

Tennessee Workers' Compensation Advisory Council

Review of:

***NCCI Tennessee Workers' Comp Loss Cost Filing
Effective March 1, 2015***

Presented by:

***Christopher J. Burkhalter, FCAS, MAAA
Vice President & Principal***



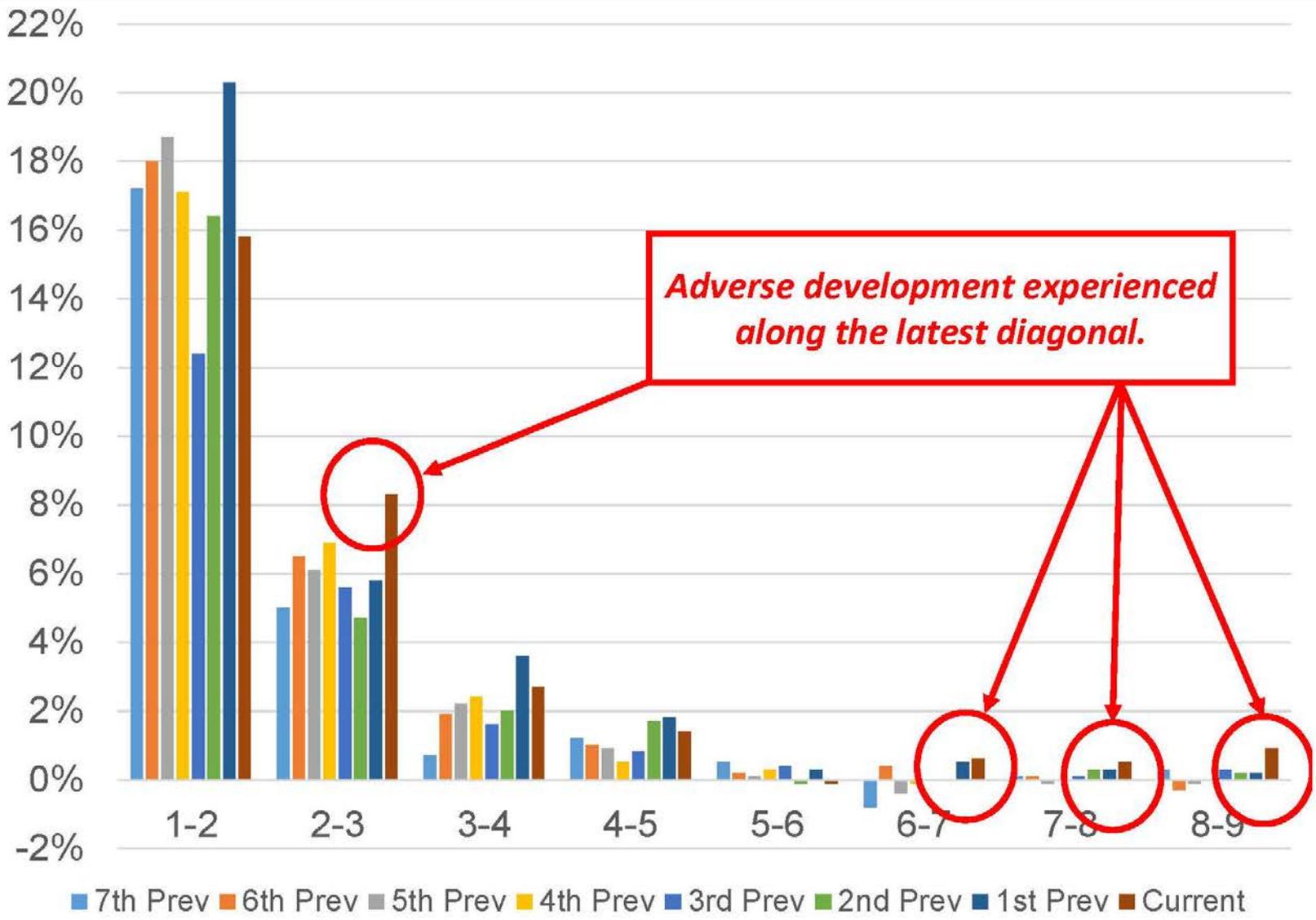
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**Bickerstaff
Whatley
Ryan
Burkhalter**
CONSULTING ACTUARIES

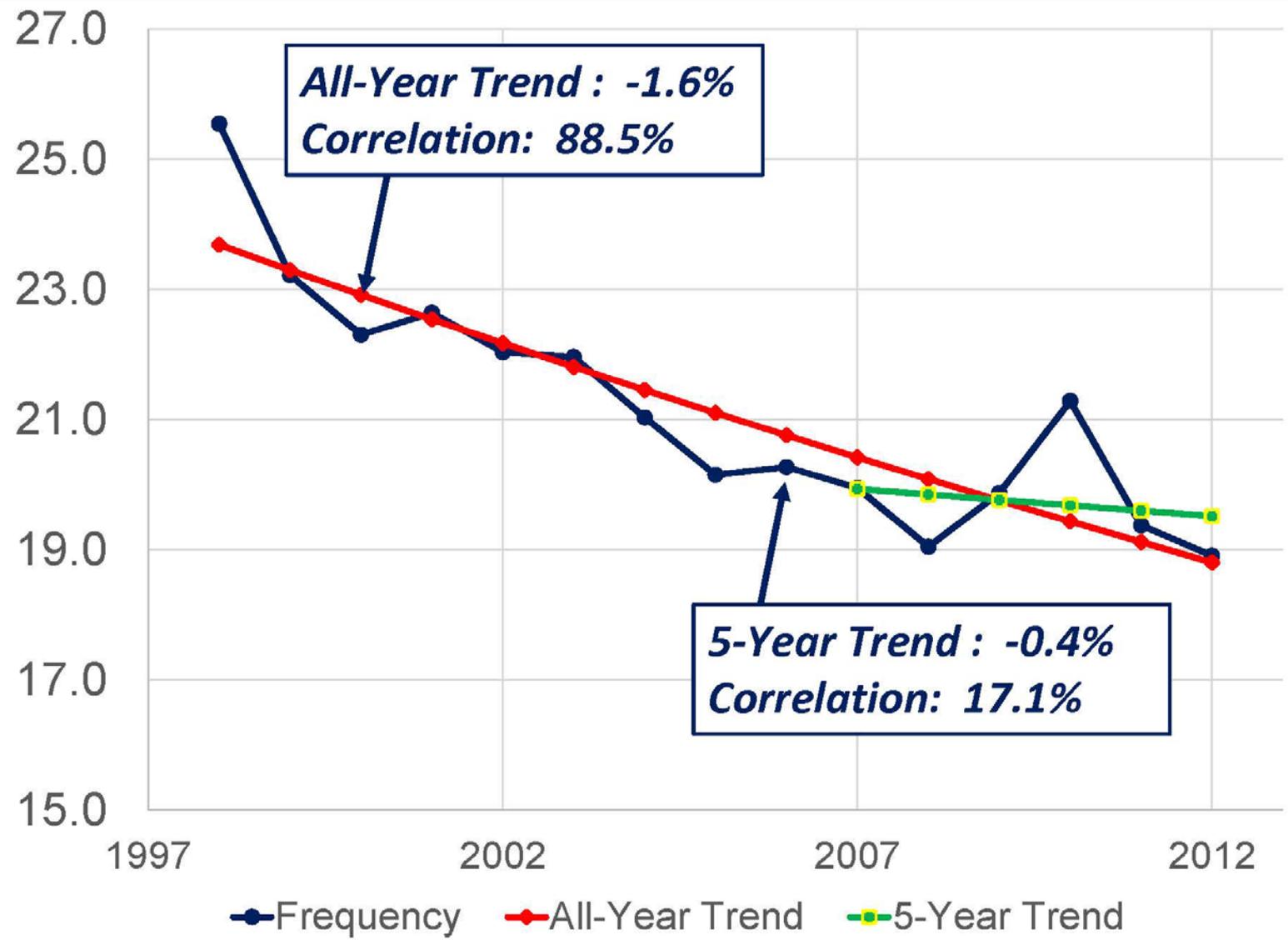
Major Areas of Review

- ***Loss development factors***
- ***Loss ratio trends***
- ***LAE provision selection***
- ***Experience period***

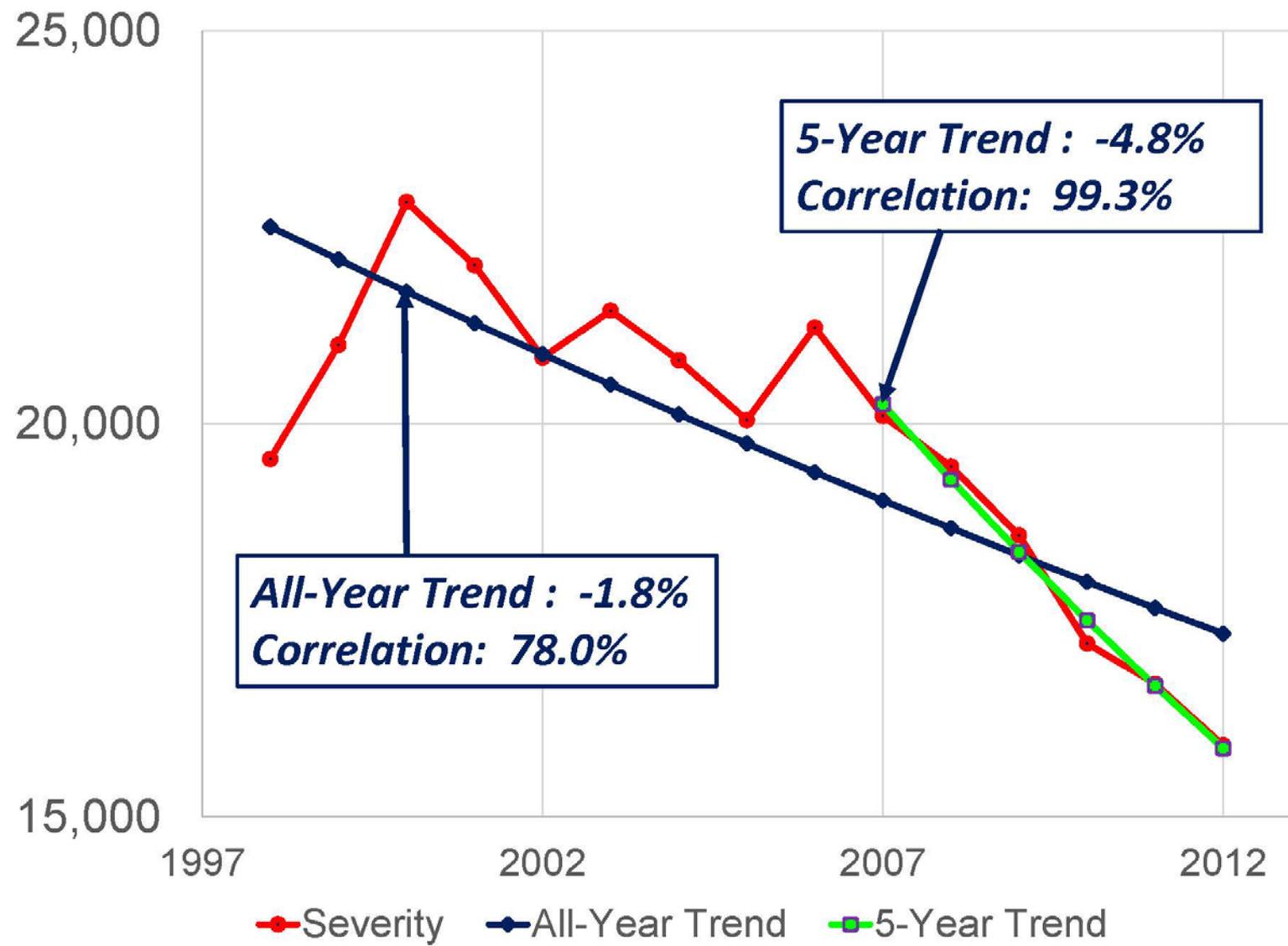
Indemnity Paid+Case Loss Development Factors



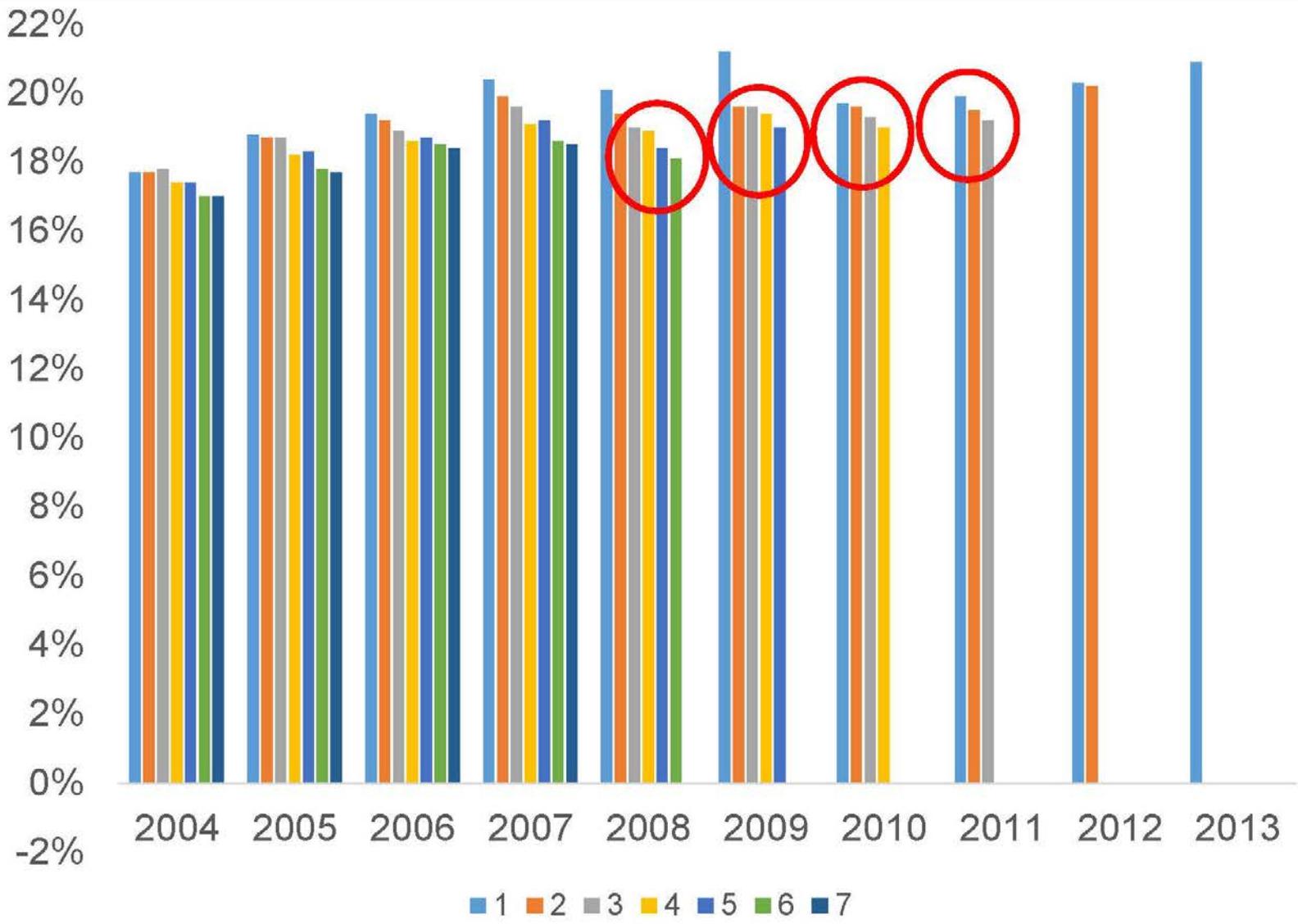
Trends in Claim Frequency



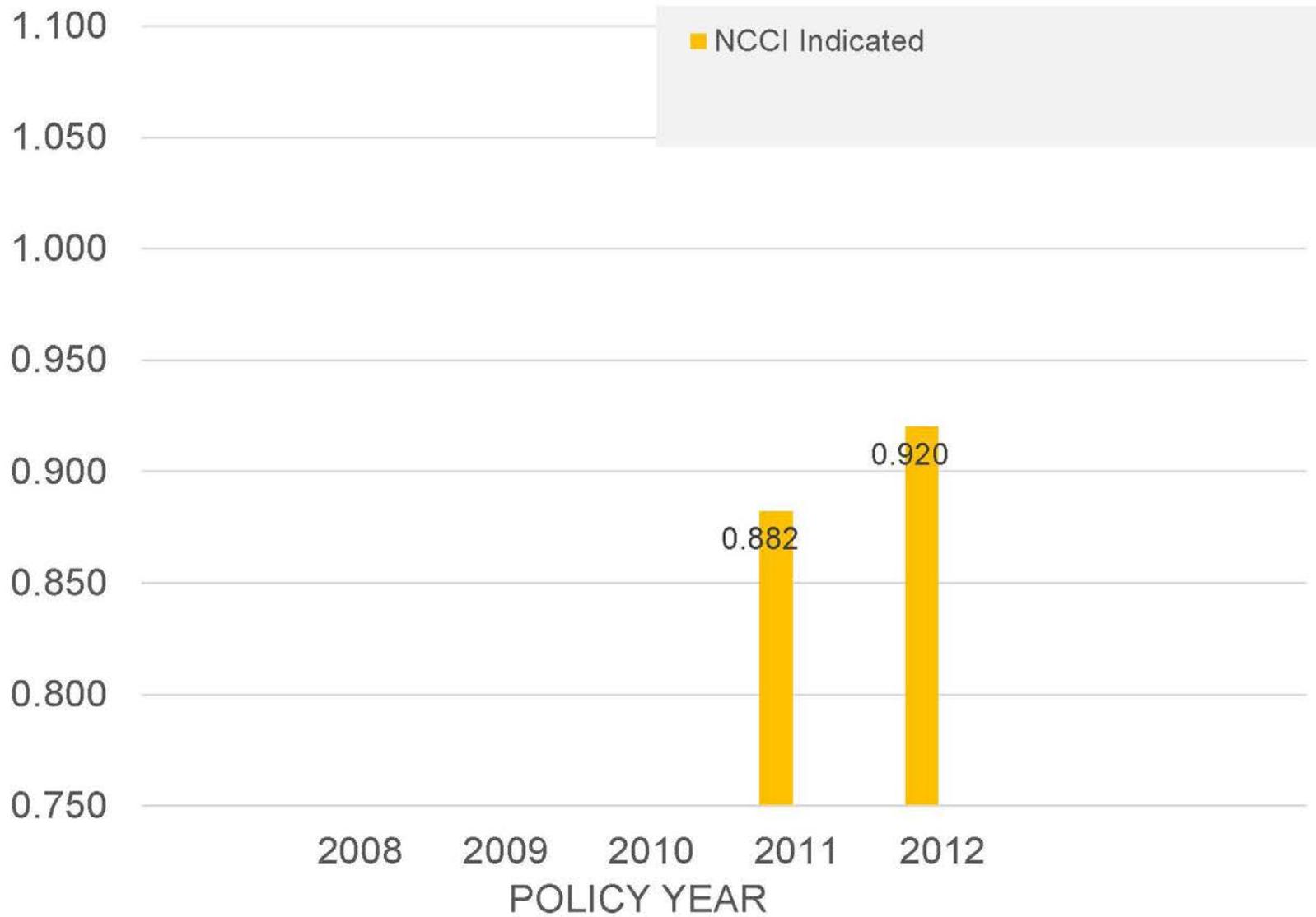
Indemnity Severity



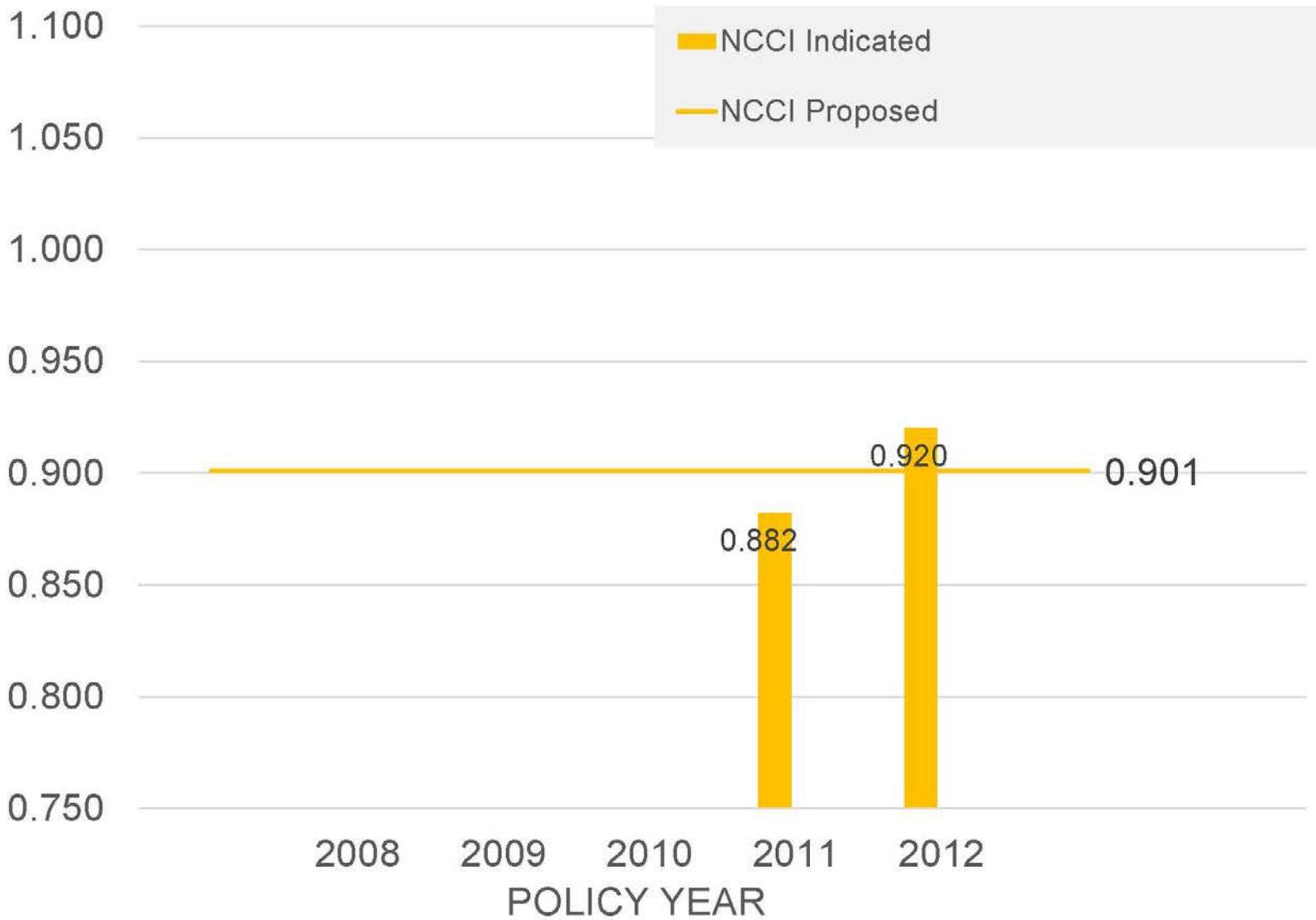
Ratio of LAE to Loss



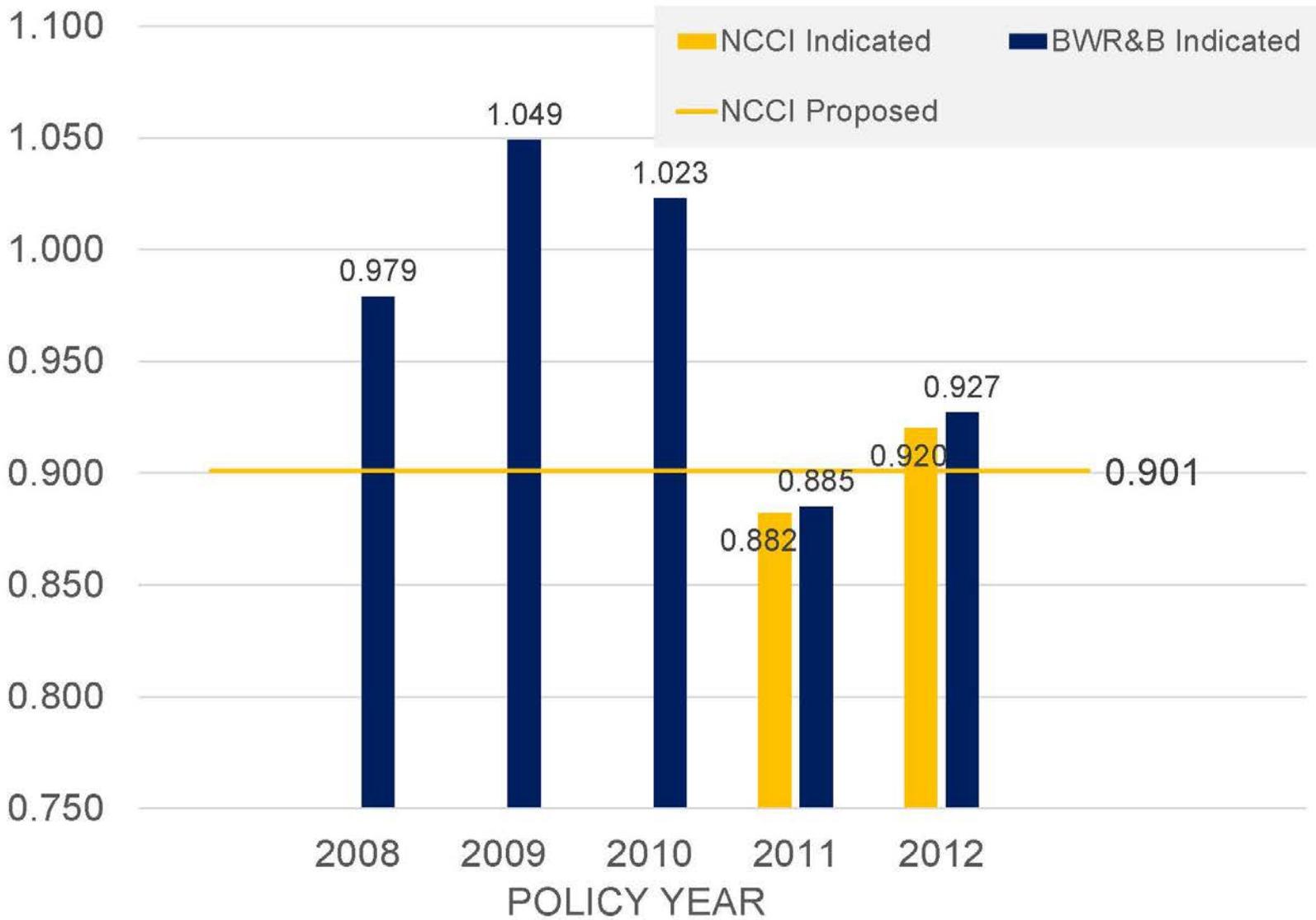
Projected Cost Ratios



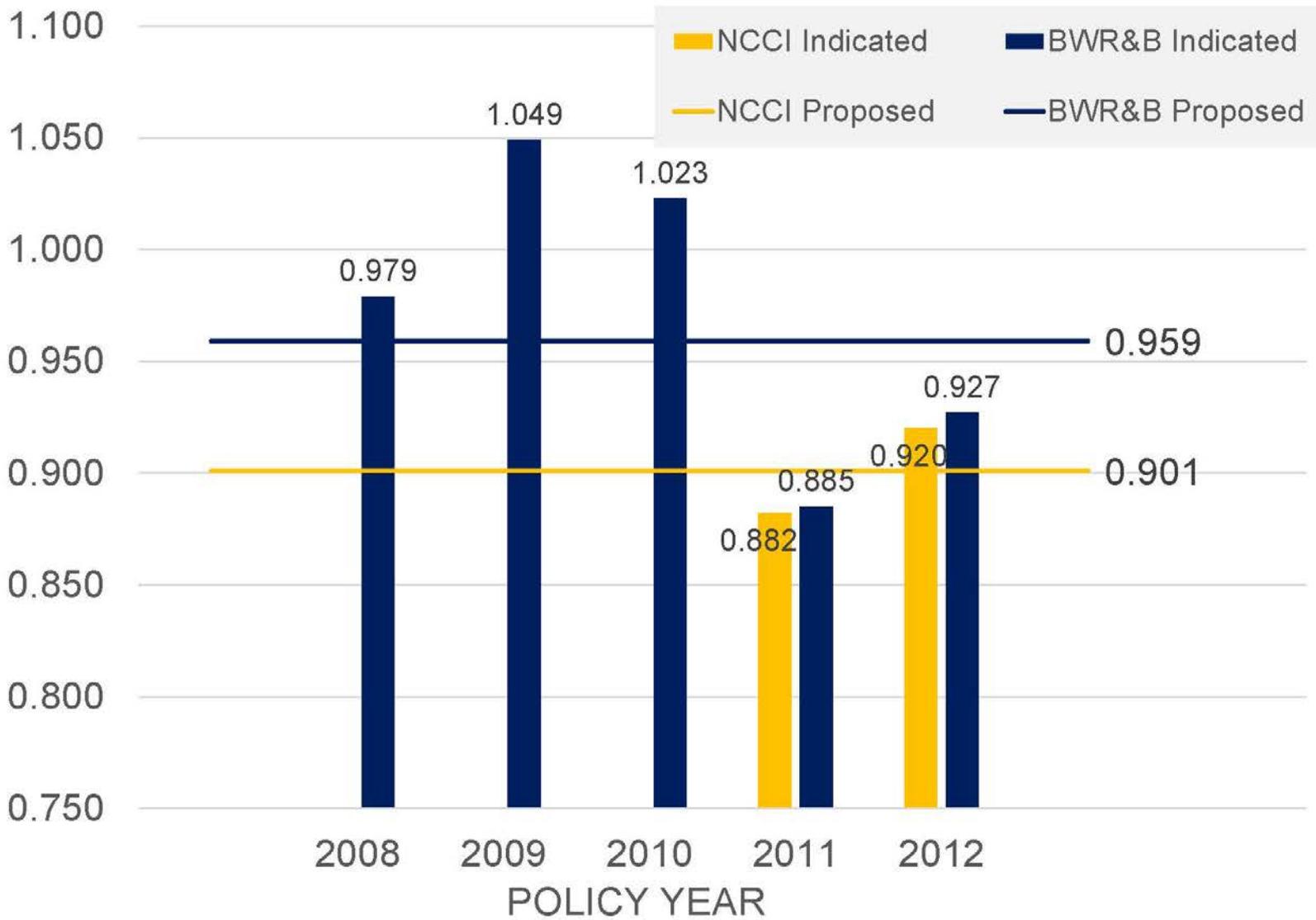
Projected Cost Ratios



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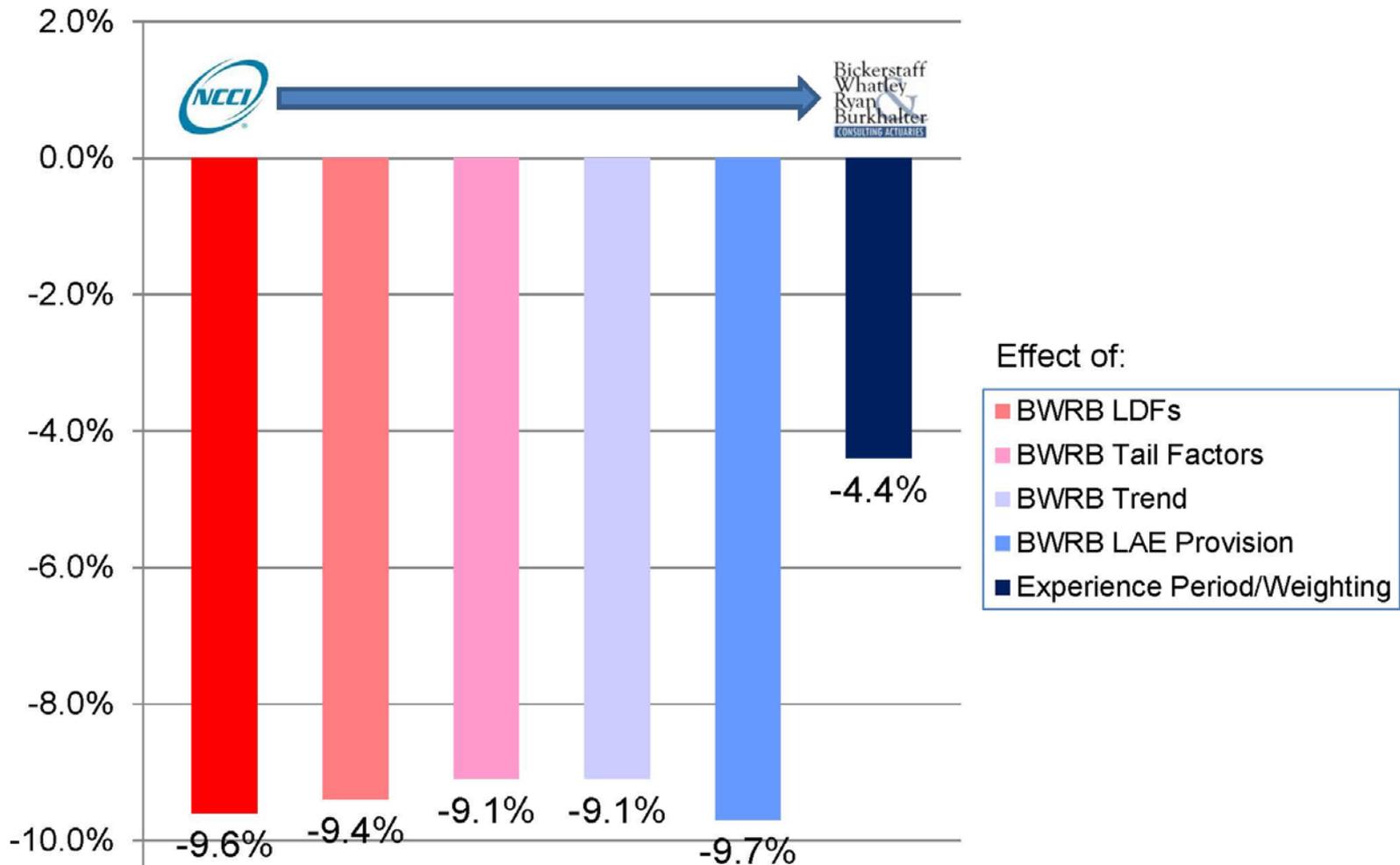
Projected Cost Ratios



Major BWR&B Actuarial Assumptions

- ***Selected shorter-term average of LDFs***
 - ***slightly raised indem.; lowered medical***
- ***Selected shorter-average of tail***
 - ***slightly lowered indem.; raised medical***
- ***Used NCCI trends of -3.5% indem. and 0% medical***
- ***Selected 19.4% LAE ratio (NCCI: 20.1%)***
- ***Used five-year weighted-average for indication***

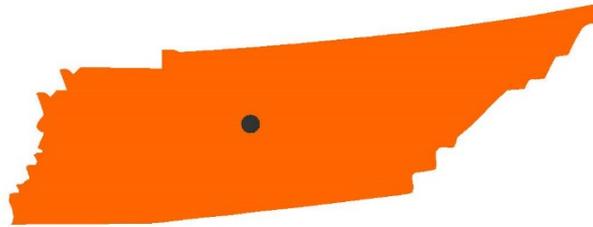
NCCI & BWR&B Indications



Acknowledgements

TENNESSEE

Technical Supplement



Workers Compensation Voluntary Loss Costs and Rating Values

Proposed Effective March 1, 2014



Tennessee

Advisory Loss Cost Filing
Proposed Effective March 1, 2015

Technical Supplement