

## August 30, 2017 - Actuarial Committee Update

The Actuarial Committee met on Wednesday, August 30, 2017. The major topics covered at this meeting included:

- **Workers Compensation Industry Reserve Analysis (ACT-17-04)**  
Each year, NCCI completes a private carrier loss reserve analysis, including a review of various approaches for reasonableness and stability over time. At the meeting, staff presented their most recent estimate and analysis of the industry reserve deficiency.
- **Terrorism Loss Modeling by AIR for NCCI (ACT-17-05)**  
NCCI contracted with Air Worldwide (AIR) to provide loss estimates per employee by state, for certified terrorism events under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015. A presentation of AIR's model was presented at the meeting.
- **Terrorism Loss Cost and Rate Calculations (ACT-17-06)**  
Based on AIR's model, staff provided how the terrorism loss estimates are converted to loss costs and rates by state.
- **Class Ratemaking—Research: NPP Balancing Factors (ACT-16-07)**  
Staff discussed National Pure Premium (NPP) Balancing Factors, which balance NPPs by industry group to the set of Indicated Pure Premiums within each state.
- **NCCI Experience Rating Plan Methodology and Performance—Countrywide Off-Balance (ACT-17-08)**  
Staff presented an update of the average nationwide Experience Rating Plan off-balance.
- **NCCI-Filed Expense Provisions—Methodology and Results (ACT-17-09)**  
The methodology and results from NCCI's annual review of loss adjustment expense and other expense provisions were shared.
- **Social Security Disability Insurance and Workers Compensation (ACT-17-10)**  
Growth in Social Security Disability Insurance (SSDI) enrollment has received national attention in recent years. Some have alleged that decreases in WC benefits have contributed to the growth. Staff's presentation disputes this allegation.
- **Indemnity Data Collection Study (ACT-16-11)**  
One of NCCI's strategic initiatives in 2017 is to review the feasibility of a new indemnity data call. An update on the progress of this new data call and a preliminary list of data elements was provided.

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

### [August 30, 2017—Actuarial Committee Agenda \(PDF\)](#)

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### [August 30, 2017—Actuarial Committee Minutes \(PDF\)](#)

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- Terrorism Loss Cost and Rate Calculations (ACT-17-11)