

January 30, 2014 - Actuarial Committee Update

Industry Information » NCCI Actuarial Committee

The Actuarial Committee met on Thursday, January 30, 2014. The major topics covered at this meeting included:

- **Tail Adjustment Factor Update (ACT-14-06)**
NCCI recently reviewed its methodology for estimating a limited tail factor. This presentation included results from using an alternative data source.
- **Premium On-Levels and Occupational Shifts (ACT-14-07)**
Occupational mix changes can occur between the time period of the class exposure data and the filing effective period. NCCI analyzed the impact of these mix changes on premium onlevel factors.
- **Industry Results (ACT-14-08)**
NCCI continually monitors changes in claim frequency, as well as average claim costs for both indemnity and medical. Results based on the latest available financial call data were presented by NCCI.
- **Class Ratemaking Update (ACT-14-09)**
Ongoing class ratemaking research explores a variety of topics. NCCI presented updates on:
 - The allocation of excess losses
 - Likely versus not-likely development
 - The sensitivity of experience rating plan modifications to changes in expected loss rates.
- **Data Quality Update (ACT-14-10)**
NCCI's comprehensive data quality process evaluates incoming data for accuracy, validity, completeness, reasonability, and timeliness. NCCI presented an overview of its Data Quality strategy, emphasizing recent changes and specific challenges.
- **NCCI's Internal Rate of Return and Cost of Capital Methods: Insights from the Impact of the Great Recession (ACT-14-11)**
NCCI has been analyzing its cost of capital and internal rate of return models. This presentation highlights the key assumptions of the model and the sensitivity of results to changes in assumptions.

Please refer to the minutes of the meeting for any pertinent discussion on each topic. The presentation for each of the listed topics is contained in either the agenda or the minutes for the meeting as indicated below.

Content Requires Authentication

[January 30, 2014 Agenda \(PDF\)](#)

- Tail Adjustment Factor Update (ACT-14-06)
- Premium On-Levels and Occupational Shifts (ACT-14-07)
- Data Quality Update (ACT-14-10)

[January 30, 2014 Minutes \(PDF\)](#)

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