

May 16, 2018 - Actuarial Committee Update

The Actuarial Committee met on Wednesday, May 16, 2018. The major topics covered at this meeting included:

- **Aggregate Loss Factors on Demand Demonstration (ACT-18-04)**
The *Aggregate Loss Factors (ALFs) on Demand* tool will be released later this year. *ALFs on Demand* creates an aggregate distribution on-demand based on the specific policy characteristics. A demonstration of the tool, including policy input, was exhibited at the meeting.
- **Product Update (ACT-18-05)**
Product Management has completed the second phase of its multiyear strategy to improve *WorkComp Workstation (WCWS)*. In March 2018, the product was enhanced to include more current loss information and uniform policy periods by state. Additionally, a new triangle functionality was created for loss development comparisons. Staff provided an overview of the *WCWS* enhancements.
- **The Impact of the Tax Cuts and Jobs Act on NCCI's Estimated Profit Provision for Ratemaking (ACT-18-06)**
NCCI uses its proprietary Internal Rate of Return Model to estimate profit and contingency provisions for ratemaking in states where NCCI files full rates. Staff discussed the impacts of corporate tax reductions in the Tax Cuts and Jobs Act on profit and contingency provisions obtained from NCCI's Internal Rate of Return Model.
- **Interstate Variation in Medical Services (ACT-18-07)**
Using claim data from the Medical Data Call, this ongoing NCCI research project seeks to identify and characterize interstate variations in utilization across major medical service categories for selected diagnoses constituting a major share of workers compensation claim costs. Staff discussed NCCI's methodology for aggregating medical utilization across different categories of medical services and presented findings obtained regarding variations across states in medical utilization for similar diagnoses.
- **Post-Reform Study of Facilities Fee Schedule Implementations (ACT-18-08)**
Over the past few years, several states have put in place legislation to control medical costs in workers compensation. Staff presented post-reform analyses of facilities fee schedule implementations in three states.
- **2017 Actuarial Committee Survey Results (ACT-18-09)**
In November 2017, staff delivered an electronic survey consisting of 19 questions to participants that had attended at least one Actuarial Committee meeting during 2017. Staff provided a high-level overview of the survey results and discussed the main action items resulting from respondent feedback.
- **Table of Filed Terrorism Provisions (ACT-18-10)**
In 2017, NCCI contracted with Air Worldwide (AIR) to revise the loss estimates per

employee by state, for certified terrorism events under the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2015. The estimates provided by AIR were then converted into terrorism loss cost and rate provisions by state that were filed by NCCI. Staff shared the final table of updated terrorism provisions by state.

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

Content Requires Authentication

[May 16, 2018—Actuarial Committee Agenda \(PDF\)](#)

[May 16, 2018—Actuarial Committee Minutes \(PDF\)](#)