

August 13, 2014 - Actuarial Committee Update

Industry Information » NCCI Actuarial Committee

The Actuarial Committee met on Wednesday, August 13, 2014. The major topics covered at this meeting included:

- **Testing Aggregate Ratemaking Procedures (ACT-14-06)**
NCCI has developed a framework for retrospectively testing alternative ratemaking procedures. This framework was presented, along with preliminary results.
- **NCCI-Filed Expense Provisions–Methodology and Results (ACT-14-07)**
The methodology and results from NCCI’s annual review of loss adjustment expense and other expense provisions was shared.
- **Legislative Analysis (ACT-14-08)**
A summary of legislative activity in 2014 was presented, highlighting some of the more significant proposals and changes. An update was also provided on the data collected under the revised Detailed Claim Information (DCI) Data Call.
- **Expense Study Update (ACT-14-09)**
Staff provided an update on the analysis of expenses by premium layer, which will be used in states where NCCI files manual rates.
- **WCSP Claim Frequency Study (ACT-14-10)**
NCCI recently completed its annual frequency study. This year’s update also included a comparison of lost-time claim frequency for small deductible policies and guaranteed cost policies. The presentation showed that results are different for net reporting states versus gross reporting states.
- **NCCI Experience Rating Plan Methodology and Performance–Split Point (ACT-14-11)**
A key provision of Item E-1402 was that the primary/excess split point would increase with inflation at the end of the transition period. This presentation detailed the method used by NCCI to determine the annual inflation index.
- **Class Ratemaking–Update to NCCI’s Coal Mine Disease Model (ACT-14-12)**
In response to research, NCCI changed its method for calculating the disease portion of coal mine rates/loss costs. Staff shared these recent changes at the meeting.
- **Medicare Set-Asides Research (ACT-14-13)**
NCCI conducted research on Medicare Set-Asides (MSAs) using data from a third-party service provider. Key findings from this research were presented at the meeting.
- **NCCI Experience Rating Plan Methodology and Performance (ACT-14-14)**
Staff presented the methodology and results of its most recent annual analysis of the countrywide experience rating plan off-balance.

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 the minutes for the meeting as indicated below.

Content Requires Authentication

[August 13, 2014 Agenda \(PDF\)](#)

- Expense Study Update (ACT-14-09)
- NCCI Experience Rating Plan Methodology and Performance – Split Point (ACT-14-11)
- Class Ratemaking—Update to NCCI’s Coal Mine Disease Model (ACT-14-12)

[August 13, 2014 Minutes \(PDF\)](#)

- Testing Aggregate Ratemaking Procedures (ACT-14-06)
- NCCI-Filed Expense Provisions – Methodology and Results (ACT-14-07)
- Legislative Analysis Update (ACT-14-08)
- WCSP Claim Frequency Study (ACT-14-10)
- Medicare Set-Asides Research (ACT-14-13)
- NCCI Experience Rating Plan Methodology and Performance – Countrywide Off-Balance (ACT-14-14)