

March 2, 2011 - Actuarial Committee Update

Industry Information » NCCI Actuarial Committee

The Actuarial Committee met on Wednesday, March 2, 2011. The major topics covered at this meeting included:

- **Class Ratemaking Research (ACT-11-06)**
The new class ratemaking methodology was implemented with loss cost/rate filings effective October 1, 2009 and subsequent. Staff presented second year results of the new methodology across NCCI states, changes to the Miscellaneous Values, and changes to the Coal Mining class traumatic calculations.
- **Injury Type Reassignments (ACT-11-07)**
Staff presented a recap of the discontinuance of injury type reassignments, the products affected and an implementation plan. Staff also discussed potential changes to the Statistical Plan reporting rules.
- **Medicare Set-Asides (ACT-11-08)**
Dave Bellusci of the WCIRB of California summarized information available on the frequency and cost of Medicare Set-Asides in California, the impact that Medicare may be having on claim settlement patterns, and related data collection issues.
- **Trend Modeling (ACT-11-09)**
Staff discussed a statistical model that replicates the decision-making process of the actuarial trend selection in NCCI ratemaking.
- **Expenses by Size of Risk (ACT-11-10)**
The current expense constant and gradation methodology is based on an expense by size of risk special data Call that is more than 20 years old. An improved methodology that can be easily and more frequently updated without the need for a special Call is preferred. Rob McCarthy of the WCRIB of Massachusetts (WCRIBMA) presented a modeling framework explored by the WCRIBMA. NCCI staff also presented a status report of its own research efforts.
- **Small Risk Loss Experience (ACT-11-11)**
NCCI provides information to the Individual Risk Rating Working Group (IRRWG) on loss experience by size of risk in connection with the NCCI Experience Rating Plan premium eligibility threshold. As a result, staff was asked to review the manual premium adequacy of the small risks group. Staff presented the results of its analysis to the Committee.

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 minutes for the meeting as indicated below.

March 2, 2011 Agenda (PDF)

- Class Ratemaking Research (ACT-11-06)
- Injury Type Reassignments -Reassignments (ACT-11-07)
- Medicare Set-Asides (ACT-11-08)
- Trend Modeling (ACT-11-09)
- Expenses by Size of Risk (ACT-11-10)

March 2, 2011 Minutes (PDF)

- Class Ratemaking Research—Revised slides (ACT-11-06)
- Injury Type Reassignments—Stat Plan Update (ACT-11-07)
- Small Risk Loss Experience (ACT-11-11)