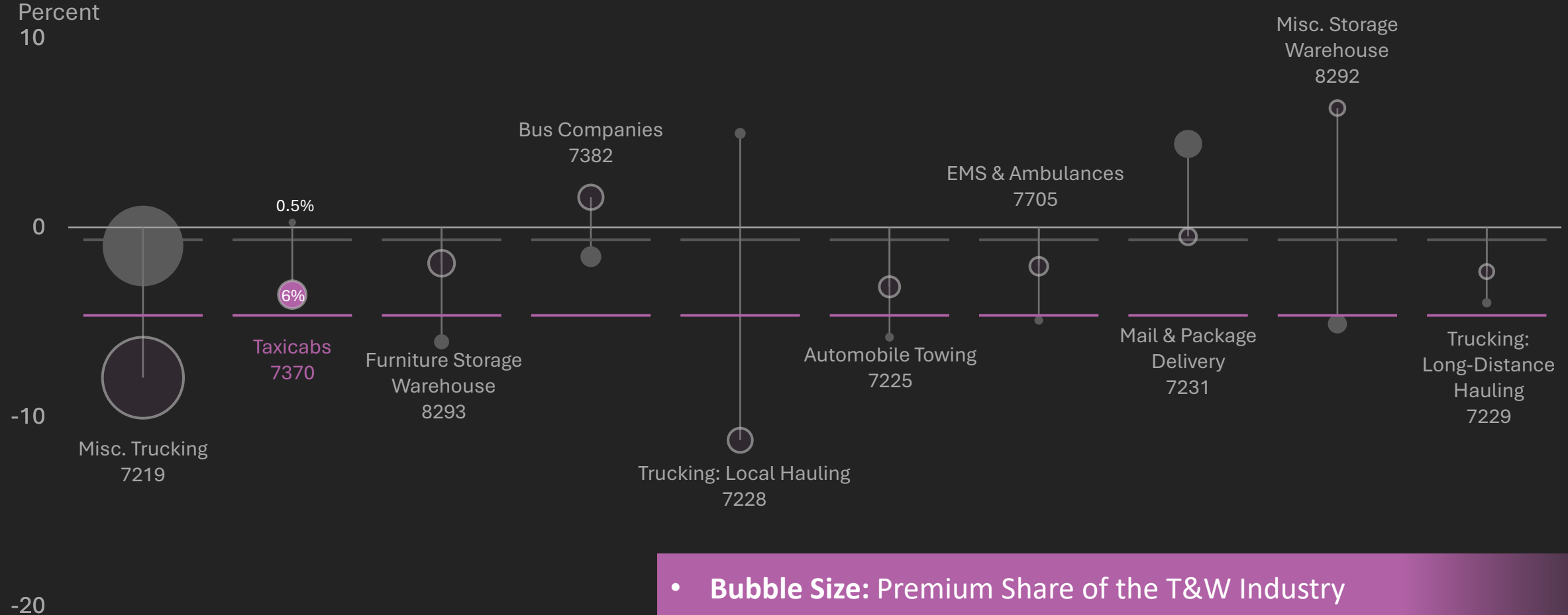
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Taxi Class Is Significantly Larger in the RM Compared to the VM

AYs 2015–2023p, VM vs. RM



p Preliminary

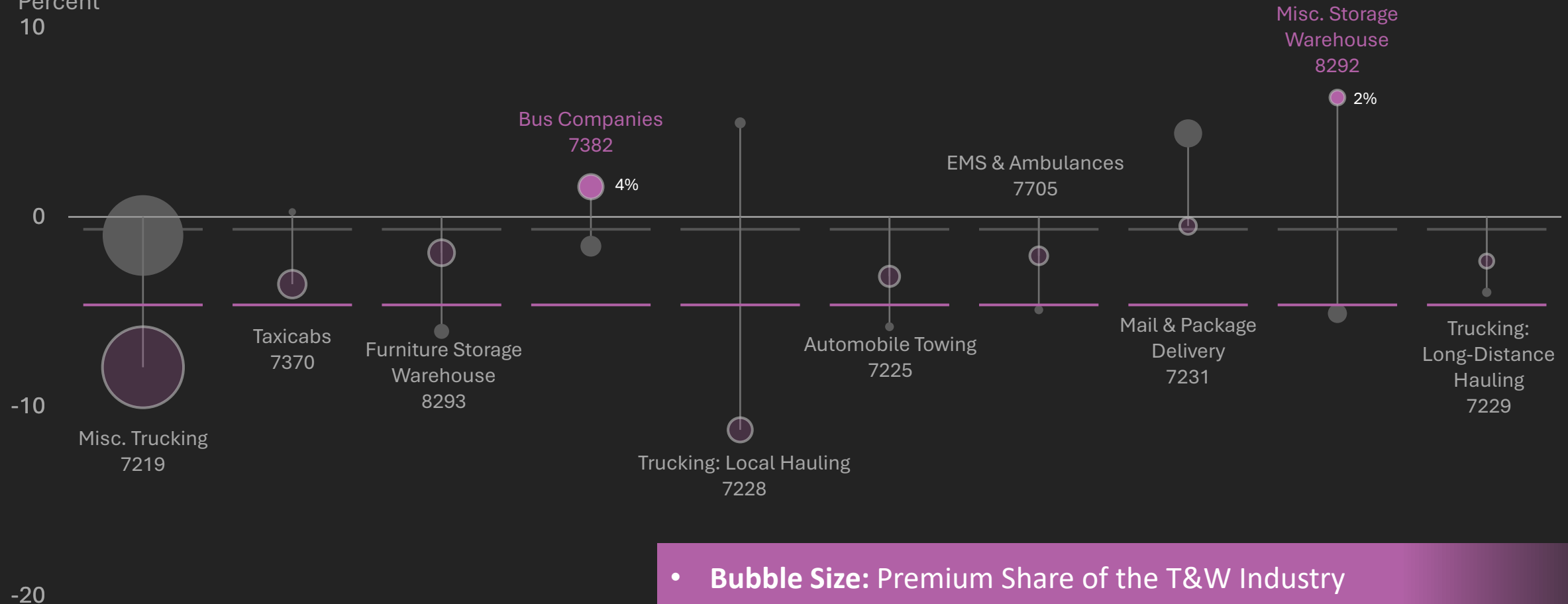
Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Frequency Has Been Increasing for Bus Companies and Storage Warehouse

AYs 2015–2023p, VM vs. RM

Percent
10



- **Bubble Size:** Premium Share of the T&W Industry
- **Y-Axis:** Average Annual Frequency Change

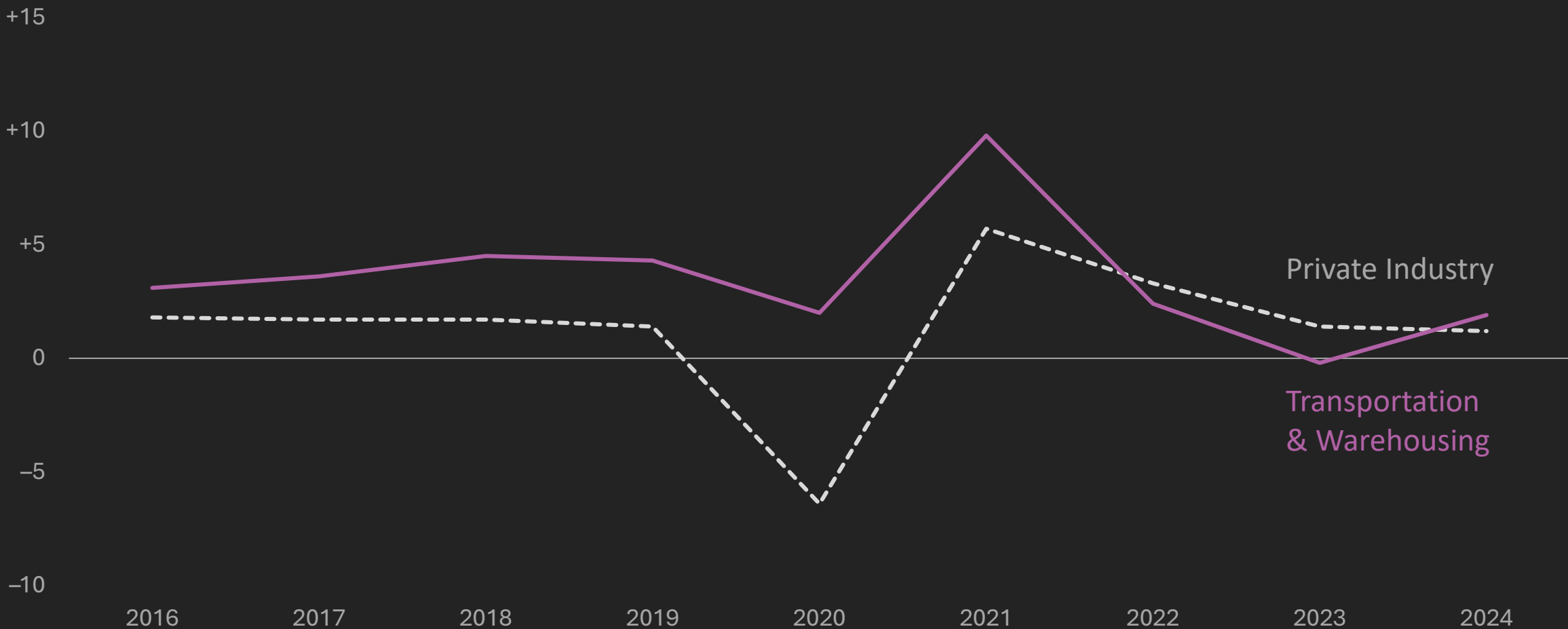
p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Transportation & Warehousing Employment Growth

Year-Over-Year Percentage Change



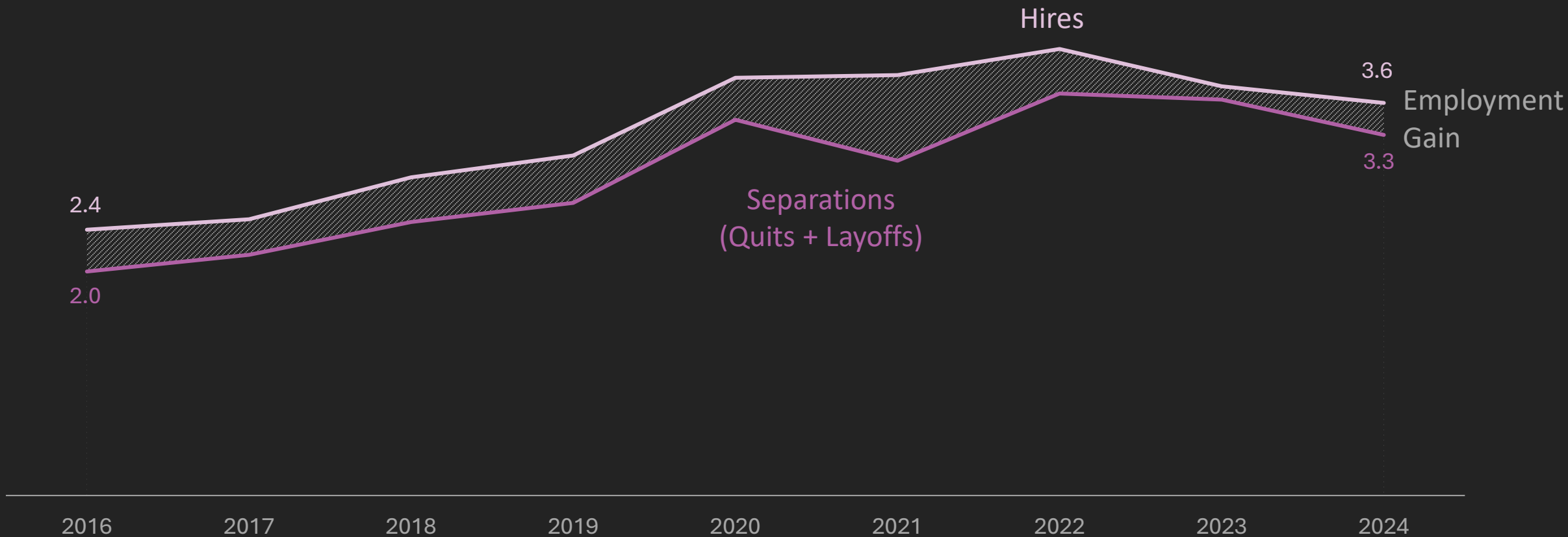
Source: US Bureau of Labor Statistics: Current Employment Statistics (CES)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Employment Has Slowed, but There Is Still Elevated Churn

Transportation & Warehousing

Number of Workers
(Millions)

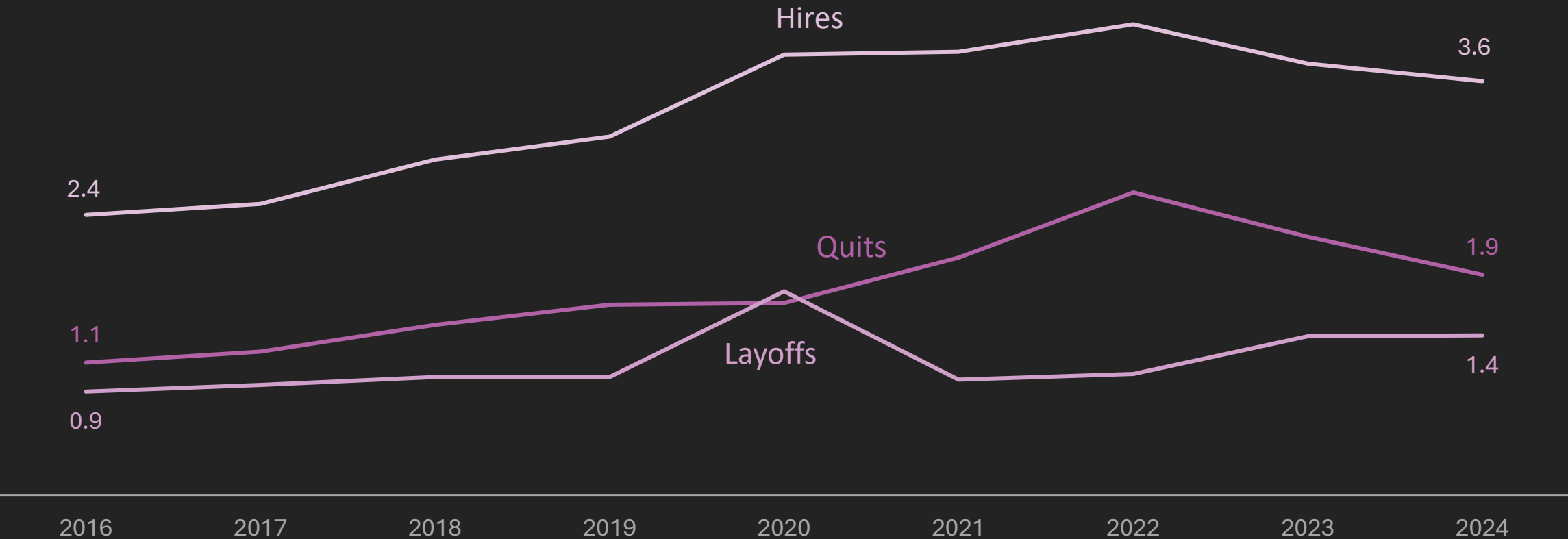


Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

Turnover Driven by Quits, Not Layoffs

Transportation & Warehousing

Number of Workers
(Millions)

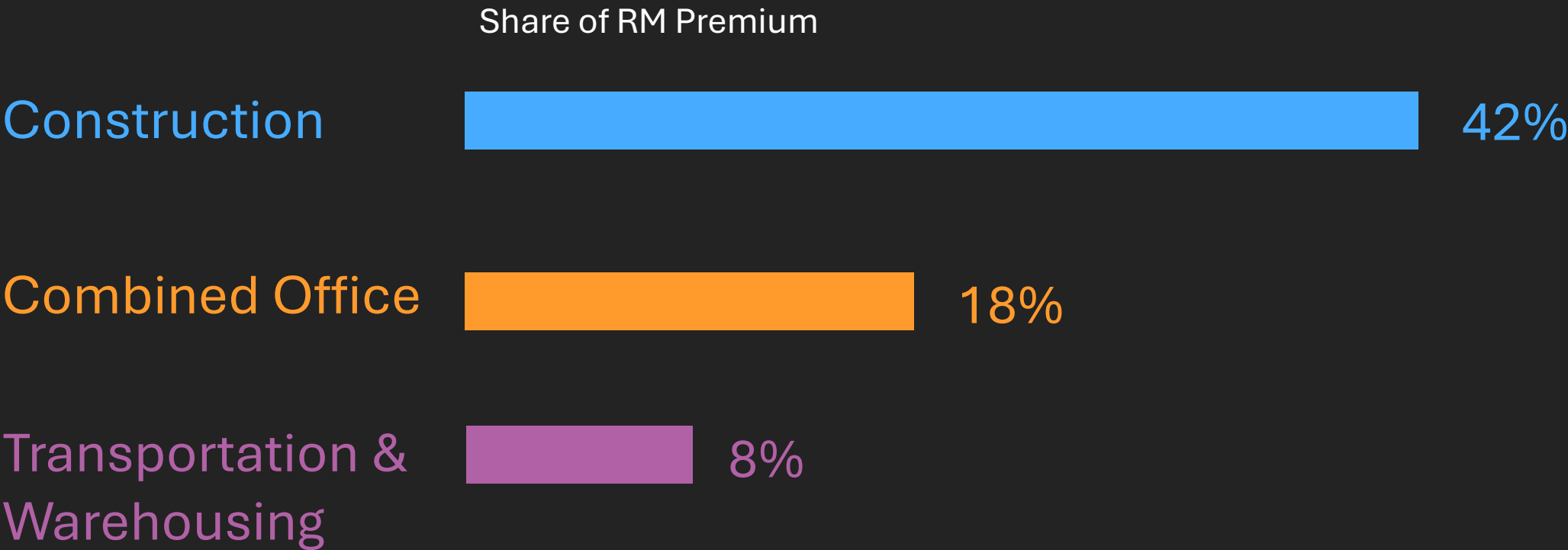


Source: US Bureau of Labor Statistics: Job Openings and Labor Turnover Survey (JOLTS)

© 2025 NCCI Holdings, Inc. All Rights Reserved.

Top Three RM Industries

Based on 2023p Premium



p Preliminary
Source: Based on NCCI's Statistical Plan data at first report
Includes all states where NCCI provides ratemaking services, includes high-deductible policies

Construction Insights

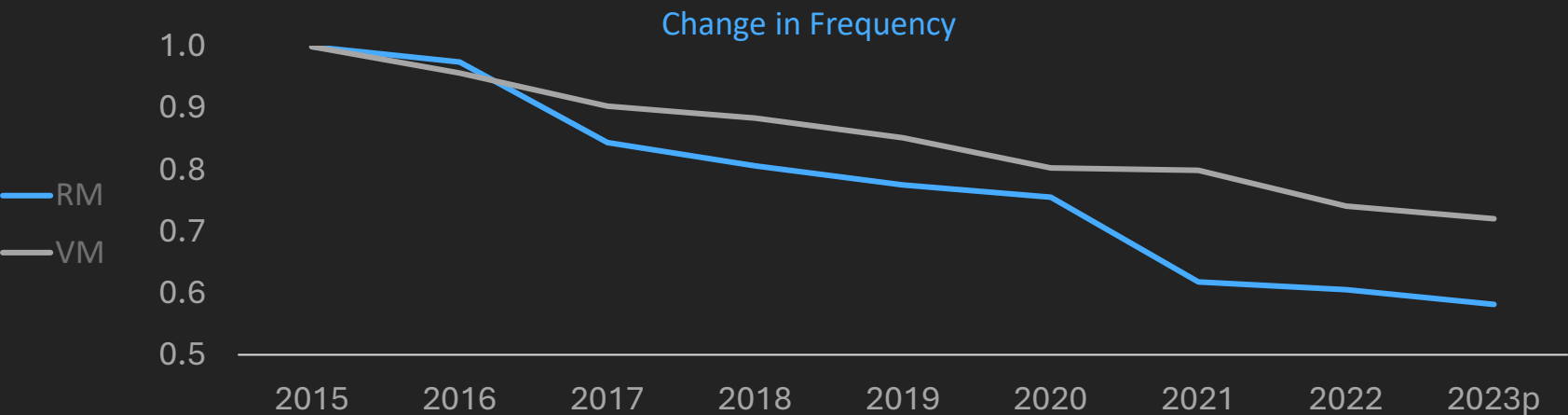
Share of RM Premium

Construction



42%

- Claim frequency in Construction has been declining in both the residual and voluntary markets, with particularly steep decreases in the RM in 2017 and 2021.
- The improving frequency may be attributed to layoffs outpacing quits and a reduction in recent turnover.

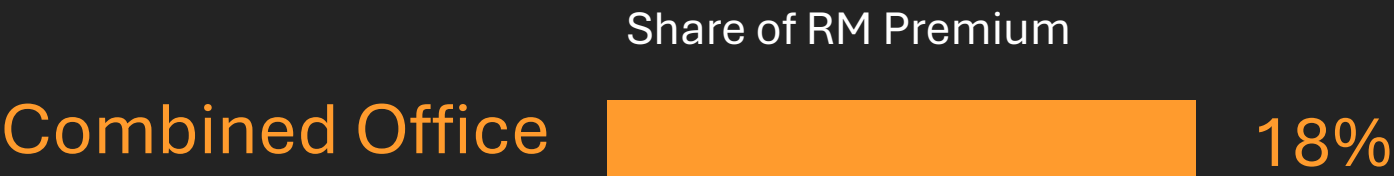


p Preliminary

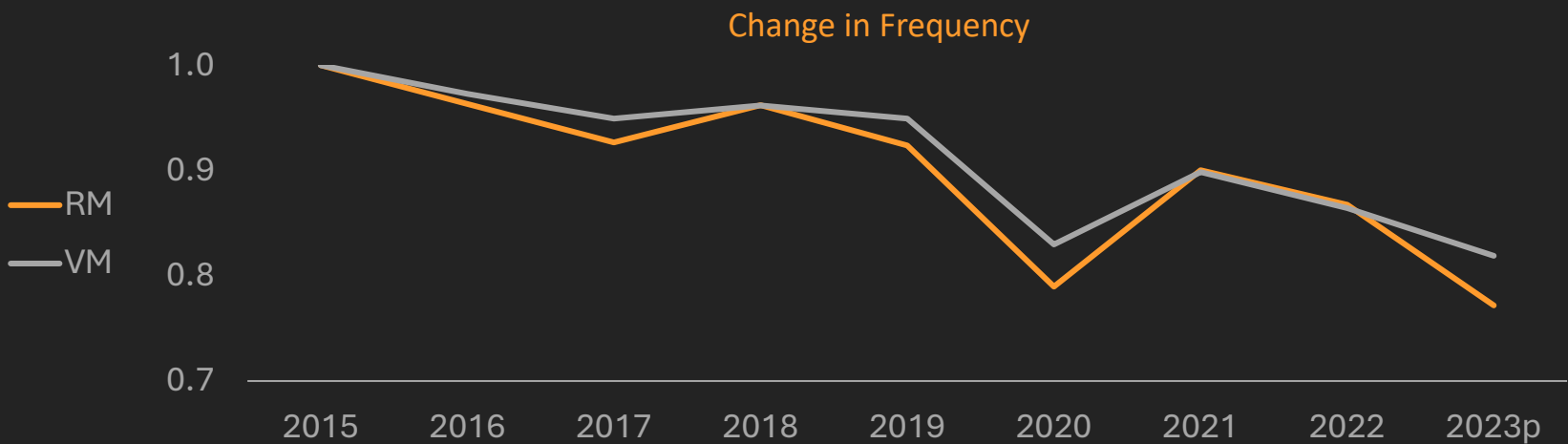
Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Combined Office Insights



- The Combined Office industry in the Residual and Voluntary markets has a comparable share of premium, with similar declining frequency trends.
- Frequency improvement in recent years may be related to declining new hires and quits.

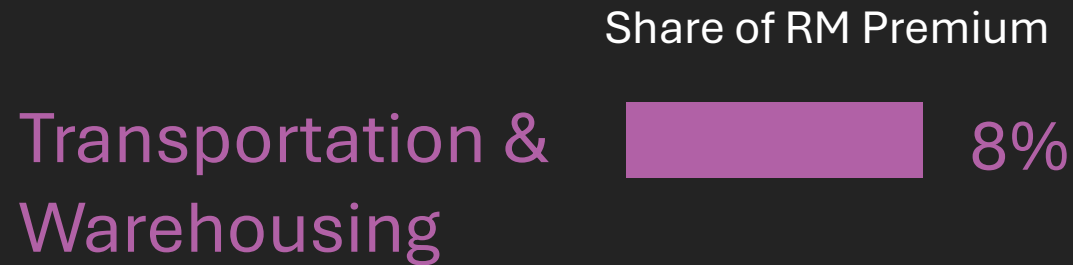


p Preliminary

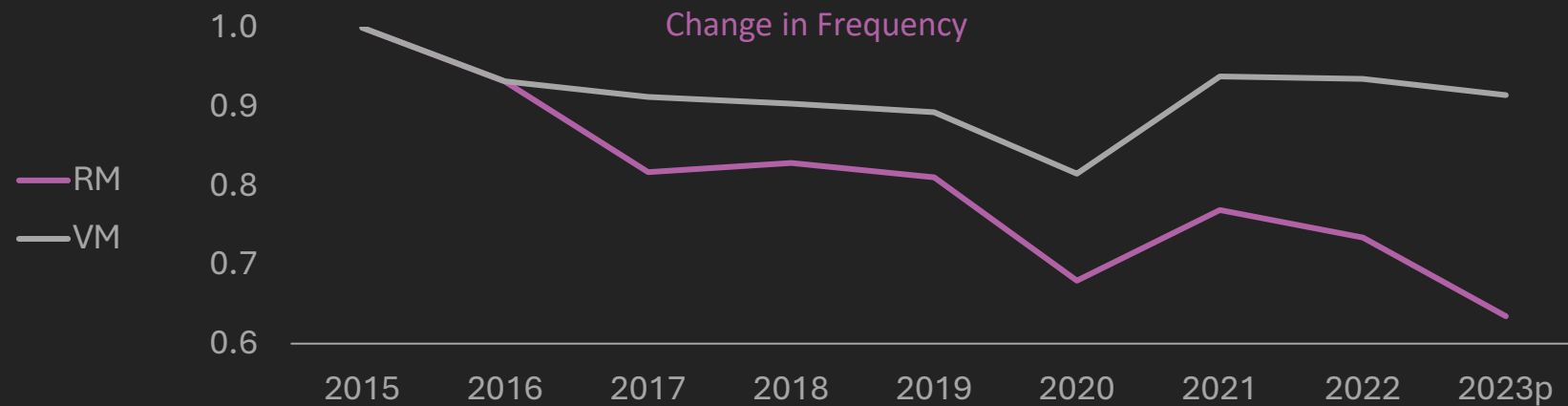
Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims

Transportation & Warehousing Insights



- RM frequency declined while the VM frequency stayed relatively flat.
- The flatter frequency trend may be related to higher labor market turnover rates, but this churn appears to be subsiding in 2023 and 2024.



p Preliminary

Source: Based on NCCI's Statistical Plan data at first report

Includes all states where NCCI provides ratemaking services, frequency is lost-time claims per \$1M Pure Premium, includes high-deductible policies, and excludes COVID-19 claims