November 15, 2017 - Actuarial Committee Update

The Actuarial Committee met on Wednesday, November 15, 2017. The major topics covered at this meeting included:

Legislative Analysis Update (ACT-17-04)

NCCI monitors and analyzes legislative proposals at the request of various stakeholders, including legislatures, trade associations, and insurance departments. At the meeting, staff presented a summary of legislative activity in 2017, noting some of the more significant proposed and enacted changes.

- Proposed Scope for Experience Rating Plan Update (ACT-17-05) NCCI regularly monitors and refines its Experience Rating Plan to ensure optimal performance. Another comprehensive review of the Experience Rating Plan has been initiated and the project scope was presented at the meeting.
- Hazard Group Update (ACT-17-06)
 Hazard groups are collections of workers compensation classifications that have relatively similar expected excess loss factors over a broad range of limits. The scope of a multiyear effort to analyze and update the current hazard group mapping was reviewed.
- Impact of Networks on WC Prices for Medical Services (ACT-16-07)
 Whether care is delivered within a network of providers can impact the cost in money and time to treat an injury. NCCI is initiating a study to determine a method for estimating the network price savings. At the meeting, staff discussed assumptions and methodology, and presented some preliminary findings from this study.

 Indemnity Data Collection Study (ACT-17-08) 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 endeavor was presented, including the estimated cost to the industry of implementing the proposed Indemnity Data Call.

 Medicare Set-Asides and Workers Compensation—2017 Update (ACT-17-09) In 2014, NCCI published a research article that looked at demographics related to Medicare Set-Asides (MSAs) and at the Centers for Medicare & Medicaid Services MSA review process. The study has been recently updated and extended using a larger sample of Medicare Set-Asides, including MSAs completed up to the end of 2015.

WCSP Claim Frequency Study (ACT-17-10)
 Each year NCCI reviews the latest countrywide frequency and severity trends.
 Research was presented reviewing frequency and severity by industry group, size of total loss, and by various claim characteristics.

Page 2 of 2

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.

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November 15, 2017—Actuarial Committee Agenda (PDF)

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November 15, 2017—Actuarial Committee Minutes (PDF)

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