State of the Line
Workers Compensation
NCOIL

Jeff Eddinger, FCAS, MAAA

Senior Division Executive
NCCI

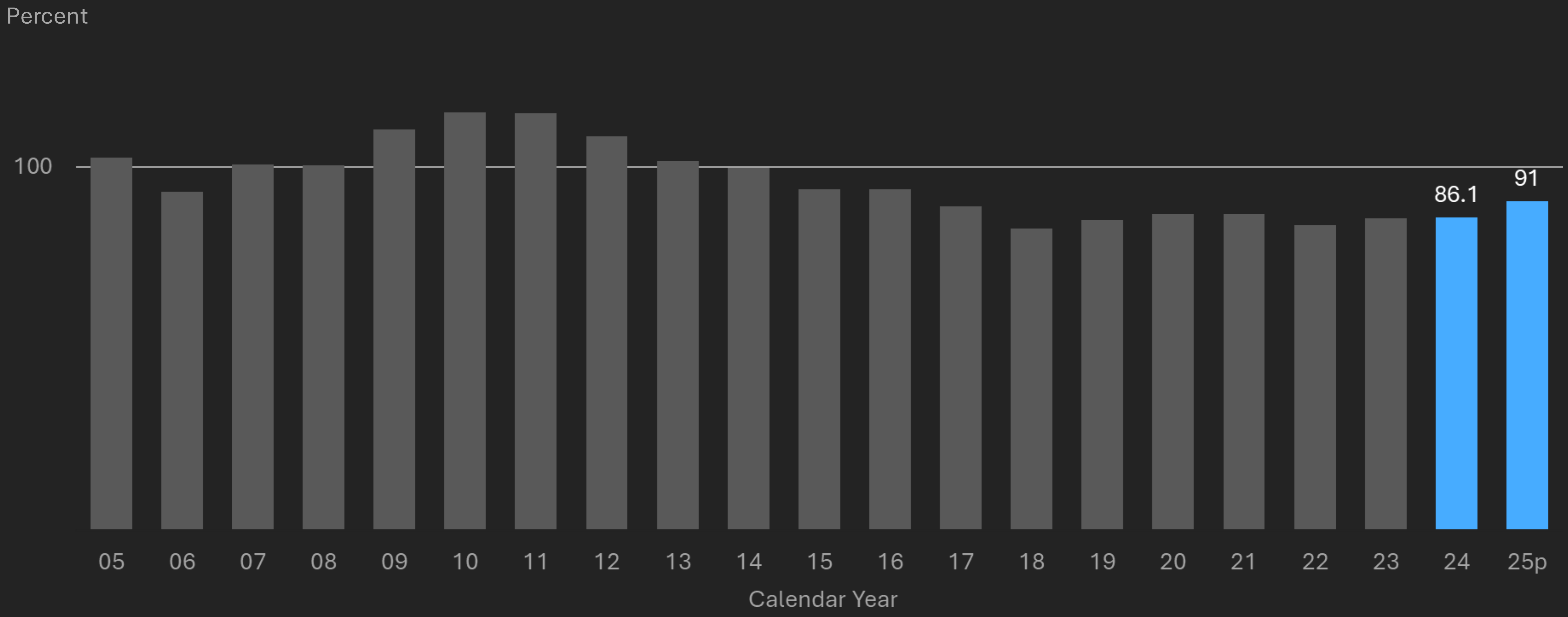
July 17, 2026


P/C Results
WC Results
Workers Comp
WC Premium
WC Loss Drivers

AIS
2026

WC Net Combined Ratio

Private Carriers

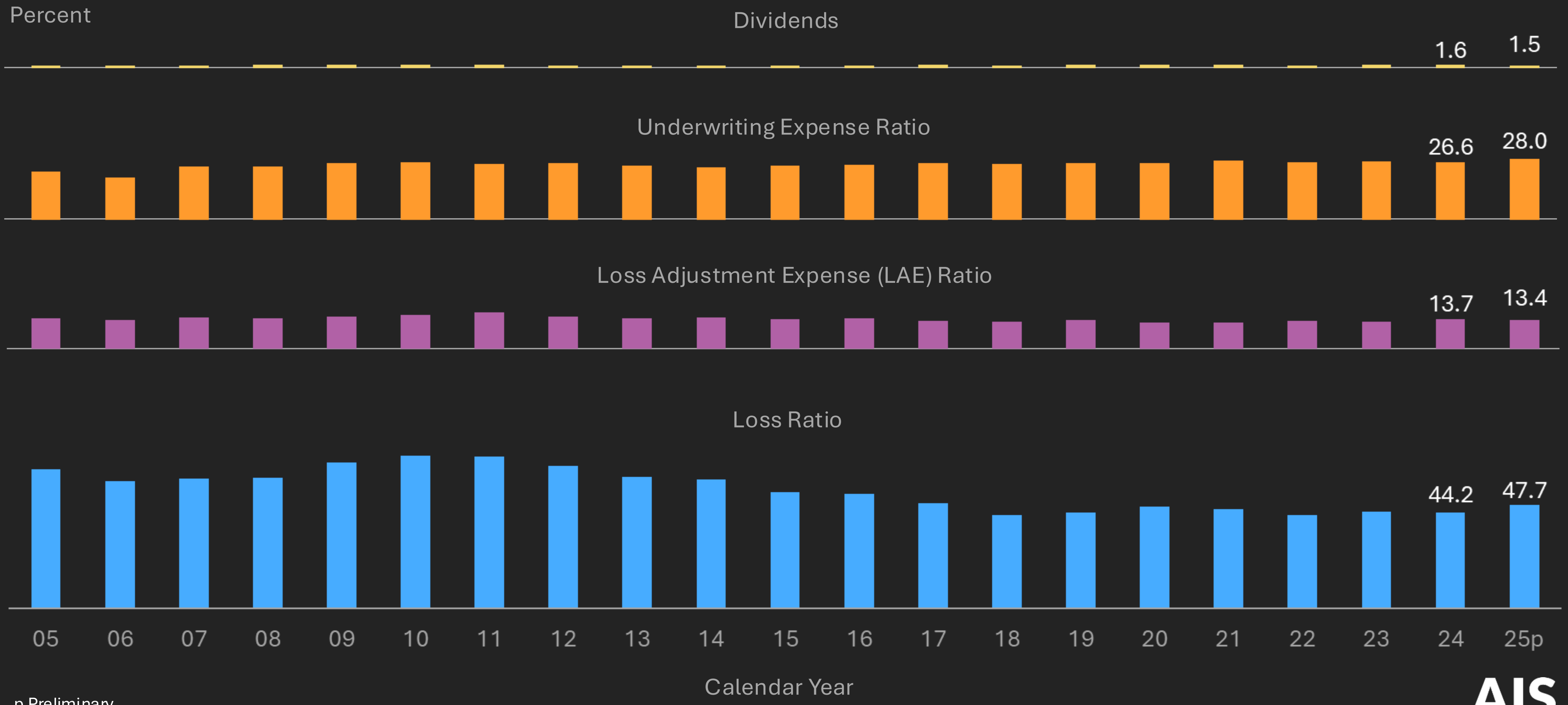


p Preliminary
Source: NAIC's Annual Statement data

AIS 2026

WC Net Combined Ratio by Component

Private Carriers

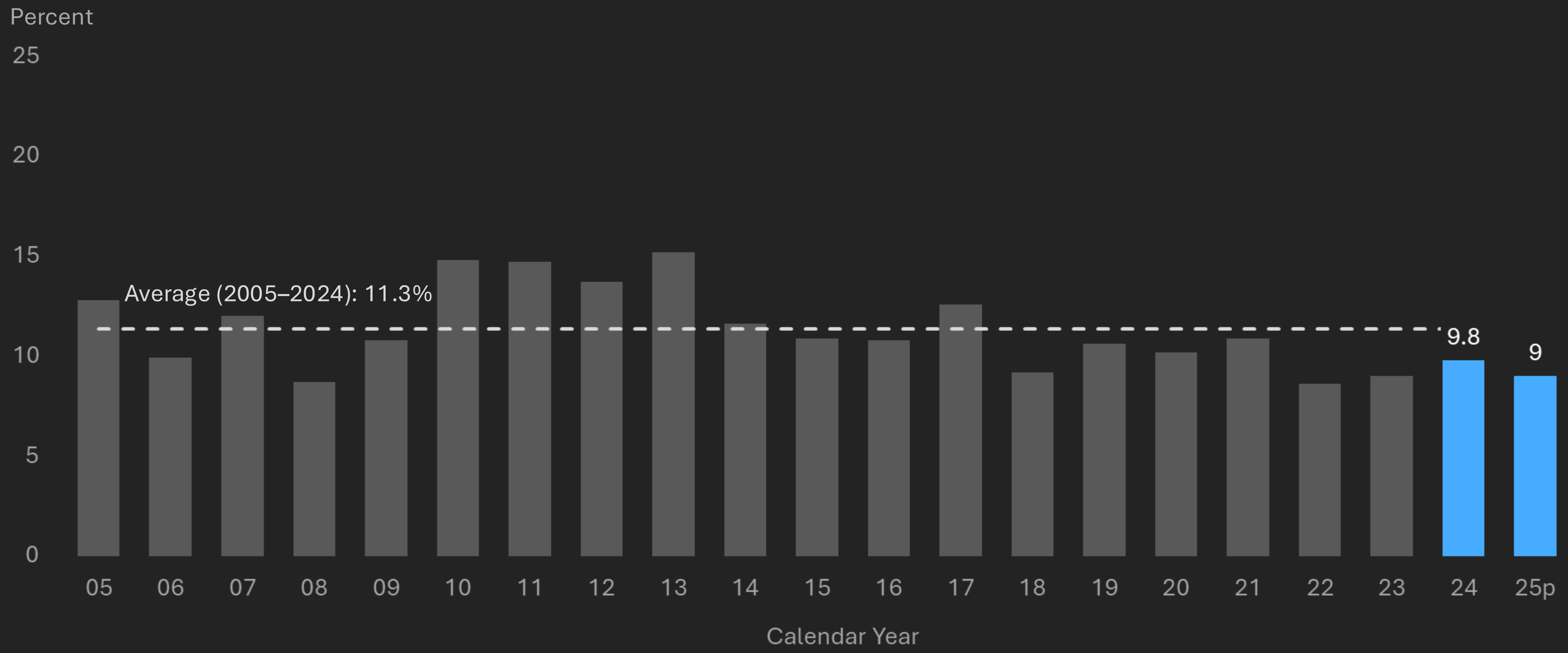


p Preliminary
Source: NAIC's Annual Statement data

AIS 2026

WC Investment Gain on Insurance Transactions

Ratio to Net Earned Premium, Private Carriers

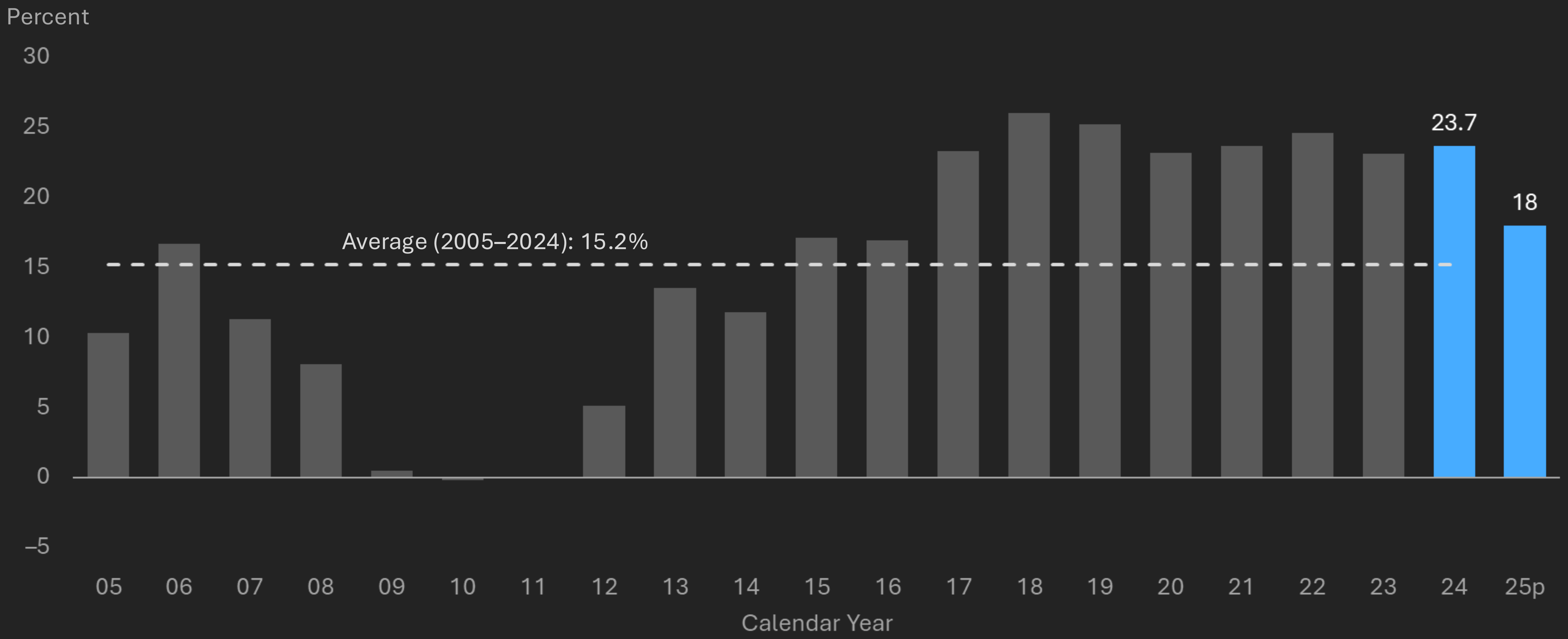


p Preliminary
Source: NAIC's Annual Statement data
Investment Gain on Insurance Transactions includes Other Income
2013 is adjusted to exclude a material realized gain resulting from a single company transaction that involved corporate rest ructuring; unadjusted value is 19.4

AIS 2026

WC Pretax Operating Gain

Private Carriers

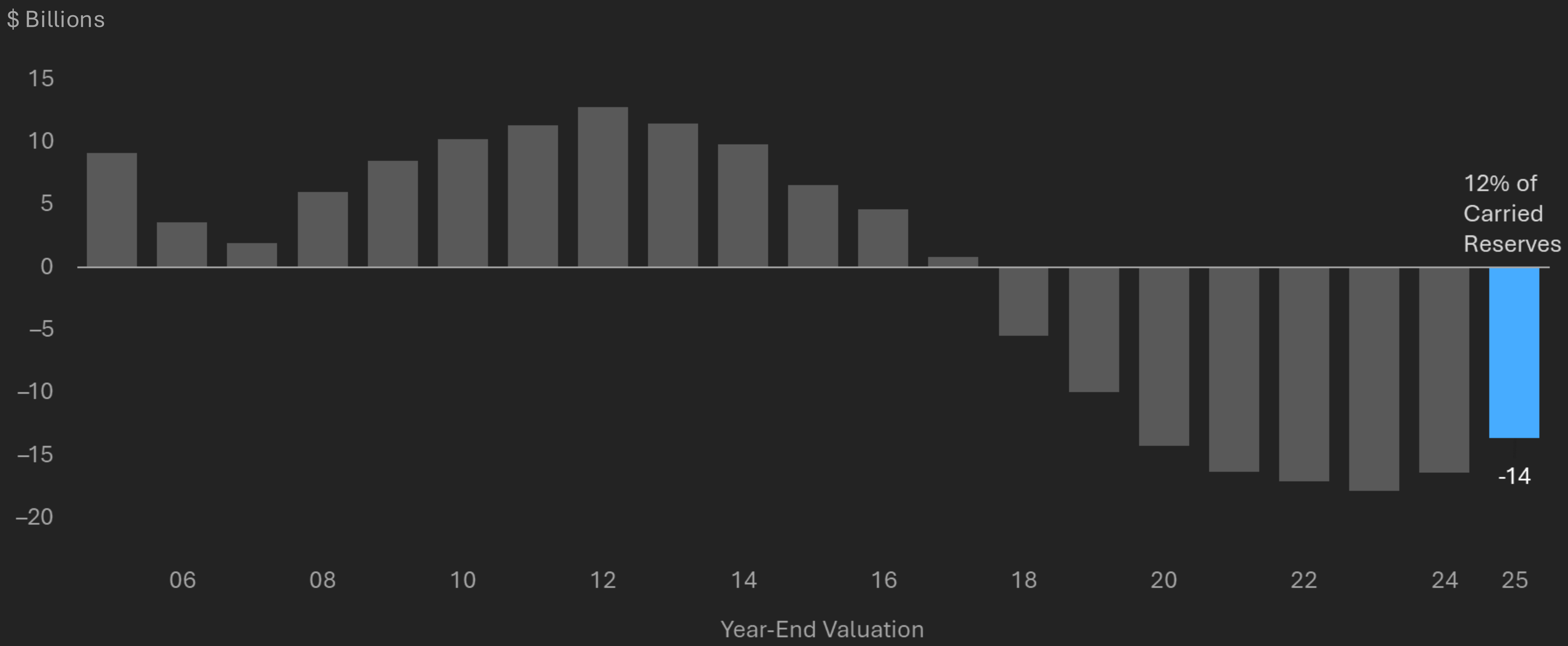


p Preliminary
Source: NAIC's Annual Statement data
Operating Gain equals 1.00 minus (Combined Ratio less Investment Gain on Insurance Transactions and Other Income)
2013 is adjusted to exclude a material realized gain resulting from a single company transaction that involved corporate restructuring; unadjusted value is 17.7

AIS
2026

WC Net Loss and LAE Reserve Adequacy

Private Carriers



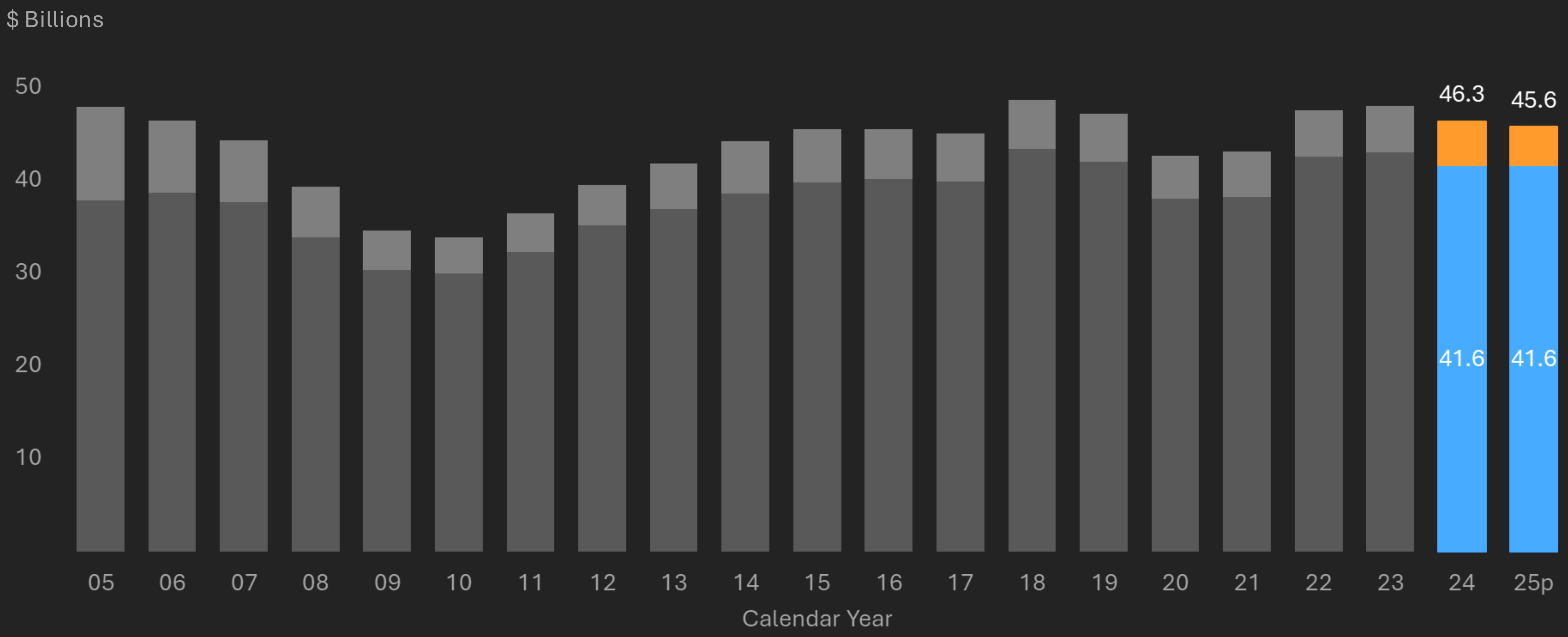
Source: NCCI's analysis based on NAIC's Annual Statement data
Adequacy values above consider all reserve discounts as deficiencies

AIS 2026


P/C Results
WC Results
Workers Comp
WC Premium
WC Loss Drivers
AIS
2026

WC Net Written Premium

Private Carriers and State Funds

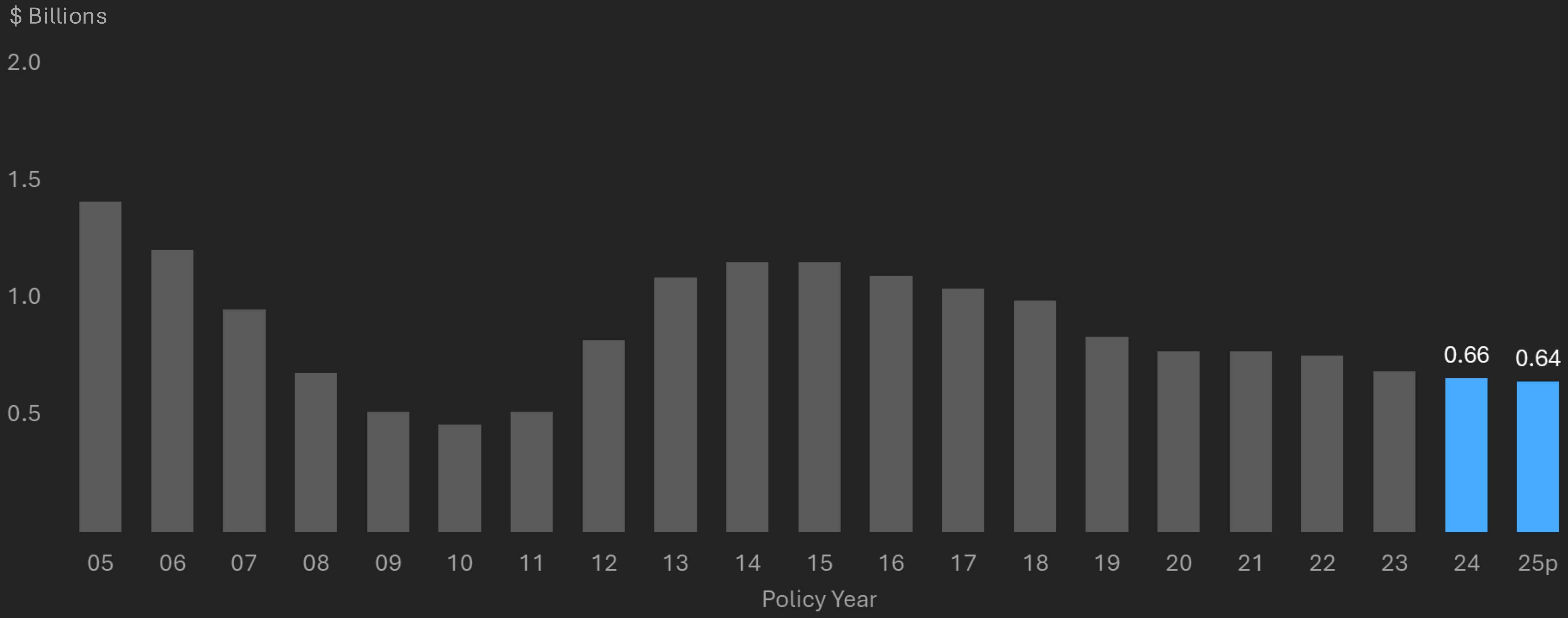


p Preliminary
Source: NAIC's Annual Statement data
The following states are included in the respective calendar years in which they operated as state funds: AZ, CA, CO, HI, ID, KY, LA, MD, MO, MT, NM, OK, OR, RI, TX, and UT

AIS 2026

WC Residual Market Premium

NCCI-Serviced WC Residual Market Pools

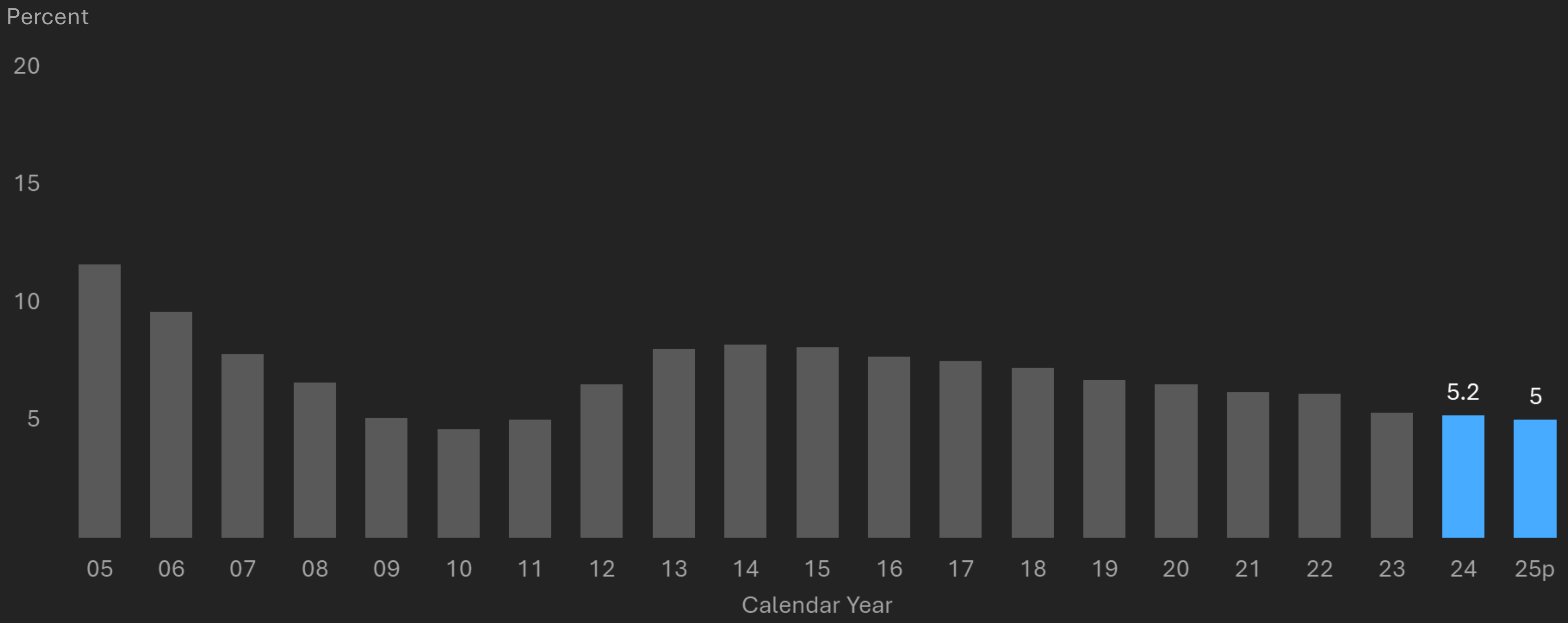


p Preliminary, incomplete policy year projected to ultimate
Source: NCCI's ***Residual Market Quarterly Results***
Includes Pool Data for all NCCI-serviced WC Residual Market Pool states, valued as of 12/31/2025
Tennessee Reinsurance Mechanism premium is not included

AIS 2026

WC Residual Market Share

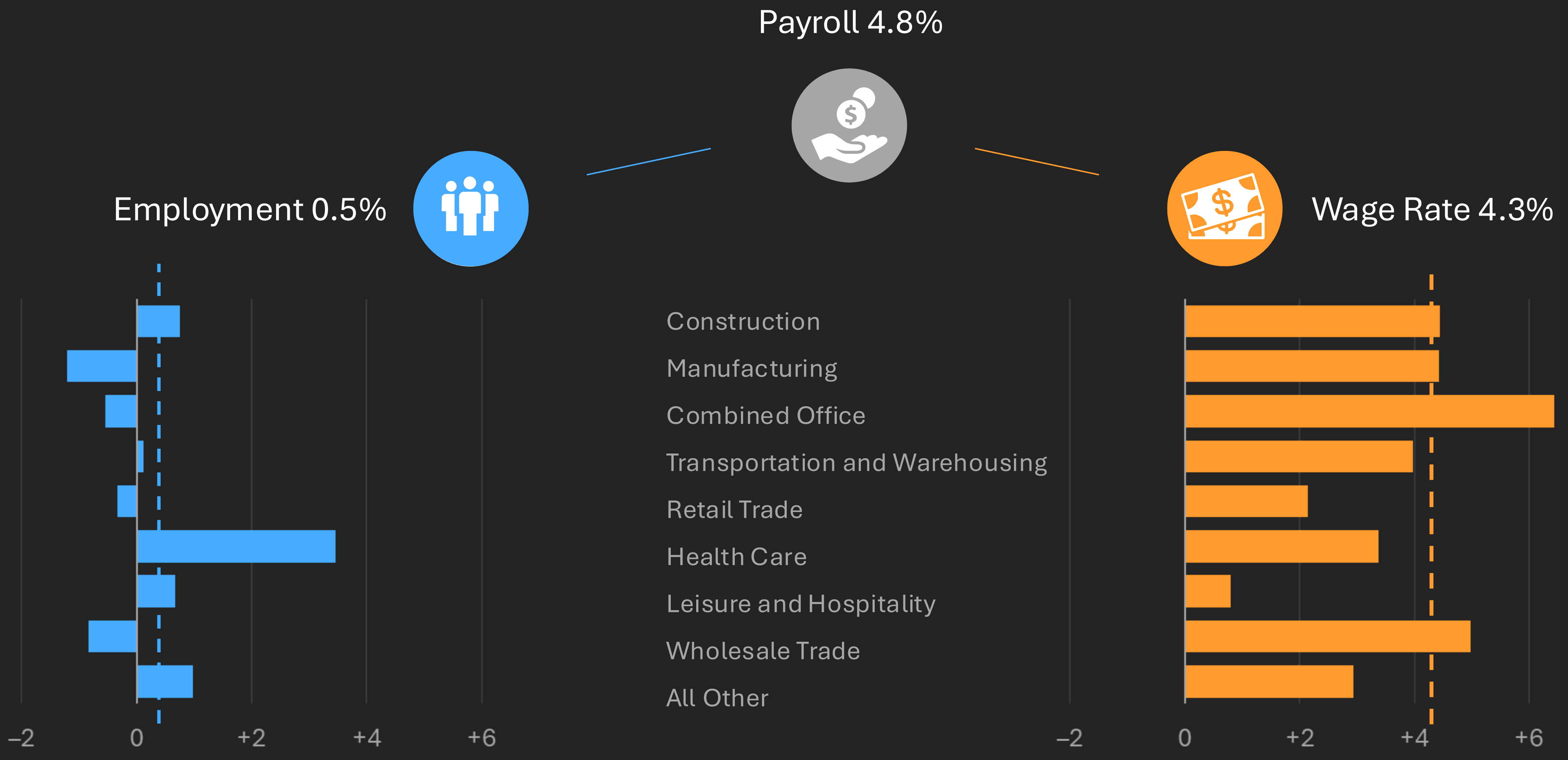
NCCI-Serviced WC Residual Market Pools



p Preliminary
Source: NCCI's ***Residual Market Management Summary***
Includes Pool and direct assignment data for all NCCI-serviced WC Residual Market Pool states

AIS 2026

Changes in Payroll by Component—2024 to 2025

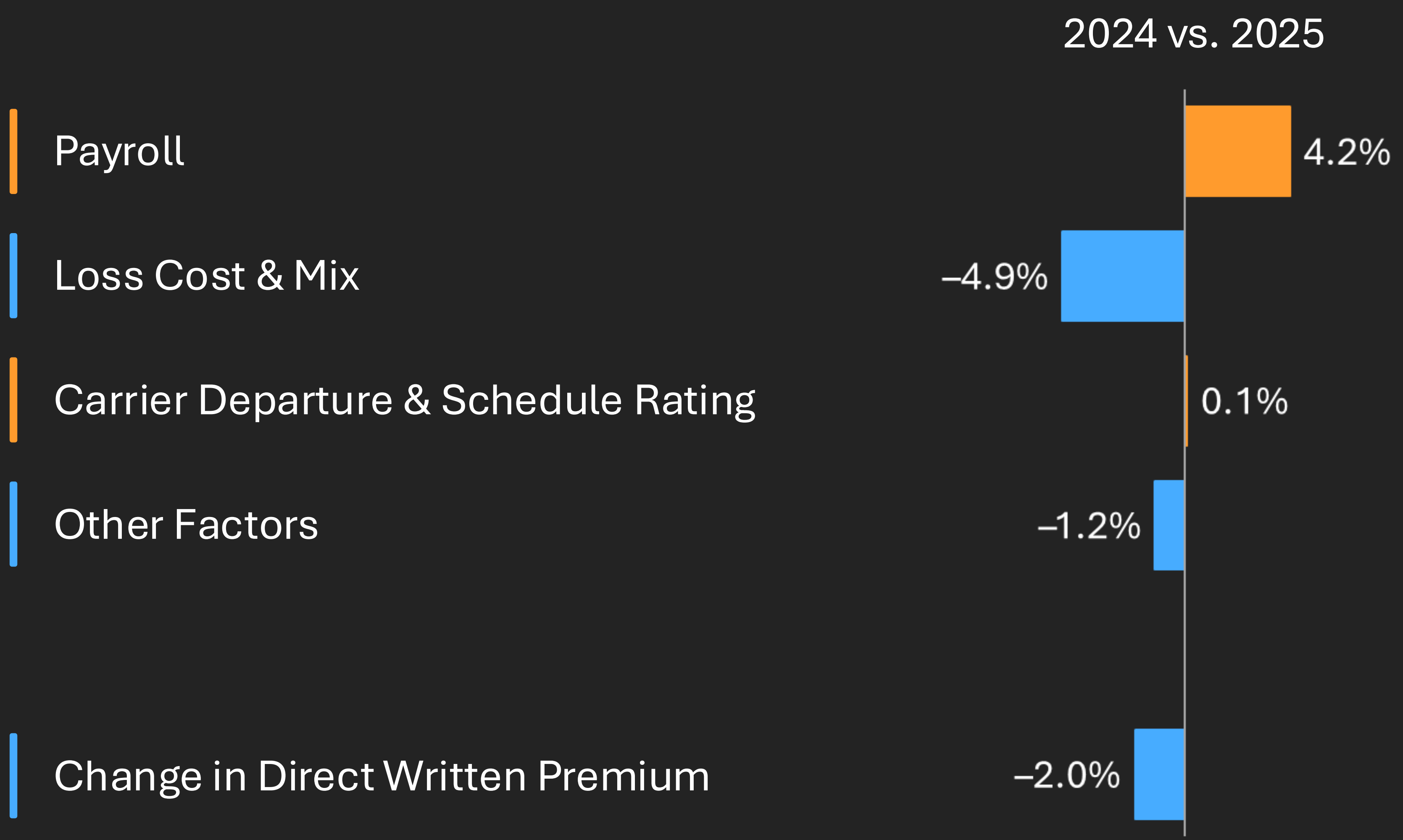


Sources: US Bureau of Labor Statistics (BLS); US Bureau of Economic Analysis (BEA); NCCI

AIS 2026

WC Direct Written Premium Change by Component

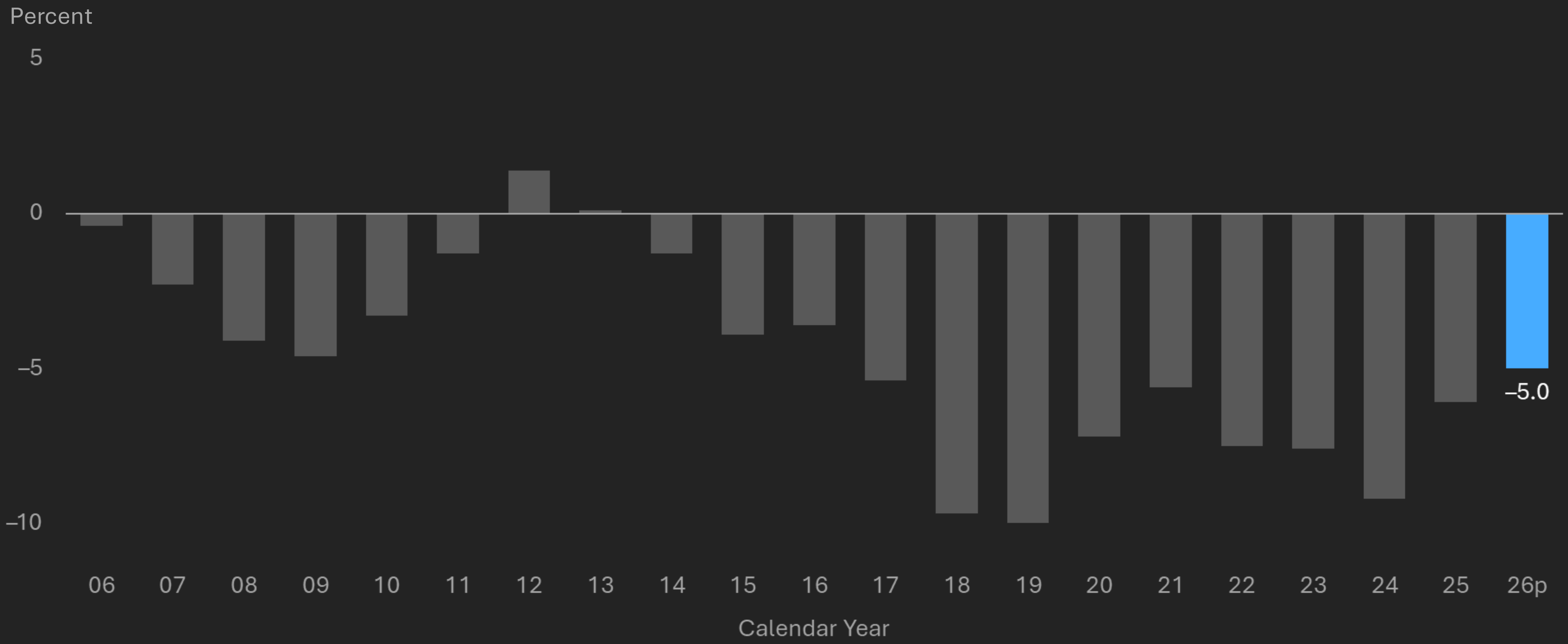
Private Carriers—NCCI States



Sources: Direct Written Premium Change: NAIC's Annual Statement Statutory Page 14 for all states where NCCI provides ratemaking services
Components: NCCI's Policy Data

WC Approved Changes in Bureau Loss Cost Level

Weighted by Effective Date and Premium—NCCI States

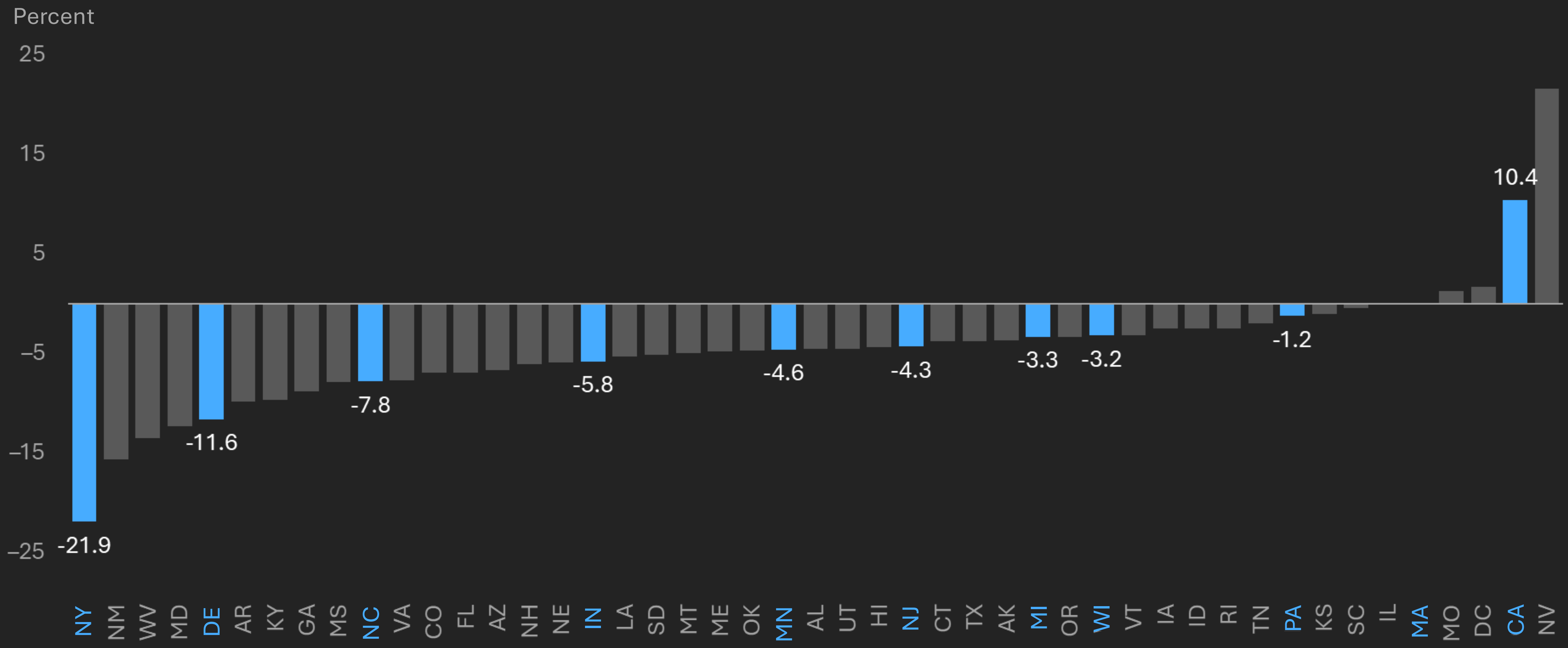


p Preliminary
Sources: NCCI; weights are based on NAIC's Annual Statement Statutory Page 14
Values reflect changes in average premium levels between years, based on approved changes in advisory rates, loss costs, assigned risk rates, and rating values, as of 5/1/2026
IN and NC are filed in cooperation with state rating bureaus

AIS 2026

Most Recent Changes in Bureau Loss Cost Level

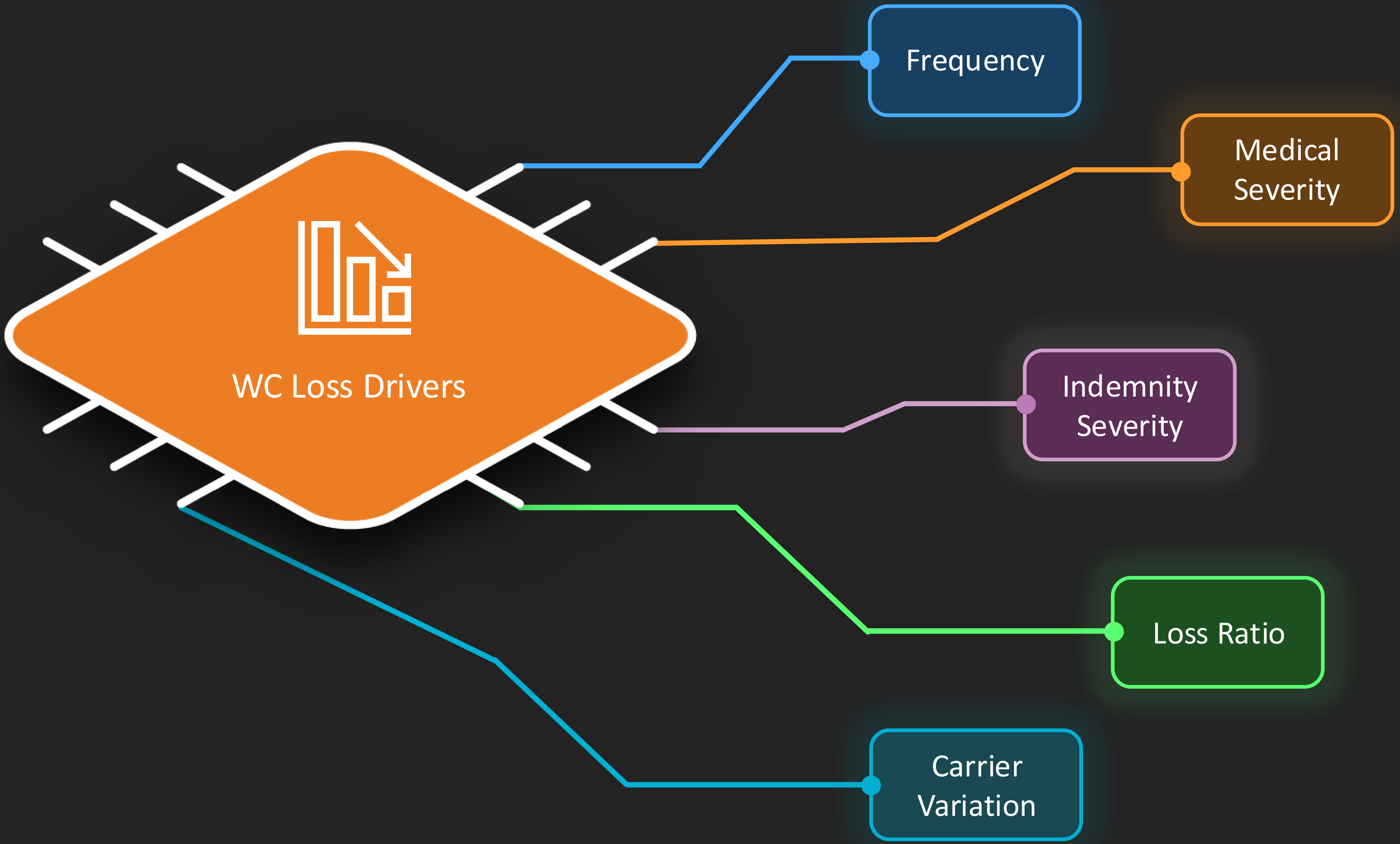
Voluntary Market, Excludes Law-Only Filings



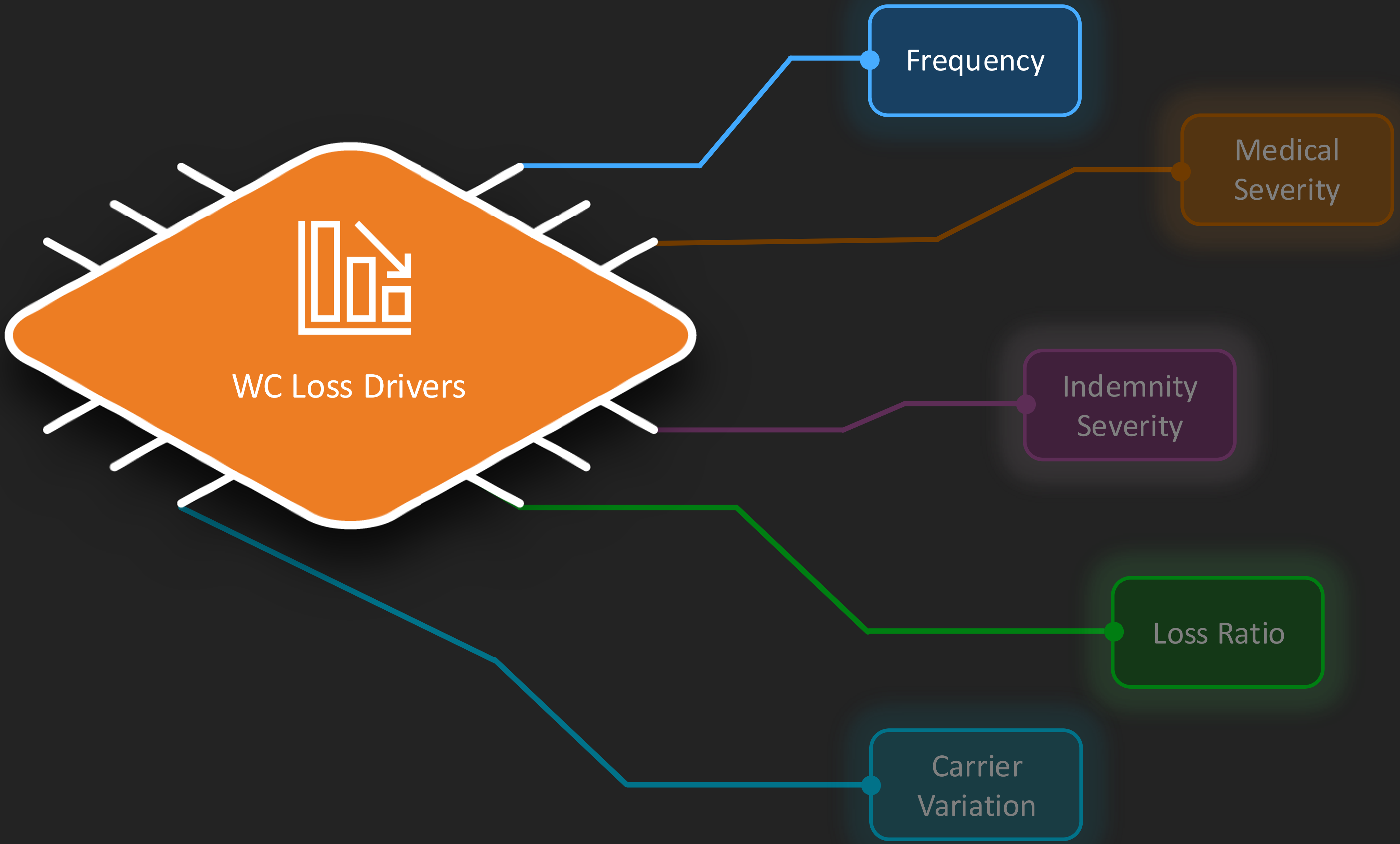
Premium level changes in advisory rates, loss costs, and rating values, as of 4/25/2025, as filed by the applicable rating organization, relative to those previously approved
IN and NC are filed in cooperation with state rating bureaus

AIS 2026

P/C Results
WC Results
Workers Comp
WC Premium
WC Loss Drivers
AIS 2026


WC Loss Drivers
Frequency
Medical Severity
Indemnity Severity
Loss Ratio
Carrier Variation

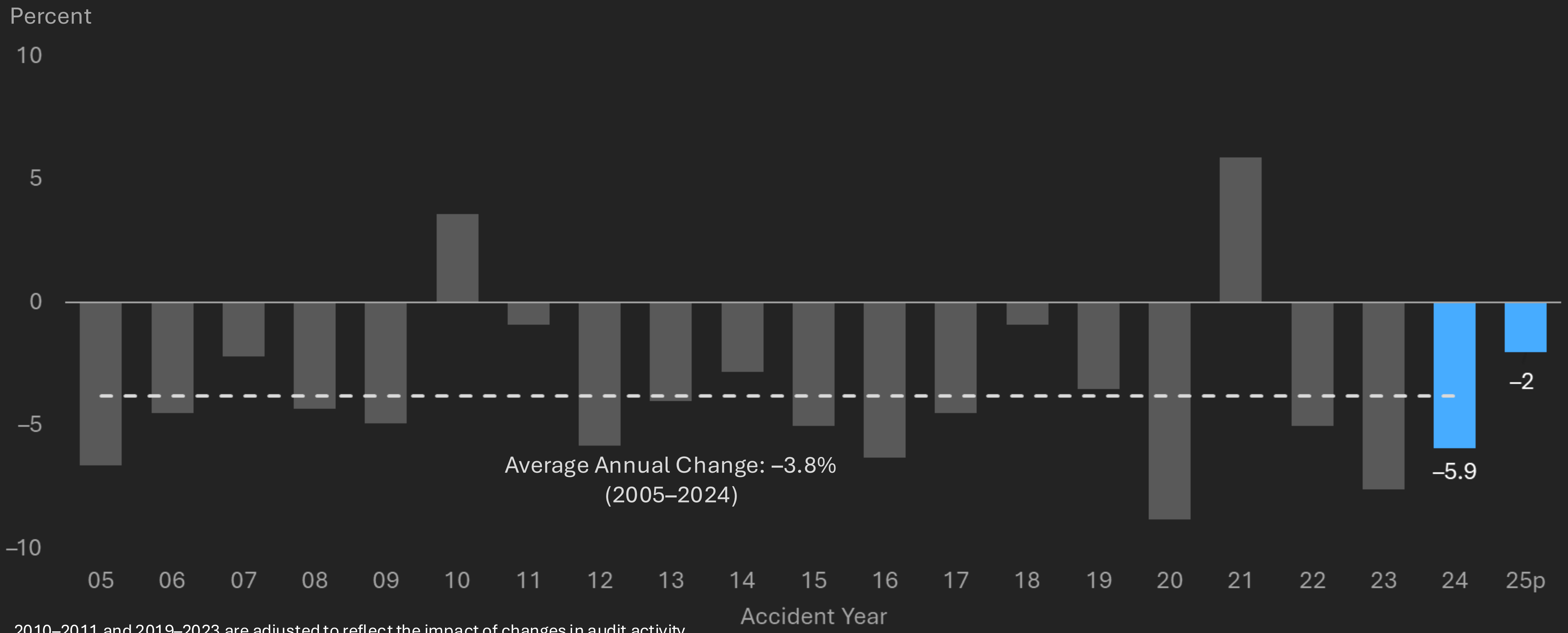
AIS 2026


WC Loss Drivers
Frequency
Medical Severity
Indemnity Severity
Loss Ratio
Carrier Variation

AIS 2026

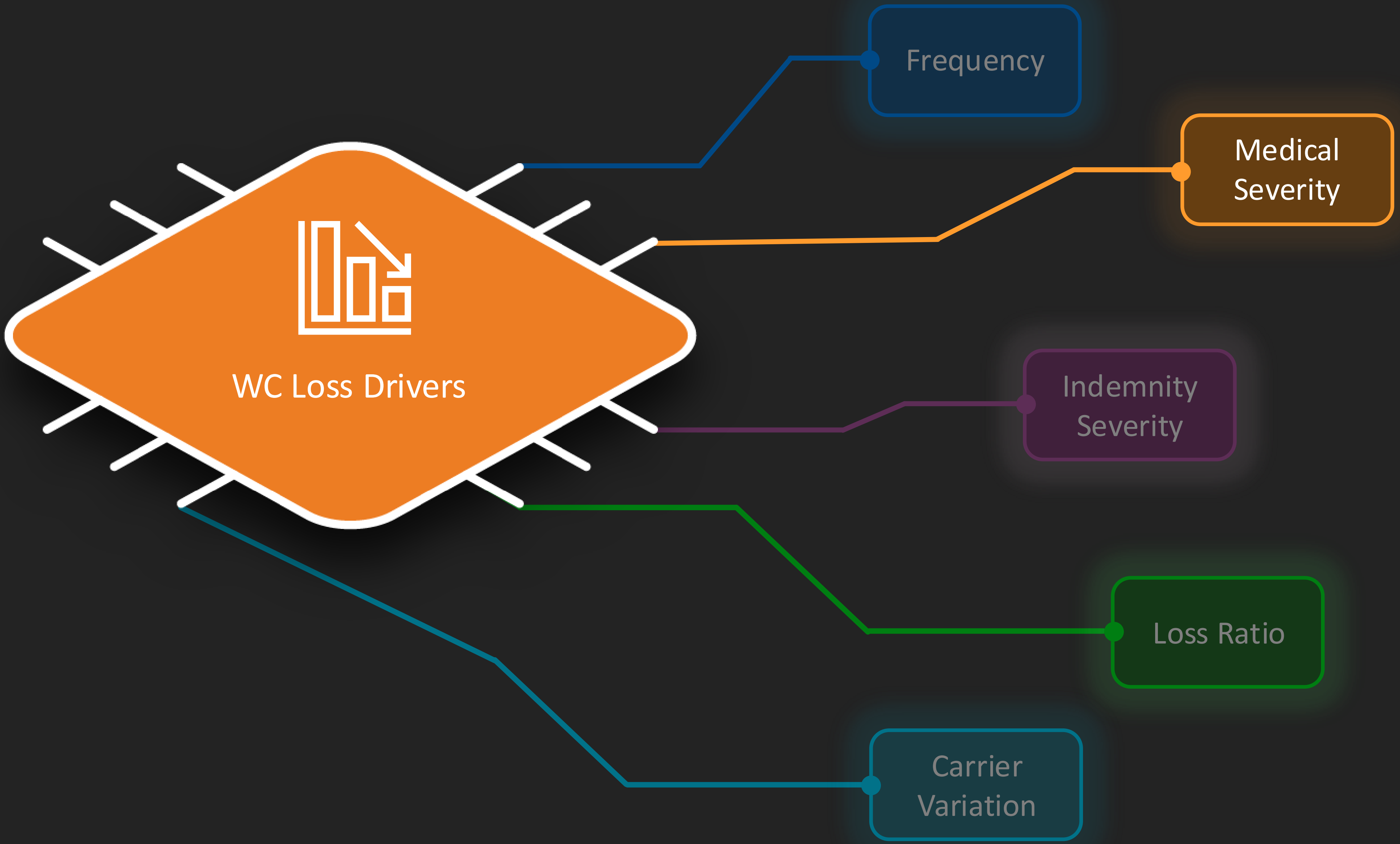
WC Lost-Time Claim Frequency

Change in Claims per $1M Pure Premium, Private Carriers and State Funds—NCCI States



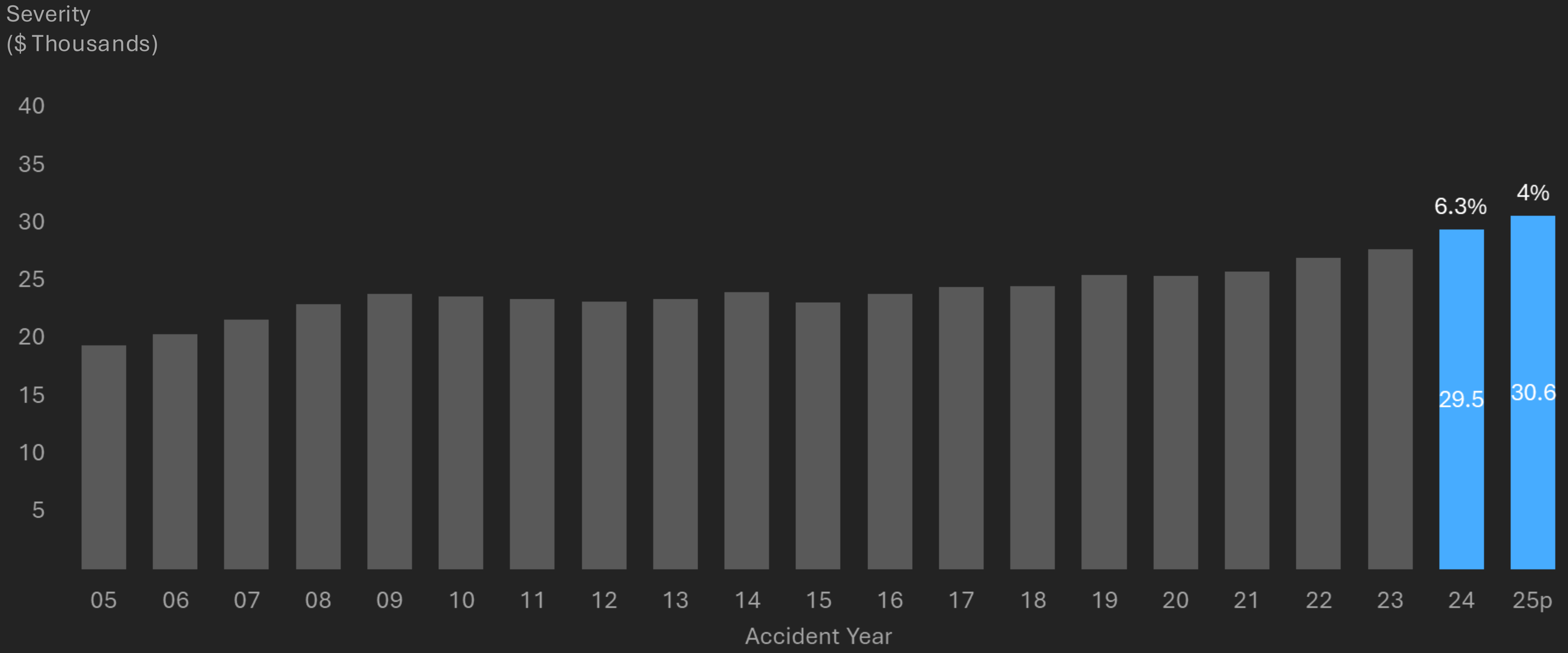
2010–2011 and 2019–2023 are adjusted to reflect the impact of changes in audit activity
p Preliminary, based on data valued as of 12/31/2025
Source: NCCI's Financial Call data, developed to ultimate, premium adjusted to current wage and voluntary pure premium level, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023
Includes all states where NCCI provides ratemaking services; TX is excluded through 2006, and WV is excluded through 2011

AIS 2026


WC Loss Drivers
Frequency
Medical Severity
Indemnity Severity
Loss Ratio
Carrier Variation

WC Average Lost-Time Medical Claim Severity

Private Carriers and State Funds—NCCI States

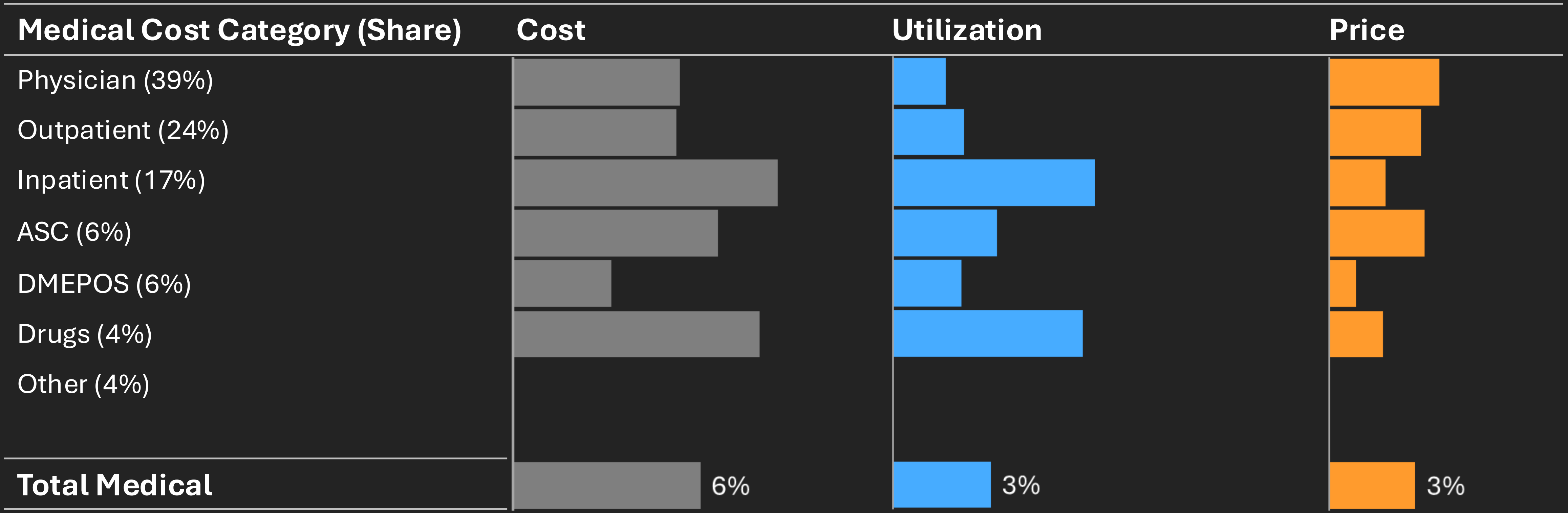


p Preliminary, based on data valued as of 12/31/2025
Source: NCCI’s Financial Call data, developed to ultimate, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023
Values displayed reflect the methodology underlying the most recent rate/loss cost filing
Includes all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS
2026

Change in Cost, Utilization, and Price per Claim

Year-Over-Year Change 2024–2025p, NCCI States

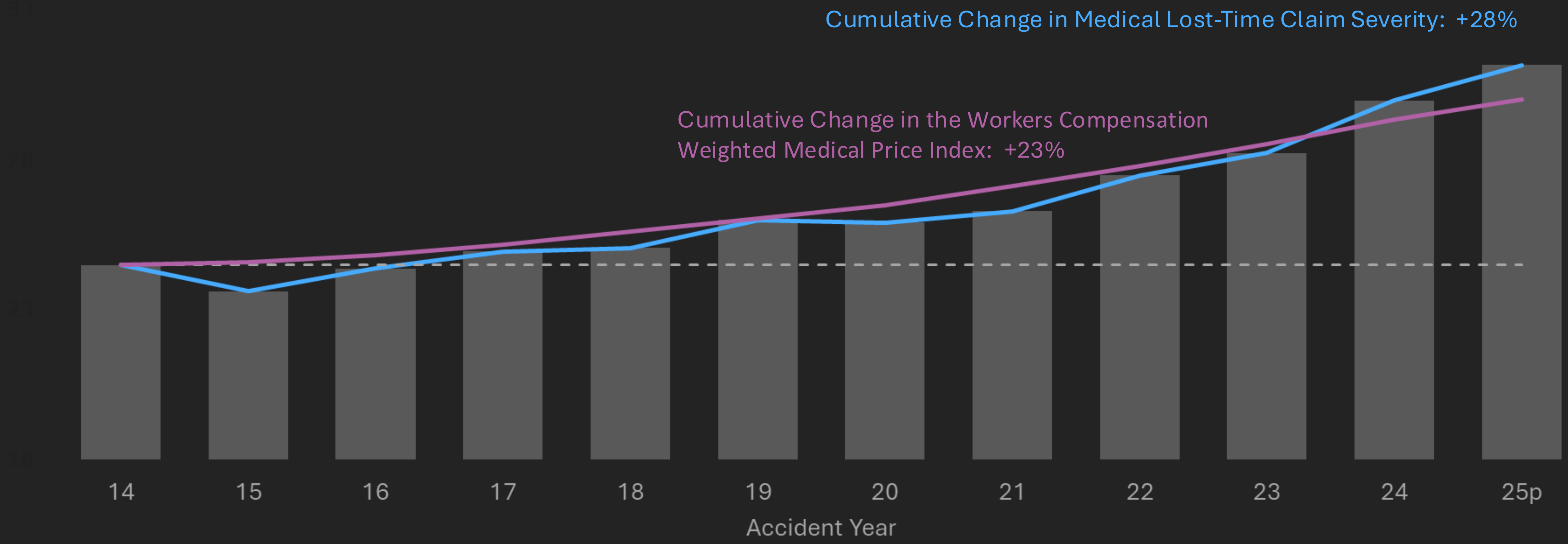


p Preliminary, based on medical payments made in the same year in which the accident occurred and was reported to NCCI prior to April 1 in the subsequent year
Source: NCCI's Medical Data Call, lost-time claims, excludes large-deductible policies
Includes all states where NCCI provides ratemaking services

AIS 2026

WC Average Lost-Time Medical Claim Severity

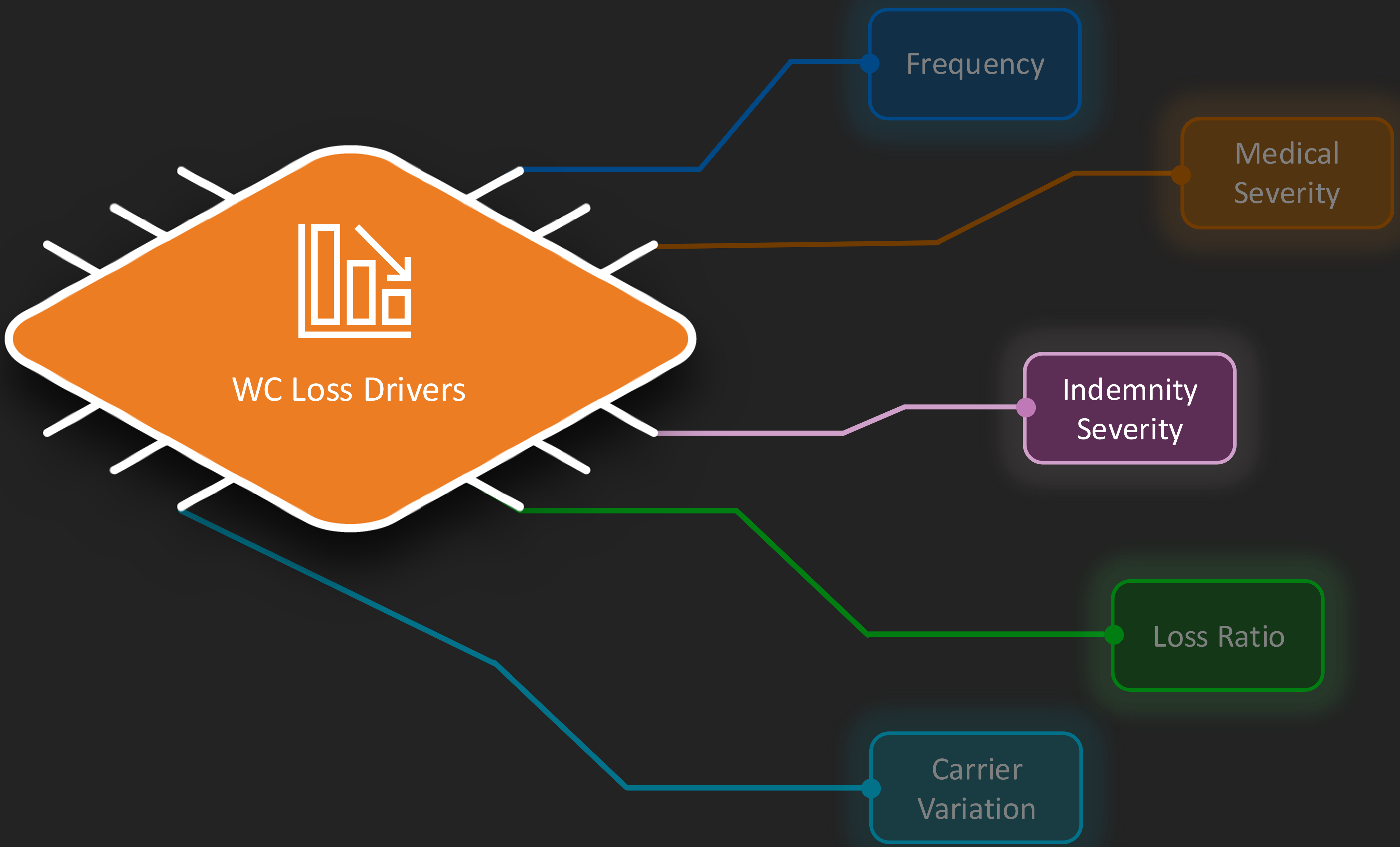
Private Carriers and State Funds—NCCI States



p Preliminary, based on data valued as of 12/31/2025

Sources: Severity: NCCI's Financial Call data, developed to ultimate, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023
Values displayed reflect the methodology underlying the most recent rate/loss cost filing
Includes all states where NCCI provides ratemaking services; WV is excluded through 2014
WC Weighted Medical Price Index: 2014–2025p US Bureau of Labor Statistics (BLS) and NCCI

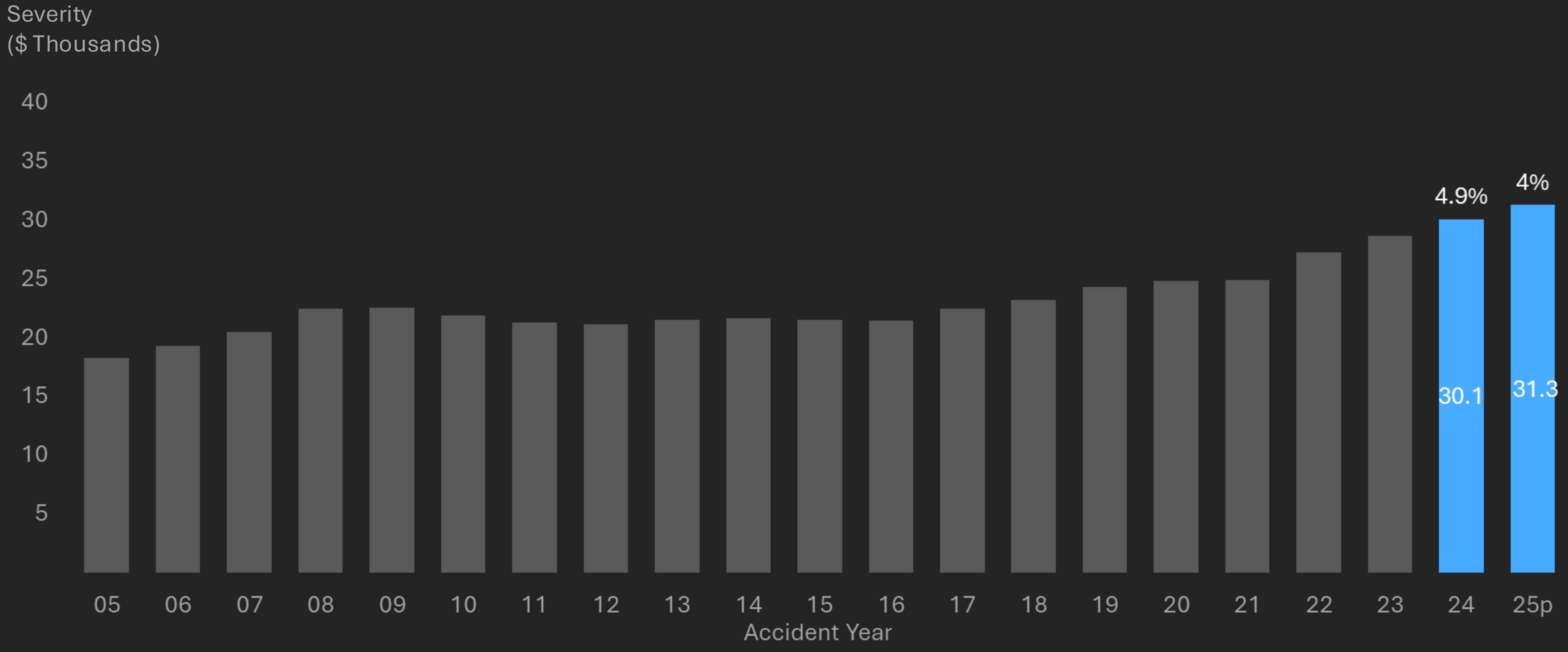
AIS 2026


WC Loss Drivers
Frequency
Medical Severity
Indemnity Severity
Loss Ratio
Carrier Variation

AIS 2026

WC Average Lost-Time Indemnity Claim Severity

Private Carriers and State Funds—NCCI States

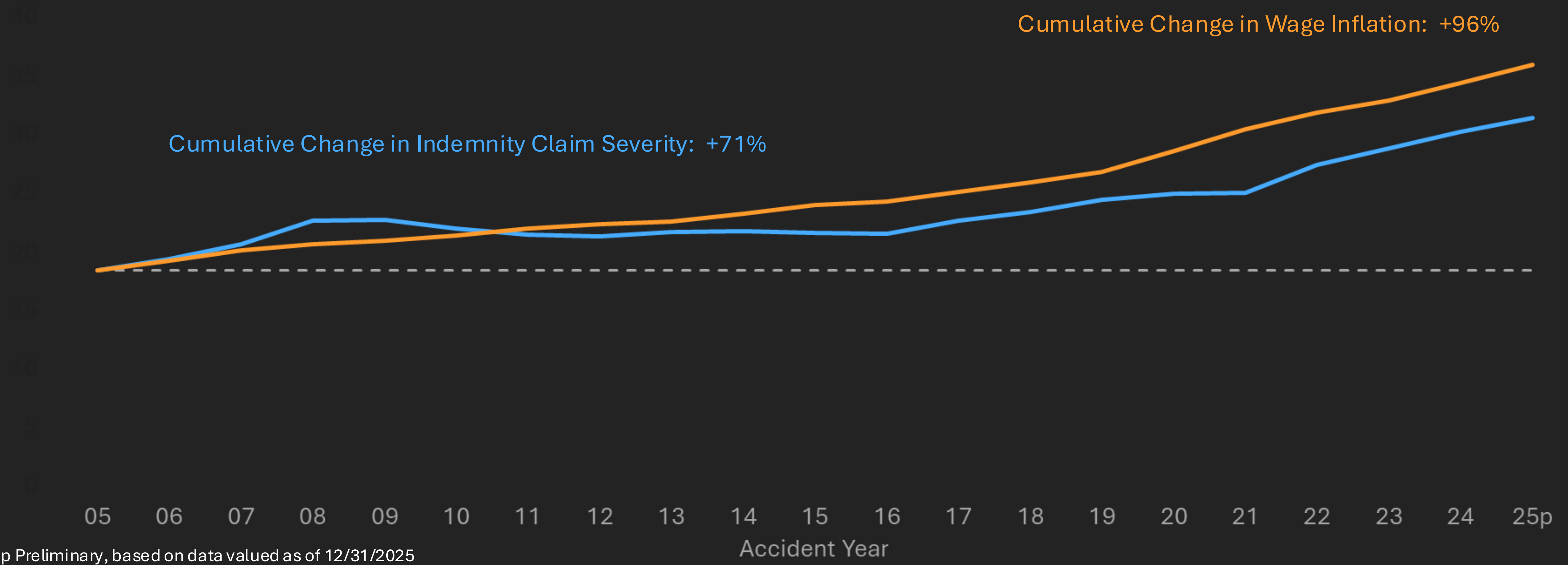


p Preliminary, based on data valued as of 12/31/2025
Source: NCCI's Financial Call data, developed to ultimate, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023
Values displayed reflect the methodology underlying the most recent rate/loss cost filing
Includes all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS 2026

WC Average Lost-Time Indemnity Claim Severity

Private Carriers and State Funds—NCCI States



p Preliminary, based on data valued as of 12/31/2025

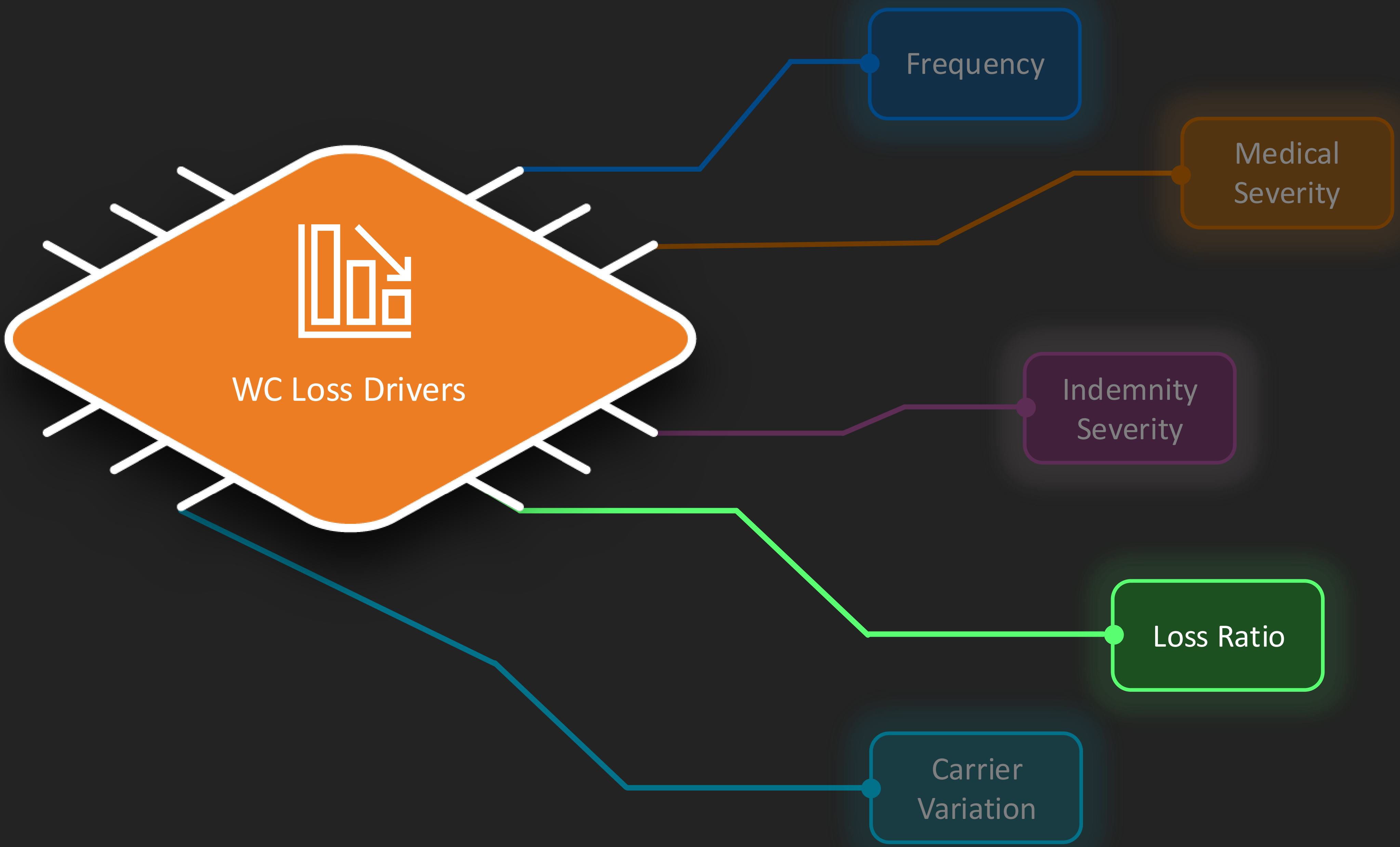
Sources: US Average Weekly Wage: 2005–2007, 2012–2019, and 2022–2024 Quarterly Census of Employment and Wages (QCEW) and US Bureau of Labor Statistics (BLS); 2008–2011 and 2020–2021 NCCI and QCEW; 2025p BLS, US Bureau of Economic Analysis (BEA), and NCCI

Severity: NCCI's Financial Call data, developed to ultimate, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023

Values displayed reflect the methodology underlying the most recent rate/loss cost filing

Includes all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS 2026

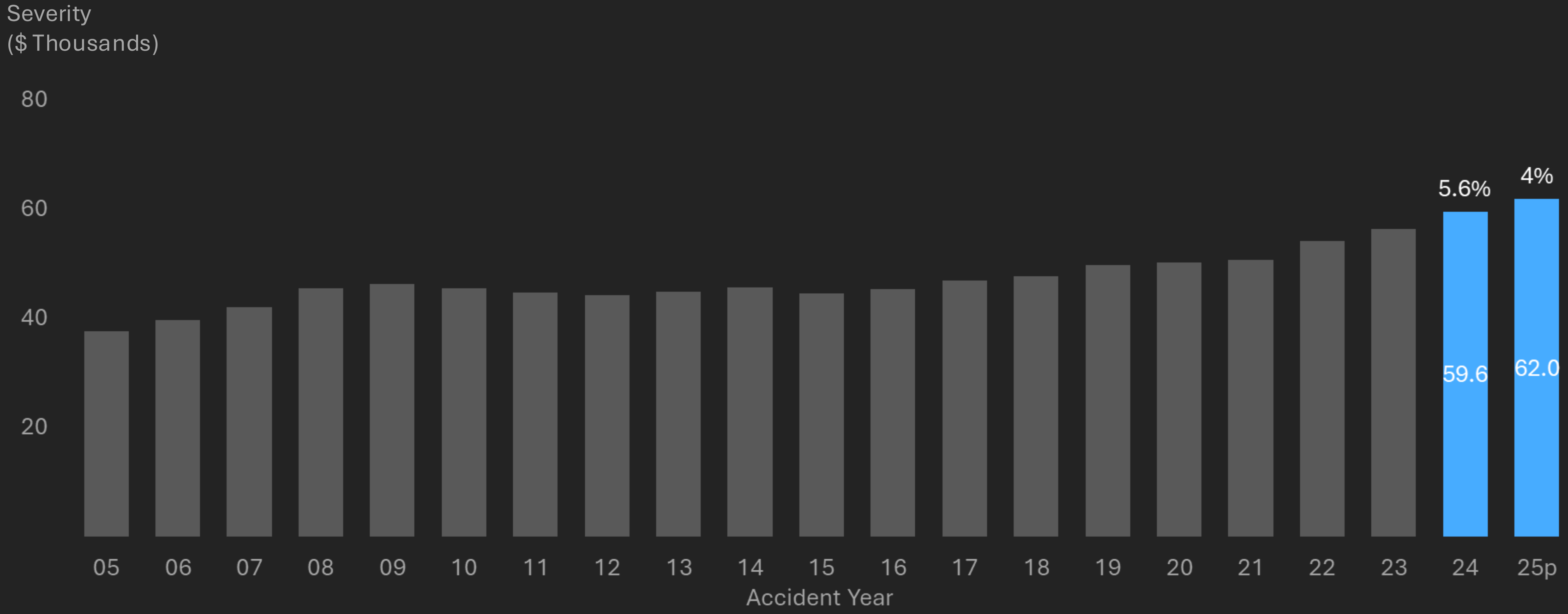


WC Loss Drivers
Frequency
Medical Severity
Indemnity Severity
Loss Ratio
Carrier Variation

AIS 2026

WC Average Total Lost-Time Claim Severity

Private Carriers and State Funds—NCCI States



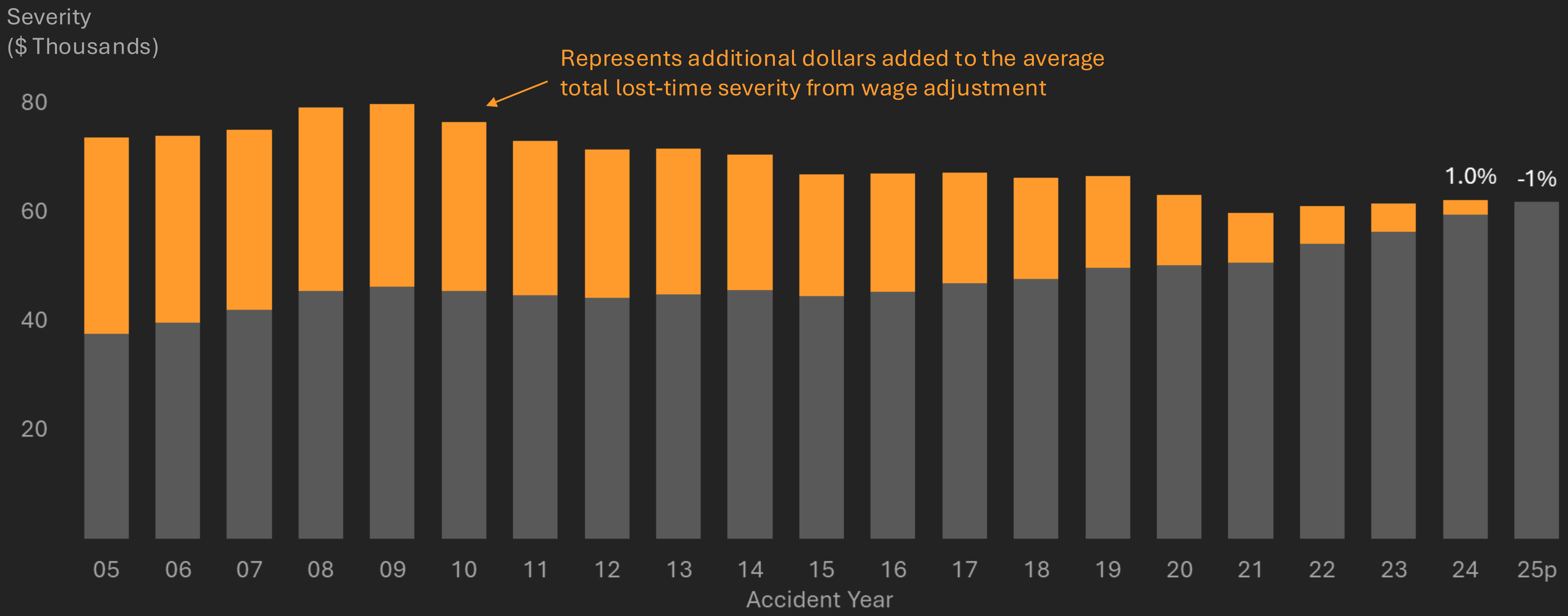
p Preliminary, based on data valued as of 12/31/2025

Source: NCCI's Financial Call data, developed to ultimate, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023
Values displayed reflect the methodology underlying the most recent rate/loss cost filing
Includes all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS 2026

WC Average Wage-Adjusted Total Lost-Time Claim Severity

Private Carriers and State Funds—NCCI States



p Preliminary, based on data valued as of 12/31/2025

Sources: US Average Weekly Wage: 2005–2007, 2012–2019, and 2022–2024 Quarterly Census of Employment and Wages (QCEW) and US Bureau of Labor Statistics (BLS); 2008–2011 and 2020–2021 NCCI and QCEW; 2025p BLS, US Bureau of Economic Analysis (BEA), and NCCI

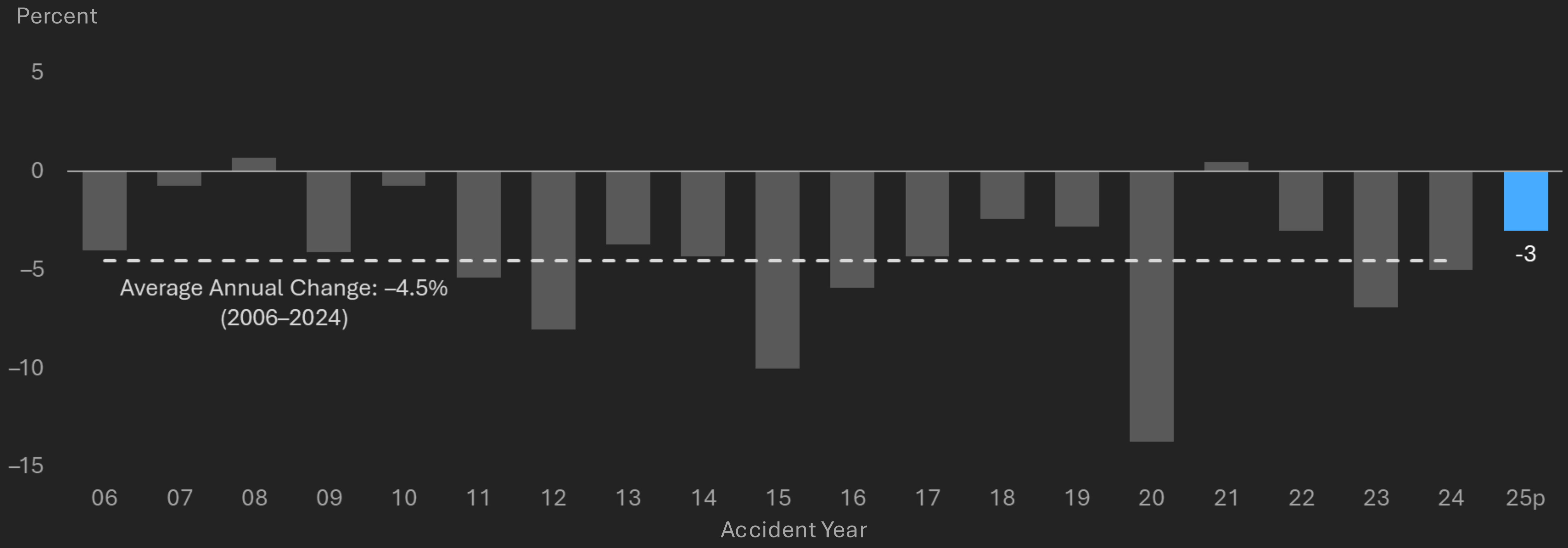
Severity: NCCI's Financial Call data, developed to ultimate, adjusted to current wage level, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023; values displayed reflect the methodology underlying the most recent rate/loss cost filing

Includes all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS 2026

WC Average Lost-Time Loss Ratio

Change in Loss to Premium, Private Carriers and State Funds—NCCI States



Premium in 2010–2011 and 2019–2023 is adjusted to reflect the impact of changes in audit activity
p Preliminary, based on data valued as of 12/31/2025
Source: NCCI's Financial Call data, developed to ultimate, premium adjusted to voluntary pure premium level, excludes large-deductible policies; based on data through 12/31/2024; excludes COVID-19 claims through 7/1/2023; values displayed reflect the methodology underlying the most recent rate/loss cost filing
Premium includes all states where NCCI provides ratemaking services; TX is excluded through 2006, and WV is excluded through 2011
Losses include all states where NCCI provides ratemaking services; TX is excluded through 2010, and WV is excluded through 2014

AIS 2026

Net written premium flat

Payroll change components:

0.5% Employment

4.3% Wage Rate

Loss costs continue to decline, although at a more moderate pace

Wage-adjusted changes:

–2% Claim frequency

–1% Total severity

Unadjusted severity changes:

4% Medical

4% Indemnity

WC Loss Drivers

2025 reported combined ratios:

AY	CY
102%	**91%**

$14 billion

reserve redundancy

Workers Comp

P/C Results

P/C Industry growth slowed overall, while WC was flat

93% Lowest combined ratio in nearly two decades

WC Premium

–0.2% change in **net written premium**

–5.0% 2026 NCCI loss cost change

Payroll change components:

0.5% Employment

4.3% Wage Rate

WC Results

2025 reported combined ratios:

CY **91%**

AY **102%**

$14 billion reserve redundancy

WC Loss Drivers

Wage-adjusted changes:

–2% Claim frequency

–1% Total severity

Unadjusted severity changes:

4% Medical

4% Indemnity

2025 Workers Compensation Insights

AIS 2026

QUESTIONS?