

# August 17, 2011 - Actuarial Committee Update

## Industry Information » NCCI Actuarial Committee

The Actuarial Committee met on Wednesday, August 17, 2011. The major topics covered at this meeting included:

- **NCCI-Filed Expense Provisions (ACT-11-06)**  
Staff provided the methodology and results of its annual analysis of the expense constant, production and general expense, and loss adjustment expense.
- **Medical Data Call (ACT-11-07)**  
The Medical Data Call contains transactional medical data recorded on and after July 1, 2012 that will be used by NCCI for legislative pricing. Staff provided a status of the collection, validation, and usage of the Medical Data Call information.
- **NCCI Experience Rating Plan Methodology and Performance (ACT-11-08)**  
Staff presented an update of the average countrywide Experience Rating Plan off-balance. The update included results by hazard group and industry group, as well as a separate analysis of large deductible policies.
- **NCCI Retrospective Rating Plan Methodology (ACT-11-09)**  
NCCI is currently performing a comprehensive review of its Excess Loss Factor (ELF) calculations. Staff discussed potential data groupings (the current grouping is by injury type) and considerations for updating the per-occurrence adjustment.
- **Impact of Recent Changes in Industrial Structure on Loss Cost Components (ACT-11-10)**  
NCCI continues to study the impact of the 2007 through 2009 recession and the ongoing recovery on ratemaking loss cost components. Staff presented its review of the impact of changes in employment proportion by industry on frequency and severity.
- **Physician Fee Schedules, Price Levels, and Price Departure (ACT-11-11)**  
NCCI developed a price index of physician services that allows for the quantification of changes in the price level of physician services over time. For several states, staff examined the response of the price index of physician services to changes in medical fee schedules, and the response of price departure (percentage difference between fee schedule and actual prices).
- **WCSP Claim Frequency Study (ACT-11-12)**  
NCCI continues to study the decline in frequency since the early 1990s, as this has been a key factor in NCCI rate and loss cost filings. Staff discussed recession-related factors influencing the 2010 increase in frequency; the impact on various frequency measures due to changes in industry mix; and the change in frequency for different data segments, such as by geographic region, by size of employer, and by type of claim.

- **Legislative Analysis (ACT-11-13)**

Staff presented a summary of legislative activity in 2011, highlighting key themes and some of the more significant changes that were proposed and enacted.

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.

*Content Requires Authentication*

### [August 17, 2011 Agenda \(PDF\)](#)

- Medical Data Call—Usage (ACT-11-07)
- NCCI Experience Rating Plan (ACT-11-08)
- Impact of Recent Changes in Industrial Structure on Loss Cost Components (ACT-11-10)
- Physician Fee Schedules, Price Levels, and Price Departure (ACT-11-11)

### [August 17, 2011 Minutes \(PDF\)](#)

- NCCI-Filed Expense Provisions (ACT-11-06)
- Medical Data Call—Collection (ACT-11-07)
- NCCI Retrospective Rating Plan Methodology (ACT-11-09)
- WCSP Claim Frequency Study (ACT-11-12)
- Legislative Analysis (ACT-11-13)