

## NCCI's Role in the Workers Compensation System

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#### **Introduction**

- NCCI operates as a not-for-profit company that provides workers compensation data services to state regulators, state legislators, and insurance companies.
- NCCI has been collecting detailed information on worker injuries and illnesses for more than 90 years. We focus solely on workers compensation data and benefits.
- NCCI prepares insurance loss cost and rate recommendations, prices state and federal legislative proposals, and delivers data services and products to more than 900 insurance companies and nearly 40 governments.



#### **NCCI's Core Services**

- Rate and advisory loss cost filings
- Cost analyses of proposed and enacted legislation
- Residual market administration
- Production of experience ratings
- Statistical and compliance services
- Maintenance of the workers compensation infrastructure of classifications, rules, plans, and forms





# Rate and Advisory Loss Cost Filings

#### **Loss Cost Filing Process Flow**

NCCI gathers and validates data from insurance companies

NCCI actuaries analyze the data and calculate a final indication

NCCI files the loss costs with the state regulator for review and final decision



#### **Rate Filing Process Flow**

Regulator approves Loss Cost.

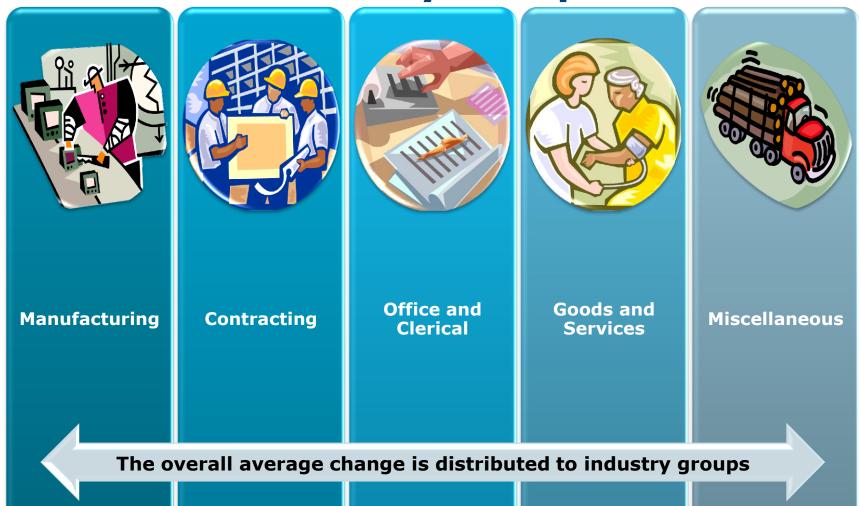
Insurance company develops a loss cost multiplier to reflect the company's expenses plus profit and contingencies.

The company may also file a deviation from the approved loss costs based on the company's own loss experience.

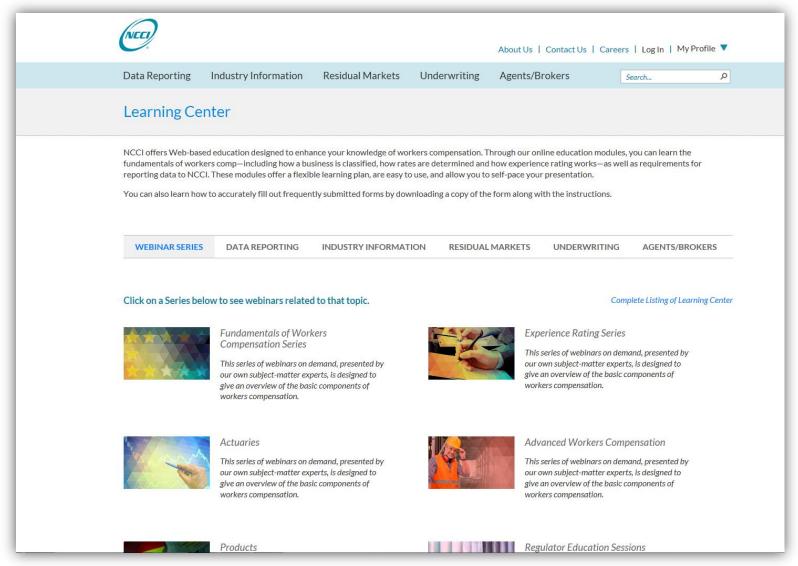
Insurance company delivers filing to the state regulator for review and final decision.



### Distribution of Overall Change to Industry Groups



#### **Workers Compensation Education**





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