

November 02, 2016 - Actuarial Committee Update

The Actuarial Committee met on Wednesday, November 2, 2016. The major topics covered at this meeting included:

- **NCCI Experience Rating Plan Methodology and Performance—Countrywide Off-Balance (ACT-16-04)**
Staff presented an update of the average nationwide Experience Rating Plan off-balance.
- **Class Ratemaking—Research: Overview and Status (ACT-16-05)**
Staff presented an overview and status of the alternative class ratemaking methodologies multi-year project. This included a brief refresher of the work to date and comments on current and remaining work.
- **Class Ratemaking—Research: Class Groupings (ACT-16-06)**
An update on the research to identify potential class groupings as part of NCCI's class ratemaking review was presented.
- **Class Ratemaking—Research: Performance Testing, Part 3 (ACT-16-07)**
Staff presented performance testing results of the stability and accuracy of alternative class ratemaking methodologies. The alternative methodologies included group pure premium estimators as well as updated credibility parameters.
- **Table of Insurance Charges (Table M) Impact Analysis: Part 1 (ACT-16-08)**
NCCI is performing a comprehensive review of its Table of Insurance Charges methodology. At the meeting, staff showed the impacts of only updating the current 1998 insurance charge methodology for the 2016 nationwide severity distribution and the new claim count distribution Variance to Mean (VtM) parameters.
- **Class Ratemaking—Research: Credibility, Part 2 (ACT-16-09)**
An update to the analysis of class credibility, including modifications to the NCCI procedure established in the early 90s, was presented at the meeting.
- **Deductible Credit Safety Factor Methodology Review (ACT-16-10)**
Staff presented the components of the Deductible Premium Credit Formula's Safety Factor, including proposed changes to the underlying approach, its calculations, and the associated results.
- **Industry Results—Frequency and Severity Update (ACT-16-11)**
At the meeting, staff presented the most recently available frequency and severity information based on data valued as of December 31, 2015, for NCCI states.

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

[November 02, 2016 Agenda \(PDF\)](#)

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[November 02, 2016 Minutes \(PDF\)](#)