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Residual Market Forum

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Fast- vs. Slow-Emerging Large Claims

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Actuary II
NCCI

What’s The Story With Large Claims This Year?

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Fast- vs. Slow-Emerging Large Claims (ELCs)

Large Claim Threshold of **$1 million**

- **$Fast_{ELC}$:** reach $1 million **within** ~ 2 years of the accident
- **$Slow_{ELC}$:** reach $1 million **after** 2 years

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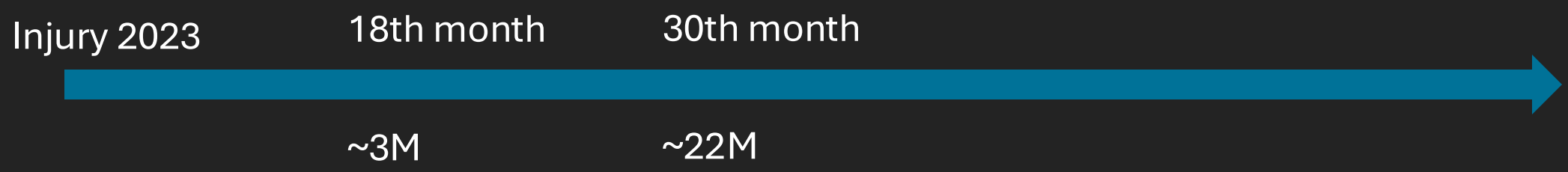
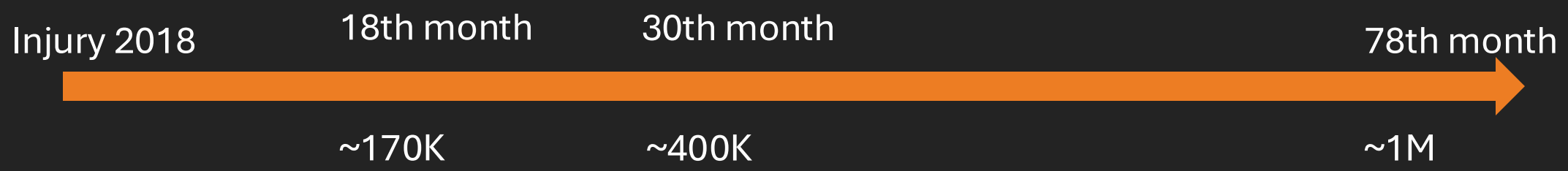
Residual Market's Examples of $Fast_{ELC}$ and $Slow_{ELC}$

$Fast_{ELC}$: Class 5551 Roofing, Neck injury—Fell from roof



$Slow_{ELC}$: Class 7219 Trucking, Multiple injuries—Struck by an object



Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are inflation-adjusted to 2024 dollars

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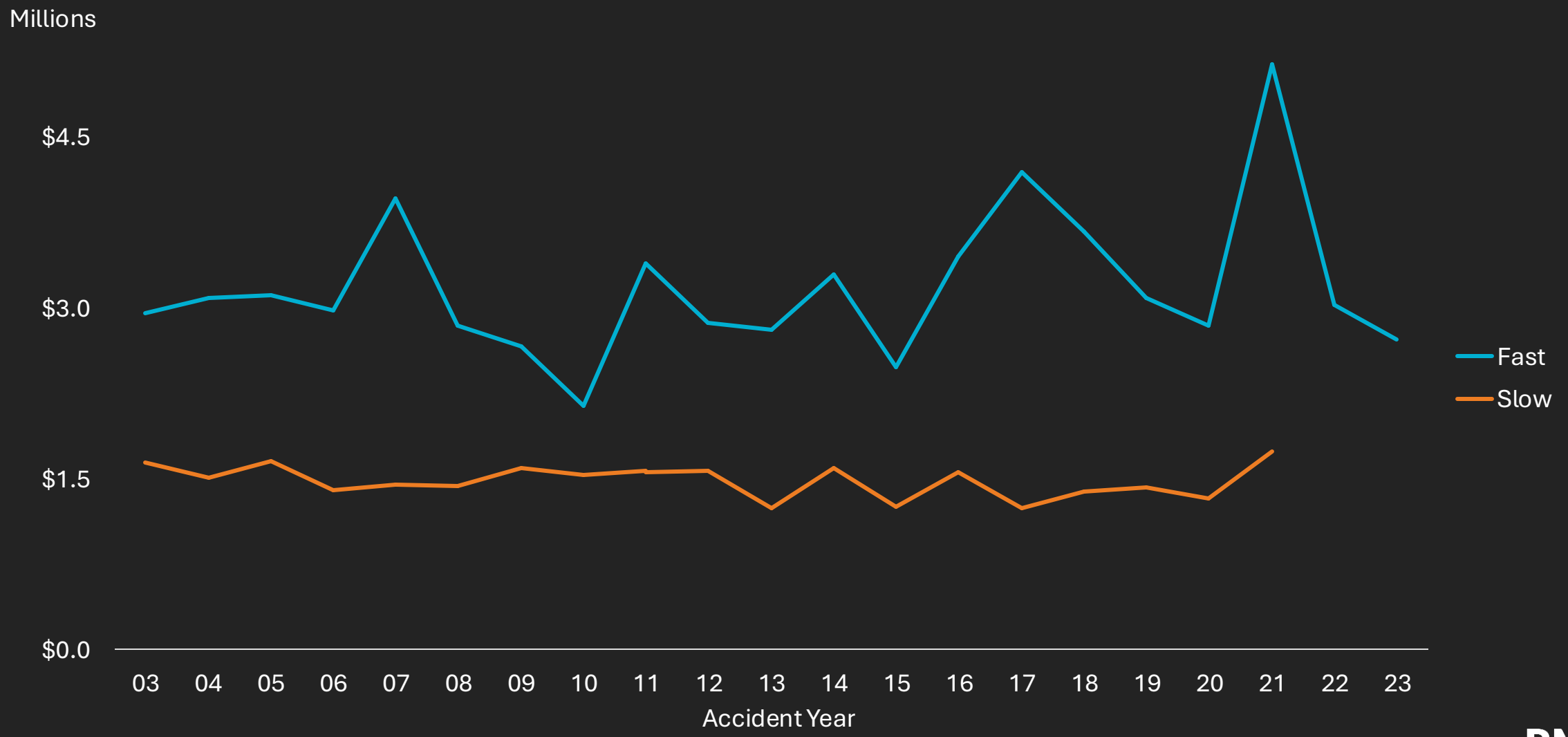
Residual Market Ultimate Severities: $Fast_{ELC}$ ≈ 2x $Slow_{ELC}$



Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are developed to ultimate and inflation-adjusted to 2024 dollars

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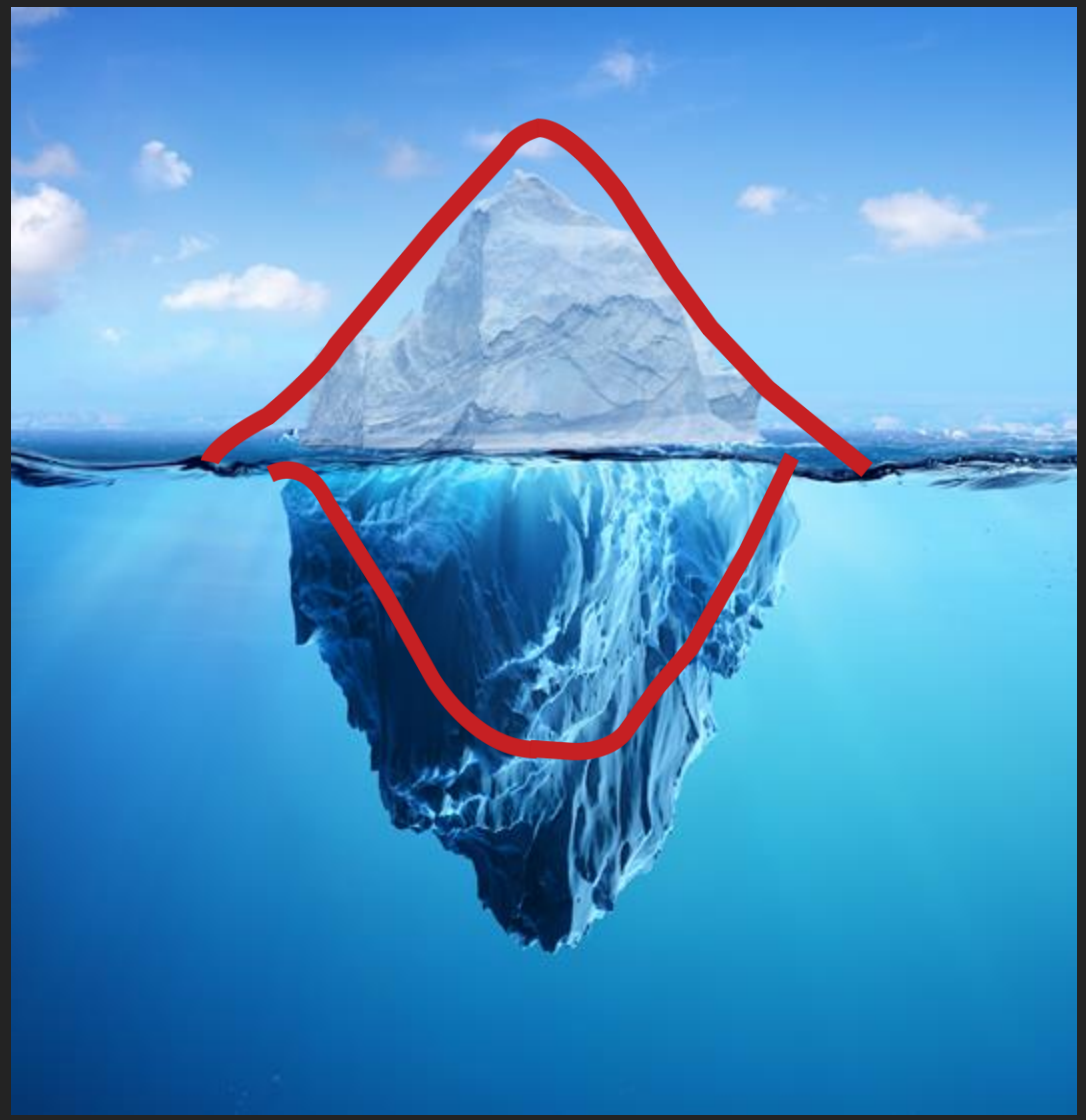
Trends in Large Claims (Voluntary + Residual Markets)



- The share of **$Fast_{ELC}$** has been gradually rising
- The share of **$Slow_{ELC}$** has declined significantly

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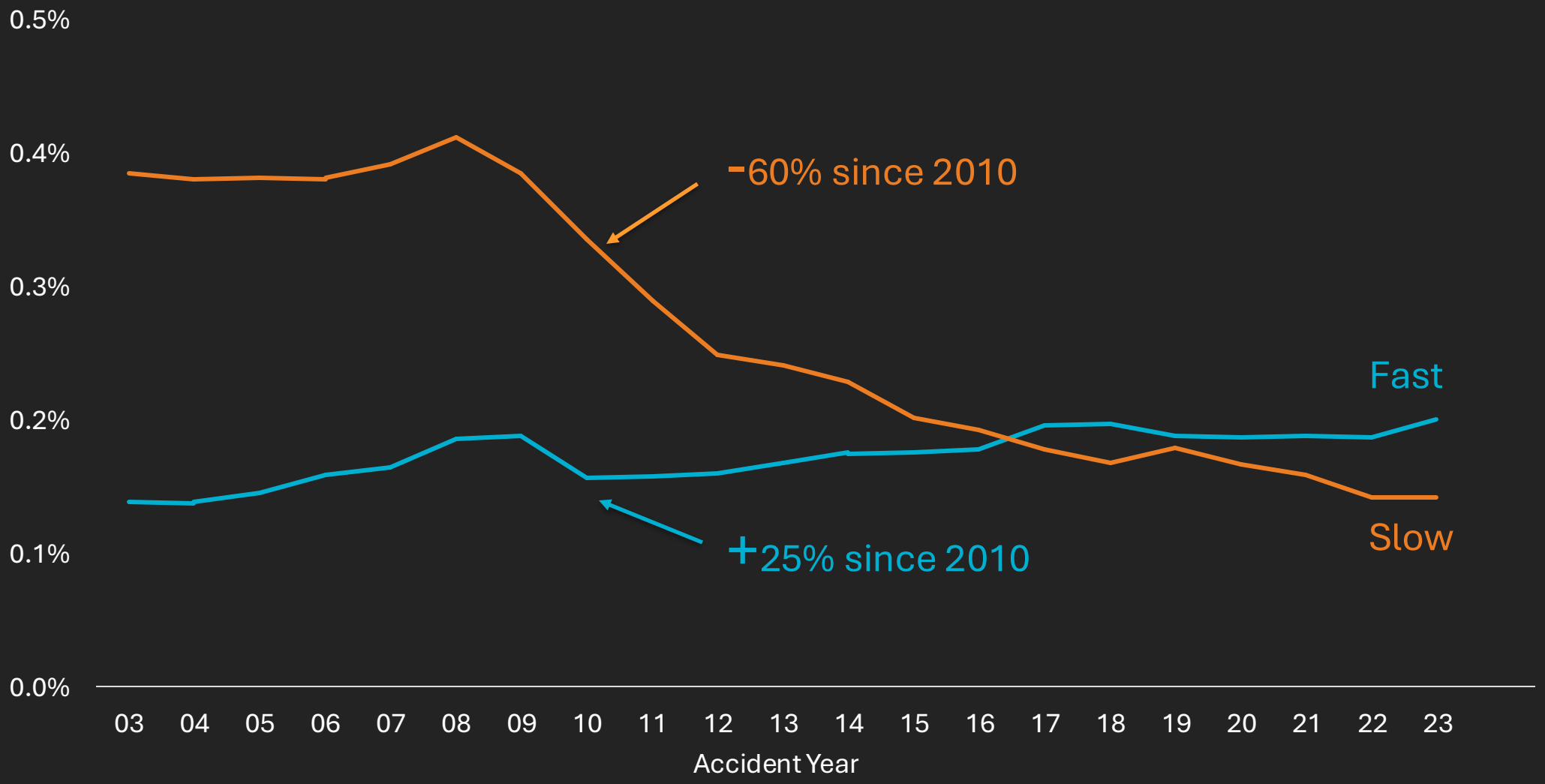
Share of $Fast_{ELC}$ and $Slow_{ELC}$ Among Lost-Time Claims

Voluntary + Residual Markets



Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are developed to ultimate and inflation-adjusted to 2024 dollars

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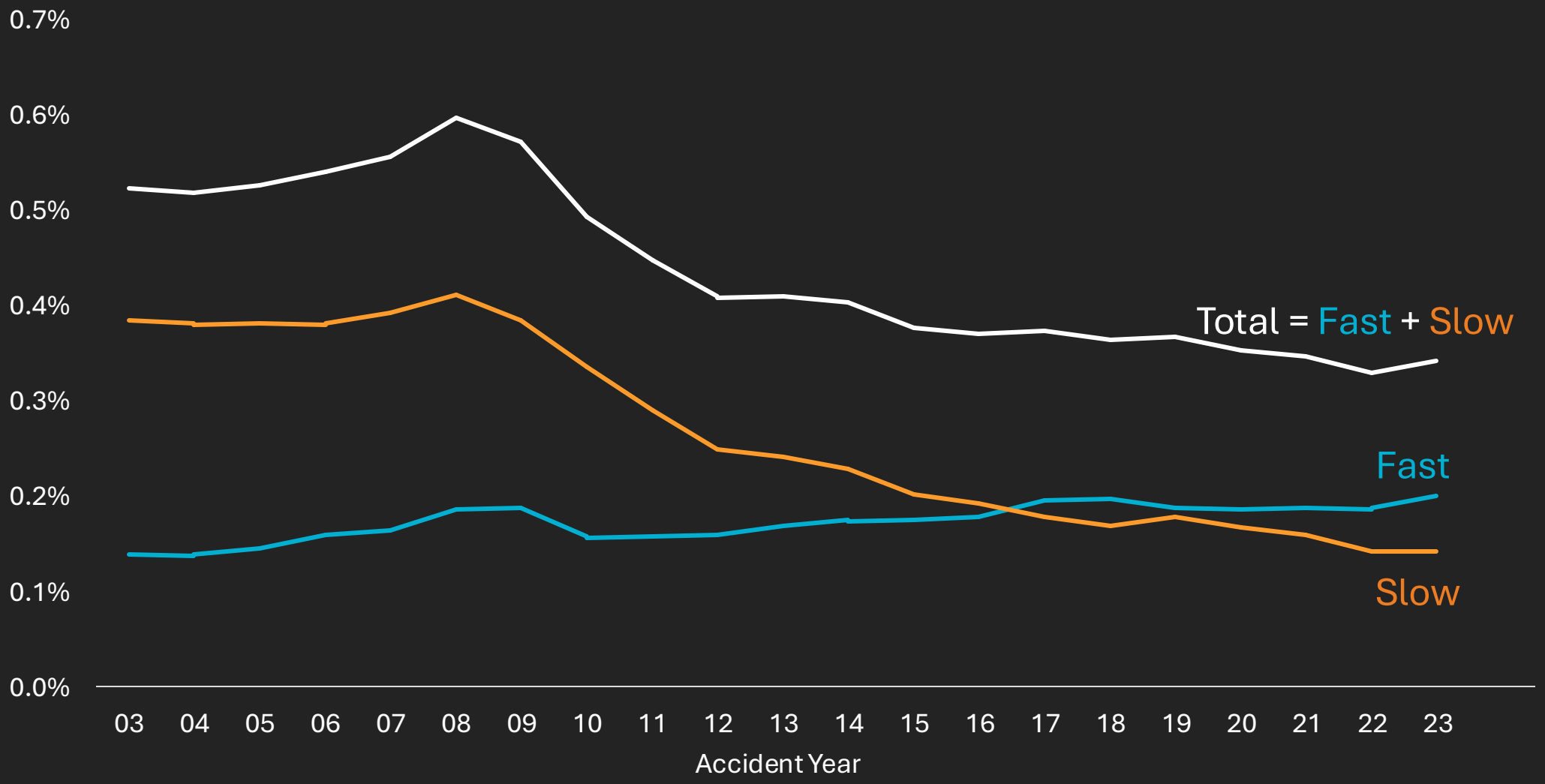
Share of Large Claims Among Lost-Time Claims

Voluntary + Residual Markets



Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are developed to ultimate and inflation-adjusted to 2024 dollars

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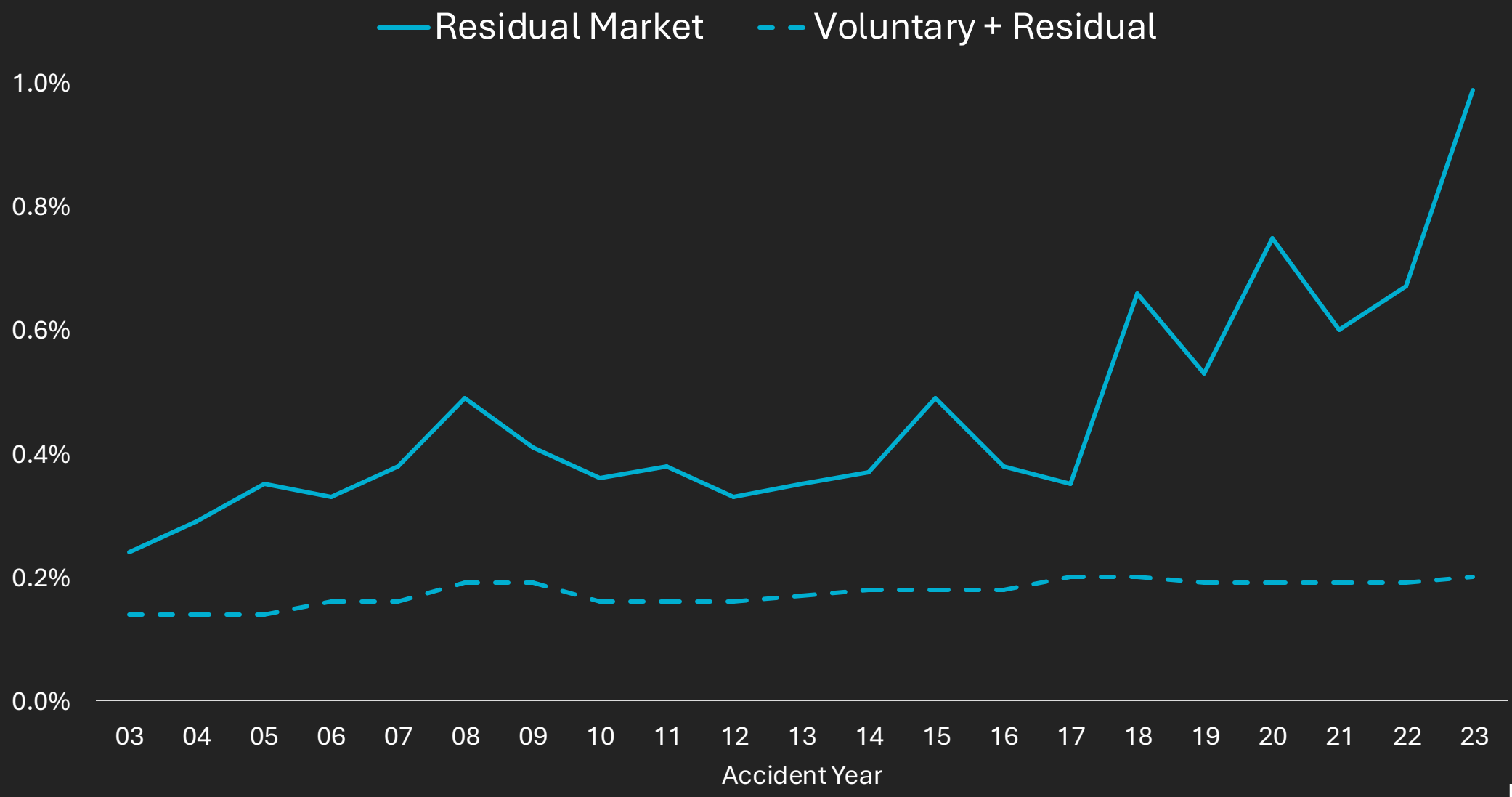
Residual Market's Share of $Fast_{ELC}$ Among Lost-Time Claims



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Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are developed to ultimate and inflation-adjusted to 2024 dollars

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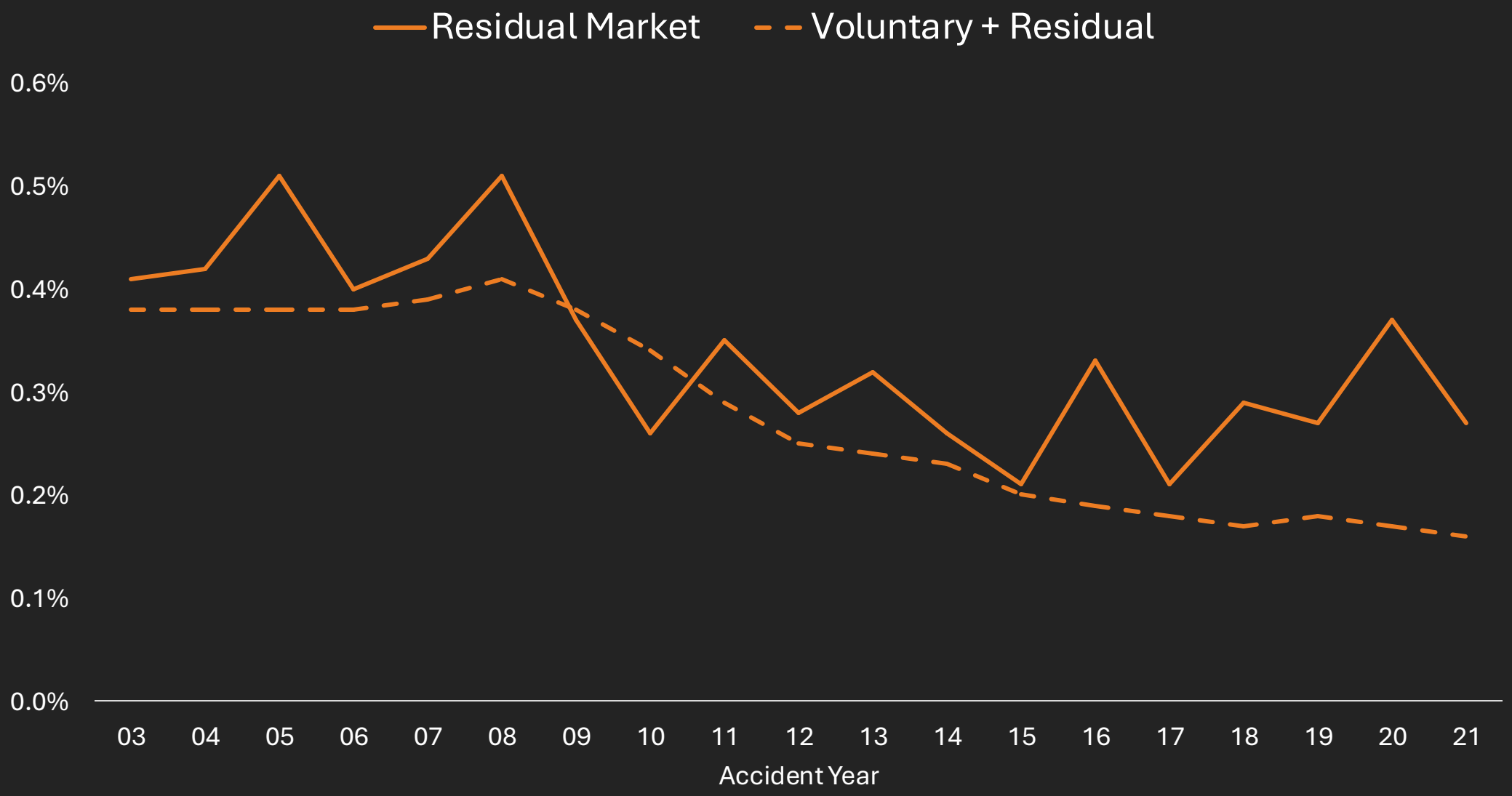
Residual Market's Share of Slow_{ELC} Among Lost-Time Claims



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Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are developed to ultimate and inflation-adjusted to 2024 dollars

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Impact of Large-Claim Development Changes

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How Changing Emergence Patterns Affect Loss Projections

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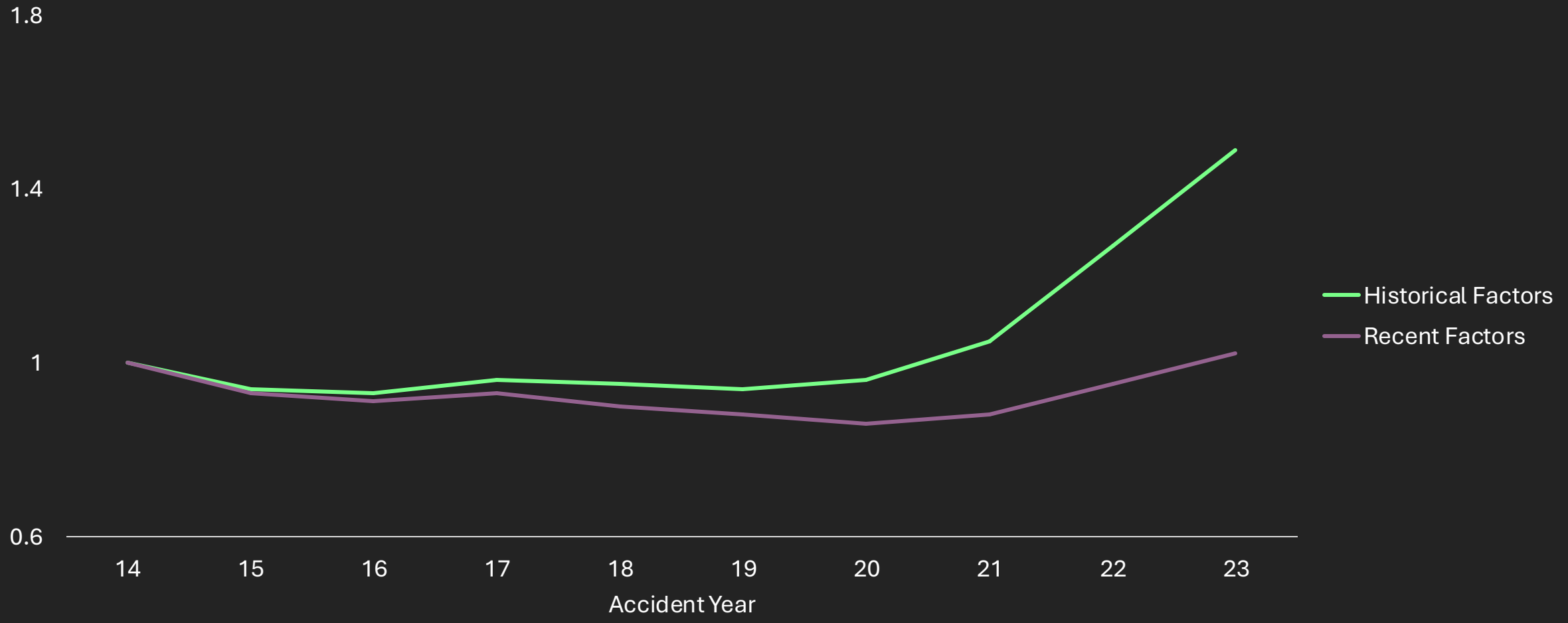
Estimated Trend In Large-Claim Share

Voluntary + Residual Markets



Source: NCCI's Statistical Plan data, which excludes DE, MA, MI, and NJ; claims are inflation-adjusted to 2023 dollars and developed to ultimate with factors calculated using different years of data; 2014 is the base year for the share index

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NCCI's Large Loss Resources

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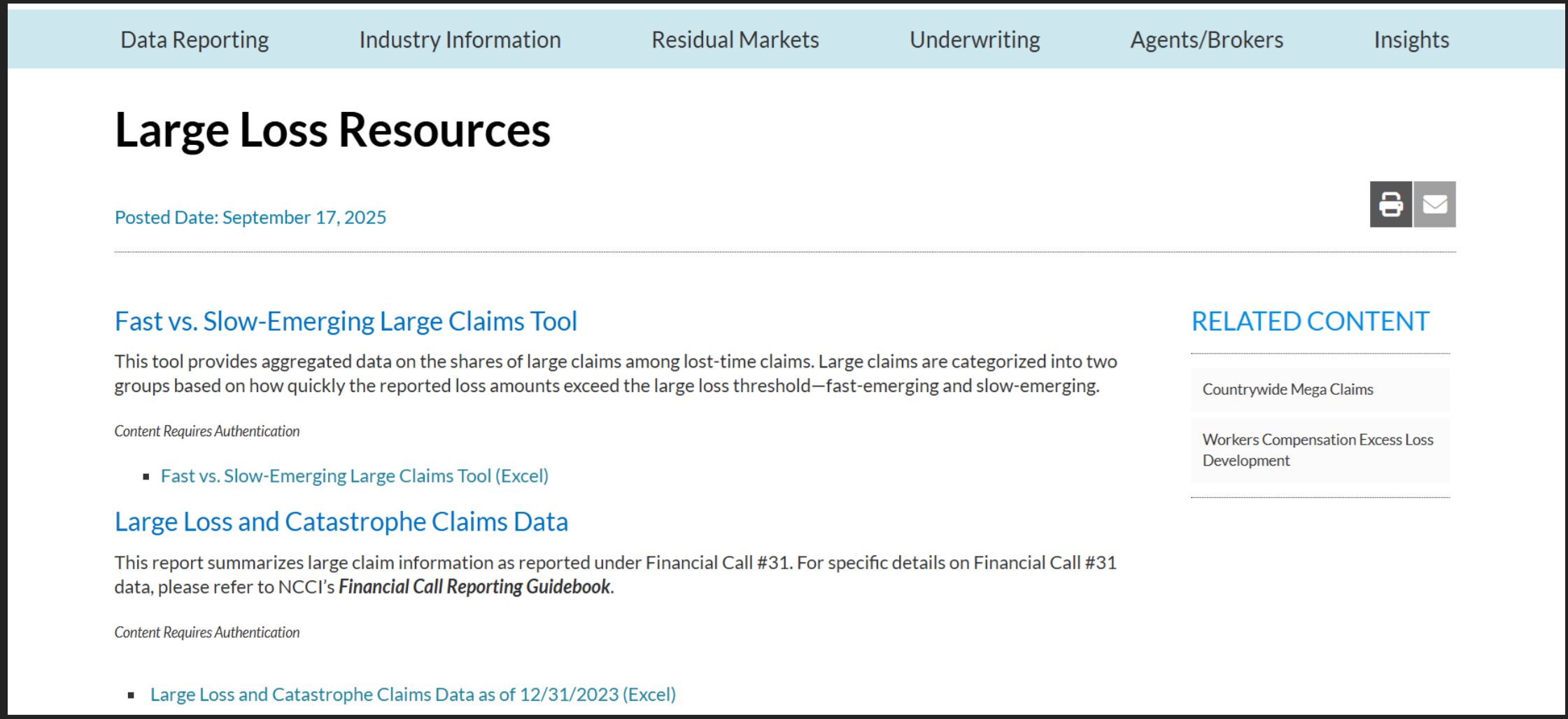
Tools Available on **ncci.com**



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Large Loss Resources

Posted Date: September 17, 2025

Fast vs. Slow-Emerging Large Claims Tool

This tool provides aggregated data on the shares of large claims among lost-time claims. Large claims are categorized into two groups based on how quickly the reported loss amounts exceed the large loss threshold—fast-emerging and slow-emerging.

Content Requires Authentication

- Fast vs. Slow-Emerging Large Claims Tool (Excel)

Large Loss and Catastrophe Claims Data

This report summarizes large claim information as reported under Financial Call #31. For specific details on Financial Call #31 data, please refer to NCCI's ***Financial Call Reporting Guidebook***.

Content Requires Authentication

- Large Loss and Catastrophe Claims Data as of 12/31/2023 (Excel)

RELATED CONTENT

Countrywide Mega Claims

Workers Compensation Excess Loss Development

www.ncci.com/Articles/Pages/II_Large_Loss_and_Catastrophe_Claims_Data.aspx

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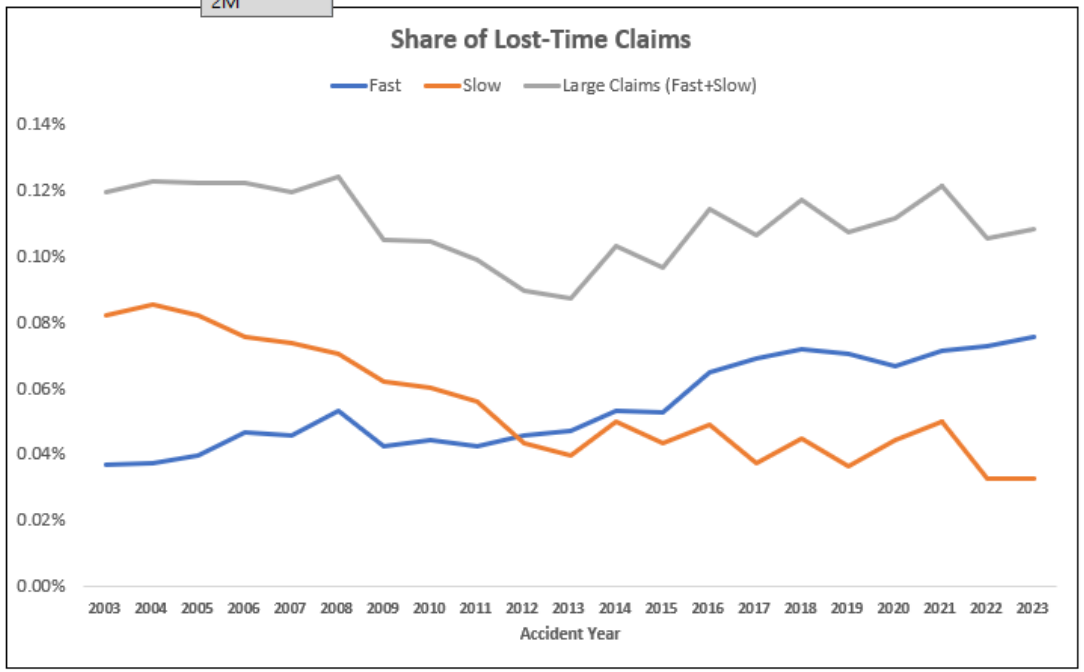
Fast- vs. Slow-Emerging Large Claims Tool

FAST- AND SLOW-EMERGING LARGE CLAIMS

Exhibit - All $Fast_{ELC}$ are claims that reach the **selected threshold** within the first two Unit Data reports, while $Slow_{ELC}$ are claims that reach the threshold after the 2nd report.

Large Claim Threshold 2M Please select a threshold

- 500K
- 1M
- 2M



	Share of Lost-Time Claims			Ultimate Lost-Time Claim Counts			Ultimate Lost-Time Severity		
Accident Year	$FAST_{ELC}$	$SLOW_{ELC}$	Large Claims	$FAST_{ELC}$	$SLOW_{ELC}$	Large Claims	$FAST_{ELC}$	$SLOW_{ELC}$	Large Claims
2003	0.04%	0.08%	0.12%	197	437	634	$5,169,776	$2,926,927	$3,623,426
2004	0.04%	0.09%	0.12%	194	444	638	$5,221,175	$2,987,536	$3,666,746
2005	0.04%	0.08%	0.12%	202	418	620	$5,066,600	$3,027,953	$3,692,646
2006	0.05%	0.08%	0.12%	235	382	617	$4,882,406	$2,970,289	$3,698,225
2007	0.05%	0.07%	0.12%	231	371	602	$4,937,193	$2,766,219	$3,598,890
2008	0.05%	0.07%	0.12%	252	332	584	$5,250,601	$2,809,731	$3,863,684
2009	0.04%	0.06%	0.11%	175	256	431	$5,217,264	$2,981,406	$3,890,092
2010	0.04%	0.06%	0.10%	185	252	437	$5,031,836	$2,853,121	$3,774,850
2011	0.04%	0.06%	0.10%	178	234	412	$5,051,310	$2,920,222	$3,841,918
2012	0.05%	0.04%	0.09%	191	181	372	$4,707,336	$3,038,808	$3,896,239
2013	0.05%	0.04%	0.09%	196	164	360	$4,780,457	$2,966,414	$3,953,639
2014	0.05%	0.05%	0.10%	222	208	430	$5,140,404	$2,931,861	$4,071,499
2015	0.05%	0.04%	0.10%	219	179	398	$4,510,659	$2,928,240	$3,798,431
2016	0.07%	0.05%	0.11%	264	199	463	$5,064,756	$2,884,308	$4,128,085
2017	0.07%	0.04%	0.11%	279	150	430	$4,864,747	$2,742,898	$4,122,397
2018	0.07%	0.05%	0.12%	301	188	490	$4,325,955	$3,036,070	$3,829,823
2019	0.07%	0.04%	0.11%	294	153	447	$5,116,562	$2,912,775	$4,363,260
2020	0.07%	0.04%	0.11%	244	163	407	$4,972,207	$3,014,038	$4,188,437
2021	0.07%	0.05%	0.12%	286	201	487	$5,252,625	$2,849,858	$4,261,160
2022	0.07%	*0.03%*	*0.11%*	296	*133*	*429*	$4,851,048	*$2,901,109*	*$4,245,357*
2023	0.08%	*0.03%*	*0.11%*	301	*131*	*432*	$4,548,442	*$2,720,139*	*$3,994,881*

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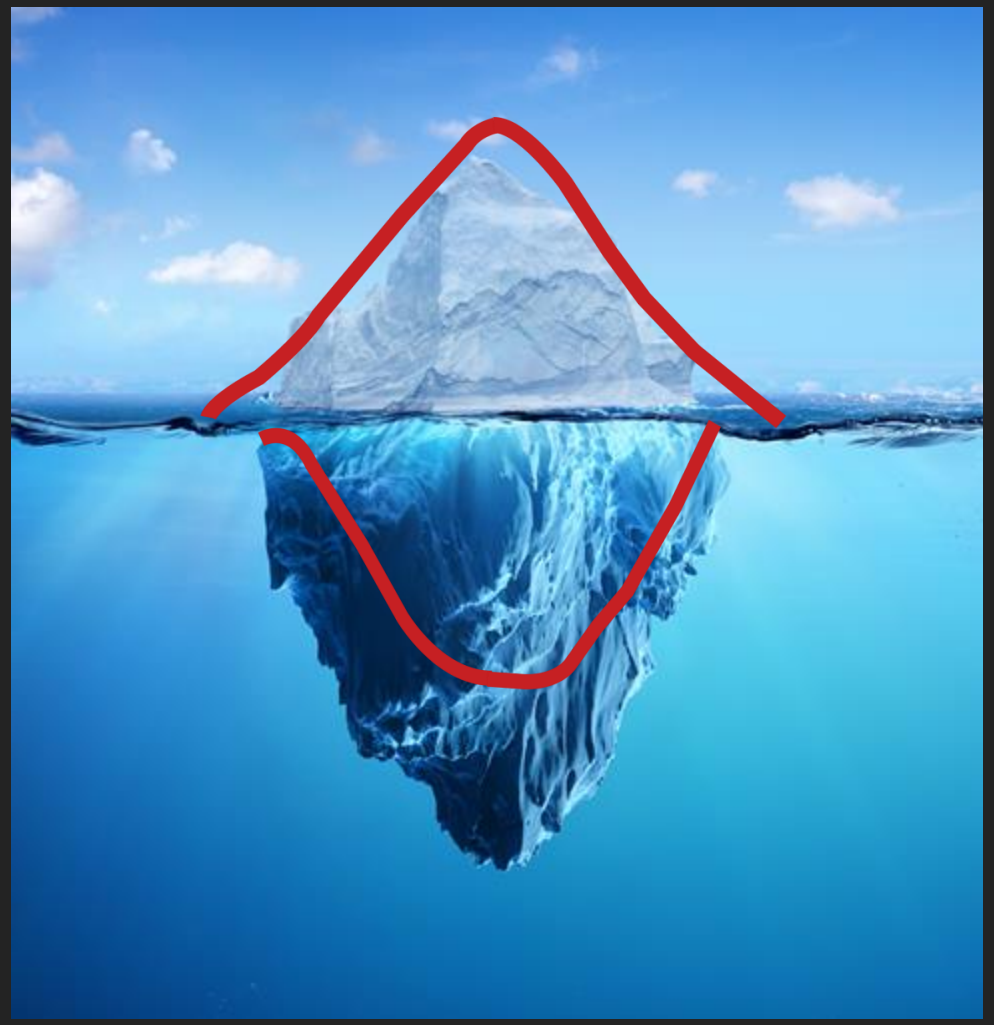
Takeaways



- The share of **Fast$_{ELC}$** has been gradually rising, while the share of **Slow$_{ELC}$** has declined
- This trend affects how we project ultimate losses
- NCCI's new tools will provide greater granularity in monitoring large claim trends

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