



Connecticut

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing

Proposed Effective January 1, 2020

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September 18, 2019

Andrew N. Mais
Insurance Commissioner
Connecticut Insurance Department
153 Market Street
Hartford, CT 06103

Re: Connecticut Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing, Proposed Effective January 1, 2020

Dear Commissioner Mais:

In accordance with the applicable statutes and regulations of the state of Connecticut, we are filing for your consideration and approval voluntary advisory loss costs, assigned risk rates, and rating values.

The voluntary advisory loss costs, which are proposed to be effective January 1, 2020, reflect an overall average change of -2.9% from the current voluntary advisory loss costs which became effective January 1, 2019.

The assigned risk rates, also proposed to be effective January 1, 2020, reflect an overall average change of -4.5% from the current assigned risk rates which became effective January 1, 2019. Please note the following in connection with this filing:

- As a result of Item B-1435, effective January 1, 2018:
 - Class Codes 2386, 2501, 2534, and 2560 are combined to reflect the final year of a three-year transition program, and Class Codes 2386, 2534, and 2560 are discontinued.
- As a result of Item B-1436, effective January 1, 2019:
 - Class Codes 8825 and 8826 are combined to reflect the final year of a two-year transition program, and Class Code 8825 is discontinued.
 - Class Code 8829 is discontinued and the loss cost for Class Code 8824 is payroll-weighted to reflect the combined experience of Class Codes 8824 and 8829.
- As a result of Item B-1437, effective January 1, 2020:

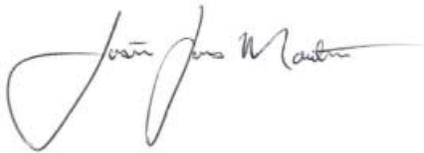
- Class Codes 2286 and 2220 are combined to reflect the first year of a two-year transition program. In the second year of the transition, Class Code 2286 will be discontinued.
- Class Codes 2670 and 2688 are combined to reflect the first year of a two-year transition program. In the second year of the transition, Class Code 2670 will be discontinued.
- Class Code 4360 is discontinued and the loss cost for Class Code 7610 is payroll-weighted to reflect the combined experience of Class Codes 4360 and 7610.
- Class Code 4670 is discontinued and the loss cost for Class Code 4683 is payroll-weighted to reflect the combined experience of Class Codes 4670 and 4683.
- Class Code 5508 is discontinued and the loss cost for Class Code 5507 is payroll-weighted to reflect the combined experience of Class Codes 5508 and 5507.
- Class Code 7097 is discontinued.
- As a result of Item R-1417, the retrospective rating plan parameters were updated.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate or pure premium filing requirements and other private use of this information.

In the enclosed appendix is a list of companies, which as of the time this filing is submitted, are eligible to reference this information. The inclusion of a company on this list merely indicates that the company, or the group to which it belongs, is affiliated with NCCI in this state, or has licensed this information as a non-affiliate, and is not intended to indicate whether the company is currently writing business or is even licensed to write business in this state.

Please contact me at 860-969-7903 or Jim Davis at 561-893-3097 if you have any questions or need any further information.

Respectfully submitted,



Justin Moulton
State Relations Executive



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Actuarial Certification

I, James R. Davis, am an Executive Director and Actuary for the National Council on Compensation Insurance, Inc. I am an Associate of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

The information contained in this report has been prepared under my direction in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

A handwritten signature in black ink that reads "James R. Davis". The signature is written in a cursive, flowing style.

James R. Davis, ACAS, MAAA
Executive Director and Actuary
Actuarial and Economic Services



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Disclosures

Purpose of the Report

The purpose of this report is to provide the proposed voluntary loss costs and assigned risk rates for workers compensation policies in Connecticut, proposed to be effective January 1, 2020. The intended users of this report are:

- The Connecticut Insurance Department
- Affiliated carriers, for their reference in determining workers compensation rates

Scope

The prospective loss costs are intended to cover the indemnity and medical benefits provided under the system, as well as some of the expenses associated with providing these benefits (loss adjustment expenses). They do not, however, contemplate any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Each insurance company offering workers compensation insurance in Connecticut must file a loss cost multiplier to be applied to the approved advisory prospective loss costs in order to compute the final workers compensation rates they intend to charge. This multiplier is intended to cover the other costs associated with providing workers compensation insurance that are not already part of the advisory prospective loss costs.

Employers unable to secure coverage in the voluntary market can apply for such coverage in the assigned risk market. The proposed assigned risk rates are intended to cover the indemnity and medical benefits provided under the system, the expenses associated with providing these benefits (loss adjustment expenses), and any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Data Sources and Dates

The overall average loss cost level change is based on a review of Financial Call Data, which is an aggregation of workers compensation data annually reported to NCCI. In this filing, Financial Call Data submissions received after July 11, 2019 were not considered for inclusion in the analysis.

Loss cost level changes at the classification code level are based on Unit Statistical Data, which is the audited exposure, premium and loss information reported to NCCI on a policy level. In this filing, Unit Statistical Data submissions received after August 5, 2019 were not considered for inclusion in the analysis.



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Disclosures

In some areas, NCCI's analysis also relies on other data sources, which are reviewed for reasonableness and are referenced in the filing where applicable.

This filing was prepared as of August 14, 2019. Therefore, events that occurred after this date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.

NCCI maintains several data reporting initiatives and programs to assist carriers to report data and to ensure that the data that is reported to NCCI is complete, accurate, and reported in a timely fashion. Occasionally, a carrier's data submission is not available for use in an NCCI filing either because the data was not reported prior to the filing, had quality issues, or NCCI determined that the data that was reported should not be included in the filing based on NCCI's actuarial judgment.

Data for all carriers writing at least one-tenth of one percent of the Connecticut workers compensation written premium volume have been included in the experience period on which this filing is based.

Other exclusions are made for the purposes of analysis, but do not have a material impact on the proposed changes in this filing.

Risks and Uncertainty

This filing includes assumptions and projections concerning the future. As with any prospective analysis, there exists estimation uncertainty in these assumptions and projections. Areas of this analysis subject to estimation uncertainty that could have a material impact on the final results include the following:

- Projection of future loss development
- Selection of loss ratio trends
- Potential impact of changes to laws and/or regulations

In addition, any future changes to workers compensation law or regulations that apply retroactively to policies or benefit claims on policies in the proposed effective period may have a significant impact on the adequacy of the loss costs proposed in this filing.



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Executive Summary

Based on its review of the most recently available data, NCCI has proposed an overall average workers compensation voluntary market loss cost level change of -2.9% to become effective January 1, 2020. In addition, NCCI has proposed an overall average assigned risk rate level change of -4.5%, also to become effective January 1, 2020.

<u>Key Components</u>	<u>Percentage Change</u>
Impact of change in Experience and Development	-5.3%
Impact of change in Trend	+1.0%
Impact of change in Benefits	+0.4%
<u>Impact of change in Loss-based Expenses</u>	<u>+1.1%</u>
Proposed Change in Overall Voluntary Loss Cost Level	-2.9%
Impact of change in Assigned Risk Loss Cost Multiplier	-1.6%
Proposed Change in Overall Assigned Risk Rate Level	-4.5%

Key observations:

- The filing is based on Connecticut premium and loss experience for Policy Years 2016 and 2017. The experience that has emerged for Policy Year 2017 is comparatively less favorable than that for Policy Year 2016.
- The frequency of lost-time claims in Connecticut continues its long-term downward trend.
- The average cost per case for both indemnity and medical increased in policy year 2017, following decreases in recent policy years.

Proposed Changes in Voluntary Loss Cost Level by Industry Group:

<u>Industry Group</u>	<u>Average Change</u>	<u>Maximum Increase</u>	<u>Maximum Decrease</u>
Manufacturing	-1.5%	+19%	-21%
Contracting	-5.9%	+14%	-26%
Office and Clerical	-2.5%	+18%	-22%
Goods and Services	-1.9%	+18%	-22%
Miscellaneous	-2.9%	+17%	-23%



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Executive Summary

Additional Notable Changes Proposed in the Filing:

- Reflection of Annual Changes to Maximum and/or Minimum Indemnity Benefits in Ratemaking
- Proposed Change to the Defense and Cost Containment Expense Provision Calculation
- Swing Limit Bound Calculation Modification
- Update to the United States Longshore and Harbor Workers' (USL&HW) Coverage Percentage Factor



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Overview of Methodology

Aggregate Ratemaking

NCCI's approach to determining the proposed overall average loss cost level change utilizes widely accepted ratemaking methodologies. The approach employed in this filing includes the following steps:

- The reported historical premium totals are projected to an ultimate basis and adjusted to the current pure premium level
- The excess loss portion of individual large claims are removed from reported aggregate losses, based on a Connecticut-specific large loss threshold
- The reported historical limited indemnity and medical loss totals are projected to an ultimate basis and adjusted to the current benefit level
- Ratios of losses to pure premium are projected to the cost levels expected in the loss cost effective period
- Ultimate, trended, limited losses are adjusted to an unlimited basis with an excess ratio
- Proposed benefit level and/or expense changes are applied to the projected cost ratios

The indicated average loss cost level change is calculated for the years in the filing's experience period. If the final projected cost ratios are greater (less) than 1.000, then an increase (decrease) in the average loss cost level is indicated.

Class Ratemaking

Once the proposed overall average voluntary loss cost level change has been determined, NCCI separately determines loss costs per \$100 of payroll for each workers compensation job classification (class); the loss costs and year-over-year changes vary by class. Three sets of pure premiums are combined as part of each class code's loss cost calculation based on the volume of available data for that job classification. The three sets of pure premiums are:

- State-specific payroll and loss experience ("indicated")
- Currently-approved pure premium adjusted to the proposed level ("present on rate level")
- Countrywide experience adjusted to state conditions ("national")



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Overview of Methodology

Assigned Risk Rates

The proposed assigned risk rates are then determined for each job classification as the product of the classification's voluntary loss cost and a loss cost multiplier (LCM). The LCM incorporates the indicated assigned risk market expense need, changes to the assigned risk differential, and the proposed uncollectible premium provision.

Note: The methodology and assumptions used in this filing may not be applicable to or relevant for another purpose, including but not limited to NCCI filings in other jurisdictions.



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Summary of Selections

The following is a summary of selections underlying the voluntary advisory loss costs and assigned risk rates proposed to be effective January 1, 2020, along with the selections underlying the currently-approved loss costs and rates.

Voluntary Loss Costs	Currently Approved January 1, 2019	Proposed Effective January 1, 2020
Experience Period	Policy Years 2015 and 2016	Policy Years 2016 and 2017
Premium Development	3-year average	3-year average
Basis of Loss Experience	Average of Paid and Paid+Case losses	Average of Paid and Paid+Case losses
Paid Loss Development	2-year average	2-year average
Paid+Case Loss Development	5-year average	5-year average
Tail Factors	Selected	Selected
Indemnity Annual Loss Ratio Trend Factor	0.955	0.960
Medical Annual Loss Ratio Trend Factor	0.960	0.960
Loss Adjustment Expense Provision	17.6%	18.9%
Base Threshold for Limiting Losses	\$9,213,684	\$8,130,150
Large Loss Excess Ratio	2.5%	1.9%
Classification Swing Limits (applied by Industry Group)	+/-20%	+/-20%
Assigned Risk Rates	Currently Approved January 1, 2019	Proposed Effective January 1, 2020
Assigned Risk Loss Cost Differential	1.300	1.300
Profit and Contingencies Provision	0.0%	0.0%
Uncollectible Premium Provision	1.035	1.035
Minimum Premium Multiplier (MPM)	320	320
Maximum Minimum Premium (MMP)	\$1,500	\$1,500



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Selections Underlying Proposed Changes

Experience and Development

NCCI analyzed the emerging experience of Connecticut workers compensation policies in recent years. The primary focus of our analysis was on premiums and losses from policy years 2016 and 2017 evaluated as of December 31, 2018. The most recently available full policy year is 2017 since the last policy had an effective date of December 31, 2017 and did not expire until December 31, 2018. During this year's analysis, after reviewing various possible experience periods, the use of the two most recently available full policy years of data was selected as most appropriate in terms of providing balance between stability and responsiveness.

Different aggregations of limited loss experience were analyzed in preparation of this filing. These were (i) paid losses (benefit amounts already paid by insurers on reported claims) and (ii) the sum of paid losses plus case reserves (paid losses and the amounts set aside to cover future payments on those claims). For use in this filing, NCCI utilized an average of each of these two loss aggregations. This is consistent with NCCI filings made in the past several years in Connecticut. Loss development factors are needed since paid losses and case reserve estimates on a given claim change over time until the claim is finally closed. The loss development factors are based on how paid losses and case reserve estimates changed over time for claims from older years. The specific development link ratio selections underlying this filing are shown below:

- A three-year average of historical premium development factors
- A two-year average of historical paid loss development factors through a 19th report
- A five-year average of historical paid plus case loss development factors through a 19th report
- Loss development tail factors from a 19th report to ultimate are selected based on the ten most recently available factors

Trend

This filing relies primarily on the experience from policy years 2016 and 2017. However, the proposed loss costs and assigned risk rates are intended for use with policies with effective dates starting on January 1, 2020. It is necessary to use trend factors that forecast how much the future Connecticut workers compensation experience will differ from the past. These trend factors measure anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages. For example, if benefit costs are expected to grow faster than wages, then a trend factor greater than zero is indicated. Conversely, if wages are expected to grow faster than benefit costs, then a trend factor less than zero is indicated.



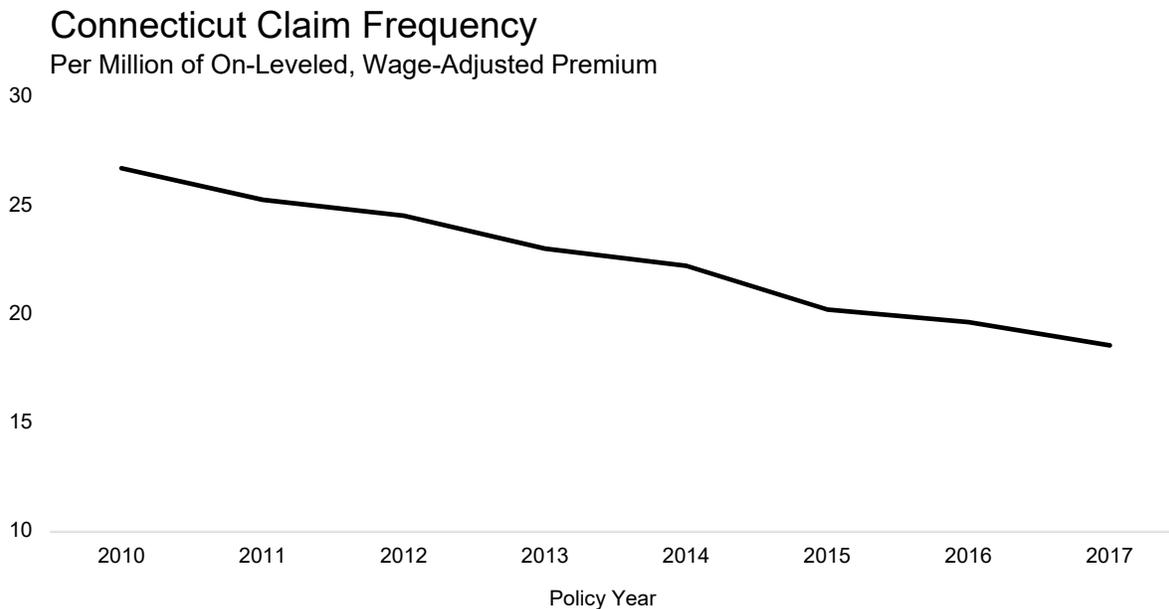
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Selections Underlying Proposed Changes

While historical changes in claim frequency and average cost per case were also reviewed, NCCI applies loss ratio trend factors in the determination of the proposed overall average loss cost level change.

The following few charts show a measure of the number of workplace injuries (claim frequency) and the average cost of each of these injuries (claim severity).



Connecticut's lost-time claim frequency has generally declined since 2010, as shown immediately above. The data in this chart reflects premiums at today's loss cost and wage levels.



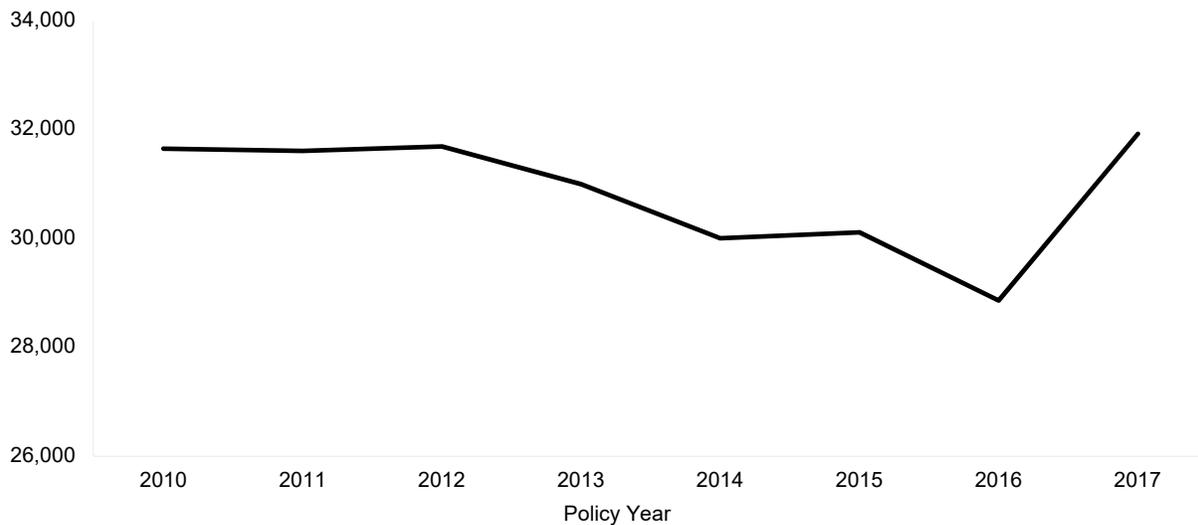
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Selections Underlying Proposed Changes

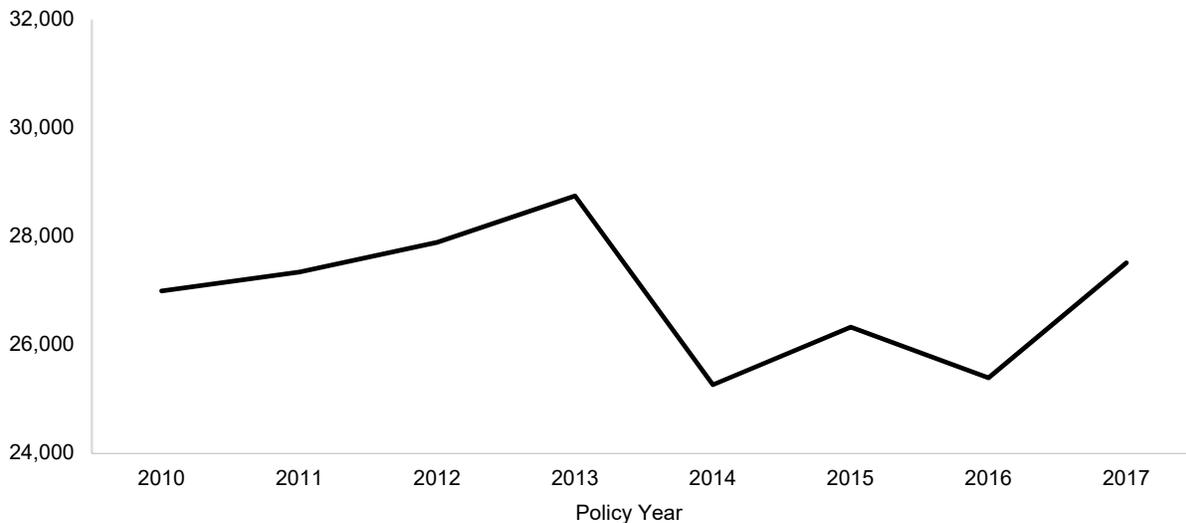
Connecticut Indemnity Average Cost Per Case

Adjusted to a Common Wage Level, Based on Average of Paid and Paid+Case Losses



Connecticut Medical Average Cost Per Case

Adjusted to a Common Wage Level, Based on Average of Paid and Paid+Case Losses



After adjusting to a common wage level, indemnity and medical average cost per case figures have increased in policy year 2017, following decreases in recent policy years.



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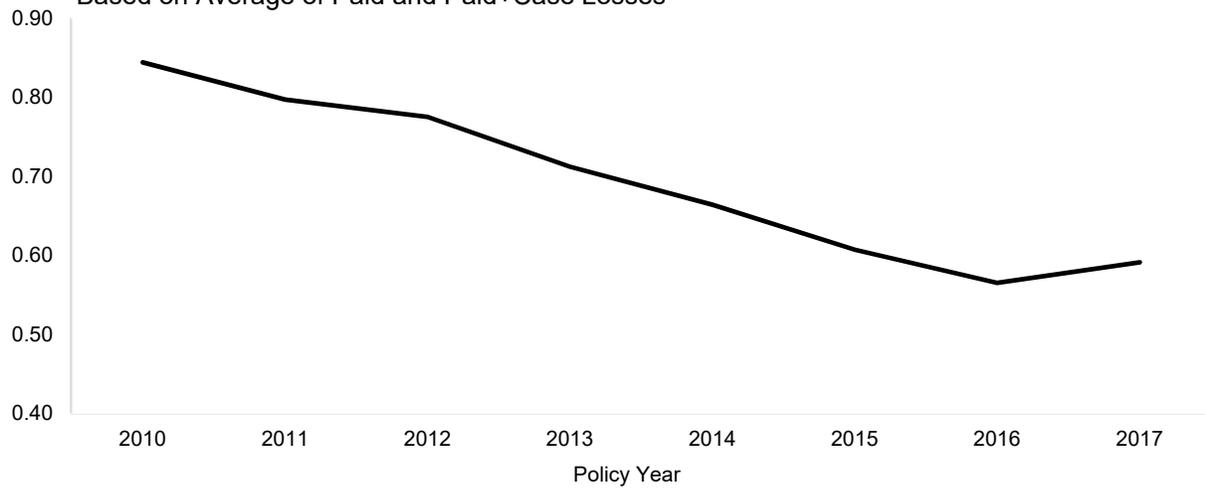
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Selections Underlying Proposed Changes

Loss ratios result after combining observed changes in Connecticut's average claim frequency with corresponding changes in Connecticut's average cost per case.

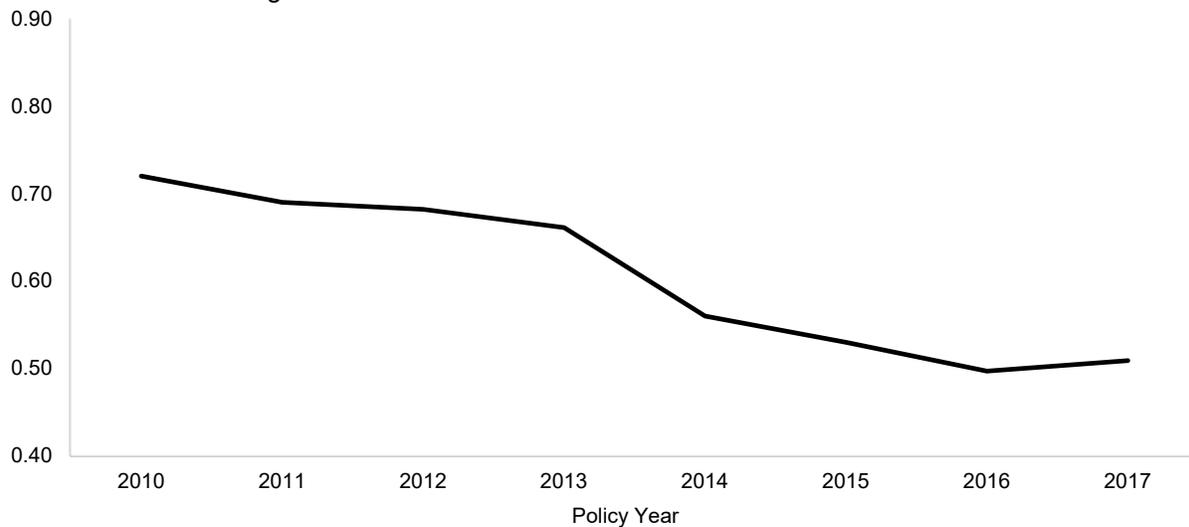
Connecticut Indemnity Loss Ratio History

Based on Average of Paid and Paid+Case Losses



Connecticut Medical Loss Ratio History

Based on Average of Paid and Paid+Case Losses



Based on our analysis this year, we are proposing to increase the annual indemnity loss ratio trend from -4.5% to -4.0% and maintain the annual medical loss ratio trend at -4.0% .



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Selections Underlying Proposed Changes

Benefit Changes

NCCI has also included the impact of the most recent Medical Fee Schedule updates effective April 1, 2019 and July 15, 2019. These changes are estimated to increase overall workers compensation system costs by 0.4%. Please see Appendices C-II and C-III for additional detail.

Loss Adjustment Expenses

The proposed loss costs include a provision for loss adjustment expenses (LAE). These are expenses associated with the handling of workers compensation claims. LAE is included in the loss costs by using a ratio of loss adjustment expense dollars to loss dollars (called the LAE provision). In this filing, NCCI is proposing to increase the current voluntary LAE provision from 17.6% to 18.9% of losses. Please see Exhibit II for additional detail.



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Additional Proposed Changes

Reflection of Annual Changes to Maximum and/or Minimum Indemnity Benefits in Ratemaking

Summary

This filing proposes a change in the handling of benefit changes that result from annual revisions in maximum and/or minimum weekly indemnity benefits. These benefit changes are tied to annual statutory changes in the State Average Weekly Wage (SAWW). The proposal is to capture these benefit changes through the indemnity trend factor rather than through explicit benefit changes.

Background

NCCI has historically recognized annual SAWW-related changes to maximum and/or minimum weekly benefits via complex calculations relying on wage distributions, which vary the impacted inflation-sensitive parameters while holding all other values constant. The resulting impact becomes a benefit component of the loss cost indication and is used to bring historical indemnity losses to the proposed benefit level.

During a review of current procedures, NCCI determined that this adjustment unnecessarily increases the complexity of the calculation of expected benefit levels in the ratemaking process. As such, NCCI is simplifying the way this type of annual benefit change is reflected.

Proposed Procedure

Annual changes in maximum and/or minimum indemnity benefits reflect inflationary changes in premium/payroll; they do not result in changes to injured worker benefit levels over and above changes in wage inflation. Therefore, it is preferable to not explicitly adjust historical losses to account for these types of indemnity changes.

Going forward, the impact on indemnity benefit costs due to annual adjustments to maximum and/or minimum weekly benefits because of changes in the SAWW will not be calculated. Further, historical changes of this type will no longer be included in loss on-level factors.

Impact

Removal of explicit recognition of annual SAWW-related changes will likely impact the loss cost filing in three ways (assuming positive SAWW changes):

1. The estimated impact of the latest change in the SAWW will not be explicitly included (historically in Appendix C). Everything else being equal, this will tend to decrease the indication.



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Additional Proposed Changes

2. The experience-period indemnity losses will not be on-leveled for previously filed annual SAWW-related changes (Exhibit I, Appendix A-I). Everything else being equal, this will tend to decrease the indication.
3. The indemnity losses used in the determination of the loss ratio trend factor will not be on-leveled for historical annual SAWW-related changes (Appendix A-III). Everything else being equal, this will tend to increase the fitted trend factors and, potentially, the indication.

NCCI researched the impact of the implicit recognition of these changes across states and years and concluded that the three components noted above should offset each other over time. Accordingly, there is no expected overall loss cost level impact due to this change.



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Additional Proposed Changes

Proposed Change to the Defense and Cost Containment Expense Provision Calculation

Background

The Loss Adjustment Expense (LAE) provision in the loss costs is comprised of Defense and Cost Containment Expense (DCCE) and Adjusting and Other Expense (AOE) provisions.

Previously in Connecticut, the DCCE portion of the LAE provision has been calculated based on a selected countrywide DCCE provision calculated from the NCCI Call for Loss Adjustment Expenses (Financial Call #19). This countrywide DCCE provision was adjusted by applying a state-specific relativity derived using NAIC Annual Statement payment data.

Proposed Procedure

This filing proposes to calculate the DCCE provision more directly by utilizing Connecticut-specific paid DCCE and losses, reported on the NCCI Call for Policy Year Data (Financial Call #3). Under the proposed methodology, the ratios of reported paid DCCE to paid losses by policy year are developed to a 19th report using DCCE ratio development factors. A 19th-to-ultimate tail factor is applied to reflect expected development beyond the 19th report. The proposed DCCE provision is selected based on the ultimate projected DCCE ratios by policy year.

Utilizing policy year data for the DCCE calculation is consistent with the basis for the losses and premium underlying the filing's loss cost level change (Exhibit I). By using policy year data, the proposed methodology minimizes the potential impact that claim activity occurring in older time periods (e.g., more than 20 years ago) may have on the prospective DCCE provision. When compared with the previous DCCE approach, the use of state-specific policy year data may allow the proposed methodology to be more responsive to state-specific changes.

The determination of the AOE provision is unaffected by this change to the DCCE methodology.



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Additional Proposed Changes

Swing Limit Bound Calculation Modification

As part of NCCI's class ratemaking procedure, proposed loss costs by classification are subject to upper and lower bounds. As detailed in Appendix B-II, the bounds are determined as the product of the swing limits by industry group and the classification's present loss cost.

NCCI recently evaluated the bound calculations to determine if they are performing optimally, particularly for classifications with significantly low loss costs. In these cases, the current multiplicative bound calculation can result in an upper and lower bound equal to the current loss cost for a classification. For example, a classification with a loss cost or rate of \$0.03 in a state with 15% swing limits and an indication of -10% would have upper and lower bounds both equal to \$0.03. This restricts a classification's proposed loss cost to its present loss cost, eliminating any possible responsiveness to change indicated by the underlying data.

To enhance responsiveness to the data in these scenarios, NCCI is proposing a modification to the calculation of loss cost bounds by classification when both the upper and lower bounds are equal to the current loss cost. In these cases, NCCI will review the change indicated by the classification and the corresponding industry group. If the direction of these two indications are aligned, NCCI will adjust the upper or lower bound so that the proposed loss cost may change by one cent from the present loss cost in the direction of the change indicated for the classification.

This updated swing limit bound calculation can only impact classifications with loss costs of four cents or less given the current swing limit of 20%. In future instances where the proposed calculation applies, the classification will exceed the traditional swing of 20% by less than one cent.

In this filing, no adjustments have been made as a result of the proposed methodology. In future filings, if a class code is adjusted per this methodology change, the affected class codes would be listed in Appendix B-II.



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Additional Proposed Changes

Update to the USL&HW Coverage Percentage Factor

This filing proposes a revision to the United States Longshore and Harbor Workers' (USL&HW) Coverage Percentage factor found on the Miscellaneous Values page in this filing.

USL&HW Factor – Benefits Only

Current Approved

1.25

Proposed

1.50

Background

The USL&HW Act is a federal law that extends federal benefits to employees such as harbor workers and others for disability or death resulting from an injury occurring upon the navigable waters of the United States. Separate class codes (“F-classes”) were created to account for those occupations that tend to have considerable USL&HW Act exposure. For all industrial classes that have USL&HW Act exposure but no relevant F-class code, the potentially higher federal benefits payable needs to be contemplated when calculating an insured’s premium. For USL&HW Act exposure that does not correspond to an F-class code, the USL&HW factor is applied to the industrial class loss cost for the portion of payroll that the USL&HW Act exposure represents.

NCCI’s prior full study of the USL&HW factors was completed in 2003. Since that time, the revised factor has been updated annually with each NCCI loss cost filing to account for how federal benefits have changed relative to Connecticut benefits, as calculated and displayed in those filings.

Methodology

NCCI recently completed a full study of the USL&HW factors using Unit Statistical Data to determine the indicated USL&HW factor. The average cost of claims subject to Connecticut’s workers compensation (WC) Act was compared to the average cost of claims subject to the USL&HW Act and a ratio, or “relativity,” was calculated. Due to the limited number of claims subject to the USL&HW Act within a given state, the average cost for these claims was calculated on a countrywide basis to increase the predictive accuracy. Two adjustments were independently made to the federal severity calculation to reflect additional attributes of the state under review: an injury type (IT) adjustment and a hazard group (HG) adjustment. Prior to calculating the indicated relativity, these adjustments modified the countrywide federal claim cost and the state’s industrial claim cost to have matching IT or matching HG distributions. These adjustments were done two ways: by weighting the federal severity to match the state



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Additional Proposed Changes

severity IT or HG distribution, and vice versa. These calculations were done separately for indemnity and medical severities before being combined. The resulting values from the four adjustment combinations were considered in the analysis. Note for medical, the indicated relativity was credibility weighted with the medical relativity assumption of unity underlying the previous (i.e., 2003) review prior to determining the combined indemnity and medical relativity.

Based on this review, each jurisdiction was placed into one of four USL&HW factor groups. These placements were validated by analyzing each jurisdiction's benefit structure. The USL&HW factor found on the Miscellaneous Values page is the USL&HW factor assigned to Connecticut, adjusted for the difference between state and federal expenses, if applicable.

The USL&HW factor will not be automatically adjusted annually for filed benefit changes as has been current practice. Instead, unless a significant change to the state's benefit system occurs, NCCI will periodically review the current approved USL&HW factor to determine if an update to the USL&HW factor is warranted.

Impact

NCCI's recent study indicated that the current approved USL&HW factor in Connecticut is not sufficient for covering the higher benefits applicable when a claim is subject to the USL&HW Act instead of Connecticut's WC Act. Therefore, the USL&HW factor being proposed in this filing is higher than what is currently approved. The update to the USL&HW factor is expected to have a negligible impact on the proposed overall average loss cost level change in this filing.

Note that in NCCI Unit Statistical Data for the latest 5 policy years, the amount of USL&HW payroll reported outside of F-Classes has been approximately \$17,681,000 on average per year in Connecticut.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Part 2 Proposed Values

- Proposed Voluntary Advisory Loss Costs and Rating Values
- Proposed Assigned Risk Rates and Rating Values
- Proposed Values for Inclusion in the Experience Rating Plan Manual
- Proposed Values for Inclusion in the Retrospective Rating Plan Manual



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Proposed Voluntary Loss Costs and Rating Values

The following pages include proposed voluntary loss costs and rating values:

- Voluntary loss costs, expected loss rates, and d-ratios by class code, along with associated footnotes
- Voluntary advisory miscellaneous values, such as:
 - Voluntary advisory loss elimination ratios
 - Maximum and minimum weekly payroll applicable for select class codes
 - Premium determination for Partners and Sole Proprietors
 - Catastrophe and Terrorism advisory loss costs
 - United States Longshore and Harbor Workers' Compensation Coverage Percentage
 - Workers Compensation Administration Funds Assessment Factors

ADVISORY LOSS COSTS - NOT RATES

CONNECTICUT

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Effective January 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
0005	3.08	1.95	0.36	2016	3.94	2.55	0.40	2709	11.17	6.21	0.29
0008	2.70	1.63	0.33	2021	2.58	1.55	0.33	2710	8.32	4.42	0.27
0016	4.92	2.79	0.29	2039	3.40	2.20	0.40	2714	4.64	3.02	0.40
0034	4.24	2.67	0.36	2041	2.88	1.87	0.40	2731	3.96	2.25	0.29
0035	2.61	1.71	0.40	2065	2.06	1.30	0.36	2735	3.58	2.34	0.40
0036	3.92	2.46	0.36	2070	5.12	3.21	0.36	2759	5.44	3.53	0.40
0037	3.99	2.40	0.33	2081	3.07	1.95	0.36	2790	1.58	1.04	0.40
0042X	6.53	3.88	0.32	2089	3.25	2.04	0.36	2797	3.77	2.39	0.36
0050	5.25	3.29	0.36	2095	5.05	3.20	0.36	2799	5.91	3.53	0.32
0059D	0.18	0.04	0.29	2105	3.36	2.19	0.40	2802	5.76	3.46	0.33
0065D	0.02	0.01	0.29	2110	2.81	1.86	0.41	2835	3.32	2.29	0.44
0066D	0.02	0.01	0.29	2111	2.30	1.50	0.40	2836	3.09	2.16	0.44
0067D	0.02	0.01	0.29	2112	3.76	2.45	0.40	2841	3.40	2.23	0.40
0079	2.70	1.53	0.29	2114	2.70	1.77	0.40	2881	2.75	1.88	0.44
0083	5.22	3.30	0.36	2121	1.38	0.87	0.36	2883	3.15	1.99	0.36
0106	8.66	4.58	0.27	2130	1.98	1.25	0.36	2913	-	1.99	0.36
0113	4.22	2.71	0.36	2131	1.73	1.08	0.36	2915	3.51	2.09	0.32
0170	4.22	2.71	0.36	2143	2.38	1.54	0.40	2916	3.67	1.96	0.27
0251	3.52	2.21	0.36	2157	6.28	3.92	0.36	2923	2.52	1.64	0.40
0400	-	2.14	0.33	2172	1.49	0.87	0.32	2942	-	0.89	0.44
0401	11.86	6.29	0.27	2174	2.49	1.62	0.40	2960	4.44	2.77	0.36
0771N	0.41	-	-	2211	7.38	4.16	0.29	3004	1.42	0.80	0.29
0908PX	120.00	75.22	0.36	2220	1.89	1.19	0.36	3018	5.40	3.09	0.29
0913PX	570.00	356.78	0.36	2286	1.89	1.19	0.36	3022	5.62	3.63	0.40
0917	5.02	3.28	0.40	2288	3.44	2.25	0.40	3027	2.76	1.56	0.29
0918X	1.23	0.77	0.36	2300	-	1.56	0.36	3028	3.31	2.09	0.36
1005	6.43	3.06	0.26	2302	1.60	1.02	0.36	3030	8.90	5.07	0.29
1164D	4.14	1.98	0.26	2305	2.32	1.40	0.33	3040	4.48	2.52	0.29
1165D	2.96	1.54	0.27	2361	1.96	1.25	0.36	3041	5.55	3.48	0.36
1320	1.70	0.89	0.27	2362	1.75	1.11	0.36	3042	7.48	4.58	0.33
1322	7.94	4.14	0.27	2380	2.02	1.28	0.36	3064	4.25	2.68	0.36
1430	4.71	2.68	0.29	2386	-	1.56	0.36	3069	-	2.26	0.36
1438	4.55	2.38	0.27	2388	1.48	0.98	0.41	3076	3.59	2.26	0.36
1452	2.37	1.32	0.29	2402	2.52	1.43	0.29	3081D	4.44	2.48	0.29
1463	7.55	3.97	0.27	2413	2.55	1.62	0.36	3082D	4.37	2.46	0.29
1472	2.92	1.55	0.27	2416	1.65	1.03	0.36	3085D	7.32	4.20	0.29
1624D	3.14	1.64	0.27	2417	1.10	0.69	0.36	3110	5.24	3.28	0.36
1642	1.97	1.10	0.29	2501	2.46	1.56	0.36	3111	2.06	1.29	0.36
1654	5.92	3.31	0.29	2503	2.32	1.48	0.40	3113	1.90	1.20	0.36
1655	-	1.10	0.29	2534	-	1.56	0.36	3114	3.46	2.18	0.36
1699	3.18	1.80	0.29	2560	-	1.56	0.36	3118	2.02	1.32	0.40
1701	3.73	2.11	0.29	2570	3.48	2.25	0.40	3119	1.07	0.74	0.44
1710	4.13	2.29	0.29	2585	4.46	2.90	0.40	3120	-	1.76	0.36
1741	-	2.11	0.29	2586	2.40	1.52	0.36	3122	2.18	1.42	0.40
1747	2.87	1.62	0.29	2587	2.44	1.55	0.40	3126	1.90	1.21	0.36
1748	4.39	2.52	0.29	2589	1.90	1.20	0.36	3131	2.01	1.28	0.36
1803D	7.26	3.77	0.27	2600	4.17	2.67	0.40	3132	2.94	1.86	0.36
1852	-	1.07	0.26	2623	6.61	3.97	0.33	3145	2.45	1.55	0.36
1853	-	2.11	0.29	2651	1.50	0.98	0.40	3146	2.80	1.77	0.36
1860	-	1.50	0.36	2660	2.36	1.54	0.40	3169	3.41	2.16	0.36
1924	2.50	1.61	0.40	2670	2.21	1.51	0.44	3175	-	2.16	0.36
1925	3.40	2.06	0.33	2683	2.34	1.55	0.41	3179	1.96	1.27	0.40
2002	2.55	1.66	0.40	2688	2.35	1.52	0.40	3180	2.10	1.37	0.40
2003	3.70	2.28	0.35	2701	13.12	7.29	0.29	3188	2.07	1.35	0.40
2014	5.26	2.95	0.29	2702	21.96	10.74	0.26	3220	3.14	1.95	0.36

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

CONNECTICUT

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Effective January 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
3223	-	1.37	0.40	4021	4.90	2.78	0.29	4635	2.95	1.44	0.26
3224	3.25	2.08	0.40	4024D	4.59	2.60	0.29	4653	1.15	0.74	0.40
3227	2.38	1.54	0.40	4034	6.61	3.72	0.29	4665	9.80	5.50	0.29
3240	2.31	1.51	0.40	4036	2.17	1.23	0.29	4670	-	2.59	0.36
3241	2.97	1.87	0.36	4038	2.60	1.77	0.44	4683	4.14	2.59	0.36
3255	2.30	1.58	0.44	4053	-	1.49	0.36	4686	2.30	1.30	0.29
3257	2.54	1.60	0.36	4061	-	1.49	0.36	4692	0.76	0.49	0.40
3270	2.79	1.76	0.36	4062	2.37	1.49	0.36	4693	0.75	0.47	0.36
3300	4.17	2.66	0.36	4101	2.54	1.52	0.32	4703	1.99	1.25	0.36
3303	2.18	1.43	0.40	4109	0.50	0.32	0.40	4717	2.12	1.45	0.44
3307	3.47	2.21	0.36	4110	1.09	0.69	0.36	4720	1.87	1.17	0.36
3315	3.95	2.54	0.40	4111	1.59	1.03	0.40	4740	0.87	0.49	0.29
3334	3.36	2.08	0.36	4113	-	1.03	0.40	4741	2.46	1.53	0.36
3336	3.00	1.68	0.29	4114	2.70	1.68	0.36	4751	1.52	0.86	0.29
3365	5.11	2.83	0.29	4130	3.69	2.33	0.36	4767	-	1.13	0.26
3372	3.24	1.94	0.33	4131	4.59	3.01	0.40	4771N	2.31	1.13	0.26
3373	3.86	2.43	0.36	4133	1.97	1.30	0.40	4777	13.56	6.77	0.26
3383	1.46	0.94	0.40	4149	0.91	0.62	0.44	4825	0.59	0.33	0.29
3385	1.31	0.88	0.41	4206	2.71	1.70	0.36	4828	1.59	0.94	0.32
3400	3.84	2.32	0.33	4207	1.89	1.05	0.29	4829	1.08	0.57	0.27
3507	3.35	2.12	0.36	4239	2.61	1.48	0.29	4902	2.49	1.63	0.40
3515	2.35	1.49	0.36	4240	3.05	2.00	0.40	4923	1.11	0.70	0.36
3548	1.01	0.64	0.36	4243	3.45	2.17	0.36	5020	5.43	3.04	0.29
3559	3.85	2.43	0.36	4244	3.00	1.88	0.36	5022	7.61	3.99	0.27
3574X	2.07	1.35	0.40	4250	1.77	1.12	0.36	5037	12.26	5.94	0.26
3581	1.03	0.67	0.40	4251	2.21	1.39	0.36	5040	17.74	8.73	0.26
3612	2.28	1.35	0.32	4263	1.93	1.22	0.36	5057	5.33	2.57	0.26
3620	3.45	1.94	0.29	4273	3.08	1.97	0.36	5059	18.12	8.87	0.26
3629	1.17	0.76	0.40	4279	2.38	1.50	0.36	5069	-	8.87	0.26
3632	2.50	1.50	0.33	4282	-	1.50	0.36	5102	6.46	3.37	0.27
3634	2.17	1.43	0.40	4283	1.61	1.02	0.36	5146	5.69	3.18	0.29
3635	1.98	1.25	0.36	4299	2.09	1.36	0.40	5160	3.65	1.89	0.27
3638	1.75	1.13	0.40	4304	4.09	2.46	0.33	5183	3.77	2.13	0.29
3642	1.09	0.69	0.36	4307	1.99	1.37	0.44	5188	3.32	1.86	0.29
3643	1.86	1.17	0.36	4351	0.96	0.60	0.36	5190	2.46	1.38	0.29
3647	2.26	1.36	0.33	4352	1.48	0.96	0.40	5191	0.95	0.60	0.36
3648	1.67	1.09	0.40	4360	-	0.16	0.32	5192	3.61	2.27	0.36
3681	1.13	0.75	0.40	4361	0.64	0.42	0.40	5213	6.96	3.63	0.27
3685	1.27	0.83	0.40	4410	2.98	1.89	0.36	5215	8.40	5.01	0.32
3719	1.24	0.60	0.26	4420	4.08	2.12	0.27	5221	5.96	3.32	0.29
3724	4.49	2.36	0.27	4431	1.37	0.94	0.44	5222	9.05	4.66	0.27
3726	3.63	1.74	0.26	4432	1.29	0.89	0.44	5223	8.92	5.02	0.29
3803	2.32	1.45	0.36	4439	-	1.35	0.36	5348	4.47	2.49	0.29
3807	2.89	1.90	0.40	4452	2.92	1.85	0.36	5402	7.03	4.58	0.40
3808	3.38	2.00	0.32	4459	2.30	1.44	0.36	5403	8.27	4.34	0.27
3821	5.95	3.57	0.33	4470	2.62	1.65	0.36	5437	6.21	3.49	0.29
3822X	3.58	2.18	0.33	4484	2.49	1.57	0.36	5443	4.69	2.96	0.36
3824X	4.89	2.94	0.33	4493	3.86	2.42	0.36	5445	5.46	2.84	0.27
3826	1.40	0.88	0.36	4511	0.53	0.31	0.32	5462	6.78	3.78	0.29
3827	2.12	1.27	0.33	4557	1.95	1.27	0.40	5472	6.52	3.16	0.26
3830	1.66	1.00	0.33	4558	2.14	1.35	0.36	5473	10.00	4.88	0.26
3851	2.37	1.53	0.40	4568	2.08	1.17	0.29	5474	6.07	3.21	0.27
3865	2.56	1.77	0.44	4581	0.89	0.48	0.27	5478	3.78	2.10	0.29
3881	3.91	2.46	0.36	4583	4.37	2.30	0.27	5479	6.80	4.05	0.32
4000	4.27	2.23	0.27	4611	0.77	0.50	0.40	5480	6.15	3.17	0.27

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

CONNECTICUT

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Effective January 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
5491	1.91	1.01	0.27	6884	5.07	2.42	0.26	7580	2.32	1.31	0.29
5506	7.53	3.68	0.26	7016M	2.61	1.24	0.26	7590	4.04	2.42	0.33
5507	5.12	2.67	0.27	7024M	2.90	1.38	0.26	7600	5.55	3.08	0.29
5508	-	2.67	0.27	7038M	4.97	2.53	0.26	7605	2.33	1.31	0.29
5509X	7.16	3.78	0.27	7046M	5.11	2.46	0.26	7607X	0.10	0.06	0.36
5535	6.30	3.56	0.29	7047M	3.39	1.62	0.26	7610	0.27	0.16	0.32
5537	3.89	2.18	0.29	7050M	7.51	3.82	0.26	7705X	5.41	3.25	0.33
5551	16.99	8.30	0.26	7090M	5.52	2.81	0.26	7710	3.43	1.80	0.27
5604X	2.98	1.56	0.27	7097	-	1.38	0.26	7711	27.76	14.90	0.27
5606	1.31	0.69	0.27	7098M	5.68	2.74	0.26	7720X	3.31	1.86	0.29
5610	5.36	3.36	0.36	7099M	7.72	3.73	0.26	7723X	1.94	0.96	0.26
5645	11.78	6.22	0.27	7133	5.25	2.77	0.27	7731X*	3.83	2.27	0.32
5703	11.74	6.63	0.29	7151M	6.38	3.37	0.27	7855	3.70	2.07	0.29
5705	23.93	13.00	0.29	7152M	9.64	5.09	0.27	8001	1.81	1.18	0.40
5951	0.34	0.23	0.41	7153M	7.09	3.74	0.27	8002	1.84	1.17	0.36
6003	8.76	4.83	0.29	7219	6.75	3.52	0.27	8006	2.63	1.65	0.36
6005	8.34	4.67	0.29	7222	6.44	3.56	0.29	8008	0.95	0.63	0.40
6017	-	3.63	0.27	7225	6.42	3.58	0.29	8010	1.81	1.18	0.40
6018	2.63	1.42	0.29	7228	-	3.52	0.27	8013	0.43	0.27	0.36
6045	4.91	2.69	0.29	7229	-	3.52	0.27	8015	0.87	0.55	0.36
6204	8.70	4.56	0.27	7230	9.05	5.36	0.32	8017	1.61	1.06	0.40
6206	2.83	1.37	0.26	7231	10.34	6.17	0.32	8018X	3.12	2.02	0.40
6213	1.64	0.85	0.27	7232	7.67	3.96	0.27	8021	3.02	1.92	0.36
6214	2.00	0.97	0.26	7309F	10.85	5.21	0.24	8031	2.46	1.56	0.36
6216	5.80	2.80	0.26	7313F	4.16	1.99	0.24	8032	2.02	1.31	0.40
6217	4.50	2.37	0.27	7317F	6.69	3.20	0.24	8033	2.08	1.32	0.36
6229	4.38	2.31	0.27	7327F	18.91	9.10	0.24	8037	1.92	1.26	0.40
6233	2.59	1.34	0.27	7333M	2.21	1.04	0.26	8039	1.49	0.98	0.41
6235	5.35	2.57	0.26	7335M	2.46	1.16	0.26	8044X	3.46	2.08	0.33
6236	7.47	4.16	0.29	7337M	3.35	1.58	0.26	8045	0.84	0.55	0.40
6237	1.55	0.86	0.29	7350F	10.85	5.48	0.24	8046	2.62	1.67	0.36
6251D	5.66	2.90	0.27	7360	3.60	2.03	0.29	8047	0.90	0.58	0.40
6252D	3.64	1.74	0.26	7370	4.32	2.73	0.36	8058	2.06	1.31	0.36
6260	-	2.90	0.27	7380	6.57	3.89	0.32	8072	0.75	0.50	0.41
6306	5.33	2.80	0.27	7382	3.37	2.12	0.36	8102	2.14	1.40	0.40
6319	3.67	1.92	0.27	7390	11.91	7.43	0.36	8103	3.52	2.14	0.33
6325	4.08	2.14	0.27	7394M	4.32	2.10	0.26	8105	-	2.02	0.40
6400	7.64	4.57	0.32	7395M	4.80	2.34	0.26	8106	4.74	2.69	0.29
6503	2.66	1.70	0.40	7398M	6.53	3.18	0.26	8107	3.20	1.81	0.29
6504	2.72	1.77	0.40	7402	0.09	0.06	0.36	8111	2.22	1.40	0.36
6702M*	4.50	2.53	0.29	7403	3.66	2.05	0.29	8116	2.42	1.52	0.36
6703M*	6.79	3.80	0.29	7405N	1.70	0.94	0.29	8203	6.12	3.82	0.36
6704M*	5.00	2.80	0.29	7420	7.08	3.35	0.26	8204	5.24	3.00	0.29
6801F	3.81	2.02	0.26	7421	0.68	0.35	0.27	8209	4.04	2.56	0.36
6811	4.10	2.30	0.29	7422	1.24	0.60	0.26	8215	3.49	1.98	0.29
6824F	11.37	5.78	0.25	7425	2.22	1.05	0.26	8227	4.43	2.16	0.26
6826F	4.71	2.49	0.26	7431N	0.80	0.38	0.26	8232	5.38	3.03	0.29
6834	2.65	1.59	0.32	7445N	0.92	-	-	8233	3.31	1.81	0.29
6836	3.39	1.90	0.29	7453N	0.43	-	-	8235	4.58	2.87	0.36
6843F	7.88	3.78	0.24	7502	2.23	1.25	0.29	8263	5.54	3.37	0.33
6845F	4.22	2.02	0.24	7515	1.11	0.54	0.26	8264	5.88	3.33	0.29
6854	4.64	2.26	0.26	7520	2.43	1.53	0.36	8265	5.59	2.96	0.27
6872F	8.73	4.19	0.24	7538	3.64	1.77	0.26	8279	5.59	3.00	0.27
6874F	13.91	6.65	0.24	7539	1.29	0.67	0.27	8288	6.52	3.74	0.29
6882	3.94	1.93	0.26	7540	2.83	1.40	0.26	8291	4.82	2.86	0.32

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

CONNECTICUT

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Effective January 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
8292	3.16	1.99	0.36	9014	2.77	1.75	0.36				
8293	11.48	6.53	0.29	9015	3.01	1.89	0.36				
8304	4.80	2.72	0.29	9016	2.41	1.54	0.36				
8350	6.21	3.27	0.27	9019	2.32	1.31	0.29				
8380	2.61	1.56	0.32	9033X	4.20	2.66	0.36				
8381	1.85	1.11	0.33	9040	2.90	1.89	0.40				
8385X	2.42	1.37	0.29	9044X	1.26	0.82	0.40				
8392	2.39	1.52	0.36	9052	2.21	1.45	0.40				
8393	2.03	1.27	0.36	9058	1.65	1.14	0.44				
8399	-	2.94	0.33	9060	1.22	0.80	0.40				
8500	6.62	3.73	0.29	9061X	1.20	0.82	0.44				
8601	0.29	0.17	0.32	9063	0.71	0.47	0.40				
8602	1.05	0.63	0.32	9077F	2.83	1.63	0.34				
8603	0.08	0.05	0.36	9082	1.03	0.71	0.44				
8606	2.11	1.11	0.27	9083	1.13	0.78	0.44				
8709F	10.30	4.92	0.24	9084	1.44	0.92	0.36				
8719	3.67	1.75	0.26	9088a	a	a	a				
8720	1.28	0.72	0.29	9089	1.00	0.67	0.41				
8721	0.22	0.13	0.29	9093	1.38	0.91	0.41				
8723	0.10	0.06	0.36	9101	3.21	2.09	0.40				
8725	2.78	1.56	0.29	9102	2.55	1.61	0.36				
8726F	2.16	1.15	0.26	9154	1.50	0.96	0.36				
8734M	0.34	0.19	0.29	9156	1.99	1.21	0.33				
8737M	0.30	0.17	0.29	9170	10.35	5.09	0.26				
8738M	0.46	0.26	0.29	9178	4.22	2.99	0.45				
8742	0.25	0.14	0.29	9179	16.10	10.59	0.40				
8745	4.59	2.74	0.32	9180	5.51	3.20	0.29				
8748	0.57	0.34	0.33	9182	1.90	1.22	0.36				
8754X	0.60	0.38	0.36	9186	12.62	6.83	0.27				
8755	0.24	0.13	0.29	9220	4.34	2.61	0.33				
8799	0.41	0.26	0.36	9402	4.61	2.59	0.29				
8800	1.44	0.99	0.44	9403	8.44	4.43	0.27				
8803	0.05	0.03	0.29	9410	3.08	1.95	0.36				
8805M	0.14	0.09	0.36	9501	2.86	1.72	0.33				
8810	0.10	0.06	0.36	9505	4.10	2.44	0.32				
8814M	0.12	0.08	0.36	9516	3.46	1.93	0.29				
8815M	0.18	0.11	0.36	9519	3.76	2.09	0.29				
8820	0.16	0.09	0.33	9521	2.88	1.61	0.29				
8824	3.14	2.04	0.40	9522	1.87	1.18	0.36				
8825	-	1.40	0.36	9534	5.71	2.95	0.27				
8826	2.19	1.40	0.36	9554	8.27	4.34	0.27				
8829	-	2.04	0.40	9586	0.49	0.33	0.44				
8831	1.26	0.81	0.37	9600	2.26	1.45	0.40				
8832	0.34	0.21	0.36	9620	1.07	0.64	0.33				
8833	0.85	0.53	0.36								
8835	2.24	1.41	0.36								
8842	3.17	2.01	0.36								
8855	0.18	0.11	0.36								
8856	0.25	0.15	0.36								
8864	2.16	1.38	0.36								
8868	0.37	0.24	0.40								
8869	0.94	0.62	0.40								
8871	0.07	0.04	0.40								
8901	0.18	0.11	0.32								
9012	0.78	0.47	0.33								

* Refer to the Footnotes Page for additional information on this class code.

Effective January 1, 2020

FOOTNOTES

- a Advisory loss cost for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- D Advisory loss cost for classification already includes the specific disease loading shown in the table below. See **Basic Manual** Rule 3-A-7.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.18	S	1165D	0.01	S	3085D	0.06	S
0065D	0.02	S	1624D	0.01	S	4024D	0.01	S
0066D	0.02	S	1803D	0.18	S	6251D	0.02	S
0067D	0.02	S	3081D	0.04	S	6252D	0.02	S
1164D	0.04	S	3082D	0.04	S			

S=Silica

- F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published loss cost is for risks that voluntarily purchase standard workers compensation and employers liability coverage.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding advisory loss cost are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

- 6702 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.215.
- 6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.836.
- 6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.
- 7731 Loss cost per Service Response.

Effective January 1, 2020

ADVISORY MISCELLANEOUS VALUES

Advisory Loss Elimination Ratios - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis. They do not include a safety factor.

Deductible Amount	Total Losses						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$1,000	6.7%	4.9%	4.5%	3.4%	2.7%	2.0%	1.8%
\$5,000	17.4%	13.6%	12.5%	10.1%	8.4%	6.6%	6.0%
\$10,000	24.8%	20.1%	18.6%	15.5%	13.1%	10.7%	9.6%

Basis of premium applicable in accordance with *Basic Manual* footnote instructions for Code 7370 --"Taxicab Co.":

Employee operated vehicle.....	\$103,600
Leased or rented vehicle.....	\$69,100

Catastrophe (other than Certified Acts of Terrorism) - (Advisory Loss Cost)..... 0.01

Maximum Weekly Payroll applicable in accordance with the *Basic Manual* footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... \$1,350

Maximum Weekly Payroll applicable in accordance with *Basic Manual* Rule 2-E-- "Executive Officers or members of limited liability companies"..... \$2,700

Minimum Weekly Payroll applicable in accordance with *Basic Manual* Rule 2-E -- "Executive Officers or members of limited liability companies"..... \$1,350

Premium Determination for Partners and Sole Proprietors in accordance with *Basic Manual* Rule 2-E-3 (Annual Payroll)..... \$69,100

Terrorism - (Advisory Loss Cost) 0.025

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with *Basic Manual* Rule 3-A-4..... 50%

(Multiply a Non-F classification loss cost by a factor of 1.50 to adjust for the difference in state and federal benefits only.)

Workers Compensation Administration Funds Assessment factors applicable in accordance with the Connecticut State Rule Exception to *Basic Manual* Rule 3-A-13 (expressed as a percentage of premium):

Industrial Classifications and Maritime/FELA (Program I and Program II State Act).....	2.3%
F Classifications and Maritime/FELA (Program II USL Act).....	4.1%

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state and by effective date.



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Proposed Assigned Risk Rates and Rating Values

The following pages include proposed assigned risk rates and rating values:

- Assigned risk rates, minimum premium, expected loss rates, and d-ratios by class code, along with associated footnotes
- Miscellaneous values, such as:
 - Maximum and minimum weekly payroll applicable for select class codes
 - Premium determination for Partners and Sole Proprietors
 - Catastrophe and Terrorism rates
 - United States Longshore and Harbor Workers' Compensation Coverage Percentage
 - Workers Compensation Administration Funds Assessment Factors

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

CONNECTICUT

Effective January 1, 2020

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN	ELR	D	CLASS CODE	RATE	MIN	ELR	D	CLASS CODE	RATE	MIN	ELR	D
		PREM		RATIO			PREM		RATIO			PREM		RATIO
0005	5.02	1500	1.95	0.36	2016	6.43	1500	2.55	0.40	2709	18.22	1500	6.21	0.29
0008	4.40	1500	1.63	0.33	2021	4.21	1500	1.55	0.33	2710	13.57	1500	4.42	0.27
0016	8.02	1500	2.79	0.29	2039	5.55	1500	2.20	0.40	2714	7.57	1500	3.02	0.40
0034	6.92	1500	2.67	0.36	2041	4.70	1500	1.87	0.40	2731	6.46	1500	2.25	0.29
0035	4.26	1500	1.71	0.40	2065	3.36	1235	1.30	0.36	2735	5.84	1500	2.34	0.40
0036	6.39	1500	2.46	0.36	2070	8.35	1500	3.21	0.36	2759	8.87	1500	3.53	0.40
0037	6.51	1500	2.40	0.33	2081	5.01	1500	1.95	0.36	2790	2.58	986	1.04	0.40
0042X	10.64	1500	3.88	0.32	2089	5.30	1500	2.04	0.36	2797	6.15	1500	2.39	0.36
0050	8.56	1500	3.29	0.36	2095	8.24	1500	3.20	0.36	2799	9.63	1500	3.53	0.32
0059D	0.29	-	0.04	0.29	2105	5.48	1500	2.19	0.40	2802	9.39	1500	3.46	0.33
0065D	0.03	-	0.01	0.29	2110	4.58	1500	1.86	0.41	2835	5.41	1500	2.29	0.44
0066D	0.03	-	0.01	0.29	2111	3.75	1360	1.50	0.40	2836	5.04	1500	2.16	0.44
0067D	0.03	-	0.01	0.29	2112	6.13	1500	2.45	0.40	2841	5.55	1500	2.23	0.40
0079	4.40	1500	1.53	0.29	2114	4.40	1500	1.77	0.40	2881	4.49	1500	1.88	0.44
0083	8.51	1500	3.30	0.36	2121	2.25	880	0.87	0.36	2883	5.14	1500	1.99	0.36
0106	14.12	1500	4.58	0.27	2130	3.23	1194	1.25	0.36	2913	-	-	1.99	0.36
0113	6.88	1500	2.71	0.36	2131	2.82	1062	1.08	0.36	2915	5.72	1500	2.09	0.32
0170	6.88	1500	2.71	0.36	2143	3.88	1402	1.54	0.40	2916	5.99	1500	1.96	0.27
0251	5.74	1500	2.21	0.36	2157	10.24	1500	3.92	0.36	2923	4.11	1475	1.64	0.40
0400	-	-	2.14	0.33	2172	2.43	938	0.87	0.32	2942	-	-	0.89	0.44
0401	19.34	A	6.29	0.27	2174	4.06	1459	1.62	0.40	2960	7.24	1500	2.77	0.36
0771N	0.67	-	-	-	2211	12.04	1500	4.16	0.29	3004	2.32	902	0.80	0.29
0908PX	196.00	321	75.22	0.36	2220	3.08	1146	1.19	0.36	3018	8.81	1500	3.09	0.29
0913PX	930.00	1055	356.78	0.36	2286	3.08	1146	1.19	0.36	3022	9.17	1500	3.63	0.40
0917	8.19	1500	3.28	0.40	2288	5.61	1500	2.25	0.40	3027	4.50	1500	1.56	0.29
0918X	2.01	650	0.77	0.36	2300	-	-	1.56	0.36	3028	5.40	1500	2.09	0.36
1005	10.49	1500	3.06	0.26	2302	2.61	995	1.02	0.36	3030	14.52	1500	5.07	0.29
1164D	6.76	1500	1.98	0.26	2305	3.78	1370	1.40	0.33	3040	7.31	1500	2.52	0.29
1165D	4.83	1500	1.54	0.27	2361	3.20	1184	1.25	0.36	3041	9.05	1500	3.48	0.36
1320	2.77	1046	0.89	0.27	2362	2.85	1072	1.11	0.36	3042	12.20	1500	4.58	0.33
1322	12.94	1500	4.14	0.27	2380	3.29	1213	1.28	0.36	3064	6.93	1500	2.68	0.36
1430	7.68	1500	2.68	0.29	2386	-	-	1.56	0.36	3069	-	-	2.26	0.36
1438	7.42	1500	2.38	0.27	2388	2.41	931	0.98	0.41	3076	5.86	1500	2.26	0.36
1452	3.87	1398	1.32	0.29	2402	4.11	1475	1.43	0.29	3081D	7.25	1500	2.48	0.29
1463	12.31	1500	3.97	0.27	2413	4.16	1491	1.62	0.36	3082D	7.13	1500	2.46	0.29
1472	4.76	1500	1.55	0.27	2416	2.69	1021	1.03	0.36	3085D	11.94	1500	4.20	0.29
1624D	5.13	1500	1.64	0.27	2417	1.79	733	0.69	0.36	3110	8.55	1500	3.28	0.36
1642	3.21	1187	1.10	0.29	2501	4.01	1443	1.56	0.36	3111	3.36	1235	1.29	0.36
1654	9.66	1500	3.31	0.29	2503	3.78	1370	1.48	0.40	3113	3.10	1152	1.20	0.36
1655	-	-	1.10	0.29	2534	-	-	1.56	0.36	3114	5.64	1500	2.18	0.36
1699	5.19	1500	1.80	0.29	2560	-	-	1.56	0.36	3118	3.29	1213	1.32	0.40
1701	6.08	1500	2.11	0.29	2570	5.68	1500	2.25	0.40	3119	1.75	720	0.74	0.44
1710	6.74	1500	2.29	0.29	2585	7.27	1500	2.90	0.40	3120	-	-	1.76	0.36
1741	-	-	2.11	0.29	2586	3.91	1411	1.52	0.36	3122	3.56	1299	1.42	0.40
1747	4.68	1500	1.62	0.29	2587	3.98	1434	1.55	0.40	3126	3.10	1152	1.21	0.36
1748	7.16	1500	2.52	0.29	2589	3.10	1152	1.20	0.36	3131	3.28	1210	1.28	0.36
1803D	11.84	1500	3.77	0.27	2600	6.80	1500	2.67	0.40	3132	4.80	1500	1.86	0.36
1852	-	-	1.07	0.26	2623	10.78	1500	3.97	0.33	3145	4.00	1440	1.55	0.36
1853	-	-	2.11	0.29	2651	2.45	944	0.98	0.40	3146	4.57	1500	1.77	0.36
1860	-	-	1.50	0.36	2660	3.85	1392	1.54	0.40	3169	5.56	1500	2.16	0.36
1924	4.08	1466	1.61	0.40	2670	3.60	1312	1.51	0.44	3175	-	-	2.16	0.36
1925	5.55	1500	2.06	0.33	2683	3.82	1382	1.55	0.41	3179	3.20	1184	1.27	0.40
2002	4.16	1491	1.66	0.40	2688	3.83	1386	1.52	0.40	3180	3.43	1258	1.37	0.40
2003	6.03	1500	2.28	0.35	2701	21.40	1500	7.29	0.29	3188	3.38	1242	1.35	0.40
2014	8.58	1500	2.95	0.29	2702	35.82	1500	10.74	0.26	3220	5.12	1500	1.95	0.36

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

CONNECTICUT

Effective January 1, 2020

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
3223	—	—	1.37	0.40	4021	7.99	1500	2.78	0.29	4635	4.81	1500	1.44	0.26
3224	5.30	1500	2.08	0.40	4024D	7.49	1500	2.60	0.29	4653	1.88	762	0.74	0.40
3227	3.88	1402	1.54	0.40	4034	10.78	1500	3.72	0.29	4665	15.98	1500	5.50	0.29
3240	3.77	1366	1.51	0.40	4036	3.54	1293	1.23	0.29	4670	—	—	2.59	0.36
3241	4.84	1500	1.87	0.36	4038	4.24	1500	1.77	0.44	4683	6.75	1500	2.59	0.36
3255	3.75	1360	1.58	0.44	4053	—	—	1.49	0.36	4686	3.75	1360	1.30	0.29
3257	4.14	1485	1.60	0.36	4061	—	—	1.49	0.36	4692	1.24	557	0.49	0.40
3270	4.55	1500	1.76	0.36	4062	3.87	1398	1.49	0.36	4693	1.22	550	0.47	0.36
3300	6.80	1500	2.66	0.36	4101	4.14	1485	1.52	0.32	4703	3.25	1200	1.25	0.36
3303	3.56	1299	1.43	0.40	4109	0.82	422	0.32	0.40	4717	3.46	1267	1.45	0.44
3307	5.66	1500	2.21	0.36	4110	1.78	730	0.69	0.36	4720	3.05	1136	1.17	0.36
3315	6.44	1500	2.54	0.40	4111	2.59	989	1.03	0.40	4740	1.42	614	0.49	0.29
3334	5.48	1500	2.08	0.36	4113	—	—	1.03	0.40	4741	4.01	1443	1.53	0.36
3336	4.89	1500	1.68	0.29	4114	4.40	1500	1.68	0.36	4751	2.48	954	0.86	0.29
3365	8.33	1500	2.83	0.29	4130	6.02	1500	2.33	0.36	4767	—	—	1.13	0.26
3372	5.28	1500	1.94	0.33	4131	7.49	1500	3.01	0.40	4771N	3.77	1500	1.13	0.26
3373	6.30	1500	2.43	0.36	4133	3.21	1187	1.30	0.40	4777	22.12	1500	6.77	0.26
3383	2.38	922	0.94	0.40	4149	1.48	634	0.62	0.44	4825	0.96	467	0.33	0.29
3385	2.14	845	0.88	0.41	4206	4.42	1500	1.70	0.36	4828	2.59	989	0.94	0.32
3400	6.26	1500	2.32	0.33	4207	3.08	1146	1.05	0.29	4829	1.76	723	0.57	0.27
3507	5.46	1500	2.12	0.36	4239	4.26	1500	1.48	0.29	4902	4.06	1459	1.63	0.40
3515	3.83	1386	1.49	0.36	4240	4.97	1500	2.00	0.40	4923	1.81	739	0.70	0.36
3548	1.65	688	0.64	0.36	4243	5.63	1500	2.17	0.36	5020	8.85	1500	3.04	0.29
3559	6.28	1500	2.43	0.36	4244	4.89	1500	1.88	0.36	5022	12.41	1500	3.99	0.27
3574X	3.38	1242	1.35	0.40	4250	2.89	1085	1.12	0.36	5037	20.00	1500	5.94	0.26
3581	1.68	698	0.67	0.40	4251	3.60	1312	1.39	0.36	5040	28.93	1500	8.73	0.26
3612	3.72	1350	1.35	0.32	4263	3.15	1168	1.22	0.36	5057	8.69	1500	2.57	0.26
3620	5.63	1500	1.94	0.29	4273	5.02	1500	1.97	0.36	5059	29.55	1500	8.87	0.26
3629	1.91	771	0.76	0.40	4279	3.88	1402	1.50	0.36	5069	—	—	8.87	0.26
3632	4.08	1466	1.50	0.33	4282	—	—	1.50	0.36	5102	10.53	1500	3.37	0.27
3634	3.54	1293	1.43	0.40	4283	2.63	1002	1.02	0.36	5146	9.27	1500	3.18	0.29
3635	3.23	1194	1.25	0.36	4299	3.41	1251	1.36	0.40	5160	5.96	1500	1.89	0.27
3638	2.85	1072	1.13	0.40	4304	6.67	1500	2.46	0.33	5183	6.16	1500	2.13	0.29
3642	1.78	730	0.69	0.36	4307	3.25	1200	1.37	0.44	5188	5.42	1500	1.86	0.29
3643	3.03	1130	1.17	0.36	4351	1.57	662	0.60	0.36	5190	4.01	1443	1.38	0.29
3647	3.69	1341	1.36	0.33	4352	2.41	931	0.96	0.40	5191	1.55	656	0.60	0.36
3648	2.72	1030	1.09	0.40	4360	—	—	0.16	0.32	5192	5.89	1500	2.27	0.36
3681	1.84	749	0.75	0.40	4361	1.04	493	0.42	0.40	5213	11.35	1500	3.63	0.27
3685	2.07	822	0.83	0.40	4410	4.86	1500	1.89	0.36	5215	13.69	1500	5.01	0.32
3719	2.02	806	0.60	0.26	4420	6.65	1500	2.12	0.27	5221	9.71	1500	3.32	0.29
3724	7.33	1500	2.36	0.27	4431	2.23	874	0.94	0.44	5222	14.75	1500	4.66	0.27
3726	5.93	1500	1.74	0.26	4432	2.10	832	0.89	0.44	5223	14.54	1500	5.02	0.29
3803	3.78	1370	1.45	0.36	4439	—	—	1.35	0.36	5348	7.30	1500	2.49	0.29
3807	4.71	1500	1.90	0.40	4452	4.76	1500	1.85	0.36	5402	11.46	1500	4.58	0.40
3808	5.51	1500	2.00	0.32	4459	3.75	1360	1.44	0.36	5403	13.48	1500	4.34	0.27
3821	9.70	1500	3.57	0.33	4470	4.27	1500	1.65	0.36	5437	10.12	1500	3.49	0.29
3822X	5.84	1500	2.18	0.33	4484	4.06	1459	1.57	0.36	5443	7.66	1500	2.96	0.36
3824X	7.98	1500	2.94	0.33	4493	6.30	1500	2.42	0.36	5445	8.90	1500	2.84	0.27
3826	2.28	890	0.88	0.36	4511	0.86	435	0.31	0.32	5462	11.05	1500	3.78	0.29
3827	3.46	1267	1.27	0.33	4557	3.18	1178	1.27	0.40	5472	10.63	1500	3.16	0.26
3830	2.71	1027	1.00	0.33	4558	3.49	1277	1.35	0.36	5473	16.31	1500	4.88	0.26
3851	3.87	1398	1.53	0.40	4568	3.39	1245	1.17	0.29	5474	9.89	1500	3.21	0.27
3865	4.18	1498	1.77	0.44	4581	1.45	624	0.48	0.27	5478	6.18	1500	2.10	0.29
3881	6.38	1500	2.46	0.36	4583	7.13	1500	2.30	0.27	5479	11.08	1500	4.05	0.32
4000	6.96	1500	2.23	0.27	4611	1.26	563	0.50	0.40	5480	10.02	1500	3.17	0.27

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
5491	3.12	1158	1.01	0.27	6884	8.27	1500	2.42	0.26	7580	3.78	1370	1.31	0.29
5506	12.28	1500	3.68	0.26	7016M	4.26	1500	1.24	0.26	7590	6.59	1500	2.42	0.33
5507	8.34	1500	2.67	0.27	7024M	4.73	1500	1.38	0.26	7600	9.05	1500	3.08	0.29
5508	-	-	2.67	0.27	7038M	8.11	1500	2.53	0.26	7605	3.80	1376	1.31	0.29
5509X	11.67	1500	3.78	0.27	7046M	8.33	1500	2.46	0.26	7607X	0.16	211	0.06	0.36
5535	10.27	1500	3.56	0.29	7047M	5.53	1500	1.62	0.26	7610	0.44	301	0.16	0.32
5537	6.35	1500	2.18	0.29	7050M	12.25	1500	3.82	0.26	7705X	8.82	1500	3.25	0.33
5551	27.71	1500	8.30	0.26	7090M	9.00	1500	2.81	0.26	7710	5.59	1500	1.80	0.27
5604X	4.86	1500	1.56	0.27	7097	-	-	1.38	0.26	7711	45.28	1500	14.90	0.27
5606	2.14	845	0.69	0.27	7098M	9.26	1500	2.74	0.26	7720X	5.40	1500	1.86	0.29
5610	8.74	1500	3.36	0.36	7099M	12.59	1500	3.73	0.26	7723X	3.16	1171	0.96	0.26
5645	19.22	1500	6.22	0.27	7133	8.56	1500	2.77	0.27	7731X*	6.25	5500	2.27	0.32
5703	19.15	1500	6.63	0.29	7151M	10.41	1500	3.37	0.27	7855	6.04	1500	2.07	0.29
5705	39.04	1500	13.00	0.29	7152M	15.72	1500	5.09	0.27	8001	2.95	1104	1.18	0.40
5951	0.55	336	0.23	0.41	7153M	11.56	1500	3.74	0.27	8002	3.00	1120	1.17	0.36
6003	14.28	1500	4.83	0.29	7219	11.01	1500	3.52	0.27	8006	4.29	1500	1.65	0.36
6005	13.60	1500	4.67	0.29	7222	10.50	1500	3.56	0.29	8008	1.55	656	0.63	0.40
6017	-	-	3.63	0.27	7225	10.47	1500	3.58	0.29	8010	2.95	1104	1.18	0.40
6018	4.29	1500	1.42	0.29	7228	-	-	3.52	0.27	8013	0.70	384	0.27	0.36
6045	8.02	1500	2.69	0.29	7229	-	-	3.52	0.27	8015	1.42	614	0.55	0.36
6204	14.18	1500	4.56	0.27	7230	14.76	1500	5.36	0.32	8017	2.63	1002	1.06	0.40
6206	4.62	1500	1.37	0.26	7231	16.86	1500	6.17	0.32	8018X	5.09	1500	2.02	0.40
6213	2.67	1014	0.85	0.27	7232	12.51	1500	3.96	0.27	8021	4.93	1500	1.92	0.36
6214	3.26	1203	0.97	0.26	7309F	17.70	1500	5.21	0.24	8031	4.01	1443	1.56	0.36
6216	9.45	1500	2.80	0.26	7313F	6.78	1500	1.99	0.24	8032	3.29	1213	1.31	0.40
6217	7.35	1500	2.37	0.27	7317F	10.91	1500	3.20	0.24	8033	3.39	1245	1.32	0.36
6229	7.15	1500	2.31	0.27	7327F	30.84	1500	9.10	0.24	8037	3.13	1162	1.26	0.40
6233	4.22	1500	1.34	0.27	7333M	3.60	1312	1.04	0.26	8039	2.43	938	0.98	0.41
6235	8.72	1500	2.57	0.26	7335M	4.01	1443	1.16	0.26	8044X	5.64	1500	2.08	0.33
6236	12.18	1500	4.16	0.29	7337M	5.46	1500	1.58	0.26	8045	1.37	598	0.55	0.40
6237	2.53	970	0.86	0.29	7350F	17.70	1500	5.48	0.24	8046	4.27	1500	1.67	0.36
6251D	9.22	1500	2.90	0.27	7360	5.87	1500	2.03	0.29	8047	1.47	630	0.58	0.40
6252D	5.94	1500	1.74	0.26	7370	7.05	1500	2.73	0.36	8058	3.36	1235	1.31	0.36
6260	-	-	2.90	0.27	7380	10.72	1500	3.89	0.32	8072	1.22	550	0.50	0.41
6306	8.69	1500	2.80	0.27	7382	5.50	1500	2.12	0.36	8102	3.49	1277	1.40	0.40
6319	6.00	1500	1.92	0.27	7390	19.43	1500	7.43	0.36	8103	5.74	1500	2.14	0.33
6325	6.66	1500	2.14	0.27	7394M	7.05	1500	2.10	0.26	8105	-	-	2.02	0.40
6400	12.45	1500	4.57	0.32	7395M	7.83	1500	2.34	0.26	8106	7.73	1500	2.69	0.29
6503	4.34	1500	1.70	0.40	7398M	10.65	1500	3.18	0.26	8107	5.22	1500	1.81	0.29
6504	4.44	1500	1.77	0.40	7402	0.15	208	0.06	0.36	8111	3.62	1318	1.40	0.36
6702M*	7.34	1500	2.53	0.29	7403	5.97	1500	2.05	0.29	8116	3.95	1424	1.52	0.36
6703M*	11.07	1500	3.80	0.29	7405N	2.77	1500	0.94	0.29	8203	9.98	1500	3.82	0.36
6704M*	8.16	1500	2.80	0.29	7420	11.55	1500	3.35	0.26	8204	8.55	1500	3.00	0.29
6801F	6.21	1500	2.02	0.26	7421	1.11	515	0.35	0.27	8209	6.59	1500	2.56	0.36
6811	6.69	1500	2.30	0.29	7422	2.02	806	0.60	0.26	8215	5.69	1500	1.98	0.29
6824F	18.54	1500	5.78	0.25	7425	3.62	1318	1.05	0.26	8227	7.24	1500	2.16	0.26
6826F	7.68	1500	2.49	0.26	7431N	1.30	800	0.38	0.26	8232	8.77	1500	3.03	0.29
6834	4.32	1500	1.59	0.32	7445N	1.50	-	-	-	8233	5.40	1500	1.81	0.29
6836	5.53	1500	1.90	0.29	7453N	0.70	-	-	-	8235	7.47	1500	2.87	0.36
6843F	12.85	1500	3.78	0.24	7502	3.64	1325	1.25	0.29	8263	9.04	1500	3.37	0.33
6845F	6.88	1500	2.02	0.24	7515	1.81	739	0.54	0.26	8264	9.59	1500	3.33	0.29
6854	7.57	1500	2.26	0.26	7520	3.96	1427	1.53	0.36	8265	9.12	1500	2.96	0.27
6872F	14.24	1500	4.19	0.24	7538	5.95	1500	1.77	0.26	8279	9.12	1500	3.00	0.27
6874F	22.69	1500	6.65	0.24	7539	2.10	832	0.67	0.27	8288	10.63	1500	3.74	0.29
6882	6.43	1500	1.93	0.26	7540	4.62	1500	1.40	0.26	8291	7.86	1500	2.86	0.32

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO
8292	5.15	1500	1.99	0.36	9014	4.52	1500	1.75	0.36					
8293	18.72	1500	6.53	0.29	9015	4.91	1500	1.89	0.36					
8304	7.83	1500	2.72	0.29	9016	3.93	1418	1.54	0.36					
8350	10.13	1500	3.27	0.27	9019	3.78	1370	1.31	0.29					
8380	4.26	1500	1.56	0.32	9033X	6.85	1500	2.66	0.36					
8381	3.02	1126	1.11	0.33	9040	4.73	1500	1.89	0.40					
8385X	3.95	1424	1.37	0.29	9044X	2.06	819	0.82	0.40					
8392	3.90	1408	1.52	0.36	9052	3.60	1312	1.45	0.40					
8393	3.31	1219	1.27	0.36	9058	2.69	1021	1.14	0.44					
8399	-	-	2.94	0.33	9060	1.99	797	0.80	0.40					
8500	10.80	1500	3.73	0.29	9061X	1.96	787	0.82	0.44					
8601	0.47	310	0.17	0.32	9063	1.16	531	0.47	0.40					
8602	1.71	707	0.63	0.32	9077F	4.62	1500	1.63	0.34					
8603	0.13	202	0.05	0.36	9082	1.68	698	0.71	0.44					
8606	3.44	1261	1.11	0.27	9083	1.84	749	0.78	0.44					
8709F	16.80	1500	4.92	0.24	9084	2.35	912	0.92	0.36					
8719	5.99	1500	1.75	0.26	9088a	a	a	a	a					
8720	2.09	829	0.72	0.29	9089	1.63	682	0.67	0.41					
8721	0.36	275	0.13	0.29	9093	2.25	880	0.91	0.41					
8723	0.16	211	0.06	0.36	9101	5.24	1500	2.09	0.40					
8725	4.53	1500	1.56	0.29	9102	4.16	1491	1.61	0.36					
8726F	3.52	1286	1.15	0.26	9154	2.45	944	0.96	0.36					
8734M	0.55	336	0.19	0.29	9156	3.25	1200	1.21	0.33					
8737M	0.49	317	0.17	0.29	9170	16.88	1500	5.09	0.26					
8738M	0.75	400	0.26	0.29	9178	6.88	1500	2.99	0.45					
8742	0.41	291	0.14	0.29	9179	26.26	1500	10.59	0.40					
8745	7.49	1500	2.74	0.32	9180	8.99	1500	3.20	0.29					
8748	0.93	458	0.34	0.33	9182	3.10	1152	1.22	0.36					
8754X	0.98	474	0.38	0.36	9186	20.58	1500	6.83	0.27					
8755	0.39	285	0.13	0.29	9220	7.08	1500	2.61	0.33					
8799	0.67	374	0.26	0.36	9402	7.52	1500	2.59	0.29					
8800	2.35	912	0.99	0.44	9403	13.77	1500	4.43	0.27					
8803	0.08	186	0.03	0.29	9410	5.02	1500	1.95	0.36					
8805M	0.23	234	0.09	0.36	9501	4.66	1500	1.72	0.33					
8810	0.16	211	0.06	0.36	9505	6.69	1500	2.44	0.32					
8814M	0.20	224	0.08	0.36	9516	5.64	1500	1.93	0.29					
8815M	0.29	253	0.11	0.36	9519	6.13	1500	2.09	0.29					
8820	0.26	243	0.09	0.33	9521	4.70	1500	1.61	0.29					
8824	5.12	1500	2.04	0.40	9522	3.05	1136	1.18	0.36					
8825	-	-	1.40	0.36	9534	9.31	1500	2.95	0.27					
8826	3.57	1302	1.40	0.36	9554	13.48	1500	4.34	0.27					
8829	-	-	2.04	0.40	9586	0.80	416	0.33	0.44					
8831	2.06	819	0.81	0.37	9600	3.69	1341	1.45	0.40					
8832	0.55	336	0.21	0.36	9620	1.75	720	0.64	0.33					
8833	1.39	605	0.53	0.36										
8835	3.65	1328	1.41	0.36										
8842	5.17	1500	2.01	0.36										
8855	0.29	253	0.11	0.36										
8856	0.41	291	0.15	0.36										
8864	3.52	1286	1.38	0.36										
8868	0.60	352	0.24	0.40										
8869	1.53	650	0.62	0.40										
8871	0.11	195	0.04	0.40										
8901	0.29	253	0.11	0.32										
9012	1.27	566	0.47	0.33										

* Refer to the Footnotes Page for additional information on this class code.

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FOOTNOTES

- a Rate for each individual risk must be obtained by NCCI Customer Service or the Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Rate for classification already includes the specific disease loading shown in the table below. See **Basic Manual** Rule 3-A-7.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.29	S	1165D	0.02	S	3085D	0.10	S
0065D	0.03	S	1624D	0.02	S	4024D	0.02	S
0066D	0.03	S	1803D	0.29	S	6251D	0.03	S
0067D	0.03	S	3081D	0.07	S	6252D	0.03	S
1164D	0.07	S	3082D	0.07	S			

S=Silica

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. The listed codes of 6702, 6703, 6704, 7151, 7152, 7153, 8734, 8737, 8738, 8805, 8814, and 8815 under the Federal Employers' Liability Act (FELA) for employees of interstate railroads are not applicable in the residual market.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.836.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.
- 7731 Rate per Service Response.

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MISCELLANEOUS VALUES

Basis of premium applicable in accordance with **Basic Manual** footnote instructions for Code 7370 --

"Taxicab Co.":

Employee operated vehicle.....	\$103,600
Leased or rented vehicle.....	\$69,100

Catastrophe (other than Certified Acts of Terrorism) - (Assigned Risk)..... 0.01

Expense Constant applicable for policies with the following classification in accordance with **Basic Manual**

Rule 3-A-11:

Per Capita Codes Only.....	\$125
All Other.....	\$160

Loss Sensitive Rating Plan (LSRP) - The factors which are used in the calculation of the LSRP are as follows:

Basic Premium Factor	0.40	Loss Development Factors	
Minimum Premium Factor	0.75	1st Adjustment	0.31
Maximum Premium Factor	1.75	2nd Adjustment	0.23
Loss Conversion Factor	1.189	3rd Adjustment	0.18
Tax Multiplier	1.026	4th Adjustment	0.15

Maximum Weekly Payroll applicable in accordance with the **Basic Manual** footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... \$1,350

Maximum Weekly Payroll applicable in accordance with **Basic Manual** Rule 2-E -- "Executive Officers or members of limited liability companies"..... \$2,700

Minimum Weekly Payroll applicable in accordance with **Basic Manual** Rule 2-E -- "Executive Officers or members of limited liability companies"..... \$1,350

Premium Determination for Partners and Sole Proprietors in accordance with **Basic Manual** Rule 2-E-3 (Annual Payroll)..... \$69,100

Premium Discount Percentages- (See **Basic Manual** Rule 3-A-19-a.) The following premium discounts are applicable to Standard Premiums:

First	\$10,000	-
Next	\$190,000	5.1%
Next	\$1,550,000	6.5%
Over	\$1,750,000	7.5%

Premium Reduction Percentages - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Deductible Amount	Total Losses						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$1,000	5.1%	3.7%	3.4%	2.6%	2.0%	1.5%	1.4%
\$5,000	13.1%	10.3%	9.4%	7.6%	6.3%	5.0%	4.5%
\$10,000	18.7%	15.1%	14.0%	11.7%	9.9%	8.1%	7.2%

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MISCELLANEOUS VALUES (cont.)

Terrorism (Assigned Risk).....	0.03
United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Basic Manual Rule 3-A-4.....	50%
 (Multiply a Non-F classification rate by a factor of 1.50 to adjust for the difference in state and federal benefits only.)	
Workers Compensation Administration Funds Assessment factors applicable in accordance with the Connecticut State Rule Exception to Basic Manual Rule 3-A-13 (expressed as a percentage of premium):	
Industrial Classifications and Maritime/FELA (Program I and Program II State Act).....	2.3%
F Classifications and Maritime/FELA (Program II USL Act).....	4.1%

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state and by effective date.



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Proposed Values for Inclusion in the Experience Rating Plan Manual

The following pages include proposed values for the Experience Rating Plan Manual:

- Table of Weighting Values
- Table of Ballast Values
- Experience rating premium eligibility amounts

Effective January 1, 2020
TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES
Experience Rating Program - ERA

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	2,471	0.04	1,393,450	--	1,470,312	0.44
2,472	--	9,989	0.05	1,470,313	--	1,551,624	0.45
9,990	--	17,668	0.06	1,551,625	--	1,637,786	0.46
17,669	--	25,513	0.07	1,637,787	--	1,729,244	0.47
25,514	--	33,530	0.08	1,729,245	--	1,826,503	0.48
33,531	--	56,081	0.09	1,826,504	--	1,930,136	0.49
56,082	--	83,479	0.10	1,930,137	--	2,040,789	0.50
83,480	--	107,850	0.11	2,040,790	--	2,159,203	0.51
107,851	--	131,578	0.12	2,159,204	--	2,286,225	0.52
131,579	--	155,311	0.13	2,286,226	--	2,422,828	0.53
155,312	--	179,334	0.14	2,422,829	--	2,570,142	0.54
179,335	--	203,814	0.15	2,570,143	--	2,729,476	0.55
203,815	--	228,858	0.16	2,729,477	--	2,902,367	0.56
228,859	--	254,551	0.17	2,902,368	--	3,090,622	0.57
254,552	--	280,963	0.18	3,090,623	--	3,296,385	0.58
280,964	--	308,155	0.19	3,296,386	--	3,522,218	0.59
308,156	--	336,186	0.20	3,522,219	--	3,771,209	0.60
336,187	--	365,113	0.21	3,771,210	--	4,047,115	0.61
365,114	--	394,996	0.22	4,047,116	--	4,354,549	0.62
394,997	--	425,894	0.23	4,354,550	--	4,699,243	0.63
425,895	--	457,867	0.24	4,699,244	--	5,088,410	0.64
457,868	--	490,982	0.25	5,088,411	--	5,531,252	0.65
490,983	--	525,307	0.26	5,531,253	--	6,039,695	0.66
525,308	--	560,915	0.27	6,039,696	--	6,629,485	0.67
560,916	--	597,883	0.28	6,629,486	--	7,321,842	0.68
597,884	--	636,297	0.29	7,321,843	--	8,146,072	0.69
636,298	--	676,245	0.30	8,146,073	--	9,143,820	0.70
676,246	--	717,824	0.31	9,143,821	--	10,376,326	0.71
717,825	--	761,140	0.32	10,376,327	--	11,937,496	0.72
761,141	--	806,306	0.33	11,937,497	--	13,979,018	0.73
806,307	--	853,445	0.34	13,979,019	--	16,762,906	0.74
853,446	--	902,691	0.35	16,762,907	--	20,784,068	0.75
902,692	--	954,192	0.36	20,784,069	--	27,103,027	0.76
954,193	--	1,008,106	0.37	27,103,028	--	38,477,140	0.77
1,008,107	--	1,064,611	0.38	38,477,141	--	65,016,714	0.78
1,064,612	--	1,123,897	0.39	65,016,715	--	197,714,524	0.79
1,123,898	--	1,186,177	0.40	197,714,525	AND OVER	0.80	
1,186,178	--	1,251,685	0.41				
1,251,686	--	1,320,680	0.42				
1,320,681	--	1,393,449	0.43				

- (a) G 11.80
 - (b) State Per Claim Accident Limitation \$295,500
 - (c) State Multiple Claim Accident Limitation \$591,000
 - (d) USL&HW Per Claim Accident Limitation \$875,500
 - (e) USL&HW Multiple Claim Accident Limitation \$1,751,000
 - (f) Employers Liability Accident Limitation \$55,000
 - (g) Primary/Excess Loss Split Point \$17,500
 - (h) USL&HW Act -- Expected Loss Factor -- Non-F Classes 1.50
- (Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.50.)

Effective January 1, 2020
TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES
Experience Rating Plan - ERA

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 63,470	29,500	2,036,692 -- 2,095,658	236,000	4,101,093 -- 4,160,084	442,500
63,471 -- 109,238	35,400	2,095,659 -- 2,154,626	241,900	4,160,085 -- 4,219,076	448,400
109,239 -- 161,826	41,300	2,154,627 -- 2,213,596	247,800	4,219,077 -- 4,278,068	454,300
161,827 -- 217,302	47,200	2,213,597 -- 2,272,568	253,700	4,278,069 -- 4,337,060	460,200
217,303 -- 274,128	53,100	2,272,569 -- 2,331,541	259,600	4,337,061 -- 4,396,053	466,100
274,129 -- 331,668	59,000	2,331,542 -- 2,390,515	265,500	4,396,054 -- 4,455,045	472,000
331,669 -- 389,624	64,900	2,390,516 -- 2,449,491	271,400	4,455,046 -- 4,514,038	477,900
389,625 -- 447,842	70,800	2,449,492 -- 2,508,468	277,300	4,514,039 -- 4,573,031	483,800
447,843 -- 506,236	76,700	2,508,469 -- 2,567,446	283,200	4,573,032 -- 4,632,025	489,700
506,237 -- 564,752	82,600	2,567,447 -- 2,626,424	289,100	4,632,026 -- 4,691,018	495,600
564,753 -- 623,357	88,500	2,626,425 -- 2,685,404	295,000	4,691,019 -- 4,750,012	501,500
623,358 -- 682,029	94,400	2,685,405 -- 2,744,385	300,900	4,750,013 -- 4,809,005	507,400
682,030 -- 740,753	100,300	2,744,386 -- 2,803,366	306,800	4,809,006 -- 4,867,999	513,300
740,754 -- 799,516	106,200	2,803,367 -- 2,862,348	312,700	4,868,000 -- 4,926,993	519,200
799,517 -- 858,311	112,100	2,862,349 -- 2,921,331	318,600	4,926,994 -- 4,985,987	525,100
858,312 -- 917,133	118,000	2,921,332 -- 2,980,315	324,500	4,985,988 -- 5,044,982	531,000
917,134 -- 975,975	123,900	2,980,316 -- 3,039,299	330,400	5,044,983 -- 5,103,976	536,900
975,976 -- 1,034,836	129,800	3,039,300 -- 3,098,284	336,300	5,103,977 -- 5,162,971	542,800
1,034,837 -- 1,093,711	135,700	3,098,285 -- 3,157,269	342,200	5,162,972 -- 5,221,965	548,700
1,093,712 -- 1,152,599	141,600	3,157,270 -- 3,216,255	348,100	5,221,966 -- 5,280,960	554,600
1,152,600 -- 1,211,497	147,500	3,216,256 -- 3,275,242	354,000	5,280,961 -- 5,339,955	560,500
1,211,498 -- 1,270,405	153,400	3,275,243 -- 3,334,229	359,900	5,339,956 -- 5,398,950	566,400
1,270,406 -- 1,329,321	159,300	3,334,230 -- 3,393,216	365,800	5,398,951 -- 5,457,945	572,300
1,329,322 -- 1,388,244	165,200	3,393,217 -- 3,452,204	371,700	5,457,946 -- 5,516,941	578,200
1,388,245 -- 1,447,174	171,100	3,452,205 -- 3,511,192	377,600	5,516,942 -- 5,575,936	584,100
1,447,175 -- 1,506,109	177,000	3,511,193 -- 3,570,180	383,500	5,575,937 -- 5,634,930	590,000
1,506,110 -- 1,565,048	182,900	3,570,181 -- 3,629,169	389,400		
1,565,049 -- 1,623,992	188,800	3,629,170 -- 3,688,159	395,300		
1,623,993 -- 1,682,940	194,700	3,688,160 -- 3,747,148	401,200		
1,682,941 -- 1,741,892	200,600	3,747,149 -- 3,806,138	407,100		
1,741,893 -- 1,800,846	206,500	3,806,139 -- 3,865,129	413,000		
1,800,847 -- 1,859,804	212,400	3,865,130 -- 3,924,119	418,900		
1,859,805 -- 1,918,764	218,300	3,924,120 -- 3,983,110	424,800		
1,918,765 -- 1,977,726	224,200	3,983,111 -- 4,042,101	430,700		
1,977,727 -- 2,036,691	230,100	4,042,102 -- 4,101,092	436,600		

For Expected Losses greater than \$5,634,500, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(11.80) / (\text{Expected Losses} + (700)(11.80))$$

G = 11.80

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

CONNECTICUT—UPDATE TO EXPERIENCE RATING PREMIUM ELIGIBILITY

EXPERIENCE RATING PLAN MANUAL—2003 EDITION RULE 2—EXPERIENCE RATING ELEMENTS AND FORMULA A. PREMIUM ELIGIBILITY

2. State Subject Premium Eligibility Amounts

A risk qualifies for experience rating when its subject premium, developed in its experience period, meets or exceeds the minimum eligibility amount shown in the State Table of Subject Premium Eligibility Amounts in Rule 2-A-2-c. *Refer to Rule 2-E-1 to determine a risk's experience period.*

- a. A risk qualifies for experience rating if its data within the most recent 24 months of the experience period develops a subject premium of at least the amount shown in Column A.
- b. A risk may not qualify according to Rule 2-A-2-a. If it has more than the amount of experience referenced in Rule 2-A-2-a, then to qualify for experience rating the risk must develop an average annual subject premium of at least the amount shown in Column B. *Refer to Rule 2-A-3 to determine average annual subject premium.*
- c. A risk's rating effective date determines the applicable Column A and Column B subject premium eligibility amounts required to qualify for experience rating. *Refer to Rule 2-B for rating effective date determination.*

State Table of Subject Premium Eligibility Amounts

State	Rating Effective Date	Column A (\$)	Column B (\$)
CT	<u>7/1/20 and after</u>	<u>11,500</u>	<u>5,750</u>
	<u>7/1/19 - 6/30/20</u>	11,500	5,750
	<u>7/1/18 - 6/30/19</u>	11,500	5,750

NOTE: This exhibit revises the Connecticut experience rating subject premium eligibility amounts shown in the State Table of Subject Premium Eligibility Amounts in NCCI's *Experience Rating Plan Manual* national Rule 2-A-2. The content shown in this table is not a complete replacement of the existing State Table of Subject Premium Eligibility Amounts. The premium eligibility amounts are applicable to all policies.



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

The following pages include values for inclusion in the Retrospective Rating Plan Manual:

- Average cost per case
- Average cost per case including ALAE
- Excess loss pure premium factors
- Excess loss and allocated expense pure premium factors
- Retrospective pure premium development factors

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

CONNECTICUT

Effective January 1, 2020

1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
10,679	14,982	16,777	22,507	29,720	42,039	45,184

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
11,838	16,595	18,570	24,894	32,842	46,422	49,809

2.

Excess Loss Pure Premium Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.640	0.680	0.693	0.719	0.739	0.759	0.769
\$15,000	0.593	0.638	0.653	0.683	0.706	0.731	0.743
\$20,000	0.556	0.604	0.620	0.652	0.679	0.706	0.721
\$25,000	0.524	0.574	0.592	0.626	0.655	0.684	0.701
\$30,000	0.497	0.548	0.567	0.602	0.633	0.664	0.683
\$35,000	0.473	0.525	0.544	0.581	0.613	0.646	0.667
\$40,000	0.452	0.504	0.524	0.562	0.595	0.629	0.652
\$50,000	0.417	0.469	0.490	0.528	0.564	0.600	0.624
\$75,000	0.352	0.404	0.426	0.465	0.503	0.541	0.570
\$100,000	0.307	0.358	0.380	0.419	0.457	0.497	0.528
\$125,000	0.274	0.323	0.345	0.383	0.422	0.461	0.495
\$150,000	0.247	0.294	0.317	0.355	0.393	0.433	0.467
\$175,000	0.226	0.271	0.293	0.331	0.369	0.408	0.443
\$200,000	0.208	0.252	0.274	0.310	0.349	0.387	0.423
\$225,000	0.193	0.235	0.257	0.293	0.330	0.369	0.405
\$250,000	0.180	0.221	0.242	0.277	0.315	0.352	0.389
\$275,000	0.168	0.208	0.229	0.263	0.301	0.338	0.375
\$300,000	0.158	0.197	0.218	0.251	0.288	0.324	0.362
\$325,000	0.150	0.187	0.207	0.240	0.276	0.312	0.350
\$350,000	0.142	0.178	0.198	0.230	0.266	0.301	0.339
\$375,000	0.135	0.170	0.190	0.221	0.256	0.291	0.329
\$400,000	0.128	0.163	0.182	0.213	0.248	0.282	0.319
\$425,000	0.122	0.156	0.175	0.205	0.240	0.273	0.311
\$450,000	0.117	0.150	0.169	0.198	0.232	0.265	0.303
\$475,000	0.112	0.144	0.163	0.192	0.225	0.258	0.295
\$500,000	0.108	0.139	0.157	0.186	0.219	0.251	0.288
\$600,000	0.093	0.121	0.139	0.165	0.197	0.227	0.263
\$700,000	0.082	0.108	0.124	0.149	0.179	0.208	0.244
\$800,000	0.073	0.097	0.113	0.136	0.165	0.192	0.227
\$900,000	0.066	0.089	0.104	0.126	0.153	0.179	0.213
\$1,000,000	0.060	0.081	0.096	0.117	0.143	0.168	0.201
\$2,000,000	0.032	0.046	0.056	0.070	0.089	0.106	0.134
\$3,000,000	0.022	0.032	0.040	0.051	0.066	0.079	0.103
\$4,000,000	0.016	0.024	0.031	0.040	0.052	0.064	0.084
\$5,000,000	0.013	0.020	0.025	0.033	0.044	0.053	0.072
\$6,000,000	0.011	0.016	0.021	0.028	0.037	0.046	0.062
\$7,000,000	0.009	0.014	0.018	0.024	0.032	0.040	0.055
\$8,000,000	0.008	0.012	0.016	0.021	0.028	0.035	0.048
\$9,000,000	0.007	0.010	0.014	0.018	0.025	0.031	0.043
\$10,000,000	0.006	0.009	0.012	0.016	0.022	0.028	0.039

Effective January 1, 2020

**Excess Loss and Allocated
Expense Pure Premium Factors**
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.716	0.758	0.772	0.799	0.820	0.842	0.851
\$15,000	0.666	0.714	0.730	0.761	0.786	0.812	0.825
\$20,000	0.625	0.677	0.695	0.729	0.757	0.786	0.802
\$25,000	0.591	0.645	0.664	0.701	0.731	0.763	0.781
\$30,000	0.562	0.617	0.637	0.675	0.708	0.742	0.762
\$35,000	0.536	0.593	0.613	0.653	0.687	0.722	0.744
\$40,000	0.514	0.571	0.592	0.632	0.668	0.705	0.728
\$50,000	0.475	0.532	0.555	0.596	0.634	0.673	0.699
\$75,000	0.404	0.461	0.484	0.527	0.568	0.609	0.640
\$100,000	0.355	0.410	0.434	0.477	0.518	0.561	0.594
\$125,000	0.317	0.371	0.395	0.438	0.480	0.523	0.558
\$150,000	0.288	0.340	0.364	0.406	0.448	0.491	0.527
\$175,000	0.264	0.315	0.338	0.379	0.421	0.464	0.502
\$200,000	0.244	0.293	0.317	0.357	0.399	0.441	0.479
\$225,000	0.227	0.275	0.298	0.337	0.379	0.420	0.459
\$250,000	0.212	0.258	0.281	0.320	0.361	0.402	0.442
\$275,000	0.200	0.244	0.267	0.305	0.345	0.386	0.426
\$300,000	0.188	0.232	0.254	0.291	0.331	0.372	0.411
\$325,000	0.178	0.221	0.243	0.279	0.319	0.358	0.398
\$350,000	0.169	0.210	0.232	0.268	0.307	0.346	0.386
\$375,000	0.161	0.201	0.223	0.258	0.296	0.335	0.375
\$400,000	0.154	0.193	0.214	0.248	0.287	0.325	0.365
\$425,000	0.147	0.185	0.206	0.240	0.277	0.315	0.355
\$450,000	0.141	0.178	0.199	0.232	0.269	0.306	0.346
\$475,000	0.135	0.172	0.192	0.225	0.261	0.298	0.338
\$500,000	0.130	0.166	0.186	0.218	0.254	0.290	0.330
\$600,000	0.113	0.145	0.165	0.194	0.229	0.263	0.302
\$700,000	0.100	0.130	0.148	0.176	0.209	0.241	0.280
\$800,000	0.089	0.117	0.135	0.161	0.193	0.224	0.262
\$900,000	0.081	0.107	0.123	0.149	0.179	0.209	0.246
\$1,000,000	0.073	0.098	0.114	0.138	0.167	0.196	0.232
\$2,000,000	0.039	0.055	0.066	0.083	0.104	0.124	0.155
\$3,000,000	0.026	0.038	0.047	0.060	0.077	0.093	0.119
\$4,000,000	0.019	0.029	0.036	0.047	0.061	0.074	0.097
\$5,000,000	0.015	0.023	0.029	0.038	0.050	0.062	0.082
\$6,000,000	0.012	0.019	0.024	0.032	0.043	0.053	0.071
\$7,000,000	0.010	0.016	0.021	0.027	0.037	0.046	0.062
\$8,000,000	0.009	0.014	0.018	0.024	0.032	0.040	0.055
\$9,000,000	0.008	0.012	0.016	0.021	0.029	0.036	0.049
\$10,000,000	0.007	0.010	0.014	0.018	0.025	0.032	0.045

3.

Retrospective Pure Premium Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.10	0.07	0.06	0.37	0.27	0.22	0.00



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Part 3 Supporting Exhibits

- Exhibit I: Determination of the Indicated Loss Cost Level Change
- Exhibit II: Workers Compensation Loss Adjustment Expense Provision
- Appendix A: Factors Underlying the Proposed Loss Cost Level Change
- Appendix B: Calculations Underlying the Loss Cost Change by Classification
- Appendix C: Memoranda for Laws and Assessments
- Appendix D: Determination of Assigned Risk Rate Level Change
- Appendix E: Derivation of Experience Rating Values



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Exhibit I – Determination of Indicated Loss Cost Level Change

NCCI uses the following general methodology to determine the indicated change based on experience, trend, and benefits for each of the policy years in the experience period:

1. Standard earned premium at Designated Statistical Reporting (DSR) level is developed to ultimate and on-leveled to the current approved rate/loss cost level
2. Reported indemnity and medical losses are limited by a large loss threshold, developed to ultimate using limited development factors, and on-leveled to a common benefit level to yield adjusted limited losses
3. Limited indemnity and medical cost ratios excluding trend and benefits are calculated as adjusted losses (step 2) divided by premium available for benefit costs (step 1)
4. Trend factors are applied to the indemnity and medical cost ratios to reflect expected differences between the historical experience years and the effective period of the proposed filing
5. An excess provision is applied to adjust the limited cost ratios to an unlimited basis
6. A factor is applied to reflect the impact of proposed indemnity and medical benefit changes
7. The projected unlimited indemnity and medical cost ratios including benefit changes are added to yield the indicated change based on experience, trend, and benefits

The indicated change based on experience, trend, and benefits for this filing is calculated as the average of the indicated changes for each of the individual policy years in the experience period. Lastly, the impact of the change in loss-based expenses is applied. The detailed calculations can be found on the following pages.



CONNECTICUT

EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section A - Policy Year 2017 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$595,180,595
(2) Premium On-level Factor (Appendix A-I)	0.586
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$348,775,829

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$202,030,198
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.020
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$206,070,802
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.591
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.885
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.523
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.019
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.533
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.533

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$176,247,374
(15) Medical Loss On-level Factor (Appendix A-I)	1.008
(16) Adjusted Limited Medical Losses = (14) x (15)	\$177,657,353
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.509
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.885
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.450
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.019
(21) Projected Medical Cost Ratio = (19) x (20)	0.459
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.009
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.463

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.996
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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section B - Policy Year 2016 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$652,376,218
(2) Premium On-level Factor (Appendix A-I)	0.518
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$337,930,881

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$187,152,667
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.020
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$190,895,720
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.565
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.849
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.480
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.019
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.489
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.489

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$165,839,062
(15) Medical Loss On-level Factor (Appendix A-I)	1.013
(16) Adjusted Limited Medical Losses = (14) x (15)	\$167,994,970
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.497
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.849
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.422
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.019
(21) Projected Medical Cost Ratio = (19) x (20)	0.430
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.009
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.434

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.923
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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section C - Indicated Change Based on Experience, Trend, and Benefits

(1) Policy Year 2017 Indicated Change Based on Experience, Trend, and Benefits	0.996
(2) Policy Year 2016 Indicated Change Based on Experience, Trend, and Benefits	0.923
(3) Indicated Change Based on Experience, Trend, and Benefits = $[(1)+(2)] / 2$	0.960

Section D - Application of the Change in Loss-based Expenses

(1) Indicated Loss Cost Level Change	0.960
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.011
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.971

Section E - Distribution of Overall Loss Cost Level Change to Industry Groups

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.014
Contracting	0.969
Office & Clerical	1.004
Goods & Services	1.010
Miscellaneous	1.000

Applying these industry group differentials to the final overall loss cost level change produces the changes in loss cost level proposed for each group as shown:

Industry Group	(1) Final Overall Loss Cost Level Change	(2) Industry Group Differential	(3) = (1) x (2) Final Loss Cost Level Change by Industry Group	
Manufacturing	0.971	1.014	0.985	(-1.5%)
Contracting	0.971	0.969	0.941	(-5.9%)
Office & Clerical	0.971	1.004	0.975	(-2.5%)
Goods & Services	0.971	1.010	0.981	(-1.9%)
Miscellaneous	0.971	1.000	0.971	(-2.9%)
Overall	0.971	1.000	0.971	(-2.9%)



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Exhibit II – Workers Compensation Loss Adjustment Expense Provision

The proposed loss costs include a provision for loss adjustment expenses (LAE).

LAE is included in the loss costs by using a ratio of loss adjustment expense dollars to loss dollars (called the LAE provision). These expenses are directly associated with the handling of workers compensation claims. The LAE provision is comprised of two components: Adjusting and Other Expenses (AOE) and Defense and Cost Containment Expenses (DCCE).

Given the nature of AOE, it cannot be allocated to a specific claim, and hence cannot be accurately attributed to specific states. Therefore, the state-specific AOE ratio reflects the latest selected countrywide provision. The countrywide provision was calculated using data obtained from the NCCI Call for Loss Adjustment Expense. The accident year developed AOE ratios displayed in Section B are calculated on a countrywide basis using private carrier-only data.

NCCI used the following general methodology to determine the proposed DCCE provision based on Connecticut-specific paid DCCE and losses reported on the NCCI Call for Policy Year Data:

- Ratios of reported paid DCCE-to-paid losses by policy year are developed to a 19th report using DCCE ratio development factors.
- A 19th-to-ultimate tail factor is applied to reflect expected development beyond a 19th report.
- The proposed DCCE provision is selected based on the ultimate projected DCCE ratios by policy year.

The calculation of the loss adjustment expense provision is shown on the following pages.



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section A - Proposed Change in Connecticut Loss Adjustment Expense Provision

NCCI proposes a 18.9% loss adjustment expense allowance as a percentage of incurred losses. This represents a 1.1% increase from the currently approved loss adjustment expense provision.

<u>Connecticut Provisions</u>	(1) <u>Currently Approved</u>	(2) <u>Proposed</u>
AOE	7.6%	8.0%
DCCE	10.0%	10.9%
Total LAE	17.6%	18.9%

Proposed Change in Connecticut LAE Provision	1.011
$= [1.0 + (2)] / [1.0 + (1)] - 1$	1.1%

Section B - Selection of AOE Provision

The adjusting and other expense data by accident year shown below is based on countrywide data for private carriers. NCCI's countrywide selection for the AOE provision is 8.0%

<u>Accident Year</u>	Ultimate AOE <u>Ratio</u>
2014	6.9%
2015	7.2%
2016	7.7%
2017	8.1%
2018	7.9%
Countrywide Selected	8.0%
Connecticut Selected	8.0%



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section C - Selection of DCCE Provision

<u>Policy Year</u>	(1) Reported Ratio of Paid DCCE to <u>Paid Losses</u>	(2) Age to Ultimate Development <u>Factor</u>	(3) Ultimate DCCE <u>Ratio</u>
2013	11.3%	0.987	11.1%
2014	11.5%	0.986	11.3%
2015	10.7%	0.991	10.6%
2016	11.5%	0.986	11.3%
2017	9.9%	1.052	10.4%
Connecticut Selected			10.9%

(2) Section D

(3) = (1) x (2)

Section D - Summary of Paid DCCE to Paid Loss Ratio Development Factors

<u>Report</u>	(1) <u>DCCE Ratio Development</u>	
	<u>To Next Report</u>	<u>To Ultimate</u>
1st	1.067	1.052
2nd	0.995	0.986
3rd	1.005	0.991
4th	0.999	0.986
5th	0.993	0.987
6th	0.995	0.994
7th	0.997	0.999
8th	0.995	1.002
9th	0.999	1.007
10th	0.994	1.008
11th	0.998	1.014
12th	0.998	1.016
13th	0.997	1.018
14th	1.004	1.021
15th	0.998	1.017
16th	1.001	1.019
17th	1.001	1.018
18th	1.002	1.017
19th		1.015*

(1) Section E

(2) = Cumulative upward product of column (1).

*Selection



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section E - Paid DCCE to Paid Loss Ratio Development Factors

<u>Valuation</u>	<u>1st/2nd</u>	<u>2nd/3rd</u>	<u>3rd/4th</u>	<u>4th/5th</u>	<u>5th/6th</u>	<u>6th/7th</u>
12/31/2016	1.051	0.996	0.985	0.994	0.995	0.991
12/31/2017	1.082	0.993	1.018	1.003	0.992	0.992
12/31/2018	1.067	0.996	1.012	1.001	0.991	1.002
Average	1.067	0.995	1.005	0.999	0.993	0.995

<u>Valuation</u>	<u>7th/8th</u>	<u>8th/9th</u>	<u>9th/10th</u>	<u>10th/11th</u>	<u>11th/12th</u>	<u>12th/13th</u>
12/31/2016	0.998	0.996	0.999	0.996	0.997	0.991
12/31/2017	0.992	0.992	1.002	0.996	1.002	1.006
12/31/2018	1.000	0.998	0.995	0.990	0.995	0.998
Average	0.997	0.995	0.999	0.994	0.998	0.998

<u>Valuation</u>	<u>13th/14th</u>	<u>14th/15th</u>	<u>15th/16th</u>	<u>16th/17th</u>	<u>17th/18th</u>	<u>18th/19th</u>
12/31/2016	1.000	1.011	1.001	1.004	1.003	1.000
12/31/2017	0.997	1.000	0.989	1.003	0.999	1.004
12/31/2018	0.993	1.002	1.004	0.995	1.002	1.002
Average	0.997	1.004	0.998	1.001	1.001	1.002



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-I Determination of Policy Year On-level Factors

NCCI uses premium and loss on-level factors to adjust historical policy year experience to current loss cost/rate and benefit levels, respectively.

Premium on-level factors are adjustment factors that reflect the cumulative impact of all premium level changes that have occurred during and after the individual year being on-leveled. To calculate a weighted average, NCCI utilizes a monthly premium distribution for Connecticut based on an analysis of policies reported in the Unit Statistical Data. Additional adjustments applied as part of the premium on-level factor calculation include:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported assigned risk and voluntary DSR level premium totals—to render the separate market premiums more comparable.
- Uncollectable Premium Provision to Gross Premium Factor: This factor is applied to the assigned risk market premium in states where it is necessary to account for the difference between gross premium as reported and the ultimate premium that is collected.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification targeted in the filing.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all benefit level changes that have occurred during and after the individual year of data being on-leveled.

Note: For NCCI ratemaking purposes, proposed benefit level changes that (i) do not impact the experience period of the filing and (ii) have not yet been approved are included in Exhibit I, rather than in the loss on-level calculation.



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2017 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR 01/01/17	Base	1.000	1.000	1.000	0.701	0.952	0.709	0.966	0.457
NR 01/01/18	0.874	0.874							
NR 01/01/19	0.802	0.701							
				1.000					

Section B - Factor Adjusting 2017 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR 01/01/17	Base	1.000	1.000	1.000	0.715	1.000	0.850	1.000	0.608
NR 01/01/18	0.859	0.859							
NR 01/01/19	0.832	0.715							
				1.000					

Section C - Factor Adjusting 2017 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2017	0.079
(2) Voluntary Market Share PY 2017	0.921
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.457
(4) Voluntary Standard Premium Adjustment Factor (See Sec. B)	0.608
(5) Premium Adjustment Factor = [(1)x(3)]/1.417+(2)x(4) #	0.585
(6) Experience Rating Off-balance Adjustment Factor*	1.002
(7) Final Premium Adjustment Factor = (5)x(6)	0.586

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.417

* = 1.002 = 0.953 / 0.951 = (Targeted Off-balance) / (Off-balance for Policy Year 2017)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2017 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
07/15/16	Base	1.000	0.051	0.051	1.020
04/01/17	1.000	1.000	0.137	0.137	
07/15/17	1.000	1.000	0.583	0.583	
04/01/18	1.000	1.000	0.152	0.152	
07/15/18	1.000	1.000	0.058	0.058	
10/01/18	1.020	1.020	0.019	0.019	
				<u>1.000</u>	

Section E - Factor Adjusting 2017 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
07/15/16	Base	1.000	0.051	0.051	1.008
04/01/17	1.004	1.004	0.137	0.138	
07/15/17	1.000	1.004	0.583	0.585	
04/01/18	1.011	1.015	0.152	0.154	
07/15/18	0.999	1.014	0.058	0.059	
10/01/18	1.000	1.014	0.019	0.019	
				<u>1.006</u>	



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section F - Factor Adjusting 2016 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Date	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
NR 01/01/16	Base	1.000	1.000	1.000	0.625	0.955	0.709	0.966	0.409
NR 01/01/17	0.891	0.891							
NR 01/01/18	0.874	0.779							
NR 01/01/19	0.802	0.625							
				1.000					

Section G - Factor Adjusting 2016 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Date	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
NR 01/01/16	Base	1.000	1.000	1.000	0.636	1.000	0.850	1.000	0.541
NR 01/01/17	0.891	0.891							
NR 01/01/18	0.859	0.765							
NR 01/01/19	0.832	0.636							
				1.000					

Section H - Factor Adjusting 2016 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2016	0.074
(2) Voluntary Market Share PY 2016	0.926
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.409
(4) Voluntary Standard Premium Adjustment Factor (See Sec. G)	0.541
(5) Premium Adjustment Factor = [(1)x(3)]/1.417+(2)x(4) #	0.522
(6) Experience Rating Off-balance Adjustment Factor*	0.993
(7) Final Premium Adjustment Factor = (5)x(6)	0.518

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.417

* = 0.993 = 0.953 / 0.960 = (Targeted Off-balance) / (Off-balance for Policy Year 2016)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section I - Factor Adjusting 2016 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
07/15/15	Base	1.000	0.051	0.051	1.020
04/01/16	1.000	1.000	0.137	0.137	
07/15/16	1.000	1.000	0.584	0.584	
04/01/17	1.000	1.000	0.152	0.152	
07/15/17	1.000	1.000	0.076	0.076	
04/01/18	1.000	1.000			
07/15/18	1.000	1.000			
10/01/18	1.020	1.020			
				1.000	

Section J - Factor Adjusting 2016 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
07/15/15	Base	1.000	0.051	0.051	1.013
04/01/16	1.005	1.005	0.137	0.138	
07/15/16	1.000	1.005	0.584	0.587	
04/01/17	1.004	1.009	0.152	0.153	
07/15/17	1.000	1.009	0.076	0.077	
04/01/18	1.011	1.020			
07/15/18	0.999	1.019			
10/01/18	1.000	1.019			
				1.006	



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-II Determination of Premium and Losses Developed to an Ultimate Report

Development factors are used to project premium and limited losses to an ultimate report. In general, the ultimate development factors are based on a chain-ladder approach that utilizes average link ratios for several maturities and the application of a tail factor, as shown in Appendix A-II Sections A through G.

Limited Large Loss Methodology

In order to limit volatility on the loss cost indications due to the impact of extraordinary large losses, a limited large loss methodology is used in Connecticut. A base threshold for the large loss limitation is determined by the volume of premium in the state as well as the number of years used in the experience period. The base threshold proposed in this filing is \$8,130,150, based on the volume of premium in policy years 2015 and 2016 underlying the currently approved filing that utilizes data valued as of 12/31/2017. The base threshold is detrended by policy year to reflect the inflationary impact on claim costs due to wage inflation. The wage index used as a basis for these calculations is the Connecticut average weekly wages from the Quarterly Census of Employment and Wages (QCEW). Detrended thresholds are used in the experience period, trend period, and loss development period. Indemnity and medical losses are limited at the detrended large loss threshold corresponding to their Policy Year, as shown in Appendix A-II Section L.

Limited indemnity and medical losses used to calculate the ultimate losses are shown in Appendix A-II Section A.

After developing limited indemnity and medical losses to an ultimate report, a statewide excess ratio at the base threshold is used to adjust the limited losses to an unlimited basis. The proposed excess ratio in this filing is 1.9%, as shown in Appendix A-II Section K.

Development Factors

For premium development, link ratios are used from 1st report through 5th report. It is assumed that no further development occurs after the 5th report.

For indemnity and medical loss development, link ratios calculated from limited losses are used from 1st report through the 19th report.

For indemnity and medical loss development past the 19th report, a “tail” factor is used to reflect all future expected emergence. The calculation of indemnity and medical paid + case 19th-to-ultimate tail factors utilize all available experience for the years prior to the tail attachment point.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Tail factors are calculated for the most recent ten available policy years, each relying on losses in older policy years as well as a factor to adjust for the differences in the volume of losses between the policy years. Tail factors are calculated separately for indemnity and medical losses by comparing the changes in the volume of policy year losses that occur on policy years reported after a nineteenth report to the volume of policy year losses at the nineteenth report, along with the application of a growth adjustment factor.

Since unlimited losses are used for the tail factors, they are adjusted to a limited basis as shown in Appendix A-II Section H.



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section A - Premium and Loss Summary Valued as of 12/31/2018

Policy Year 2017

(1) Standard Earned Premium	\$595,180,595
(2) Factor to Develop Premium to Ultimate	1.000
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$595,180,595
(4) Limited Indemnity Paid Losses	\$39,062,458
(5) Limited Indemnity Paid Development Factor to Ultimate	5.137
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$200,663,847
(7) Limited Indemnity Paid+Case Losses	\$94,779,380
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	2.146
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$203,396,549
(10) Policy Year 2017 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$202,030,198
(11) Limited Medical Paid Losses	\$80,029,684
(12) Limited Medical Paid Development Factor to Ultimate	2.189
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$175,184,978
(14) Limited Medical Paid+Case Losses	\$132,222,050
(15) Limited Medical Paid+Case Development Factor to Ultimate	1.341
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$177,309,769
(17) Policy Year 2017 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$176,247,374

Policy Year 2016

(1) Standard Earned Premium	\$654,996,203
(2) Factor to Develop Premium to Ultimate	0.996
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$652,376,218
(4) Limited Indemnity Paid Losses	\$71,142,803
(5) Limited Indemnity Paid Development Factor to Ultimate	2.737
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$194,717,852
(7) Limited Indemnity Paid+Case Losses	\$114,899,221
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	1.563
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$179,587,482
(10) Policy Year 2016 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$187,152,667
(11) Limited Medical Paid Losses	\$101,404,854
(12) Limited Medical Paid Development Factor to Ultimate	1.645
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$166,810,985
(14) Limited Medical Paid+Case Losses	\$137,733,616
(15) Limited Medical Paid+Case Development Factor to Ultimate	1.197
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$164,867,138
(17) Policy Year 2016 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$165,839,062



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section B - Premium Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2014	1.004	2013	0.997	2012	1.000	2011	0.999
2015	1.005	2014	0.998	2013	0.999	2012	1.000
2016	1.003	2015	0.999	2014	0.999	2013	0.999
Average	1.004	Average	0.998	Average	0.999	Average	0.999

Summary of Premium Development Factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.000	0.996	0.998	0.999



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Section C - Limited Indemnity Paid Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2015	1.873	2014	1.398	2013	1.192	2012	1.103
2016	1.880	2015	1.381	2014	1.165	2013	1.113
Average	1.877	Average	1.390	Average	1.179	Average	1.108
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2011	1.089	2010	1.063	2009	1.039	2008	1.034
2012	1.078	2011	1.048	2010	1.032	2009	1.021
Average	1.084	Average	1.056	Average	1.036	Average	1.028
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2007	1.016	2006	1.020	2005	1.013	2004	1.010
2008	1.031	2007	1.036	2006	1.027	2005	1.012
Average	1.024	Average	1.028	Average	1.020	Average	1.011
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2003	1.013	2002	1.007	2001	1.015	2000	1.004
2004	1.025	2003	1.007	2002	1.004	2001	1.007
Average	1.019	Average	1.007	Average	1.010	Average	1.006
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
1999	1.010	1998	1.005				
2000	1.006	1999	1.005				
Average	1.008	Average	1.005				



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Section D - Limited Medical Paid Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2015	1.326	2014	1.110	2013	1.059	2012	1.041
2016	1.336	2015	1.135	2014	1.052	2013	1.046
Average	1.331	Average	1.123	Average	1.056	Average	1.044
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2011	1.037	2010	1.025	2009	1.025	2008	1.030
2012	1.027	2011	1.025	2010	1.020	2009	1.014
Average	1.032	Average	1.025	Average	1.023	Average	1.022
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2007	1.019	2006	1.021	2005	1.012	2004	1.013
2008	1.013	2007	1.020	2006	1.008	2005	1.012
Average	1.016	Average	1.021	Average	1.010	Average	1.013
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2003	1.010	2002	1.006	2001	1.004	2000	1.005
2004	1.010	2003	1.007	2002	1.004	2001	1.008
Average	1.010	Average	1.007	Average	1.004	Average	1.007
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
1999	1.011	1998	1.003				
2000	1.006	1999	1.003				
Average	1.009	Average	1.003				



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Section E - Limited Indemnity Paid + Case Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2012	1.401	2011	1.172	2010	1.091	2009	1.070
2013	1.403	2012	1.158	2011	1.088	2010	1.049
2014	1.366	2013	1.148	2012	1.064	2011	1.035
2015	1.339	2014	1.158	2013	1.071	2012	1.034
2016	1.354	2015	1.155	2014	1.065	2013	1.049
Average	1.373	Average	1.158	Average	1.076	Average	1.047
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2008	1.040	2007	1.024	2006	1.018	2005	1.014
2009	1.030	2008	1.032	2007	1.019	2006	1.005
2010	1.031	2009	1.027	2008	1.023	2007	1.017
2011	1.028	2010	1.016	2009	1.016	2008	1.009
2012	1.041	2011	1.015	2010	1.007	2009	0.996
Average	1.034	Average	1.023	Average	1.017	Average	1.008
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2004	1.021	2003	1.015	2002	1.006	2001	1.004
2005	1.014	2004	1.008	2003	1.010	2002	1.003
2006	1.001	2005	1.005	2004	1.008	2003	1.009
2007	1.012	2006	1.012	2005	1.011	2004	1.004
2008	1.007	2007	1.008	2006	0.999	2005	0.998
Average	1.011	Average	1.010	Average	1.007	Average	1.004
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2000	1.004	1999	1.005	1998	1.009	1997	1.007
2001	1.012	2000	1.003	1999	1.010	1998	1.007
2002	1.001	2001	1.004	2000	0.996	1999	1.004
2003	1.005	2002	1.000	2001	0.999	2000	0.999
2004	1.006	2003	1.002	2002	1.005	2001	0.995
Average	1.006	Average	1.003	Average	1.004	Average	1.002
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
1996	1.004	1995	1.002				
1997	1.003	1996	1.004				
1998	1.004	1997	1.005				
1999	1.004	1998	1.003				
2000	1.003	1999	1.003				
Average	1.004	Average	1.003				



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Section F - Limited Medical Paid + Case Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2012	1.143	2011	1.071	2010	1.045	2009	1.037
2013	1.111	2012	1.067	2011	1.026	2010	1.023
2014	1.083	2013	1.041	2012	1.006	2011	1.020
2015	1.104	2014	1.020	2013	1.037	2012	1.014
2016	1.160	2015	1.017	2014	1.006	2013	1.019
Average	1.120	Average	1.043	Average	1.024	Average	1.023
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2008	1.021	2007	1.014	2006	1.013	2005	1.003
2009	1.018	2008	1.010	2007	1.013	2006	1.000
2010	1.015	2009	1.011	2008	1.012	2007	1.006
2011	1.015	2010	0.994	2009	0.999	2008	1.011
2012	0.989	2011	1.011	2010	1.003	2009	0.993
Average	1.012	Average	1.008	Average	1.008	Average	1.003
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2004	1.007	2003	1.014	2002	1.007	2001	1.008
2005	1.002	2004	1.009	2003	1.010	2002	0.995
2006	1.002	2005	0.994	2004	1.001	2003	1.000
2007	1.007	2006	1.001	2005	1.008	2004	1.000
2008	0.996	2007	0.987	2006	0.997	2005	1.004
Average	1.003	Average	1.001	Average	1.005	Average	1.001
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2000	1.008	1999	0.999	1998	1.007	1997	1.000
2001	1.013	2000	0.998	1999	1.002	1998	1.003
2002	0.997	2001	1.007	2000	0.999	1999	1.005
2003	1.011	2002	0.989	2001	0.985	2000	0.997
2004	1.003	2003	1.003	2002	1.004	2001	0.993
Average	1.006	Average	0.999	Average	0.999	Average	1.000
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
1996	1.008	1995	1.001				
1997	1.004	1996	1.011				
1998	1.004	1997	0.999				
1999	1.004	1998	1.004				
2000	1.001	1999	0.999				
Average	1.004	Average	1.003				



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section G - Determination of Policy Year Loss Development Factors (19th-to-Ultimate Report)

Indemnity Paid+Case Data for Matching Companies

(1) Policy Year	(2) <u>Losses for Policy Year</u> 19th Report 20th Report		(4) <u>Losses for All Prior Policy Years</u> Previous Current		(6) Factor to Adjust Losses for Prior Policy Years	(7) Indicated 19th-to-Ult Development for Policy Year
1989	348,102,145	348,693,575	2,786,314,729	2,808,834,848	0.544	1.121
1990	207,554,663	208,667,626	2,122,194,357	2,130,799,454	0.745	1.061
1991	213,583,002	215,234,719	3,309,896,858	3,320,336,035	1.030	1.055
1992	173,755,199	174,798,681	3,535,570,754	3,546,234,083	1.316	1.053
1993	135,386,411	135,240,959	3,721,136,501	3,736,506,208	1.726	1.065
1994	122,414,048	122,352,602	3,871,368,400	3,886,397,244	1.909	1.064
1995	113,817,954	114,177,802	4,005,952,062	4,017,215,111	2.009	1.052
1996	126,657,684	126,849,418	4,130,682,036	4,139,395,778	1.733	1.041
1997	148,779,839	149,763,223	4,256,550,581	4,271,023,915	1.409	1.076
1998	149,538,525	150,524,280	4,420,787,138	4,434,121,372	1.313	1.075
Selected Indemnity 19th-to-Ultimate Loss Development Factor						1.060

Medical Paid+Case Data for Matching Companies

(8) Policy Year	(9) <u>Losses for Policy Year</u> 19th Report 20th Report		(11) <u>Losses for All Prior Policy Years</u> Previous Current		(13) Factor to Adjust Losses for Prior Policy Years	(14) Indicated 19th-to-Ult Development for Policy Year
1989	169,986,542	170,812,857	1,181,132,974	1,194,692,940	0.484	1.170
1990	102,602,485	103,590,336	890,544,856	890,981,182	0.678	1.016
1991	121,382,639	122,042,224	1,442,908,461	1,449,823,580	0.816	1.075
1992	106,335,410	107,192,180	1,571,865,804	1,577,651,892	1.001	1.062
1993	96,693,019	97,165,194	1,684,873,630	1,684,291,135	1.160	1.000
1994	91,368,551	91,086,660	1,781,220,628	1,791,277,191	1.266	1.084
1995	83,451,149	83,539,241	1,881,827,129	1,887,157,933	1.403	1.047
1996	111,746,040	111,365,993	1,970,316,833	1,973,031,521	1.039	1.020
1997	95,582,525	95,969,024	2,077,274,911	2,081,692,026	1.222	1.042
1998	103,190,781	103,119,086	2,177,661,050	2,180,947,571	1.108	1.028
Selected Medical 19th-to-Ultimate Loss Development Factor						1.050

(7) = 1 + [(3)-(2) + ((5)-(4)) / (6)] / (2)

(14) = 1 + [(10)-(9) + ((12)-(11)) / (13)] / (9)

Columns (4) and (11) are valued as of the date at which the given policy year is at a 19th report.

Columns (5) and (12) are valued as of the date at which the given policy year is at a 20th report.



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Determination of Premium and Losses Developed to an Ultimate Report

Section H - Derivation of Policy Year Limited 19th-to-Ultimate Loss Development Factors

Policy Year	Indemnity Paid-to-Paid + Case Ratio 19th Report	Medical Paid-to-Paid + Case Ratio 19th Report
1995	0.985	0.945
1996	0.972	0.905
1997	0.951	0.967
1998	0.955	0.951
1999	0.980	0.965
Selected	0.975	0.955

	Indemnity	Medical
(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.060	1.050
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.819	0.819
(3) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = [(1)-1]x(2)+1	1.049	1.041
(4) Limited Paid-to-Paid+Case Ratio (Section H)	0.975	0.955
(5) Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.076	1.090

Section I - Summary of Limited Paid Loss Development Factors

Report	(1)	(2)	Report	(3)	(4)
	Indemnity Paid Loss Development to Next Report	to Ultimate		Medical Paid Loss Development to Next Report	to Ultimate
1st	1.877	5.137	1st	1.331	2.189
2nd	1.390	2.737	2nd	1.123	1.645
3rd	1.179	1.969	3rd	1.056	1.465
4th	1.108	1.670	4th	1.044	1.387
5th	1.084	1.507	5th	1.032	1.329
6th	1.056	1.390	6th	1.025	1.288
7th	1.036	1.316	7th	1.023	1.257
8th	1.028	1.270	8th	1.022	1.229
9th	1.024	1.235	9th	1.016	1.203
10th	1.028	1.206	10th	1.021	1.184
11th	1.020	1.173	11th	1.010	1.160
12th	1.011	1.150	12th	1.013	1.149
13th	1.019	1.137	13th	1.010	1.134
14th	1.007	1.116	14th	1.007	1.123
15th	1.010	1.108	15th	1.004	1.115
16th	1.006	1.097	16th	1.007	1.111
17th	1.008	1.090	17th	1.009	1.103
18th	1.005	1.081	18th	1.003	1.093
19th		1.076	19th		1.090

(2) = Cumulative upward product of column (1).

(4) = Cumulative upward product of column (3).



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Determination of Premium and Losses Developed to an Ultimate Report

Section J - Summary of Limited Paid+Case Loss Development Factors

Report	(1) Indemnity Paid+Case Loss Development		Report	(3) Medical Paid+Case Loss Development	
	to Next Report	to Ultimate		to Next Report	to Ultimate
1st	1.373	2.146	1st	1.120	1.341
2nd	1.158	1.563	2nd	1.043	1.197
3rd	1.076	1.350	3rd	1.024	1.148
4th	1.047	1.255	4th	1.023	1.121
5th	1.034	1.199	5th	1.012	1.096
6th	1.023	1.160	6th	1.008	1.083
7th	1.017	1.134	7th	1.008	1.074
8th	1.008	1.115	8th	1.003	1.065
9th	1.011	1.106	9th	1.003	1.062
10th	1.010	1.094	10th	1.001	1.059
11th	1.007	1.083	11th	1.005	1.058
12th	1.004	1.075	12th	1.001	1.053
13th	1.006	1.071	13th	1.006	1.052
14th	1.003	1.065	14th	0.999	1.046
15th	1.004	1.062	15th	0.999	1.047
16th	1.002	1.058	16th	1.000	1.048
17th	1.004	1.056	17th	1.004	1.048
18th	1.003	1.052	18th	1.003	1.044
19th		1.049	19th		1.041

(2) = Cumulative upward product of column (1).

(4) = Cumulative upward product of column (3).



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Determination of Premium and Losses Developed to an Ultimate Report

Section K - Factor to Adjust Limited Losses to an Unlimited Basis

(1) Threshold at the Midpoint of the Loss Cost Effective Period*	8,130,150
(2) Statewide Excess Ratio for (1)	0.019
(3) Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4) Factor to Adjust Limited Losses to an Unlimited Basis = $1.0 / \{1.0 - [(2) \times (1.0 - (3))]\}$	1.019

Section L - Policy Year Large Loss Limits

<u>Experience Year</u>	<u>Policy Year Detrended Limit</u>
2017	7,502,754
2016	7,427,435
2015	7,375,834
2014	7,268,400
2013	7,097,119
2012	7,014,126
2011	6,937,137
2010	6,776,783
2009	6,570,541
2008	6,540,694
2007	6,573,479
2006	6,359,499
2005	6,058,464
2004	5,818,834
2003	5,552,547
2002	5,325,830
2001	5,276,095
2000	5,188,766
1999	4,918,651
1998	4,650,559
1997	4,425,725
1996	4,165,552
1995	3,949,109

* December 4, 2020 is the midpoint of the effective period for which the revised loss costs are being proposed.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-III Trend Factors

NCCI separately analyzes a measure of the number of workplace injuries (claim frequency) and the average indemnity and medical costs of each of these injuries (claim severity). Premium, lost-time claim counts, and losses used in these frequency and severity calculations are developed to ultimate and adjusted for changes in the level of workers' wages over time using the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages for Connecticut. Note that medical-only claim counts are excluded from the claim frequency and severity calculations, but the losses associated with medical-only claims are included.

While claim frequency and average costs per case are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors based on an analysis of historical indemnity and medical loss ratios, along with other pertinent considerations, including, but not limited to, changes in system benefits and administration, economic environment, credibility of state data, and prior trend approach and selection.

The lost-time claim frequency, average costs per case, and loss ratios for Policy Years 2010 through 2017 are shown in Appendix A-III, along with the impact of the trend selection for each policy year in the experience period. The trend lengths displayed in Section B(3) are calculated by comparing the average accident date for the effective period of the proposed loss costs to each of the policy years in the experience period. The average accident dates are based on an Connecticut distribution of policy writings by month and assume a uniform probability of loss over the coverage period.



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APPENDIX A-III

Policy Year Trend Factors

Section A - Summary of Policy Year Data

(1)	(2)	(3)	(4)	(5)	(6)
Policy Year	Lost-Time Claim Frequency*	Indemnity		Medical	
		Avg Cost Per Case*^	Loss Ratio^	Avg Cost Per Case*^	Loss Ratio^
2010	26.674	31,631	0.844	26,984	0.720
2011	25.218	31,589	0.797	27,333	0.690
2012	24.486	31,672	0.775	27,882	0.682
2013	22.972	30,978	0.712	28,739	0.661
2014	22.177	29,984	0.664	25,254	0.560
2015	20.166	30,091	0.607	26,317	0.530
2016	19.590	28,840	0.565	25,382	0.497
2017	18.519	31,904	0.591	27,505	0.509

* Figures have been adjusted to the common wage level.

^ Based on an average of paid and paid+case losses.

Section B - Summary of Annual Trend Factors

	<u>Indemnity</u>	<u>Medical</u>
(1) Current Approved Annual Loss Ratio Trend Factor	0.955	0.960
(2) Selected Annual Loss Ratio Trend Factor	0.960	0.960
(3) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:		
		<u>Years</u>
	Policy Year 2016	4.001
	Policy Year 2017	3.001
(4) Trend Factor Applied to Experience Year = (2) ^ (3)	<u>Indemnity</u>	<u>Medical</u>
	Policy Year 2016	0.849
	Policy Year 2017	0.885



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APPENDIX A-IV

Derivation of Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall loss cost level change based on the individual experience of each industry group. The payroll, losses and claim counts used in the calculations below are from NCCI's Workers Compensation Statistical Plan (WCSP) data.

I. Expected Losses

The current expected losses (columns (1) and (2)) are the payroll extended by the pure premiums underlying the latest approved loss costs. The proposed expected losses (3) are the current expected losses adjusted to the proposed level. These adjustments include the proposed experience, trend, benefit and, if applicable, loss-based expense changes as well as any miscellaneous premium adjustments.

Industry Group	(1) Latest Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(2) Five Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(3) Five Year Proposed Expected Losses Prior to Adjustment for Change in Off-Balance	(4) Current Ratio of Manual to Standard Premium	(5) Proposed Ratio of Manual to Standard Premium
Manufacturing	97,845,654	457,925,883	444,346,676	1.099	1.112
Contracting	122,530,943	581,030,369	563,949,531	1.093	1.100
Office & Clerical	77,180,640	368,699,453	357,717,509	1.110	1.120
Goods & Services	242,536,302	1,141,767,439	1,107,669,421	1.008	1.015
Miscellaneous	106,184,744	478,923,118	464,868,703	1.072	1.082
Statewide	646,278,283	3,028,346,261	2,938,551,839		

Industry Group	(6) Latest Year Current Expected Losses Adjusted for Change in Off-Balance (1)x(4)/(5)	(7) Five Year Current Expected Losses Adjusted for Change in Off-Balance (2)x(4)/(5)	(8) Five Year Proposed Expected Losses Adjusted for Change in Off-Balance (3)x(4)/(5)	(9) Current/ Proposed (7)/(8)	(10) Adjustment to Proposed for Current Relativity (9)IG/(9)SW
Manufacturing	96,701,775	452,572,433	439,151,976	1.031	1.000
Contracting	121,751,201	577,332,903	560,360,761	1.030	0.999
Office & Clerical	76,491,527	365,407,494	354,523,603	1.031	1.000
Goods & Services	240,863,637	1,133,893,180	1,100,030,321	1.031	1.000
Miscellaneous	105,203,370	474,496,841	460,572,319	1.030	0.999
Statewide	641,011,510	3,003,702,851	2,914,638,980	1.031	



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APPENDIX A-IV

II. Industry Group Differentials

To calculate the converted indicated balanced losses (11) the reported losses are limited to \$500,000 for a single claim occurrence and \$1,500,000 for each multiple claim occurrence. After the application of limited development, trend and benefit factors, the limited losses are brought to an unlimited level through the application of the expected excess provision. The proposed experience change, applicable loss-based expenses and any miscellaneous premium adjustments are applied to calculate the indicated losses. These indicated losses are then balanced to the expected losses using the factors shown in Appendix B-I, Section A-3.

Industry Group	(11) Converted Indicated Balanced Losses	(12) Indicated/ Expected Ratio (11)/[(8)x(10)]	(13) Indicated Differential (12)IG/(12)SW	(14) Lost-Time Claim Counts
Manufacturing	446,082,755	1.016	1.017	8,847
Contracting	535,900,059	0.957	0.958	6,003
Office & Clerical	356,316,643	1.005	1.006	6,907
Goods & Services	1,110,992,219	1.010	1.011	27,191
Miscellaneous	460,075,945	1.000	1.001	7,802
Statewide	2,909,367,621	0.999		

Industry Group	(15) Full Credibility Standard for Lost-Time Claim Counts	(16) Credibility Minimum of 1.000 and ((14)/(15))^0.5	(17) Credibility Weighted Indicated/Expected Ratio [(16)IGx(12)IG] + [1-(16)IG]x(12)SW*	(18) Final Industry Group Differential (17)IG/(17)SW
Manufacturing	12,000	0.86	1.014	1.014
Contracting	12,000	0.71	0.969	0.969
Office & Clerical	12,000	0.76	1.004	1.004
Goods & Services	12,000	1.00	1.010	1.010
Miscellaneous	12,000	0.81	1.000	1.000
Statewide			1.000	1.000

*Statewide ratio (column 17) = $\sum_{IG} [(6)x(17)] \div \sum_{IG} (6)$



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix B – Calculations Underlying the Loss Cost Change by Classification

NCCI separately determines voluntary loss costs for each workers compensation classification. The proposed change from the current loss cost will vary depending on the classification. The following are the general steps utilized to determine the individual classification loss costs:

1. Calculate industry group differentials, which are used to more equitably distribute the proposed overall average loss cost level change based on the individual experience of each industry group
2. For each classification, determine the indicated pure premiums based on the most recently-available five policy periods of Connecticut payroll and loss experience
3. Indicated pure premiums are credibility-weighted with present on rate level pure premiums and national pure premiums to generate derived by formula pure premiums
4. Final adjustments include the application of a test correction factor, the ratio of manual-to-standard premium, and swing limits.



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APPENDIX B-I

Distribution of Loss Cost Level Change to Occupational Classification

After determining the required changes in the overall loss cost level for the state and by industry group, the next step in the ratemaking procedure is to distribute these changes among the various occupational classifications. In order to do this, the pure premiums by classification must be adjusted, by policy period, industry group, or on an overall basis, to incorporate the changes proposed in the filing. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums.

Section A – Calculation of Indicated Pure Premiums

The indicated pure premiums are calculated from the payroll and loss data reported, by class code and policy period, in the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods. Various adjustments are made to these pure premiums to put them at the level proposed in this filing (Sections A-1 to A-3).

Section A-1 – Calculation of Primary Conversion Factors

1. Limited Loss Development Factors

The following factors are applied to develop the losses from first through fifth report to an ultimate basis.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
8/12-7/13	1.292	1.121	1.179	1.046
8/13-7/14	1.359	1.168	1.208	1.058
8/14-7/15	1.489	1.260	1.260	1.075
8/15-7/16	1.790	1.424	1.380	1.098
8/16-7/17	2.753	1.855	1.674	1.154

2. Factors to Adjust to the Proposed Trend Level

The proposed trend factors are applied to adjust the losses to the proposed level.

Policy Period	Indemnity	Medical
8/12-7/13	0.741	0.741
8/13-7/14	0.772	0.772
8/14-7/15	0.804	0.804
8/15-7/16	0.837	0.837
8/16-7/17	0.872	0.872

3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the losses to the proposed benefit level.

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
8/12-7/13	1.011	1.019	1.021	1.019	0.976
8/13-7/14	1.011	1.019	1.021	1.019	0.981
8/14-7/15	1.011	1.019	1.021	1.019	1.017
8/15-7/16	1.011	1.019	1.021	1.019	1.024
8/16-7/17	1.011	1.019	1.021	1.019	1.019



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4. Primary Conversion Factors: Indicated Pure Premiums

The factors above, contained within Section A-1, are combined multiplicatively, resulting in the following factors for the Likely-to-Develop (L) and Not-Likely-to-Develop (NL) groupings.

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
8/12-7/13	0.968	0.840	0.976	0.977	0.848	0.976	0.846	0.853	0.756
8/13-7/14	1.061	0.912	1.069	1.071	0.921	1.069	0.919	0.915	0.801
8/14-7/15	1.210	1.024	1.220	1.222	1.034	1.220	1.032	1.030	0.879
8/15-7/16	1.515	1.205	1.527	1.530	1.217	1.527	1.215	1.183	0.941
8/16-7/17	2.427	1.635	2.446	2.451	1.652	2.446	1.648	1.487	1.025

* Permanent total losses are always assigned to the Likely-to-Develop grouping.

Section A-2 – Expected Excess Provision and Redistribution

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of excess loss factors by hazard group. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.120	0.157	0.178	0.212	0.251	0.289	0.333
(2) Excess Factors 1/(1-(1))	1.136	1.186	1.217	1.269	1.335	1.406	1.499

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.



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APPENDIX B-I

Section A-3 – Calculation of Secondary Conversion Factors

1. Factors to Adjust for Proposed Industry Group Differentials

The following factors are applied to adjust the indicated industry group differentials for the effects of credibility weighting the industry group differentials and weighting the differentials by the latest year expected losses.

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	1.017	0.958	1.006	1.011	1.001
(2) Final Differentials**	1.014	0.969	1.004	1.010	1.000
(3) Adjustment (2)/(1)	0.997	1.011	0.998	0.999	0.999

*See Appendix A-IV, column (13).

**See Appendix A-IV, column (18).

2. Factors to Balance Indicated to Expected Losses

The expected losses are calculated as the pure premium underlying the current loss costs, adjusted to the proposed level and adjusted for the Experience Rating Plan off-balance. The indicated losses are balanced to the expected losses by applying the following factors.

Policy Period	(1) Adjustment of Indicated Losses to Pure Premium at Proposed Level	(2) Current Ratio of Manual to Standard Premium	(3) Proposed Ratio of Manual to Standard Premium	(4) Off-balance Adjustment (2)/(3)	(5) Balancing Indicated to Expected Losses (1)x(4)
8/12-7/13	0.874	1.060	1.053	1.007	0.880
8/13-7/14	0.888	1.060	1.064	0.996	0.884
8/14-7/15	0.934	1.061	1.068	0.993	0.927
8/15-7/16	0.955	1.061	1.079	0.983	0.939
8/16-7/17	0.937	1.061	1.089	0.974	0.913

3. Adjustment for Experience Change

A factor of 0.947 is applied to adjust for the experience change in the proposed loss cost level.

4. Factor to Reflect the Proposed Loss-Based Expense Provisions

A factor of 1.189 is applied to include the proposed loss-based expense provisions.

5. Secondary Conversion Factors: Indicated Pure Premiums

The factors above, contained within section A-3, are combined multiplicatively, resulting in the following factors:

Policy Period	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
8/12-7/13	0.988	1.002	0.989	0.990	0.990
8/13-7/14	0.992	1.006	0.993	0.994	0.994
8/14-7/15	1.041	1.055	1.042	1.043	1.043
8/15-7/16	1.054	1.069	1.055	1.056	1.056
8/16-7/17	1.025	1.039	1.026	1.027	1.027



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APPENDIX B-I

Section B – Calculation of Present on Rate Level Pure Premiums

The present on rate level pure premiums are the pure premiums underlying the current loss costs, adjusted to the proposed level. The data sources for the above-captioned pure premiums are the partial pure premiums underlying the current loss costs.

1. Adjustment for Experience Change

A factor of 0.947 is applied to adjust for the experience change in the proposed loss cost level.

2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current loss costs contain the current trend. The change in trend factors, 1.018 and 1.000, for indemnity and medical, respectively, are applied to adjust to the proposed trend level.

3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the pure premiums underlying the current loss costs to the proposed benefit level.

Effective Date	Indemnity	Medical
April 1, 2019	1.000	1.008
July 15, 2019	1.000	1.001
Benefit Adjustment	1.000	1.009

4. Factors to Include the Proposed Loss-Based Expense Provisions

The pure premiums underlying the current loss costs include the current loss-based expense provisions and must be adjusted to the proposed level.

	(a) Current		(b) Proposed	
	Indemnity	Medical	Indemnity	Medical
(1) Loss Adjustment Expense	1.176	1.176	1.189	1.189
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.176	1.176	1.189	1.189
(4) Overall Change (3b)/(3a)			1.011	1.011

5. Adjustment to Obtain Expected Losses

The pure premiums underlying the current loss costs reflect the current Experience Rating Plan off-balance. The change in off-balance must be applied.

Industry Group	(1) Current Ratio of Manual to Standard Premium	(2) Proposed Ratio of Manual to Standard Premium	(3) Off-balance Adjustment (1)/(2)
Manufacturing	1.099	1.112	0.988
Contracting	1.093	1.100	0.994
Office & Clerical	1.110	1.120	0.991
Goods & Services	1.008	1.015	0.993
Miscellaneous	1.072	1.082	0.991



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APPENDIX B-I

6. Factors to Adjust for Proposed Industry Group Differentials

The pure premiums underlying the current loss costs are adjusted by the proposed industry group differentials.

Industry Group	(1) Final Differential*	(2) Adjustment to Proposed for Current Relativities**	(3) Adjusted Differential (1)x(2)
Manufacturing	1.014	1.000	1.014
Contracting	0.969	0.999	0.968
Office & Clerical	1.004	1.000	1.004
Goods & Services	1.010	1.000	1.010
Miscellaneous	1.000	0.999	0.999

*See Appendix A-IV, column (18).

**See Appendix A-IV, column (10).

7. Combined Conversion Factors

The factors above, contained within Section B, are combined multiplicatively, resulting in the following factors.

Industry Group	Indemnity	Medical
Manufacturing	0.977	0.968
Contracting	0.938	0.929
Office & Clerical	0.970	0.961
Goods & Services	0.978	0.969
Miscellaneous	0.965	0.956



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APPENDIX B-I

Section C – Calculation of National Pure Premiums

Finally, there are the national pure premiums, which reflect the countrywide experience for each classification adjusted to state conditions. These pure premiums reflect the countrywide experience for each classification as indicated by the latest available individual classification experience for all states for which the National Council on Compensation Insurance compiles workers compensation data.

Countrywide data is adjusted to Connecticut conditions in four steps. First, statewide indicated pure premiums are determined for Connecticut. Second, using Connecticut payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Connecticut statewide pure premiums to those for other states are used as adjustment factors to convert losses for other states to a basis that is consistent with the Connecticut indicated pure premiums. The quotient of the countrywide total of such adjusted losses divided by the total countrywide payroll for the classification is the initial pure premium indicated by national relativity. Finally, national pure premiums are balanced to the level of the state indicated pure premiums to ensure unbiased derived by formula pure premiums. Indemnity and medical pure premiums are computed separately.

Section D – Calculation of Derived by Formula Pure Premiums

The indicated, present on rate level and national pure premiums are credibility weighted, and the resulting derived by formula pure premiums are used to determine the final class loss costs.

As for the preceding pure premiums, separate computations are performed for each partial pure premium: indemnity and medical. Each partial formula pure premium is derived by the weighting of the indicated, present on rate level and national partial pure premiums. The weight assigned to the policy year indicated pure premium varies in one-percent intervals from zero percent to one hundred percent, depending upon the volume of expected losses (i.e. the product of the underlying pure premiums and the payroll in hundreds). To achieve full state credibility, a classification must have expected losses of at least: \$44,221,162 for indemnity and \$20,616,077 for medical.

The partial credibilities formula is:

$$z = [(\text{expected losses}) / (\text{full credibility standard})]^{0.5}$$

For the national pure premiums, credibility is determined from the number of lost-time claims. Full credibility standards are: 2,300 lost-time claims for indemnity and 2,000 lost-time claims for medical.

Partial credibilities are assigned using a credibility formula similar to that used for indicated pure premiums but based on the number of national cases. In no case is the national credibility permitted to exceed 50% of the complement of the state credibility.

National Credibility equals the smaller of:

$$[(\text{national cases}) / (\text{full credibility standard})]^{0.5} \text{ and } [(1 - \text{state credibility}) / 2]$$

The residual credibility (100% minus the sum of the state and national credibilities) is assigned to the present on rate level pure premium.

For example, if the state credibility is 40%, the national pure premium is assigned a maximum credibility of 30% $((100 - 40) / 2)$. The remainder is assigned to the present on rate level pure premium.

The total pure premium shown on the attached Appendix B-III is obtained by adding the indemnity and medical partial pure premiums obtained above and rounding the sum to two decimal places.



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APPENDIX B-II

Adjustments to Obtain Loss Costs

The following items are combined with the derived by formula pure premium to obtain the proposed loss cost:

1. Test Correction Factor

The payrolls are now extended by the loss costs presently in effect and by the indicated loss costs to determine if the required change in manual premium level as calculated in Exhibit I has been achieved. Since at first this calculation may not yield the required results, an iterative process is initiated which continuously tests the proposed loss costs including tentative test correction factors until the required change in manual premium level is obtained. The test correction factor is applied to the derived by formula pure premiums.

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	1.0094
Contracting	1.0085
Office & Clerical	1.0104
Goods & Services	1.0005
Miscellaneous	0.9925

2. Ratios of Manual to Standard Premiums

The ratios of manual to standard premiums by industry group have also been excluded from the classification experience, and it is necessary to apply these factors to the derived by formula pure premiums.

	Ratio of Manual to Standard Premiums
Manufacturing	1.112
Contracting	1.100
Office & Clerical	1.120
Goods & Services	1.015
Miscellaneous	1.082

3. Disease Loadings

The proposed manual loss costs shown in this filing include specific disease loadings for those classifications where they apply. The proposed specific disease loadings are shown on the footnotes page.



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APPENDIX B-II

4. Swing Limits

As a further step, a test is made to make certain that the proposed loss costs fall within the following departures from the present loss costs:

Manufacturing	from 19% above to 21% below
Contracting	from 14% above to 26% below
Office & Clerical	from 18% above to 22% below
Goods & Services	from 18% above to 22% below
Miscellaneous	from 17% above to 23% below

These limits have been calculated in accordance with the following formula:

Max. Deviation = Effect of the final change in loss cost level by industry group plus or minus 20% rounded to the nearest 1%.

The product of the swing limits and the present loss cost sets bounds for the proposed loss cost. If the calculated loss cost falls outside of the bounds, the closest bound is chosen as the proposed loss cost. When a code is limited, the underlying pure premiums are adjusted to reflect the limited loss cost. The classifications which have been so limited are shown below. Note that classifications that are subject to special handling may fall outside of the swing limits. A code listed below with an asterisk indicates the code's swing limit was adjusted by one cent before being applied; this is only performed when the upper and lower bounds calculated by the swing limit are equal.

An illustrative example showing the calculation of a proposed manual class loss cost is attached as Appendix B-III. This example demonstrates the manner in which the partial pure premiums are combined to produce a total pure premium, and shows the steps in the calculation at which the rounding takes place. The loss costs for other classifications are calculated in the same manner.

List of Classifications Limited by the Upper Swing

0170 3581 3830 7016 7024 7047 8856

List of Classifications Limited by the Lower Swing

3064 4777 8803

5. Connecticut Contracting Classification Premium Adjustment Program (CCPAP)

For classifications eligible for the CCPAP, the last step in producing the final proposed loss cost is to apply a factor of 1.001 to offset the credits payable under the CCPAP.

A list of eligible class codes can be found under the *Basic Manual* Miscellaneous Rules.



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APPENDIX B-III

Derivation of Proposed Loss Cost - Code 8810

As previously explained in Appendix B-I, the indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into indemnity and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above-captioned classification follows:

LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
08/01/12 - 07/31/13	0	0	438,969	2,358,660	3,264,564	1,405,575	1,383,302	2,537,803	7,494,931
08/01/13 - 07/31/14	0	500,000	306,118	3,058,242	3,901,661	1,602,539	1,811,755	3,148,290	8,732,165
08/01/14 - 07/31/15	0	0	0	2,351,980	2,492,765	1,197,134	1,573,668	2,361,627	5,876,147
08/01/15 - 07/31/16	0	0	0	2,014,863	2,210,967	599,452	1,684,486	2,593,055	6,700,034
08/01/16 - 07/31/17	0	0	7,500	698,099	1,978,497	733,109	1,102,132	2,073,600	5,493,854

PRIMARY CONVERSION FACTORS (Appendix B-I, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
08/01/12 - 07/31/13	0.968	0.840	0.976	0.977	0.848	0.976	0.846	0.853	0.756
08/01/13 - 07/31/14	1.061	0.912	1.069	1.071	0.921	1.069	0.919	0.915	0.801
08/01/14 - 07/31/15	1.210	1.024	1.220	1.222	1.034	1.220	1.032	1.030	0.879
08/01/15 - 07/31/16	1.515	1.205	1.527	1.530	1.217	1.527	1.215	1.183	0.941
08/01/16 - 07/31/17	2.427	1.635	2.446	2.451	1.652	2.446	1.648	1.487	1.025

EXPECTED EXCESS PROVISION AND REDISTRIBUTION (Appendix B-I, Section A-2)

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of a hazard group-specific excess loss factor. The factor is shown below:

HAZARD GROUP: C	
Excess Factor	1.217

As the excess loss factor is on a combined (indemnity and medical) basis, the following portion of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses:

Redistribution %	40%
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APPENDIX B-III

Derivation of Proposed Loss Cost - Code 8810

EXPECTED UNLIMITED LOSSES (Limited Losses x Primary Conversion Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
08/01/12 - 07/31/13	0	0	484,099	2,603,816	3,128,033	1,550,080	1,322,323	2,989,051	7,234,304
08/01/13 - 07/31/14	0	515,247	369,757	3,700,937	4,060,313	1,935,694	1,881,332	3,964,921	9,004,053
08/01/14 - 07/31/15	0	0	0	3,247,546	2,912,408	1,650,262	1,835,030	3,334,673	6,647,547
08/01/15 - 07/31/16	0	0	0	3,483,271	3,040,348	1,034,293	2,312,565	4,078,162	8,080,334
08/01/16 - 07/31/17	0	0	20,729	1,933,351	3,693,140	2,026,168	2,052,302	4,056,265	7,291,042

SECONDARY CONVERSION FACTORS (Appendix B-I, Section A-3)

Policy Period	INDUSTRY GROUP: Office and Clerical
08/01/12 - 07/31/13	0.989
08/01/13 - 07/31/14	0.993
08/01/14 - 07/31/15	1.042
08/01/15 - 07/31/16	1.055
08/01/16 - 07/31/17	1.026

PAYROLL, FINAL CONVERTED LOSSES (Expected Unlimited Losses x Secondary Conversion Factors)

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
08/01/12 - 07/31/13	24,351,682,824	4,586,977	4,401,402	2,956,171	7,154,727	8,988,379	10,110,898	19,099,277
08/01/13 - 07/31/14	24,882,803,973	5,964,343	6,411,694	3,937,167	8,941,025	12,376,037	12,878,192	25,254,229
08/01/14 - 07/31/15	24,815,164,000	5,103,516	4,946,830	3,474,729	6,926,744	10,050,346	10,401,473	20,451,819
08/01/15 - 07/31/16	25,665,878,518	4,766,030	5,647,323	4,302,461	8,524,752	10,413,353	12,827,213	23,240,566
08/01/16 - 07/31/17	25,796,723,577	4,083,734	5,894,823	4,161,728	7,480,609	9,978,557	11,642,337	21,620,894
Total	125,512,252,892	24,504,600	27,302,072	18,832,256	39,027,857	51,806,672	57,860,113	109,666,785
INDICATED PURE PREMIUM						0.041	0.046	0.09

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current loss cost by the conversion factors calculated in Appendix B-I. The derivation of the present on rate level pure premiums for the above-captioned classification follows:

	Indemnity	Medical	Total
Pure Premiums Underlying Current Loss Cost	0.042	0.048	0.09
Conversion Factors (App. B-I, Section B)	0.970	0.961	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.041	0.046	0.09



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APPENDIX B-III

Derivation of Proposed Loss Cost - Code 8810
 Industry Group - Office and Clerical, Hazard Group - C

The loss cost for the above-captioned classification is derived as follows:

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.041	0.046	0.09
2. Pure Premium Indicated by National Relativity	0.048	0.053	0.10
3. Pure Premium Present on Rate Level	0.041	0.046	0.09
4. State Credibilities	100%	100%	xxx
5. National Credibilities	0%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	0%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.041	0.046	0.09
8. Test Correction Factor	1.0104	1.0104	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.044	0.046	0.09
10. Ratio of Manual to Standard Premium			1.120
11. Loss Cost = (9) x (10)			0.10
12. Loss Cost Within Swing Limits			0.10
Current Loss Cost x Swing Limits			
a) Lower bound = 0.10 x 0.780 = 0.08			
b) Upper bound = 0.10 x 1.180 = 0.11			
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	0.044	0.046	0.09
14. Disease, Catastrophe and/or Miscellaneous Loadings			0.00
15. Final Loaded Loss Cost			0.10

* Indemnity pure premium is adjusted for the rounded total pure premium:
 Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium



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APPENDIX B-IV

I. Determination and Distribution of Premium Level Change to “F” Classifications

The Workers Compensation Statistical Plan (WCSP) data is used to determine the overall “F” classifications (F-class) premium level change as well as the individual change by the various classifications. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums. All sets of pure premiums are adjusted to the common proposed level that is explained further in this exhibit. These three sets of pure premiums are credibility weighted and the results, the derived by formula pure premiums, are adjusted for additional proposed components (Section II) to determine the indicated loss costs. The payrolls are extended by the loss costs presently in effect and by the indicated loss costs. The loss costs are limited to the swing limits based on 20% above and 20% below the current loss costs. This results in the indicated loss cost level change of -6.8%.

Section A – Calculation of F-Class Indicated Pure Premiums

The payroll and loss data reported are from the WCSP data by class code for the latest available five policy periods.

Section A-1 – Calculation of Primary Conversion Factors

1. Factors to Adjust to the Proposed Benefit Levels

The state and federal losses are adjusted to the proposed state and federal benefits levels, respectively.

STATE ACT

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/12 - 12/12	1.011	1.019	1.021	1.019	0.973
1/13 - 12/13	1.011	1.019	1.021	1.019	0.976
1/14 - 12/14	1.011	1.019	1.021	1.019	0.990
1/15 - 12/15	1.011	1.019	1.021	1.019	1.025
1/16 - 12/16	1.011	1.019	1.021	1.019	1.022

FEDERAL ACT

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/12 - 12/12	1.000	1.000	1.000	1.000	1.000
1/13 - 12/13	1.000	1.000	1.000	1.000	1.000
1/14 - 12/14	1.000	1.000	1.000	1.000	1.000
1/15 - 12/15	1.000	1.000	1.000	1.000	1.000
1/16 - 12/16	1.000	1.000	1.000	1.000	1.000

2. Factors to Adjust to the Proposed Trend Level

The following factors are applied to trend the losses in each policy year to the proposed rating year. The selected annual trends utilized were 0.960 and 0.960 for indemnity and medical, respectively.

Policy Period	Indemnity	Medical
1/12 - 12/12	0.721	0.721
1/13 - 12/13	0.751	0.751
1/14 - 12/14	0.783	0.783
1/15 - 12/15	0.815	0.815
1/16 - 12/16	0.849	0.849



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APPENDIX B-IV

Section A-1 – Calculation of Primary Conversion Factors (continued)

3. Limited Loss Development Factors

The following factors are applied to develop the losses from first through fifth report to an ultimate basis utilizing countrywide data.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
1/12 - 12/12	1.096	1.034	1.192	1.025
1/13 - 12/13	1.141	1.045	1.237	1.020
1/14 - 12/14	1.329	1.095	1.288	1.044
1/15 - 12/15	1.528	1.241	1.435	1.071
1/16 - 12/16	2.480	1.785	1.703	1.136

4. Primary Conversion Factors = (1) x (2) x (3)

The factors above contained within Section A-1, are combined multiplicatively, resulting in the following factors for the Likely-to-Develop (L) and Not-Likely-to-Develop (NL) groupings.

STATE ACT

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/12 - 12/12	0.799	0.754	0.805	0.807	0.761	0.805	0.760	0.836	0.719
1/13 - 12/13	0.866	0.793	0.873	0.875	0.801	0.873	0.800	0.907	0.748
1/14 - 12/14	1.052	0.867	1.060	1.062	0.875	1.060	0.874	0.998	0.809
1/15 - 12/15	1.259	1.023	1.269	1.271	1.033	1.269	1.031	1.199	0.895
1/16 - 12/16	2.129	1.532	2.146	2.150	1.547	2.146	1.544	1.478	0.986

FEDERAL ACT

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/12 - 12/12	0.790	0.746	0.790	0.790	0.746	0.790	0.746	0.859	0.739
1/13 - 12/13	0.857	0.785	0.857	0.857	0.785	0.857	0.785	0.929	0.766
1/14 - 12/14	1.041	0.857	1.041	1.041	0.857	1.041	0.857	1.009	0.817
1/15 - 12/15	1.245	1.011	1.245	1.245	1.011	1.245	1.011	1.170	0.873
1/16 - 12/16	2.106	1.515	2.106	2.106	1.515	2.106	1.515	1.446	0.964

* Permanent Total losses are always assigned to the Likely-to-Develop grouping.



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APPENDIX B-IV

Section A-2 – Expected Excess Provision and Redistribution

To reduce distortions in individual class loss cost indications, individual claim amounts are subject to a maximum limit of \$500,000. Multiple claim accidents are limited to three times the individual claim loss limitation. After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of excess loss factors by hazard group. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.120	0.157	0.178	0.212	0.251	0.289	0.333
(2) Excess Factors $1/(1-(1))$	1.136	1.186	1.217	1.269	1.335	1.406	1.499

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.

Section A-3 – Calculation of Secondary Conversion Factors

A factor of 1.189 is applied to include the loss adjustment expense for state law level losses and federal law level losses.



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APPENDIX B-IV

Section B – Present on Rate Level

1. Benefits

The underlying pure premiums are adjusted by the weighted impact of the proposed state and federal benefit levels. The distribution of state and federal losses was used to determine the weighted effects.

State Weight (St%)	0.281
Federal Weight (Fed%)	0.719

	Indemnity	Medical	Total
(a) State Laws	1.000	1.009	1.004
(b) Federal Laws	1.000	1.000	1.000
(c) Weighted Laws = [(a)xSt%] + [(b)xFed%]	1.000	1.003	1.001

2. Trend

Since the trend in the current underlying pure premiums is adequate for the current rating year, additional trend is applied to bring the underlyings to the proposed rating year.

Indemnity	Medical
0.960	0.960

3. Loss Adjustment Expenses

The current underlying pure premiums are adjusted to reflect the change in loss adjustment expense provisions.

	Indemnity	Medical	Total
(a) Current Loss Adjustment Expense	1.176	1.176	1.176
(b) Proposed Loss Adjustment Expense	1.189	1.189	1.189
(c) Change = (b)/(a)	1.011	1.011	1.011

4. Conversion Factors = (1) x (2) x (3)

The factors have been applied multiplicatively resulting in the following factors.

Indemnity	Medical
0.971	0.973



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APPENDIX B-IV

Section C – National Pure Premiums

The latest three years of state and federal losses for states in which NCCI compiles workers compensation data are separately adjusted to the same level as the indicated and present on rate level pure premiums.

Class Code 9077

For Code 9077, the indicated, national and present on rate level pure premiums were calculated as described previously in Sections A, B and C but using the non-appropriated benefit changes.

Section D – Derived by Formula Pure Premiums

The derived by formula pure premiums are calculated by a process similar to that of the industrial codes, which is described in Appendix B-I, Section D. To achieve full state credibility, a classification must have expected losses of at least: \$116,773,000 for indemnity and \$52,864,800 for medical.

II. Calculation of Proposed Loss Costs

The following items are combined with the derived by formula pure premiums to obtain the proposed loss cost:

A. Test Correction Factor	1.0000
B. Ratio of Manual Premium to Earned Premium (determined on a countrywide basis)	1.230

C. Swing Limits

The classifications which were adjusted by swing limits are as follows:

List of Classifications Limited by the Upper Swing:
8709

List of Classifications Limited by the Lower Swing:
None



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APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 7317

The indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into indemnity and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above-captioned classification follows:

STATE ACT - LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	0	0	0
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	0
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

FEDERAL ACT - LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	2,886	0	6,360
01/01/14 - 12/31/14	0	0	0	0	22,914	0	3,399	0	46,719
01/01/15 - 12/31/15	0	0	0	0	22,012	0	0	0	5,389
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

STATE ACT - PRIMARY CONVERSION FACTORS (Appendix B-IV, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0.799	0.754	0.805	0.807	0.761	0.805	0.760	0.836	0.719
01/01/13 - 12/31/13	0.866	0.793	0.873	0.875	0.801	0.873	0.800	0.907	0.748
01/01/14 - 12/31/14	1.052	0.867	1.060	1.062	0.875	1.060	0.874	0.998	0.809
01/01/15 - 12/31/15	1.259	1.023	1.269	1.271	1.033	1.269	1.031	1.199	0.895
01/01/16 - 12/31/16	2.129	1.532	2.146	2.150	1.547	2.146	1.544	1.478	0.986

FEDERAL ACT - PRIMARY CONVERSION FACTORS (Appendix B-IV, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0.790	0.746	0.790	0.790	0.746	0.790	0.746	0.859	0.739
01/01/13 - 12/31/13	0.857	0.785	0.857	0.857	0.785	0.857	0.785	0.929	0.766
01/01/14 - 12/31/14	1.041	0.857	1.041	1.041	0.857	1.041	0.857	1.009	0.817
01/01/15 - 12/31/15	1.245	1.011	1.245	1.245	1.011	1.245	1.011	1.170	0.873
01/01/16 - 12/31/16	2.106	1.515	2.106	2.106	1.515	2.106	1.515	1.446	0.964



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APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 7317

EXPECTED EXCESS PROVISION AND REDISTRIBUTION (Appendix B-IV, Section A-2)

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of a hazard group-specific excess loss factor. The factor is shown below:

	HAZARD GROUP: G
Excess Factor	1.499

As the excess loss factor is on a combined (indemnity and medical) basis, the following portion of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses:

Redistribution %	40%
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STATE ACT - EXPECTED UNLIM LOSSES (Lim Losses x Primary Conv Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	0	0	0
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	0
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

FEDERAL ACT - EXPECTED UNLIM LOSSES (Lim Losses x Primary Conv Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	2,945	0	7,756
01/01/14 - 12/31/14	0	0	0	0	25,519	0	3,785	0	61,728
01/01/15 - 12/31/15	0	0	0	0	28,920	0	0	0	11,498
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

STATE ACT - SECONDARY CONVERSION FACTORS (Appendix B-IV, Section A-3)

	INDUSTRY GROUP: F-Class
Policy Period	
01/01/12 - 12/31/12	1.189
01/01/13 - 12/31/13	1.189
01/01/14 - 12/31/14	1.189
01/01/15 - 12/31/15	1.189
01/01/16 - 12/31/16	1.189

FEDERAL ACT - SECONDARY CONVERSION FACTORS (Appendix B-IV, Section A-3)

	INDUSTRY GROUP: F-Class
Policy Period	
01/01/12 - 12/31/12	1.189
01/01/13 - 12/31/13	1.189
01/01/14 - 12/31/14	1.189
01/01/15 - 12/31/15	1.189
01/01/16 - 12/31/16	1.189



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APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 7317

TOTAL - PAYROLL, FINAL CONVERTED LOSSES

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
01/01/12 - 12/31/12	2,011,361	0	0	0	0	0	0	0
01/01/13 - 12/31/13	1,808,566	0	3,502	0	9,222	3,502	9,222	12,724
01/01/14 - 12/31/14	1,934,431	0	34,842	0	73,395	34,842	73,395	108,237
01/01/15 - 12/31/15	2,170,449	0	34,386	0	13,671	34,386	13,671	48,057
01/01/16 - 12/31/16	116,955	0	0	0	0	0	0	0
Total	8,041,762	0	72,730	0	96,288	72,730	96,288	169,018
INDICATED PURE PREMIUM						0.904	1.197	2.10

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current loss cost by the conversion factors. The derivation of the present on rate level pure premiums for the above-captioned classification follows:

	Indemnity	Medical	Total
Pure Premiums Underlying Current Loss Cost	3.258	2.822	6.08
Conversion Factors (Section B)	0.971	0.973	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	3.164	2.746	5.91



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APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 7317

Industry Group - F-Class, Hazard Group - G

The loss cost for the above-captioned classification is derived as follows:

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.904	1.197	2.10
2. Pure Premium Indicated by National Relativity	2.281	2.316	4.60
3. Pure Premium Present on Rate Level	3.164	2.746	5.91
4. State Credibilities	5%	7%	xxx
5. National Credibilities	19%	20%	xxx
6. Residual Credibilities = 100% - (4) - (5)	76%	73%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	2.883	2.552	5.44
8. Test Correction Factor	1.0000	1.0000	xxx
9. Underlying Pure Premiums = (7) x (8) *	2.888	2.552	5.44
10. Ratio of Manual to Standard Premium			1.230
11. Loss Cost = (9) x (10)			6.69
12. Loss Cost Within Swing Limits			6.69
Current Loss Cost x Swing Limits			
a) Lower bound = 7.39 x 0.800 = 5.92			
b) Upper bound = 7.39 x 1.200 = 8.86			
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	2.888	2.552	5.44
14. Disease, Catastrophe and/or Miscellaneous Loadings			0.00
15. Final Loaded Loss Cost			6.69

* Indemnity pure premium is adjusted for the rounded total pure premium:
Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium



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APPENDIX B-V

Calculation of Factor to Convert Loss Costs to Assigned Risk Rates

A factor of 1.631 = $\left[\frac{(1.336 / 1.189)}{0.713} \times 1.035\right]$ is applied to the loss costs in order to convert to assigned risk rates. The proposed assigned risk differential (1.336) is applied. Next, since the loss costs include a provision for loss adjustment expenses, that provision (1.189) is removed and assigned risk expenses are loaded through application of the permissible loss ratio (0.713). A provision for uncollectible premium (1.035) is also applied.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix C – Memoranda for Laws and Assessments

Appendix C provides details on changes affecting workers compensation benefit costs that are not yet reflected in the on-level factors shown in Appendix A-I. Such changes may result from annual updates in medical reimbursement levels, or other changes that directly affect worker compensation benefit levels. In addition, changes to the administration of the workers compensation system, including benefit levels, may result from specific regulatory, legislative, or judicial action. The overall effect of benefit changes displayed in Appendix C is calculated as of the benefit effective date, which may differ from the overall impact on the filing as shown in the Executive Summary.

The following changes affecting Connecticut benefit levels are detailed in this section of the filing:

- Computation of Workers' Compensation Commission Administrative Assessment
- Analysis of Connecticut Medical Fee Schedule Changes Effective April 1, 2019 and July 15, 2019
- Longshore and Harbor Workers' Compensation Act Annual Assessment



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APPENDIX C-I

Computation of Workers' Compensation Commission Administrative Assessment

I.	INDUSTRIAL CLASSIFICATIONS	
1.	WC Commission Assessment as a Percentage of Losses	3.20%
2.	Proposed Permissible Loss Ratio	71.3%
3.	Proposed Assessment as a Percentage of Premium = (1) x (2)	2.3%
II.	"F" CLASSIFICATIONS	
4.	2019 USL&HW Assessments on Total Losses	6.8%
5.	Percent of "F" Class Losses under State Act	28.1%
6.	Percent of "F" Class Losses under Federal Act	71.9%
7.	Assessments as a Percentage of Premium = [[(1) x (5)] + [(4) x (6)]] x (2)	4.1%

Per the Connecticut Insurance Department, we are proposing the following:

I.	INDUSTRIAL CLASSIFICATIONS	
1.	Proposed Assessment as a Percentage of Premium = (3)	2.3%
II.	"F" CLASSIFICATIONS	
2.	Assessments as a Percentage of Premium = (7)	4.1%

Note: The Workers' Compensation Commission Administrative Assessment is NOT part of the loss costs or assigned risk rates.



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APPENDIX C-II

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE APRIL 1, 2019

NCCI estimates that the changes to the medical fee schedule in Connecticut, effective April 1, 2019, will result in an impact of +0.4% on overall workers compensation system costs.

SUMMARY OF CHANGES

The changes to the medical fee schedule published by the Connecticut Workers' Compensation Commission (WCC) are summarized below.

- Update the hospital inpatient fee schedule to be based on 174% of Medicare's 2019 Inpatient Prospective Payment System (IPPS). Prior to April 1, 2019, hospital inpatient services were subject to a maximum reimbursement rate of 174% of the 2018 IPPS.
- Update the Hospital Outpatient fee schedule to be based on 210% of Medicare's 2019 Outpatient Prospective Payment System (OPPS). Prior to April 1, 2019, hospital outpatient services were subject to a maximum reimbursement rate of 210% of the 2018 OPPS.
- Update the ASC fee schedule to be based on 195% of Medicare's 2019 OPPS. Prior to April 1, 2019, ASC services were subject to a maximum reimbursement rate of 195% of the 2018 OPPS.

ACTUARIAL ANALYSIS

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
 - Compare the prior and revised maximum reimbursements by procedure code and determine the percentage change by procedure code.
 - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.
2. Estimate the price level change as a result of the revised fee schedule
 - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change. For non-physician fee schedule changes, a price realization factor of 80% is assumed.
3. Determine the share of costs that are subject to the fee schedule
 - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported on the NCCI Medical Data Call, to categorize payments that are subject to the fee schedule.



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APPENDIX C-II

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE APRIL 1, 2019

- The share is calculated as the greater of the percent of observed payments with a maximum allowable reimbursement (MAR) or 75%. NCCI assumes no change for the share of costs not subject to the fee schedule.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data underlying the calculations in this analysis are based on NCCI's Medical Data Call for Connecticut for Service Year 2017.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Connecticut from Policy Years 2015 and 2016 projected to the effective date of the benefit changes.

Hospital Inpatient Fee Schedule

In Connecticut, payments for hospital inpatient services represent 13.4% of total medical costs. Of these payments, 62.0% have a MAR. The overall change in maximums for hospital inpatient services is a weighted average of the percentage change in MAR by episode (Revised MAR/Prior MAR). The weights are based on Service Year 2017 observed payments by episode for Connecticut, as reported on NCCI's Medical Data Call. The overall weighted-average percentage change in maximums for hospital inpatient services is +3.1%. A price realization factor of 80% was applied. The impact on hospital inpatient payments after applying the price realization factor is +2.5% ($= +3.1\% \times 0.80$).

The above impact of +2.5% is then multiplied by the percentage of medical costs attributed to hospital inpatient payments in Connecticut (13.4%) to arrive at an impact of +0.3% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Connecticut (47%) to arrive at an impact of +0.1% on overall workers compensation costs.

Hospital Outpatient Fee Schedule

In Connecticut, payments for hospital outpatient services represent 13.6% of total medical costs. Of these payments, 93.6% have a MAR. The overall change in maximums for hospital outpatient services is a weighted average of the percentage change in MAR by procedure code (Revised MAR/Prior MAR). The weights are based on Service Year 2017 observed payments by procedure code for Connecticut, as reported on NCCI's Medical Data Call. The overall weighted-average percentage change in maximums for hospital outpatient services is +2.4%. A price realization factor of 80% was applied. The impact on hospital outpatient payments after applying the price realization factor is +1.9% ($= +2.4\% \times 0.80$).

The above impact of +1.9% is then multiplied by the percentage of medical costs attributed to hospital outpatient payments in Connecticut (13.6%) to arrive at an impact of +0.3% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Connecticut (47%) to arrive at an impact of +0.1% on overall workers compensation costs.



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APPENDIX C-II

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE APRIL 1, 2019

Note that Medicare rules for outpatient services contain a comprehensive payment policy that packages payment for adjunctive and secondary items, services, and procedures into the primary procedure under certain circumstances. For this analysis, the experience is aggregated according to the packaging rules reflected under Medicare, if applicable.

Ambulatory Surgical Centers (ASC) Fee Schedule

In Connecticut, payments for ASC services represent 12.3% of total medical costs. Of these payments, 98.4% have a MAR. The impact on ASC services, which is calculated in an analogous manner to the hospital outpatient fee schedule change, is +2.5%. A price realization factor of 80% was applied. The impact on ASC payments after applying the price realization factor is +2.0% (= +2.5% x 0.80).

The above impact of +2.0% is then multiplied by the percentage of medical costs attributed to ASC payments in Connecticut (12.3%) to arrive at an impact of +0.2% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Connecticut (47%) to arrive at an impact of +0.1% on overall workers compensation costs.

SUMMARY OF IMPACTS

The impacts from the fee schedule change in Connecticut, effective April 1, 2019, are summarized in the following table:

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs
Hospital Inpatient	+2.5%	13.4%	+0.3%
Hospital Outpatient	+1.9%	13.6%	+0.3%
ASC	+2.0%	12.3%	+0.2%
Combined Impact on Medical Costs (D) = Total of (C)			+0.8%
Medical Costs as a Share of Overall Costs (E)			47%
Combined Impact on Overall Costs (F) = (D) x (E)			+0.4%



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APPENDIX C-III

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JULY 15, 2019

NCCI estimates that the changes to the Practitioner Fee Schedule in Connecticut, effective July 15, 2019, will result in a negligible¹ increase on overall workers compensation system costs.

SUMMARY OF CHANGES

The changes to the medical fee schedule published by the Connecticut Workers' Compensation Commission are summarized below.

- Update maximum allowable reimbursements (MARs) for physician services.
- Update MARs for custom orthotics and prosthetics.

ACTUARIAL ANALYSIS

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
 - Compare the prior and revised maximum reimbursements by procedure code and determine the percentage change by procedure code.
 - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.
2. Estimate the price level change as a result of the revised fee schedule
 - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change. For non-physician fee schedule changes, a price realization factor of 80% is assumed.
3. Determine the share of costs that are subject to the fee schedule
 - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported on the NCCI Medical Data Call, to categorize payments that are subject to the fee schedule.
 - The share is calculated as the greater of the percent of observed payments with a maximum allowable reimbursement (MAR) or 75%. NCCI assumes no change for the share of costs not subject to the fee schedule.

In this analysis, NCCI relies primarily on two data sources:

¹ Negligible is defined in this document to be an impact smaller in magnitude than +/-0.1%.



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APPENDIX C-III

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JULY 15, 2019

- Detailed medical data underlying the calculations in this analysis are based on NCCI’s Medical Data Call for Connecticut for Service Year 2017.
- The share of benefit costs attributed to medical benefits is based on NCCI’s Financial Call data for Connecticut from Policy Years 2015 and 2016 projected to the effective date of the benefit changes.

Physician Fee Schedule

In Connecticut, payments for physician services represent 43.2% of total medical costs. The overall change in maximums for physician services is a weighted average of the percentage change in MAR by procedure code (Revised MAR/Prior MAR). The weights are based on Service Year 2017 observed payments by procedure code for Connecticut, as reported on NCCI’s Medical Data Call. The overall weighted-average percentage change in maximums for physician services is +0.4%. The impact by category is shown in the following table.

Physician Practice Category	Share of Physician Costs	Percentage Change in MAR
Anesthesia	3.5%	0.0%
Surgery	28.2%	0.0%
Radiology	8.7%	-0.6%
Pathology & Laboratory	1.0%	+4.2%
Physical Medicine	25.0%	+1.7%
General Medicine	2.9%	-0.8%
Evaluation & Management	25.0%	0.0%
Physician Payments with no specific MAR	5.7%	-
Total Physician Costs	100.0%	+0.4%

A price realization factor of 80% was applied. The impact on physician payments after applying the price realization factor is +0.3% (= +0.4% x 0.80).

The above impact of +0.3% is then multiplied by the percentage of medical costs attributed to physician payments in Connecticut (43.2%) to arrive at an impact of +0.1% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Connecticut (48%) to arrive at a negligible increase on overall workers compensation costs.

Custom Orthotics and Prosthetics Fee Schedule

In Connecticut, payments for custom orthotics and prosthetics subject to the fee schedule represent 0.6% of total medical costs. The impact on custom orthotics and prosthetics, which is calculated in an analogous manner to the physician fee schedule change, is +2.3%. A price realization factor of 80% was applied. The impact on custom orthotics and prosthetics payments after applying the price realization factor is +1.8% (= +2.3% x 0.80).



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APPENDIX C-III

ANALYSIS OF CONNECTICUT MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JULY 15, 2019

The above impact of +1.8% is then multiplied by the percentage of medical costs attributed to custom orthotics and prosthetics payments subject to the fee schedule in Connecticut (0.6%) to arrive at a negligible increase on medical costs and on overall workers compensation costs in Connecticut.

SUMMARY OF IMPACTS

The impacts from the fee schedule change in Connecticut, effective July 15, 2019, are summarized in the following table:

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs
Physician	+0.3%	43.2%	+0.1%
Orthotics and Prosthetics	+1.8%	0.6%	Negligible Increase
Combined Impact on Medical Costs (D) = Total of (C)			+0.1%
Medical Costs as a Share of Overall Costs (E)			48%
Combined Impact on Overall Costs (F) = (D) x (E)			Negligible Increase



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APPENDIX C- IV

U.S. Longshore and Harbor Workers' Compensation Act Assessment

1.) Estimated Total Expense Needed for 2019 *	100,000,000
2.) Compensation Payments Reported (on indemnity only) in 2018 *	832,150,055
3.) Assessment Rate on Indemnity Losses (1) / (2)	12.0%

Breakdown of Losses Under the Longshore and Harbor Workers Act

4.) Indemnity Losses (Combination of 1st through 3rd reports) #	38,892,262
5.) Medical Losses (Combination of 1st through 3rd reports) #	30,237,088
6.) Total Losses (4) + (5)	69,129,350
7.) Assessment Rate on Total Losses { (3) x (4) } / (6)	6.8%

* Source: U.S. Department of Labor

Source: On-leveled and developed USL&HW losses - statistical plan data



CONNECTICUT

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix D – Determination of the Assigned Risk Rate Change

Overall Proposed Change to Assigned Risk Rate Level

NCCI applies an assigned risk loss cost multiplier to the voluntary market loss costs to convert to assigned risk rates. This factor accounts for differences in the components included in the assigned risk rates versus the voluntary market loss costs. The key components of the assigned risk loss cost multiplier are the assigned risk differential, assigned risk expenses, and uncollectible premium provision (UPP). Voluntary market loss-based expenses must also be removed in the calculation, since the servicing carrier allowance already contemplates these expenses for the assigned risk market. Thus, the assigned risk loss cost multiplier formula is as follows:

$$\text{Assigned Risk Loss Cost Multiplier} = (\text{AR Differential}) \div (\text{Voluntary LAE}) \div (\text{PLR}) \times \text{UPP}$$

This filing proposes a 1.6% decrease in the assigned risk loss cost multiplier from 1.658 to 1.631. After applying the proposed change in the assigned risk loss cost multiplier to the proposed change in voluntary loss costs, NCCI is proposing an overall average change of -4.5% to the current assigned risk rate level. The detailed calculation can be found in Appendix D – Section A.

Assigned Risk Differential

The assigned risk loss cost differential reflects the fact that the collective experience for employers in the assigned risk market is typically worse than that of employers in the statewide market. Loss ratios are calculated for both the (i) assigned risk market and (ii) statewide market by individual year as follows:

$$\frac{(\text{total on – leveled losses})}{(\text{total on – leveled, developed standard premium at the voluntary level})}$$

Loss ratio relativities are reviewed for ten individual years so that changes in the actual differentials can be observed over a long period of time. When selecting the assigned risk differential, the impact of additional premium that is already expected to be generated due to other assigned risk programs (e.g., reduction of premium discounts, Assigned Risk Adjustment Program) is also considered.

Based on this year’s analysis, NCCI is proposing to maintain the currently-approved assigned risk differential of 1.300.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix D – Determination of the Assigned Risk Rate Change

Assigned Risk Expenses

The provision for assigned risk expenses is based on the following components:

- Servicing Carrier Allowance (SCA) – the market-based cost paid to the servicing carriers as a percentage of final collected net premium that is intended to compensate for expenses incurred in handling the assigned risk business. The average SCA is determined through a competitive bid process and reflects items such as general expense, production expense (excluding commission), loss adjustment expense and certain assessments.
- Premium Taxes not included in the Servicing Carrier Allowance
- Assigned Risk Administration Expense – reflects NCCI Plan Administration Expenses, NWCRA Pool Administration Expenses, and Servicing Carrier Other Expenses. It is selected based on a review of expenses as a percentage of premium over the past ten years.
- Average Commission – based on a weighted average of the most recently available two policy years
- Profit and Contingency Provision

Note that the expense components that are based on net premium are converted to a standard premium basis excluding the impact of expense constants. Then the total assigned risk expenses are used to determine the Permissible Loss Ratio (PLR):

$$PLR = 100\% - (\textit{provision for Assigned Risk Expenses})$$

In this filing, NCCI is proposing a 0.6% decrease to the current assigned risk expense provision. The calculation of assigned risk expenses can be found in Appendix D – Sections B-E.

Uncollectible Premium Provision

The purpose of the uncollectible premium provision is to make available sufficient funds in the rate structure to offset the policy premium ultimately determined to be uncollectible. Based on a review of historical ratios of ultimate gross premium to ultimate collected premium in the assigned risk market, NCCI is recommending no change in the uncollectible premium provision of 1.035. The data underlying this selection is shown in Appendix D – Section F.



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APPENDIX D

Determination of Assigned Risk Rate Level Change

Section A - Derivation of the Assigned Risk Loss Cost Multiplier

This filing proposes a -4.5% overall average change to the current assigned risk rate level. For all classifications, an assigned risk multiplier is applied to the voluntary loss costs proposed effective January 1, 2020 in order to convert to assigned risk rates.

(1) Current Assigned Risk Loss Cost Multiplier	1.658
(2) Proposed Assigned Risk Loss Cost Differential *	1.336
(3) Proposed Voluntary Loss-based Expense Provision (Exhibit II)	18.9%
(4) Indicated Assigned Risk Permissible Loss Ratio (Section B)	71.3%
(5) Proposed Uncollectible Premium Provision (Section F)	1.035
(6) Indicated Assigned Risk Loss Cost Multiplier = $\{[(2) / [1.0 + (3)]] / (4)\} * (5)$	1.631
(7) Indicated Change in the Assigned Risk Loss Cost Multiplier = $[(6) / (1)] - 1.0$	-1.6%
(8) Proposed Voluntary Loss Cost Level Change (Exhibit I)	-2.9%
(9) Indicated Assigned Risk Rate Level Change = $\{[1.0 + (7)] \times [1.0 + (8)]\} - 1.0$	-4.5%

* The figure of 1.336 includes the impact of reduced premium discounts



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APPENDIX D

Determination of Assigned Risk Rates

Section B - Expense Components of Assigned Risk Rate

The assigned risk expense provision including loss-based expenses is derived directly from the servicing carrier allowance, since this is the market-based cost to the assigned risk plan to have the plan serviced. The average commission rate, the profit and contingency provision, a provision for administrative expenses, and all taxes and assessments not included in the servicing carrier allowance must be added to the allowance to derive an average expense provision as a percentage of standard premium excluding the expense constants.

	<u>Expense Provisions Underlying Proposed Rates</u>
(1) Expense Constant	\$160
(2) Weighted-Average of Servicing Carrier Allowance Bids	21.5%
(3) Description of Tax and Assessment True-Up (See Section E)	0.0%
(4) Assigned Risk Administration Expense (See Section D)	4.7%
(5) Premium Discount as a Percentage of Standard Premium Excluding the Expense Constant (See Section C)	1.7%
(6) Expense Constant Premium as a Percentage of Standard Premium Excluding the Expense Constant (See Section C)	5.1%
(7) Servicing Carrier Allowance, Taxes and Administrative Expense Converted to a Standard Premium Excluding Expense Constant Basis = [(2) + (3) + (4)] x [1 - (5) + (6)] + (5) - (6)	23.7%
(8) Average Commission (See Section C)	5.0%
(9) Profit and Contingency Provision	0.0%
(10) Total Expense Provision in Rate = (7) + (8) + (9)	28.7%
(11) Permissible Loss Ratio in Rate = 1 - (10)	71.3%
(12) Current Permissible Loss Ratio in Rate	70.9%
(13) Impact on Rate due to Change in Expenses = (0.709 / 0.713) - 1	-0.6%



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APPENDIX D

Determination of Assigned Risk Rate Level Change

Section C - Derivation of Premium Discount, Expense Constant and Commission as a Percentage of Premium

Premium Distribution by Layer for Assigned Risk Policies for Policy Years 2017 & 2018

	(1)	(2)	(3) ¹	(4) ¹
Portion of Total Standard Premium	Standard Premium Excl Exp Cnst	Standard Premium Excl Exp Cnst Distribution	Commission Scale ²	Premium Discounts
First 1,000	22,667,094	29.8%	8.0%	--
Next 4,000	20,242,979	26.6%	5.0%	--
Next 5,000	7,624,131	10.0%	3.0%	--
Next 90,000	21,135,170	27.8%	3.0%	5.1%
Next 100,000	3,174,652	4.2%	2.0%	5.1%
Next 1,550,000	1,255,435	1.6%	2.0%	6.5%
Over 1,750,000	0	0.0%	2.0%	7.5%
Total	76,099,461	100.0%	5.0%	1.7%

(5) Expense Constant Premium as % of Standard Premium Excluding Expense Constant ³ = 5.1%

¹ Totals represent weighted averages based on column (2).

² Commissions paid in Connecticut are based on standard premium excluding expense constant premium. Source of the commission scale is NCCI's Basic Manual, Rule 4-H-6.

³ Based on assigned risk policy and premium totals for policy years 2017 & 2018 using the dominant state method for the classification of multistate policies.



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APPENDIX D

Determination of Assigned Risk Rates

Section D - Derivation of NCCI Plan Administration Expenses, NWCRA Pool Administration Expenses, and Servicing Carrier Other Expenses

Calendar Year	(1) Net Written Premium ¹	(2) Expenses	(3) Expenses as % of NWP = (2)/(1)
2009	14,693,606	1,655,089	11.3%
2010	13,667,771	1,384,984	10.1%
2011	16,349,238	1,578,273	9.7%
2012	27,947,446	1,686,226	6.0%
2013	40,119,761	1,625,692	4.1%
2014	41,749,644	1,635,357	3.9%
2015	40,258,766	1,442,000	3.6%
2016	30,795,342	1,314,112	4.3%
2017	26,113,613	1,221,283	4.7%
2018	26,638,105	1,302,311	4.9%
		Selected	4.7%

¹ Gross of uncollectible premium.



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APPENDIX D

Determination of Assigned Risk Rates

Section E - Calculation of Tax and Assessment True-up

(1) Tax and Assessment % in SCA Bid ¹	2.5%
(2) Proposed Tax and Assessment % ²	2.5%
(3) Adjustment for Tax and Assessment = (2) - (1)	0.0%

¹ Basis for Tax and Assessment True-up. Servicing Carrier Fee will be adjusted if actual Tax and Assessment differs from 2.5%.

² Based on latest Tax and Assessment information.



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APPENDIX D

Determination of Assigned Risk Rates

Section F - Calculation of Ultimate Uncollectible Premium Provision (UPP)

Section 1 - Gross Premium as of 12/31/2018 - Traumatic Only (000s)

Policy Year	1st	2nd	3rd	4th	5th	6th	7th	8th	Ultimate Gross
2003								31,144	31,144
2004							33,532	33,523	33,523
2005						30,639	30,638	30,638	30,638
2006					28,551	28,563	28,559	28,559	28,559
2007				23,712	23,697	23,686	24,382	23,695	23,695
2008			18,743	18,682	18,694	18,674	18,670	18,679	18,679
2009		15,431	15,346	15,213	15,214	15,214	15,211	15,211	15,211
2010	15,934	15,780	15,767	15,741	15,745	15,749	15,748	15,747	15,747
2011	18,000	17,630	17,568	17,555	17,560	17,559	17,557		17,557
2012	29,133	28,658	28,426	28,286	28,304	28,292			28,292
2013	37,624	37,209	36,913	36,828	36,818				36,818
2014	43,192	42,990	42,722	42,332					42,332
2015	41,931	42,113	42,056						41,930
2016	28,608	28,475							28,219
2017	28,754								28,294

Policy Year	1 / 2	2 / 3	3 / 4	4 / 5	5 / 6	6 / 7	7 / 8	8 / Ult
2007						1.029	0.972	
2008					0.999	1.000	1.000	
2009				1.000	1.000	1.000	1.000	
2010			0.998	1.000	1.000	1.000	1.000	
2011		0.996	0.999	1.000	1.000	1.000		
2012	0.984	0.992	0.995	1.001	1.000			
2013	0.989	0.992	0.998	1.000				
2014	0.995	0.994	0.991					
2015	1.004	0.999						
2016	0.995							
5-Yr Avg	0.993	0.995	0.996	1.000	1.000	1.006	0.993	
5-Yr Avg x H/L	0.993	0.994	0.997	1.000	1.000	1.000	1.000	
Selected	0.993	0.994	0.997	1.000	1.000	1.000	1.000	1.000
Ultimate	0.984	0.991	0.997	1.000	1.000	1.000	1.000	1.000

Section 2 - Collected Premium as of 12/31/2018 - Traumatic Only (000s)

Policy Year	1st	2nd	3rd	4th	5th	6th	7th	8th	Ultimate Collected	Gross / Collected
2003								30,209	30,209	1.031
2004							31,414	31,410	31,410	1.067
2005						28,887	28,890	28,890	28,890	1.061
2006					26,633	26,671	26,740	26,750	26,750	1.068
2007				22,027	22,057	22,066	22,093	22,078	22,078	1.073
2008			17,211	17,236	17,251	17,271	17,276	17,286	17,286	1.081
2009		14,893	14,874	14,750	14,778	14,783	14,801	14,802	14,802	1.028
2010	15,197	14,574	14,571	14,605	14,763	14,893	14,906	14,944	14,944	1.054
2011	17,071	16,305	16,286	16,330	16,349	16,346	16,458		16,475	1.066
2012	27,711	26,696	26,788	26,795	26,830	26,843			26,897	1.052
2013	36,881	35,733	35,494	35,441	35,719				35,826	1.028
2014	42,426	41,051	40,880	40,894					41,180	1.028
2015	40,827	40,353	40,131						40,452	1.037
2016	27,567	27,019							27,154	1.039
2017	27,631								26,995	1.048

Policy Year	1 / 2	2 / 3	3 / 4	4 / 5	5 / 6	6 / 7	7 / 8	8 / Ult	5-Yr Avg	10-Yr Avg
2007						1.001	0.999			1.036
2008					1.001	1.000	1.001			1.046
2009				1.002	1.000	1.001	1.000			1.044
2010			1.002	1.011	1.009	1.001	1.003		Selected UPP	1.035
2011		0.999	1.003	1.001	1.000	1.007			Current UPP	1.035
2012	0.963	1.003	1.000	1.001	1.001					
2013	0.969	0.993	0.999	1.008						
2014	0.968	0.996	1.000						Impact of Change in UPP	1.000
2015	0.988	0.995								
2016	0.980									
5-Yr Avg	0.974	0.997	1.001	1.005	1.002	1.002	1.001			
5-Yr Avg x H/L	0.972	0.997	1.001	1.004	1.001	1.001	1.001			
Selected	0.972	0.997	1.001	1.004	1.001	1.001	1.001	1.000		
Ultimate	0.977	1.005	1.008	1.007	1.003	1.002	1.001	1.000		

Source: Residual Market data reported to NCCI by Pool servicing carriers.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix E – Derivation of Experience Rating Values

1. Expected Loss Rate (ELR) factors

An expected loss rate for a classification is used to estimate the expected losses per \$100 of payroll during the experience rating period for risks within that classification. These *expected* losses are then compared with the *actual* losses of a risk during the experience rating period to determine the experience modification (mod).

The actual losses reflect the loss data during the experience rating period. Expected losses and actual losses must be at the same level to enable an appropriate comparison for purposes of the experience mod calculation. As such, the pure premiums underlying the proposed loss costs/rates are adjusted to reflect the average loss levels of the proposed experience rating period. This is accomplished through the application of ELR factors to the proposed underlying pure premiums. These ELR factors, calculated by hazard group, remove the effects of items such as: loss development, expected losses above the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and offsets for assigned risk programs.

An adjustment is made to the ELR factors so that the resulting ELRs produce an expected experience rating off-balance that equals the targeted experience rating off-balance used in the calculation of the overall loss cost/rate level change for the state (Appendix A–I).

The final ELR for each classification is calculated as follows:

$$\text{ELR} = \{(\text{Hazard Group indemnity ELR factor}) \times (\text{indemnity pure premium}) + (\text{Hazard Group medical ELR factor}) \times (\text{medical pure premium})\} \times \text{Manual/Standard Ratio}$$

2. Discount Ratio (D-Ratio) factors

In experience rating, losses are divided into primary and excess portions. For each claim, losses below the split point are primary losses, while losses above the split point are excess losses. The D-ratio represents the estimated ratio of expected primary losses to expected total losses for a classification. The D-ratio is used to determine the expected primary losses to be used in the experience mod calculation.

D-ratio factors are calculated separately for indemnity and medical losses by hazard group and are based on the latest three years of Unit Statistical data. A comparison of the resulting D-ratio factors across hazard groups is done to ensure that the factors monotonically decrease from



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Appendix E – Derivation of Experience Rating Values

hazard group A to hazard group G. If they do not, an adjustment is made by averaging the D-ratios over adjacent hazard groups.

The final D-ratio for each classification is calculated as follows:

$$\text{D-ratio} = \frac{\{(HG \text{ indemnity D-ratio factor}) \times (\text{indemnity pure premium}) + (HG \text{ medical D-ratio factor}) \times (\text{medical pure premium})\}}{\text{total pure premium}}$$

3. Additional experience rating values

Table of Weighting Values

The Weighting Value (W) determines how much actual excess and expected excess losses will enter the experience modification formula. The weighting value increases as expected losses increase with larger insureds receiving a larger weighting value. The weighting value for various levels of expected losses is provided in the Table of Weighting Values. The table is updated based on the state reference point, which is updated with Unit Statistical data each experience filing.

The state reference point is calculated as the state average cost per case for the experience rating period multiplied by 250. The state reference point serves to determine how much credibility to give to the losses of an individual risk and as an index of claim cost differences by state. The state per claim accident limitation shown on the Table of Weighting Values is 10% of the state reference point.

Table of Ballast Values

The Ballast Value (B) is a stabilizing value designed to limit the effect of any actual loss experience on the experience rating modification. It is added to both the numerator and denominator of the mod calculation and increases as expected losses increase. The ballast value for various levels of expected loss ranges is provided in the Table of Ballast Values. The table is updated based on the state reference point, which is updated with Unit Statistical data.

The G value used in the ballast formula is the state reference point / 250,000, rounded to the nearest 0.05



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Definitions

Accident Year (AY): A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

Calendar Year (CY):

1. The 12-month period beginning January 1 and ending December 31.
2. Method of accounting for all financial transactions occurring during a specific year.

Case Reserves: Reserves that an insurance company establishes for specific (known) claims.

DSR Level Premium: The standard earned premium that would result if business were written at NCCI state-approved loss costs or rates instead of at the company rates. It is the common benchmark level at which carriers report premium on the Financial Calls.

Frequency: The number of lost-time claims per million dollars of on-leveled, wage-adjusted premium.

Incurred Claim Count: The total of all claims reported, whether open or closed, as of a given valuation date. An indemnity claim is associated with a payment or case reserve for an indemnity loss (i.e., lost work time-related benefits) and excludes claims closed without an indemnity payment.

Lost-time Claims: Claims where an injured employee has received wage replacement benefits due to a compensable workplace injury.

Limited Losses: Losses that result after the application of NCCI's large loss procedure—in which individual large claims are limited to jurisdiction and year-specific large loss thresholds.

On-Level Factor: Applied to historical premiums and losses to adjust the historical experience to reflect approved loss cost/rate level changes as well as statutory benefit level changes implemented since that time.

Paid+Case Losses: The sum of paid losses and case reserves. Also known as “case incurred losses.”

Paid Losses: Losses that an insurance company has paid as a result of claim activity.

Policy Year:

- The one-year period beginning with the effective date or anniversary of a policy.
- A premium and loss accounting definition in which experience is summarized for all policies with effective dates in a given calendar year period.

Severity: The average cost per case (claim) calculated as ultimate losses divided by ultimate lost-time claim counts.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

Definitions

Ultimate Development Factor: For an aggregation of data, an estimate of the development that will occur between the data's current valuation date and the time when all claims are closed.

Unlimited Losses: Losses that have not been limited to jurisdiction and year-specific large loss thresholds as part of NCCI's large loss procedure.

Valuation Date: The date that premiums and losses are evaluated for reporting purposes. Premiums and losses may change over time from initial estimates to final values. Therefore, interim snapshots have associated valuation dates.

Wage Level Adjustment Factor: The ratio of the average workers' wages during the most recent time period to the average workers' wages during a historical time period.



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing – January 1, 2020

NCCI Affiliate List

A M C O INSURANCE COMPANY
ACADIA INSURANCE COMPANY
ACCIDENT FUND GENERAL INS CO
ACCIDENT FUND INS CO OF AMERICA
ACCIDENT FUND NATIONAL INS CO
ACE AMERICAN INSURANCE COMPANY
ACE FIRE UNDERWRITERS INSURANCE COMPANY
ACE PROPERTY & CASUALTY INSURANCE COMPANY
ACIG INS CO
ADMIRAL INDEMNITY COMPANY
ADVANTAGE WC INSURANCE CO
AIG ASSURANCE COMPANY
AIG PROPERTY CASUALTY COMPANY
AIOI NISSAY DOWA INS CO OF AMERICA
AIU INSURANCE CO (NATIONAL UNION FIRE OF PITTS PA)
ALL AMERICA INS CO
ALLIED EASTERN IND CO
ALLIED INSURANCE COMPANY OF AMERICA
ALLIED PROPERTY AND CASUALTY INS CO
ALLMERICA FINANCIAL ALLIANCE INS CO
ALLMERICA FINANCIAL BENEFIT INS CO
AMERICAN ALTERNATIVE INSURANCE CORPORATION
AMERICAN AUTOMOBILE INSURANCE CO
AMERICAN CASUALTY COMPANY OF READING P A
AMERICAN COMPENSATION INS CO
AMERICAN ECONOMY INS CO
AMERICAN FAMILY HOME INS CO
AMERICAN FIRE AND CASUALTY CO
AMERICAN GUARANTEE AND LIABILITY INS CO
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT
AMERICAN INS CO
AMERICAN MODERN HOME INS CO
AMERICAN STATES INS CO A SAFECO COMPANY
AMERICAN ZURICH INS CO
AMERISURE INS CO
AMERISURE MUTUAL INS CO
AMGUARD INS CO
ANSUR AMERICA
ARBELLA INDEMNITY INS CO
ARBELLA PROTECTION INS CO
ARCH INDEMNITY INSURANCE COMPANY
ARCH INSURANCE COMPANY
ARGONAUT GREAT CENTRAL INS CO
ARGONAUT INS CO
ASHMERE INSURANCE COMPANY
ASSOCIATED EMPLOYERS INS CO
ASSOCIATED INDEMNITY CORP
ASSOCIATED INDUSTRIES OF MASS MUTUAL INS CO
ATLANTIC CHARTER INS CO
ATLANTIC SPECIALTY INS CO (ONEBEACON)
BANKERS STANDARD INS CO
BENCHMARK INSURANCE COMPANY
BERKLEY CASUALTY COMPANY
BERKLEY INSURANCE COMPANY
BERKLEY NATIONAL INSURANCE COMPANY
BERKLEY REGIONAL INS CO
BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
BERKSHIRE HATHAWAY HOMESTATE INS CO
BITCO GENERAL INSURANCE CORPORATION
BLACKBOARD INSURANCE COMPANY
BROTHERHOOD MUTUAL INS CO
CALIFORNIA INSURANCE COMPANY
CAROLINA CASUALTY INS CO
CENTRAL MUTUAL INS CO
CHARTER OAK FIRE INS CO
CHEROKEE INS CO
CHUBB INDEMNITY INS CO
CHUBB NATIONAL INS CO
CHURCH MUTUAL INS CO
CINCINNATI CASUALTY COMPANY
CINCINNATI INDEMNITY COMPANY
CINCINNATI INS CO
CITIZENS INS CO OF AMERICA
CLEAR SPRING PROPERTY AND CASUALTY COMPANY
CLERMONT INS CO
COLONIAL AMERICAN CASUALTY & SURETY CO
COMMERCE AND INDUSTRY INS CO
CONTINENTAL CASUALTY CO
CONTINENTAL INDEMNITY CO
CONTINENTAL INS CO
CONTINENTAL WESTERN INSURANCE COMPANY
COUNTRY MUTUAL INSURANCE CO
CRUM AND FORSTER INDEMNITY CO
DAKOTA TRUCK UNDERWRITERS
DEPOSITORS INS CO
DISCOVER PROPERTY & CASUALTY INS CO
EASTERN ADVANTAGE ASSURANCE COMPANY
EASTERN ALLIANCE INSURANCE COMPANY
EASTGUARD INS CO
ELECTRIC INS CO
EMCASCO INS CO
EMPLOYERS ASSURANCE COMPANY
EMPLOYERS COMPENSATION INS CO
EMPLOYERS INS CO OF WAUSAU
EMPLOYERS INSURANCE COMPANY OF NEVADA
EMPLOYERS MUTUAL CASUALTY CO
EMPLOYERS PREFERRED INS CO
ENDURANCE AMERICAN INS CO
ENDURANCE ASSURANCE CORPORATION
EVEREST DENALI INSURANCE COMPANY
EVEREST NATIONAL INS CO
EVEREST PREMIER INSURANCE COMPANY
EVEREST REINSURANCE CO DIRECT
EXCELSIOR INSURANCE COMPANY
EXECUTIVE RISK SPECIALTY INS CO
FALLS LAKE NATIONAL INSURANCE CO
FARM FAMILY CASUALTY INS CO
FARMINGTON CASUALTY COMPANY
FEDERAL INSURANCE COMPANY
FEDERATED MUTUAL INS CO
FEDERATED RESERVE INSURANCE CO
FEDERATED SERVICE INS CO
FIDELITY & DEPOSIT COMPANY OF MARYLAND
FIDELITY & GUARANTY INS UNDERWRITERS
FIDELITY & GUARANTY INSURANCE CO
FIRE INS EXCHANGE
FIREMANS FUND INSURANCE CO
FIREMENS INS CO OF WASHINGTON DC
FIRST LIBERTY INS CORP
FIRST NATIONAL INS CO OF AMERICA



Connecticut

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing – January 1, 2020

NCCI Affiliate List

FIRSTCOMP INSURANCE CO
FLORISTS MUTUAL INSURANCE CO
FRANK WINSTON CRUM INSURANCE CO
FRANKENMUTH MUTUAL INS CO
GENERAL CASUALTY COMPANY OF WISCONSIN
GENERAL INS CO OF AMERICA
GENESIS INS CO
GRANITE STATE INSURANCE COMPANY
GRAPHIC ARTS MUTUAL INS CO
GRAY INSURANCE COMPANY
GREAT AMERICAN ALLIANCE INS CO
GREAT AMERICAN ASSURANCE COMPANY
GREAT AMERICAN INS CO OF NY
GREAT AMERICAN INSURANCE COMPANY
GREAT AMERICAN SPIRIT INS CO
GREAT DIVIDE INSURANCE COMPANY
GREAT MIDWEST INS CO
GREAT NORTHERN INS CO
GREAT WEST CASUALTY COMPANY
GREATER NY MUTUAL INS CO
GREENWICH INS CO
GUIDEONE MUTUAL INS CO
HANOVER AMERICAN INS CO
HANOVER INS CO
HARLEYSVILLE INSURANCE COMPANY
HARLEYSVILLE PREFERRED INSURANCE CO
HARLEYSVILLE WORCESTER INSURANCE CO
HARTFORD ACCIDENT AND INDEMNITY CO
HARTFORD CASUALTY INS CO
HARTFORD FIRE INSURANCE CO
HARTFORD INS CO OF IL
HARTFORD INS CO OF MIDWEST
HARTFORD INS CO OF THE SOUTHEAST
HARTFORD UNDERWRITERS INS CO
HDI GLOBAL INSURANCE COMPANY
ILLINOIS NATIONAL INSURANCE COMPANY
IMPERIUM INSURANCE COMPANY
INDEMNITY INS CO OF N AMERICA (INA INS) (CT GEN)
INS CO OF GREATER NY
INS CO OF NORTH AMERICA
INS CO OF THE STATE PA
INS CO OF THE WEST
INTREPID INSURANCE COMPANY
KEY RISK INS CO
LACKAWANNA AMERICAN INS CO
LACKAWANNA CASUALTY CO
LACKAWANNA NATIONAL INS CO
LIBERTY INS CORP
LIBERTY INSURANCE UNDERWRITERS INC
LIBERTY MUTUAL FIRE INS CO
LIBERTY MUTUAL INS CO
LION INSURANCE COMPANY
LM INS CORP
MA BAY INS CO
MAG MUTUAL INS CO
MAIN STREET AMERICA ASSURANCE CO
MANUFACTURERS ALLIANCE INS CO
MARKEL INSURANCE CO
ME EMPLOYERS MUTUAL INS CO
MEMIC CASUALTY COMPANY
MEMIC INDEMNITY CO
MERIDIAN SECURITY INSURANCE COMPANY
MIDDLESEX INS CO
MIDVALE INDEMNITY COMPANY
MIDWEST EMPLOYERS CASUALTY CO
MIDWESTERN INDEMNITY CO
MILBANK INSURANCE COMPANY
MITSUI SUMITOMO INS CO OF AMERICA
MITSUI SUMITOMO INS USA INC
MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY
NATIONAL AMERICAN INS CO
NATIONAL CASUALTY CO
NATIONAL FIRE INS CO OF HARTFORD
NATIONAL INTERSTATE INS CO
NATIONAL LIABILITY & FIRE INSURANCE CO
NATIONAL SPECIALTY INS CO
NATIONAL SURETY CORP
NATIONAL UNION FIRE INS CO OF PITTSBURGH PA
NATIONWIDE AGRIBUSINESS INS CO
NATIONWIDE ASSURANCE CO
NATIONWIDE GENERAL INSURANCE CO
NATIONWIDE INS CO OF AMERICA
NATIONWIDE MUTUAL FIRE INS CO
NATIONWIDE MUTUAL INS CO
NATIONWIDE PROPERTY AND CASUALTY INS CO
NETHERLANDS INSURANCE COMPANY
NEW HAMPSHIRE INSURANCE COMPANY
NEW JERSEY CASUALTY INS CO
NEW JERSEY MANUFACTURERS INS CO
NEW JERSEY RE-INSURANCE CO
NEW YORK MARINE AND GENERAL INSURANCE CO
NGM INSURANCE COMPANY
NORGUARD INS CO
NORMANDY INSURANCE COMPANY
NORTH AMERICAN ELITE INSURANCE CO
NORTH AMERICAN SPECIALTY INS CO
NORTH POINTE INS CO
NORTH RIVER INS CO
NOVA CASUALTY COMPANY
NUTMEG INS CO
OAK RIVER INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY
OBI NATIONAL INSURANCE COMPANY
OH CASUALTY INS CO
OHIO SECURITY INS CO
OLD DOMINION INS CO
OLD REPUBLIC GENERAL INSURANCE CORPORATION
OLD REPUBLIC INS CO
PA MANUFACTURERS ASSN INS CO
PA MANUFACTURERS INDEMNITY CO
PACIFIC EMPLOYERS INS CO
PACIFIC INDEMNITY CO
PACIFIC INS CO LTD
PATRIOT GENERAL INS CO
PATRONS MUTUAL INS CO OF CT
PEERLESS INDEMNITY INS CO
PEERLESS INSURANCE COMPANY
PENN MILLERS INS CO
PENNSYLVANIA INSURANCE COMPANY
PETROLEUM CASUALTY CO



Connecticut

Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing – January 1, 2020

NCCI Affiliate List

PHARMACISTS MUTUAL INS CO
PHOENIX INS CO
PLAZA INSURANCE CO
PRAETORIAN INSURANCE COMPANY
PREFERRED PROFESSIONAL INSURANCE COMPANY
PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
PROPERTY AND CASUALTY INS CO OF HARTFORD
PROTECTIVE INS CO
PUBLIC SERVICE INSURANCE COMPANY
QBE INSURANCE CORPORATION
REDWOOD FIRE & CASUALTY INS CO
REGENT INSURANCE COMPANY
REPUBLIC FRANKLIN INS CO
REPUBLIC INDEMNITY CO OF CA
REPUBLIC INDEMNITY COMPANY OF AMERICA
REPUBLIC UNDERWRITERS INSURANCE CO
RIVERPORT INSURANCE COMPANY
RLI INSURANCE COMPANY
ROCKWOOD CASUALTY INS CO
SAFECO INS CO OF AMERICA
SAFETY FIRST INS CO
SAFETY NATIONAL CASUALTY CORP
SAGAMORE INSURANCE CO
SAMSUNG FIRE AND MARINE INS CO LTD USB
SECURITY NATIONAL INS CO (AMTRUST GROUP)
SELECTIVE INS CO OF SC
SELECTIVE INS CO OF THE SOUTHEAST
SELECTIVE INSURANCE COMPANY OF AMERICA
SELECTIVE WAY INS CO
SENECA INSURANCE CO
SENTINEL INS CO
SENTRY CASUALTY CO
SENTRY INSURANCE A MUTUAL CO
SENTRY SELECT INSURANCE COMPANY
SERVICE AMERICAN INDEMNITY COMPANY
SFM MUTUAL INS CO
SIRIUS AMERICA INSURANCE COMPANY
SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
SOMPO AMERICA INSURANCE COMPANY
ST PAUL FIRE AND MARINE INS CO
ST PAUL GUARDIAN INS CO
ST PAUL MERCURY INS CO
ST PAUL PROTECTIVE INS CO
STANDARD FIRE INSURANCE COMPANY
STAR INS CO
STARNET INSURANCE COMPANY
STARR INDEMNITY AND LIABILITY CO
STARR SPECIALTY INSURANCE COMPANY
STARSTONE NATIONAL INSURANCE COMPANY
STATE AUTO PROPERTY AND CASUALTY INS CO
STATE AUTOMOBILE MUTUAL INS CO
STATE FARM FIRE AND CASUALTY CO
STATE NATIONAL INSURANCE COMPANY
STONINGTON INS CO
STRATHMORE INS CO
SUNZ INSURANCE COMPANY
T H E INSURANCE COMPANY
TECHNOLOGY INSURANCE CO
THE TRAVELERS CASUALTY COMPANY
TNUS INSURANCE CO
TOKIO MARINE AMERICA INSURANCE CO
TRANS PACIFIC INS CO
TRANSGUARD INS CO OF AMERICA INC
TRANSPORTATION INS CO
TRAVELERS CASUALTY & SURETY CO OF AMERICA
TRAVELERS CASUALTY AND SURETY CO
TRAVELERS CASUALTY INS CO OF AMERICA
TRAVELERS COMMERCIAL INS CO
TRAVELERS INDEMNITY CO
TRAVELERS INDEMNITY CO OF AMERICA
TRAVELERS INDEMNITY CO OF CT
TRAVELERS INSURANCE CO
TRAVELERS PROPERTY CASUALTY CO OF AMERICA
TRI STATE INSURANCE COMPANY OF MINNESOTA
TRIUMPHE CASUALTY COMPANY
TRUCK INSURANCE EXCHANGE
TRUMBULL INS CO
TWIN CITY FIRE INS CO
UNION INS CO OF PROVIDENCE
UNION INSURANCE COMPANY
UNITED STATES FIDELITY AND GUARANTY CO
UNITED WI INS CO
US FIRE INS CO
UTICA MUTUAL INS CO
UTICA NATIONAL ASSURANCE CO
UTICA NATIONAL INS CO OF TX
VALLEY FORGE INS CO
VANLINER INS CO
VANTAPRO SPECIALTY INS CO
VICTORIA FIRE & CASUALTY COMPANY
VIGILANT INS CO
WASHINGTON INTERNATIONAL INSURANCE COMPANY
WELLFLEET INSURANCE COMPANY
WELLFLEET NEW YORK INSURANCE COMPANY
WESCO INSURANCE COMPANY (AMTRUST GROUP)
WEST AMERICAN INS CO
WEST BEND MUTUAL INS CO
WESTCHESTER FIRE INSURANCE COMPANY
WESTPORT INSURANCE CORPORATION
WORK FIRST CASUALTY CO
XL INS CO OF NY INC
XL INSURANCE AMERICA INC
XL SPECIALTY INS CO
ZENITH INS CO
ZURICH AMERICAN INS CO
ZURICH AMERICAN INS CO OF IL



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Voluntary Advisory Loss Costs, Assigned Risk Rates, and Rating Values Filing—January 1, 2020

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