



Vermont

Workers' Compensation Overview

January 9, 2014

Laura_Backus_Hall@ncci.com 802-454-1800



Vermont Workers Compensation System— An Overview

Poor accident year
combined ratios

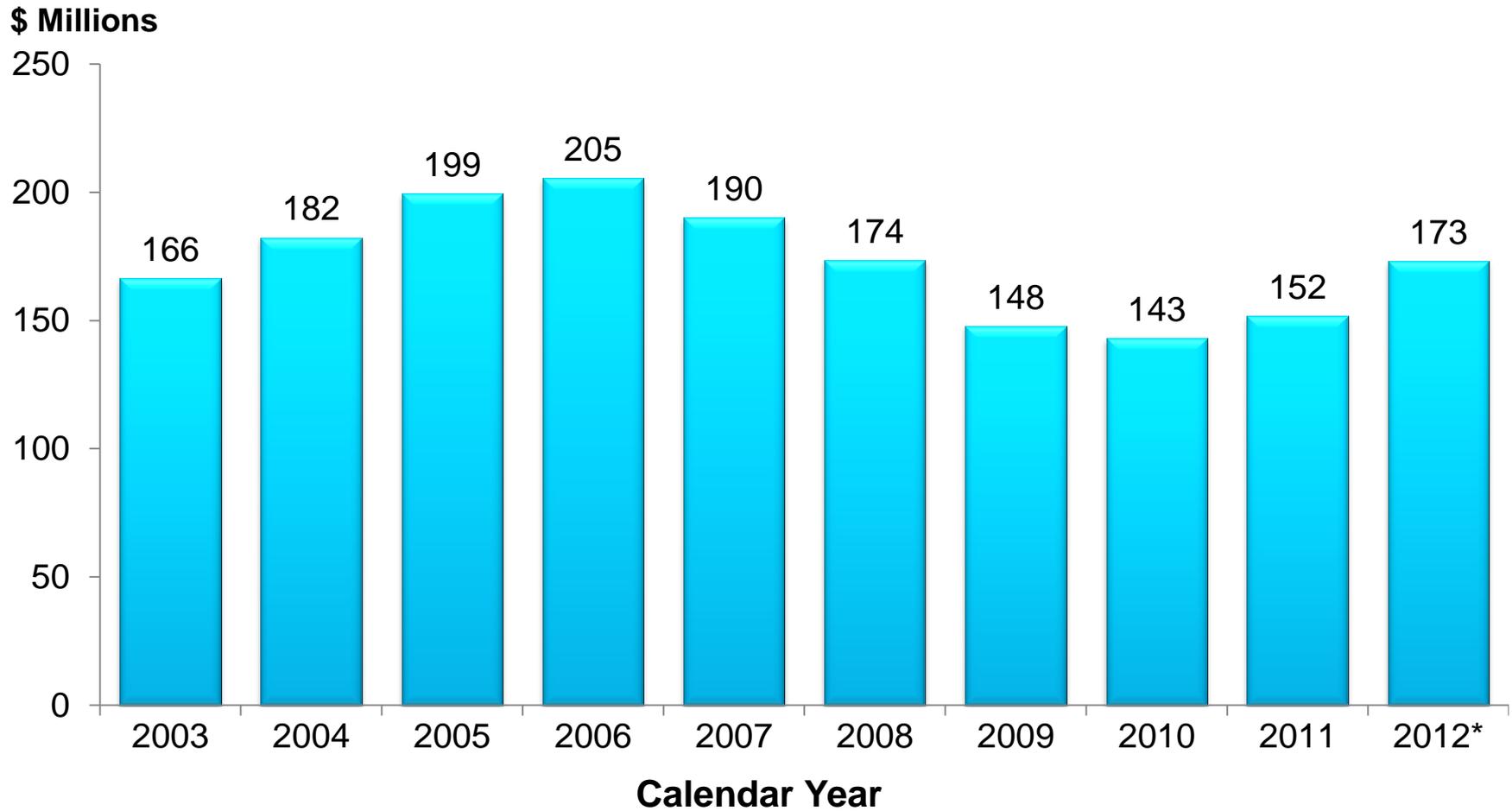
Lost-time claim
frequency
resumed its
decline

Average
indemnity and
medical costs are
growing faster
than wages

Premium volume
increased for 2nd
consecutive year

Vermont's Workers Compensation Premium Volume

Direct Written Premium

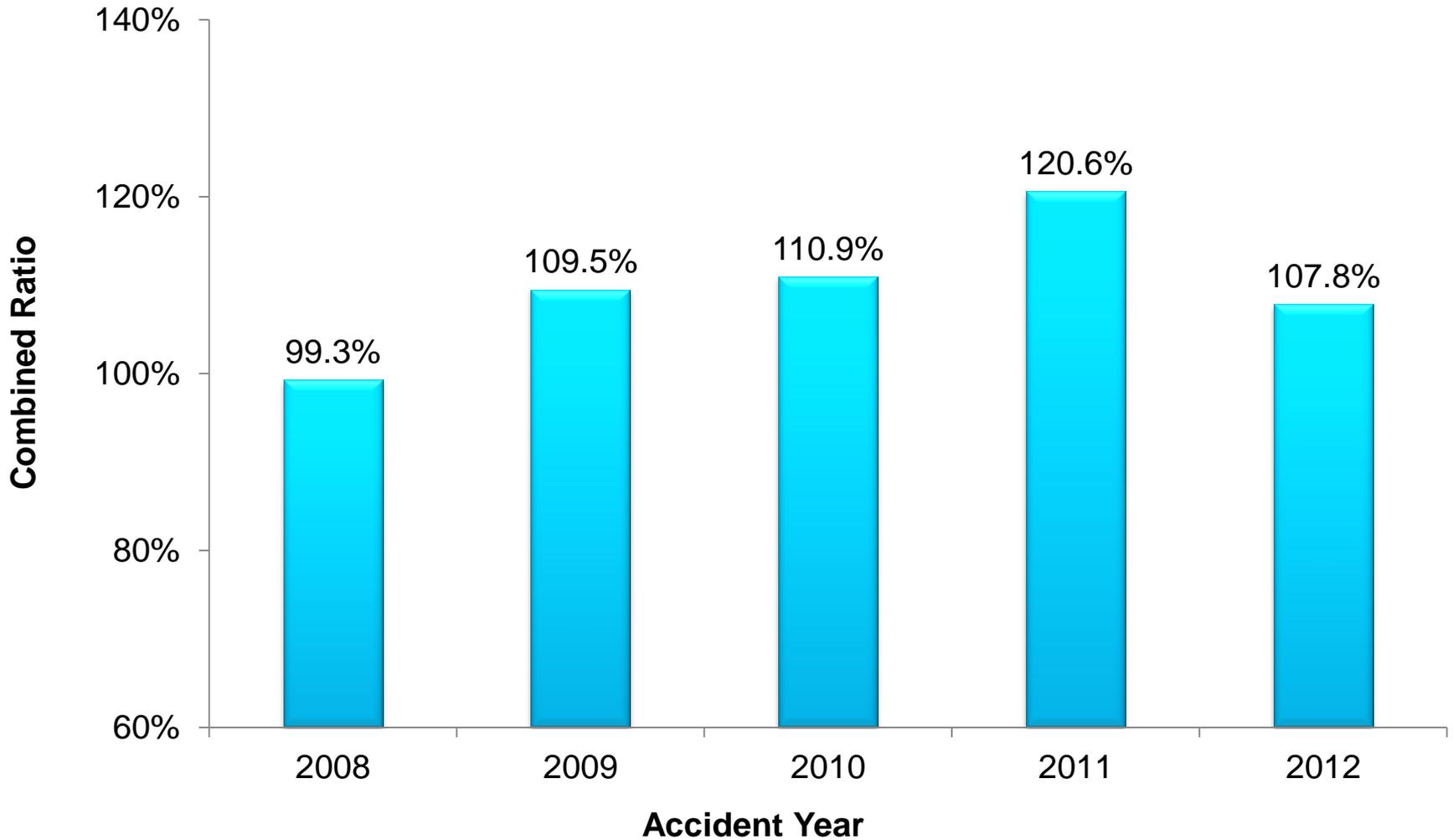


Source: NAIC Annual Statement data

*Preliminary



Vermont Accident Year Combined Ratios

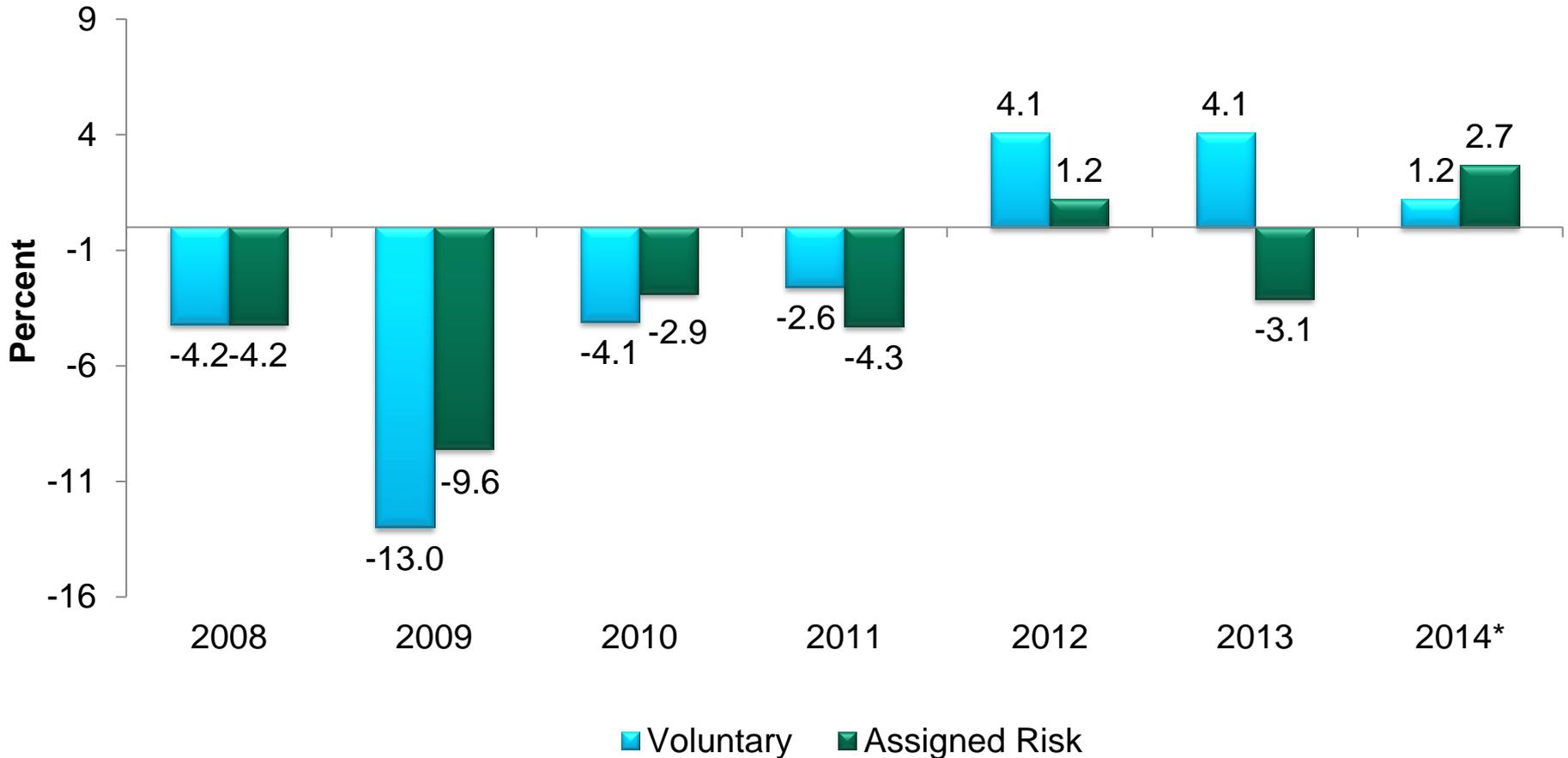


Sources: NCCI financial data; NAIC Annual Statement data



Vermont Filing Activity

Voluntary Loss Cost and Assigned Risk Rate Changes



* Pending



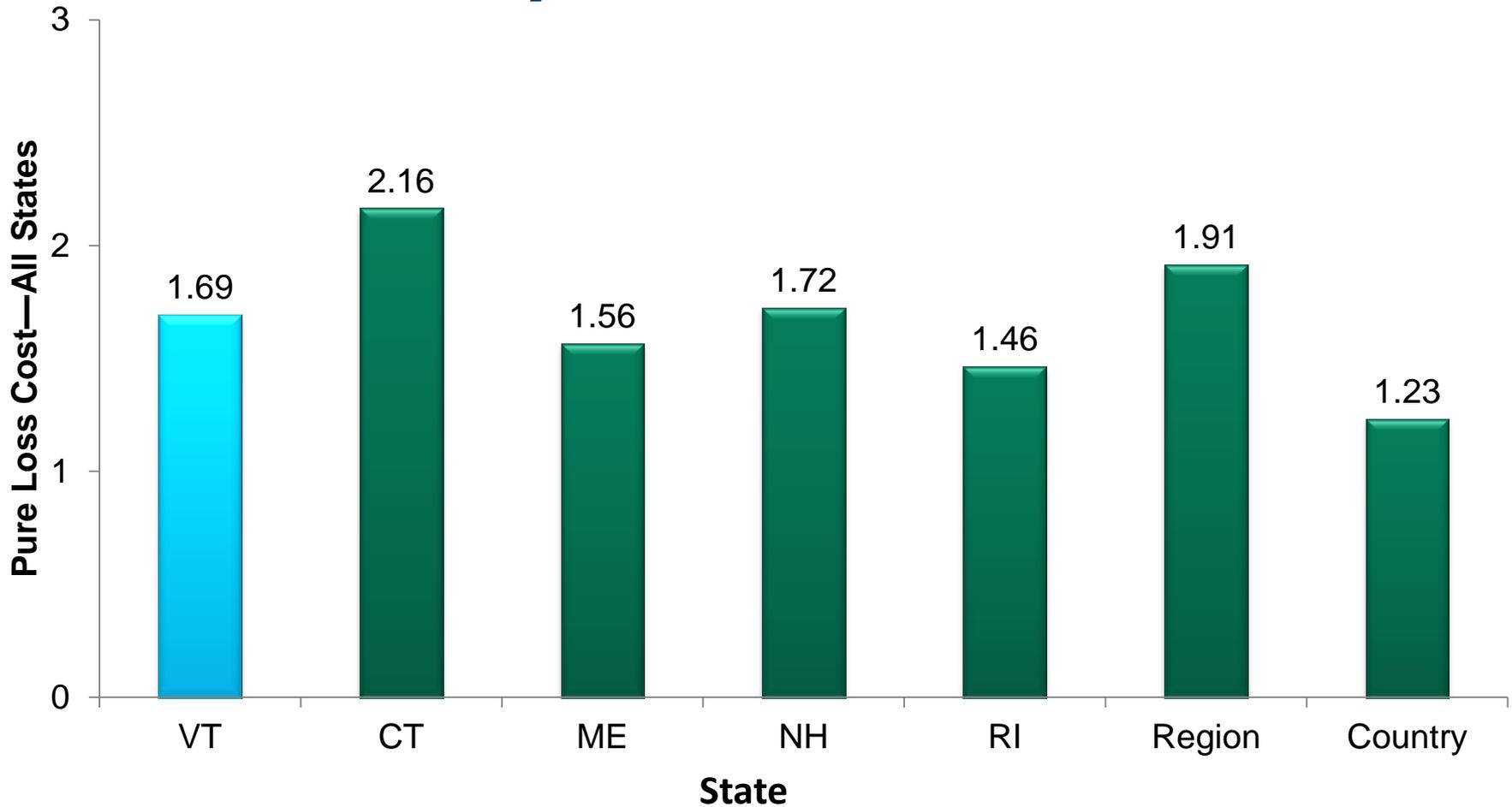
Current Voluntary Market Rates/Loss Costs Northeastern States

New York	10/1/13	+9.5%
Massachusetts*	1/1/14	+7.7%
Rhode Island	8/1/13	+7.4%
Maine	4/1/13	+3.9%
New Jersey*	1/1/14	+3.6%
Connecticut	1/1/14	+3.2%
Vermont*	4/1/14	+1.2%
New Hampshire	1/1/14	-6.5%

* Pending



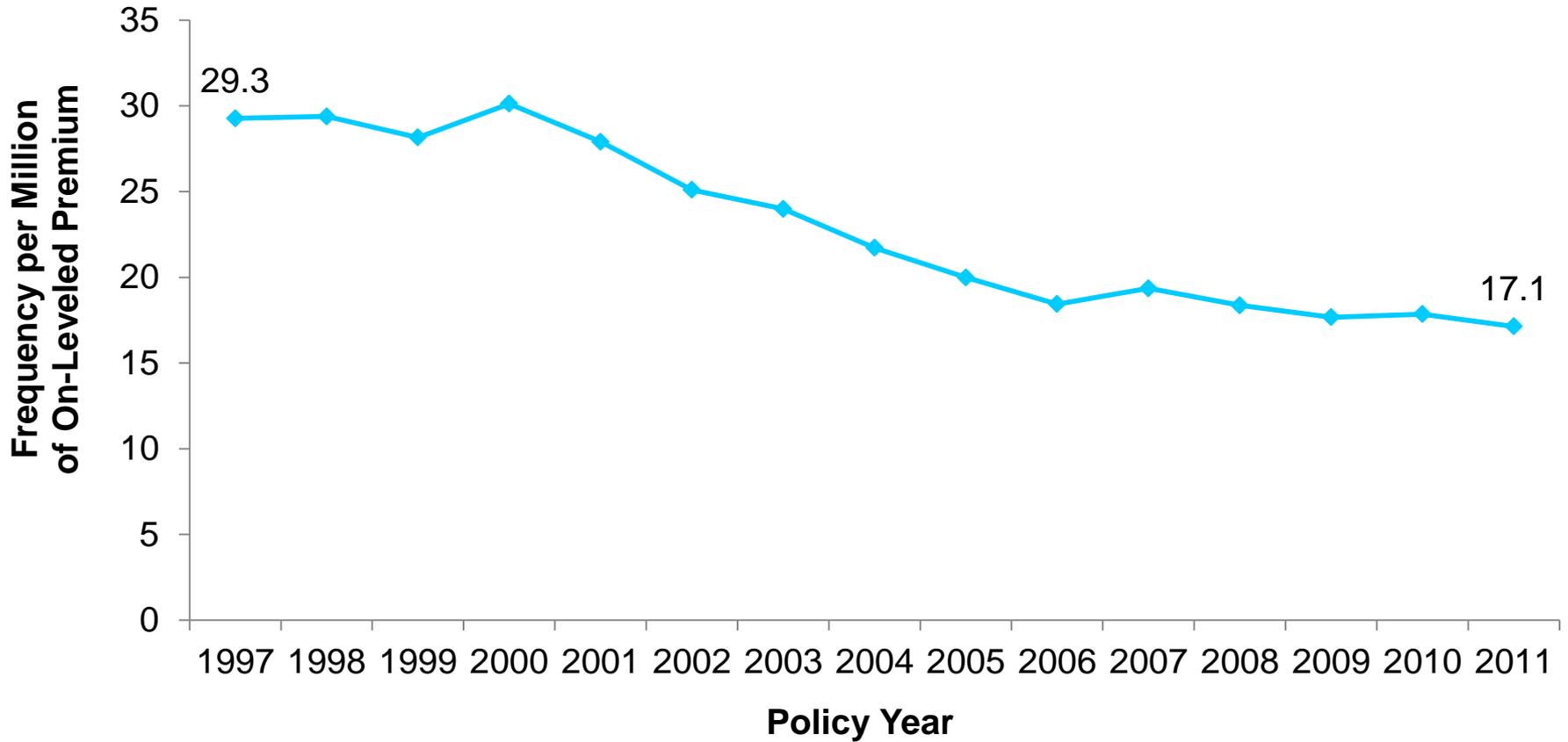
Current Average Voluntary Pure Loss Costs Using Vermont's Payroll Distribution



Based on the latest NCCI approved rates and loss costs in the various states



Vermont Claim Frequency

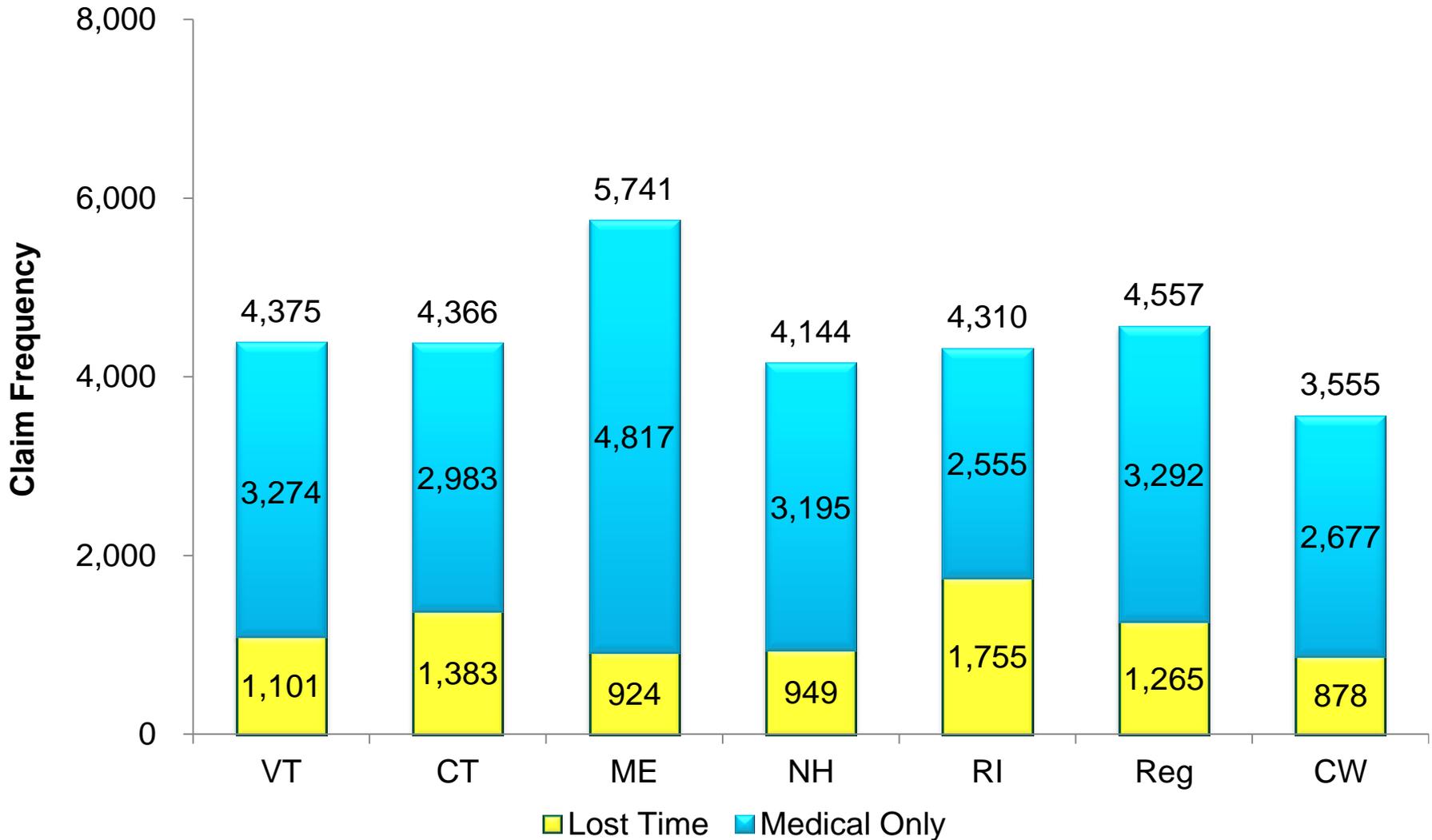


Based on NCCI's financial data
Frequency of lost-time claims adjusted to a common wage level



Vermont's Average Claim Frequency

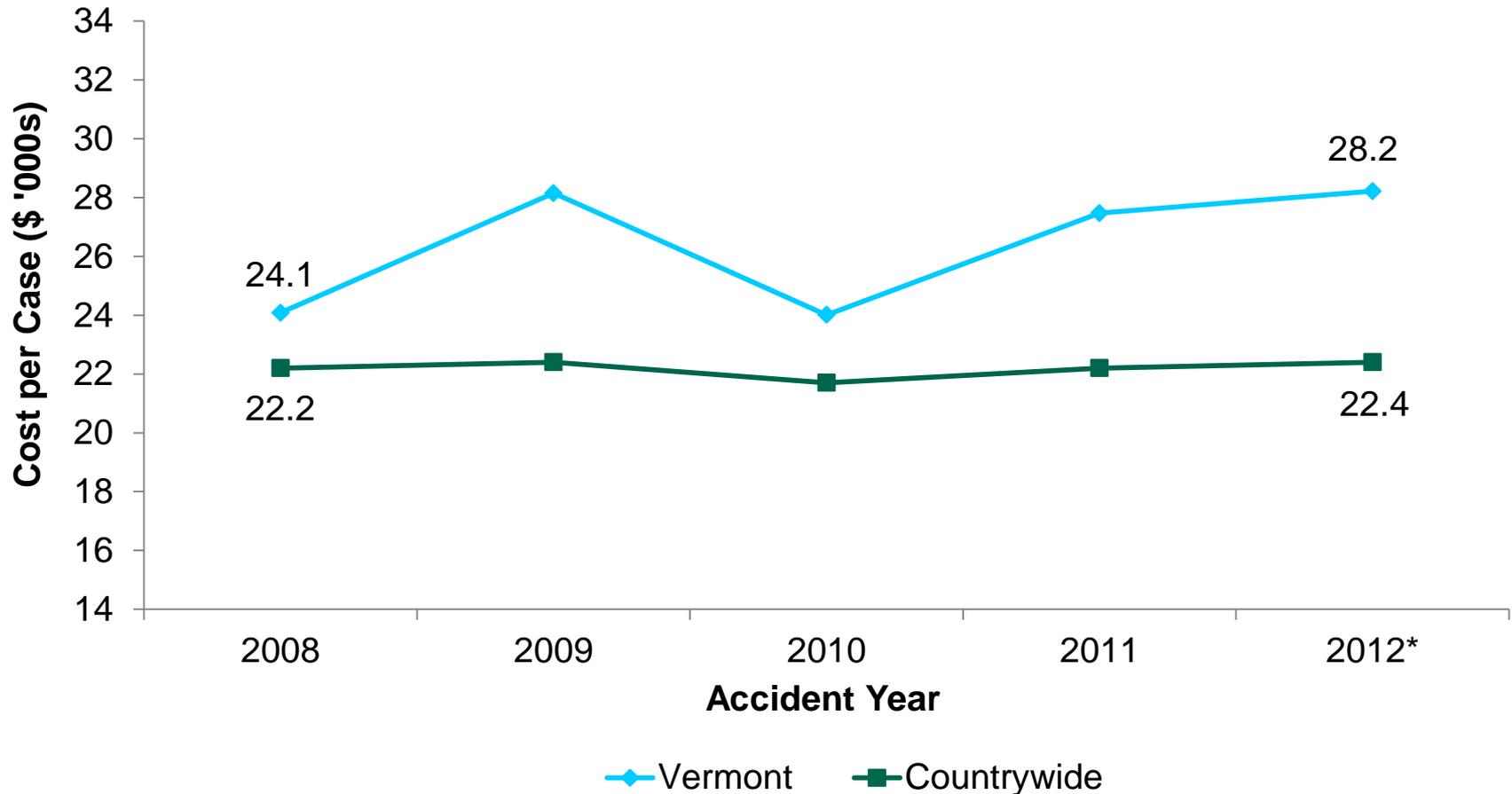
Frequency per 100,000 Workers—All Claims



Based on NCCI's *Statistical Plan* data



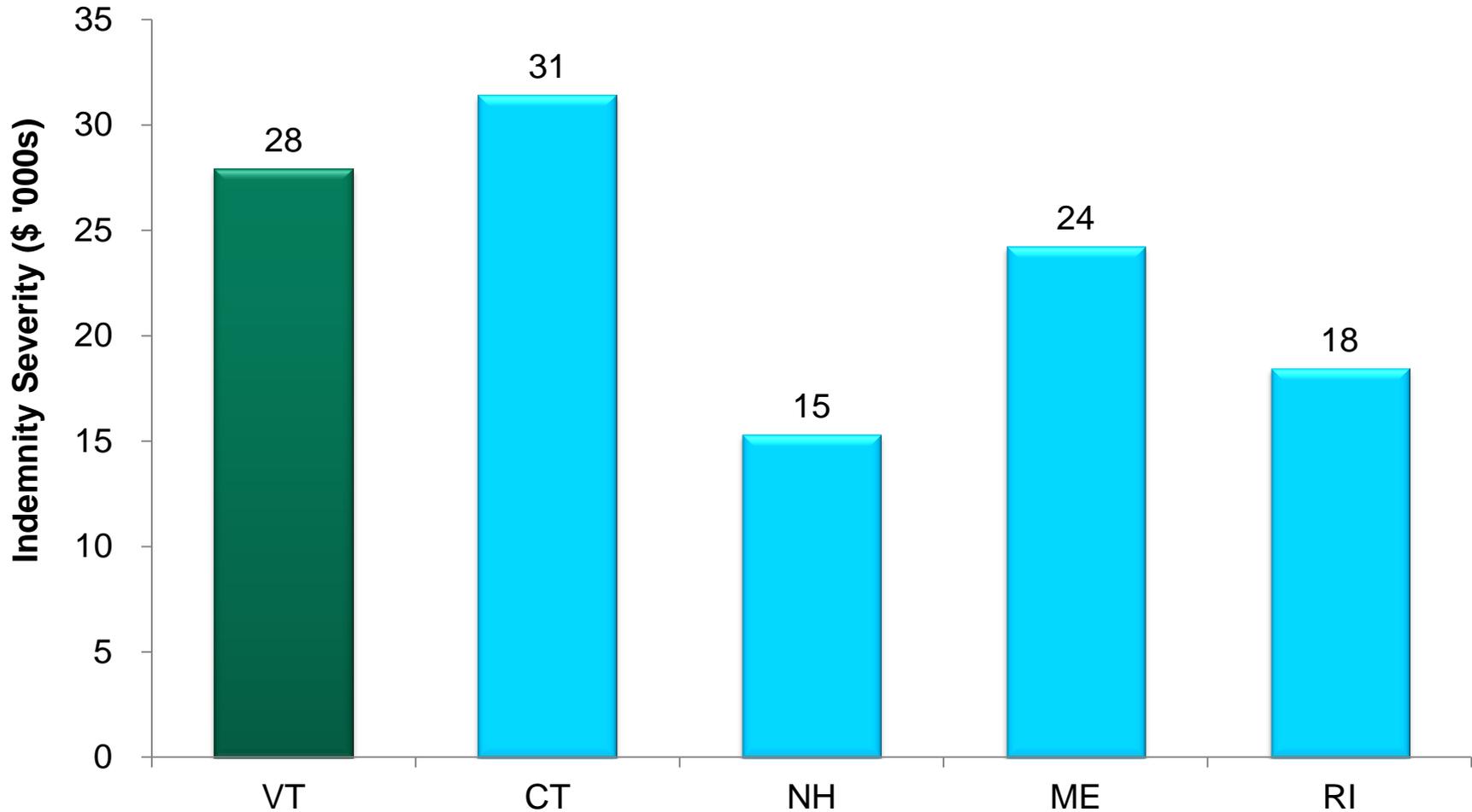
Vermont vs. Countrywide Average Indemnity Claim Severity



* Countrywide figure is preliminary
Source: NCCI financial data valued as of 12/31/2012



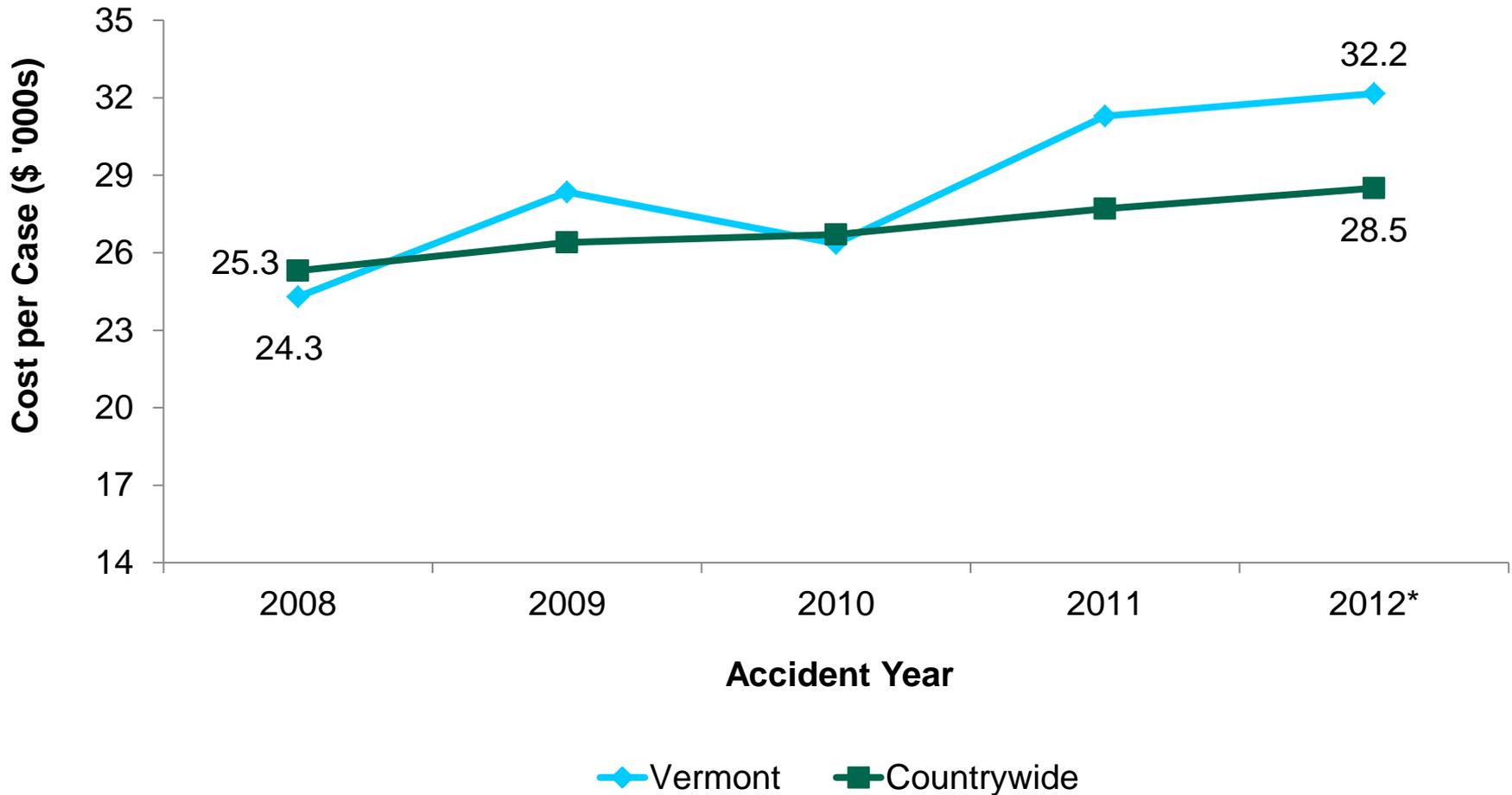
Average Indemnity Claim Severity in the Region



Based on NCCI's financial data for lost-time claims



Vermont vs. Countrywide Average Medical Claim Severity



* Countrywide figure is preliminary
Source: NCCI financial data valued as of 12/31/2012



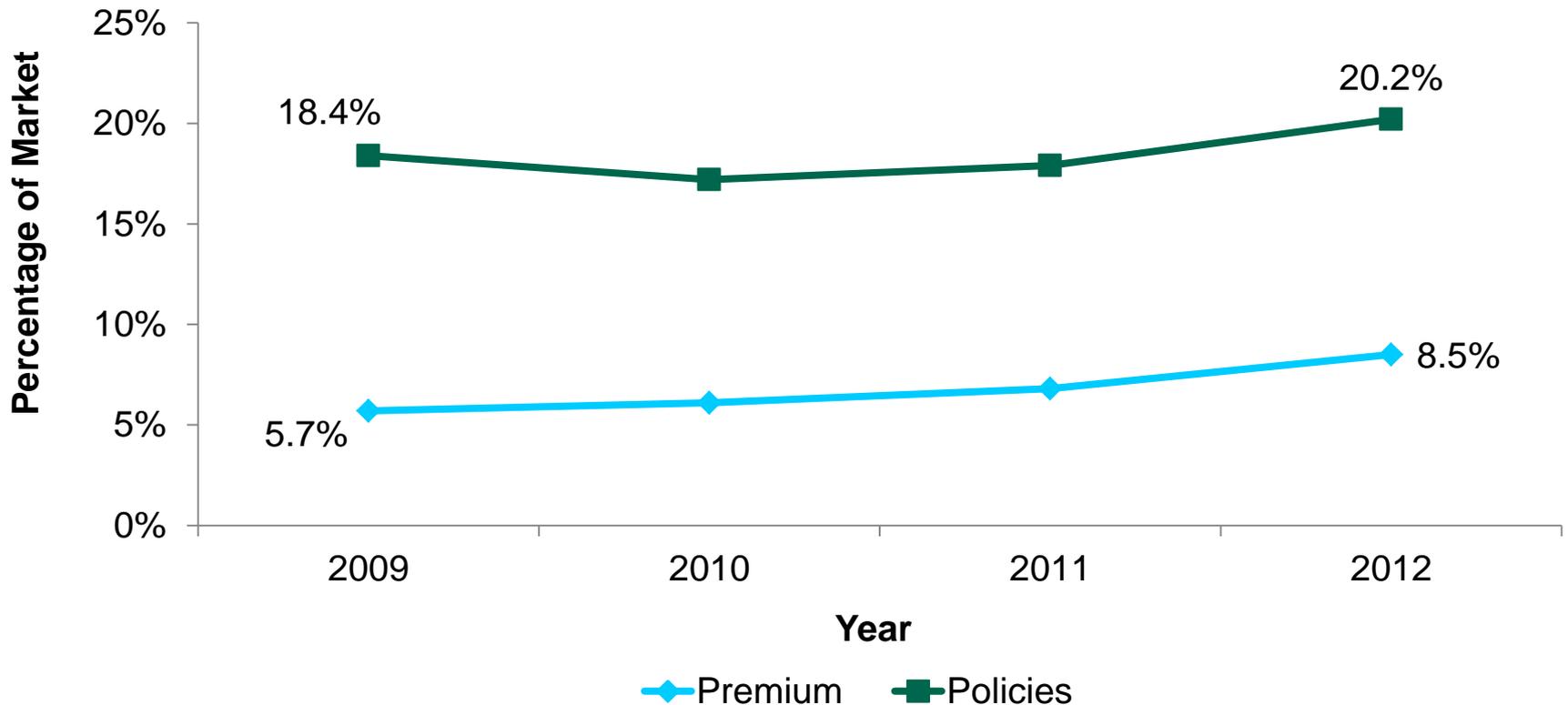
Average Medical Claim Severity in the Region



Based on NCCI's financial data for lost-time claims



Vermont Residual Market Share by Policy Count and Written Premium



Market share as a percentage of residual market total written premium/policies in force
2012 numbers are preliminary



Q & A

