

November 17, 2020—Actuarial Committee Update

The Actuarial Committee met via Web teleconference on Tuesday, November 17, 2020. The major topics covered at this meeting included:

ACT-20-04 Updates to NCCI's Internal Rate of Return Model for Ratemaking

NCCI plans changes to methods by which it calculates certain financial rates of return in the IRR Model. These include changes to the forecast rate of return to common stock and the forecast cost of debt capital in the weighted average cost of capital.

ACT-20-05 COVID-19 Ratemaking Research

In consideration of the COVID-19 pandemic, NCCI staff are reviewing our ratemaking methodologies. Staff discussed key ratemaking topics and are seeking feedback from the committee to guarantee all relevant topics and metrics are considered.

ACT-20-06 2020 Carrier Survey Summary

Staff updated the annual frequency survey to include questions on the unknown direct and indirect impacts on WC costs from COVID-19. Twenty-seven carriers provided observations on claims, payrolls, and frequency, and the uncertainty surrounding ultimate costs.

Please refer to the Minutes for any pertinent meeting discussion and presentations.