

WCIRB Actuarial Committee Meeting

June 24, 2025

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Table of Contents/Agenda

1. AC25-06-01: 3/31/2025 Experience Review

01

3/31/2025 Experience Review



Summary of 3/31/2025 Experience

As of March 31, 2025

- Approximately 99% of market included
- Key insights:
 - Indemnity claim count development increasing
 - AY 2024 claim frequency trend up
 - AY 2024 medical severity increase moderated somewhat
 - Early period incurred medical development continuing to increase while paid medical development is flattening
 - Gap between medical adjusted paid and hybrid incurred methods narrowing
- Projected loss ratio based on 03/31/2025 experience and 9/1/2025 methodology is 0.849
 - 0.835 was reflected in 9/1/2025 filing

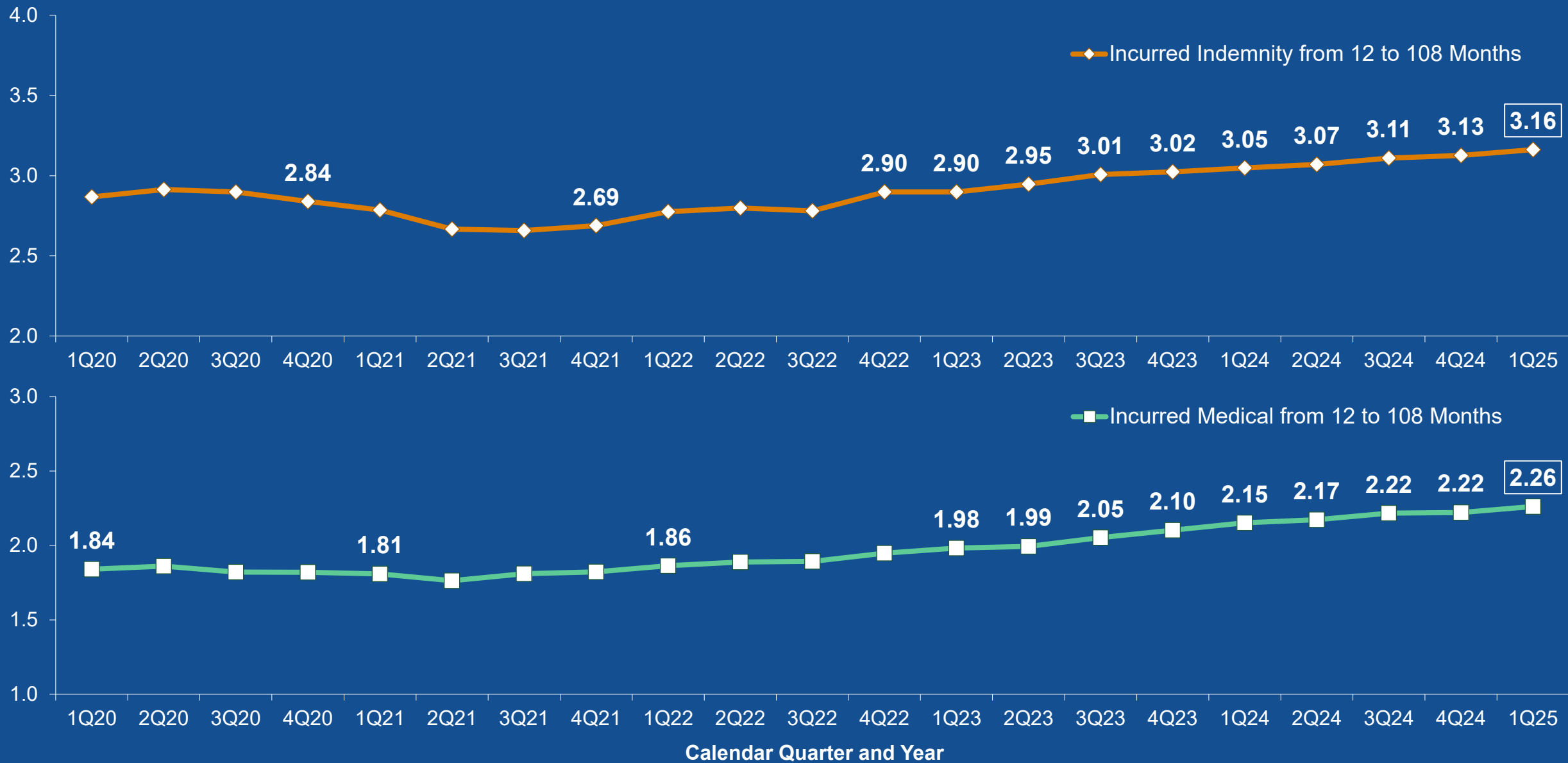
Approximate Percentage Point Change in Loss Ratio Projection

As of March 31, 2025

Factor	Change from 9/1/2025 Filing
Loss Development Emergence	0.9
AY 2024 Frequency Trend	0.3
Update to Medical CPI	0.2
Total Change	1.4

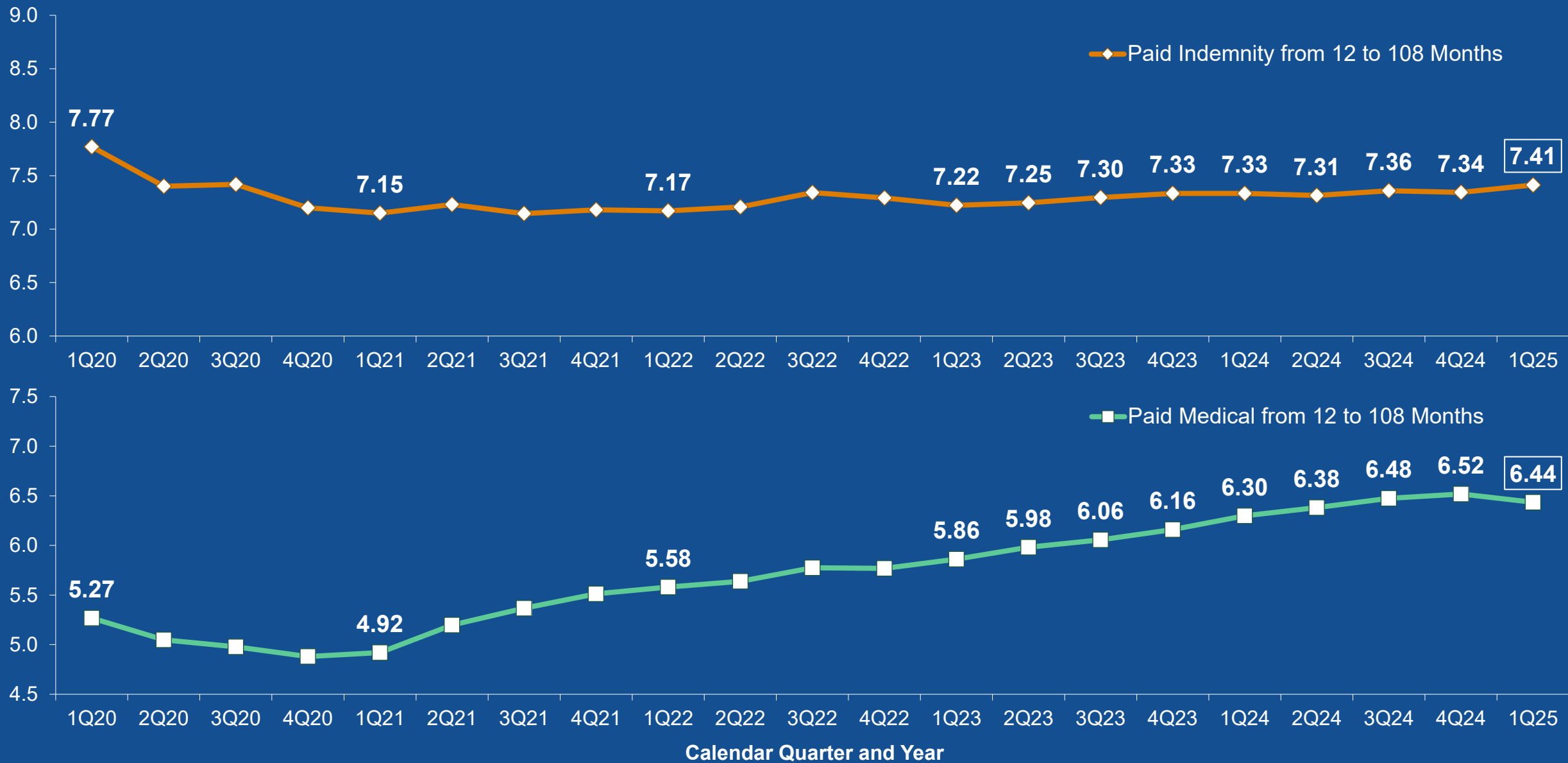
Cumulative Incurred Development from 12 to 108 Months

As of March 31, 2025



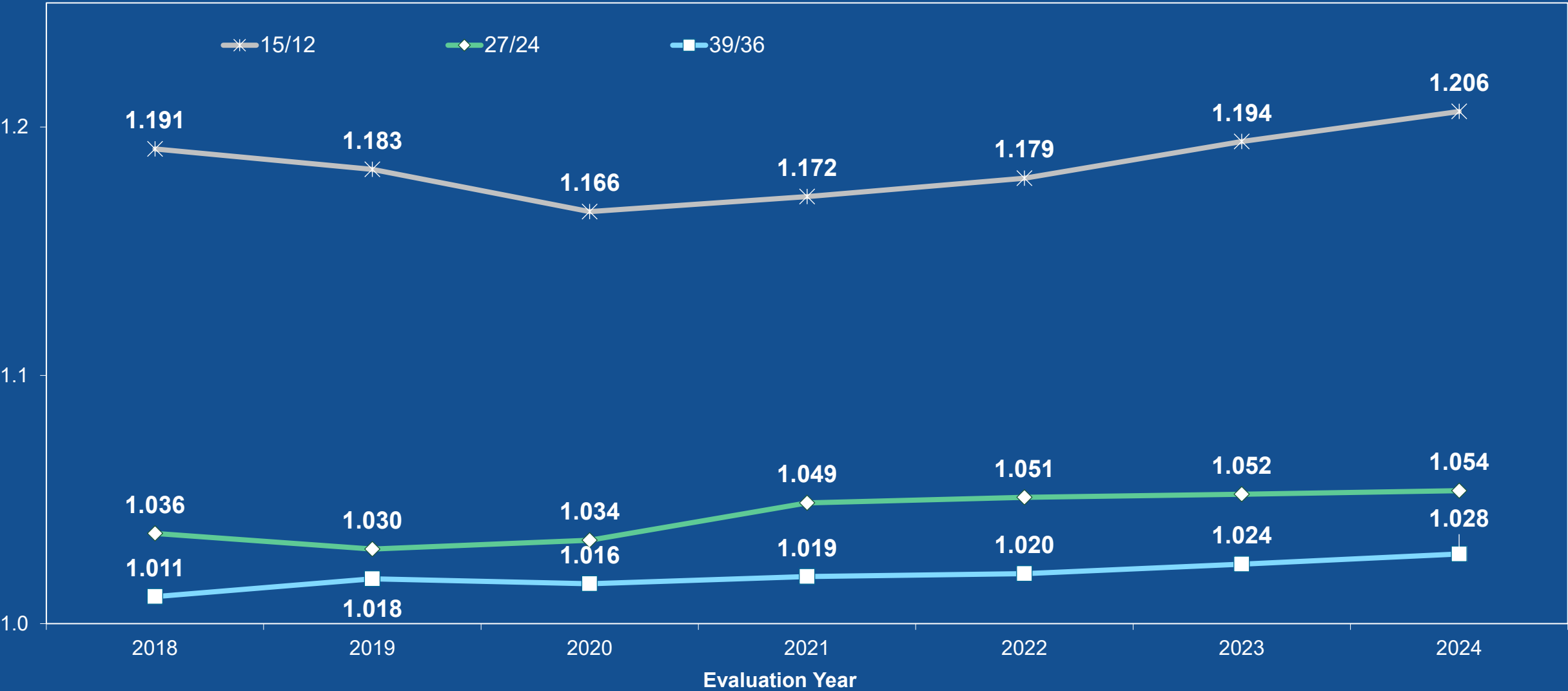
Cumulative Paid Development from 12 to 108 Months

As of March 31, 2025



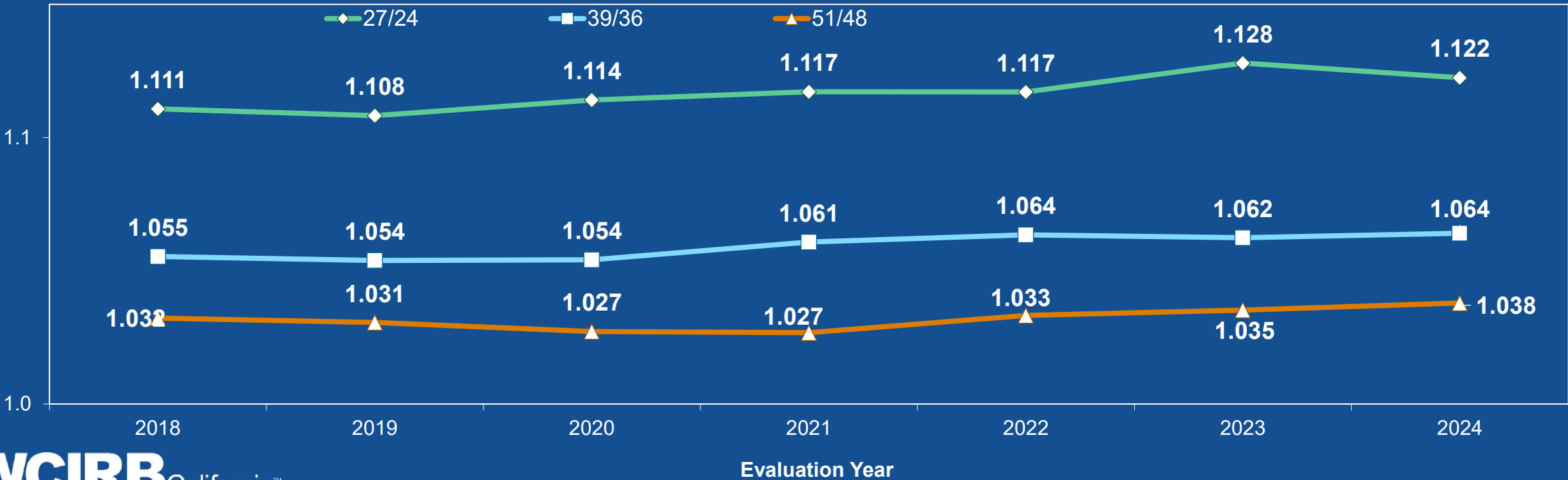
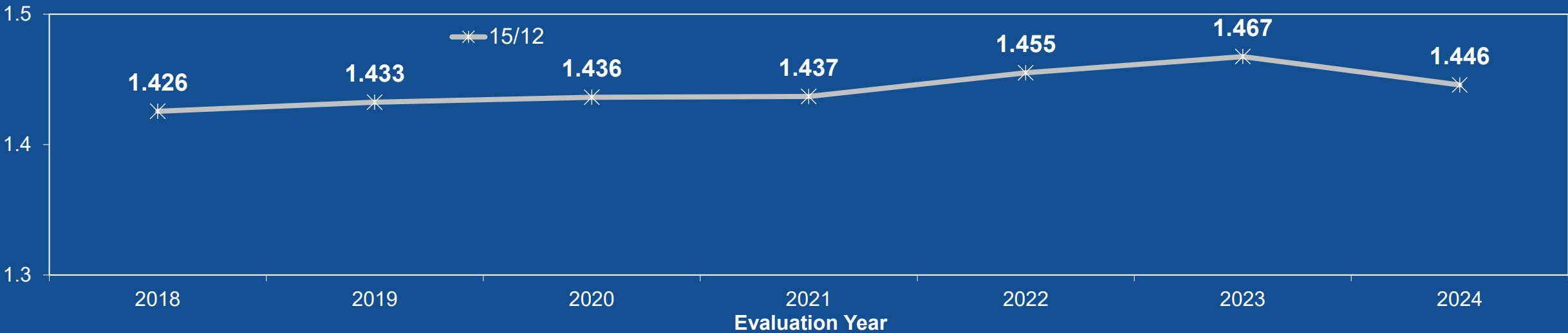
Quarterly Incurred Medical Loss Development Factors (Exhibit 9.2)

As of March 31, 2025



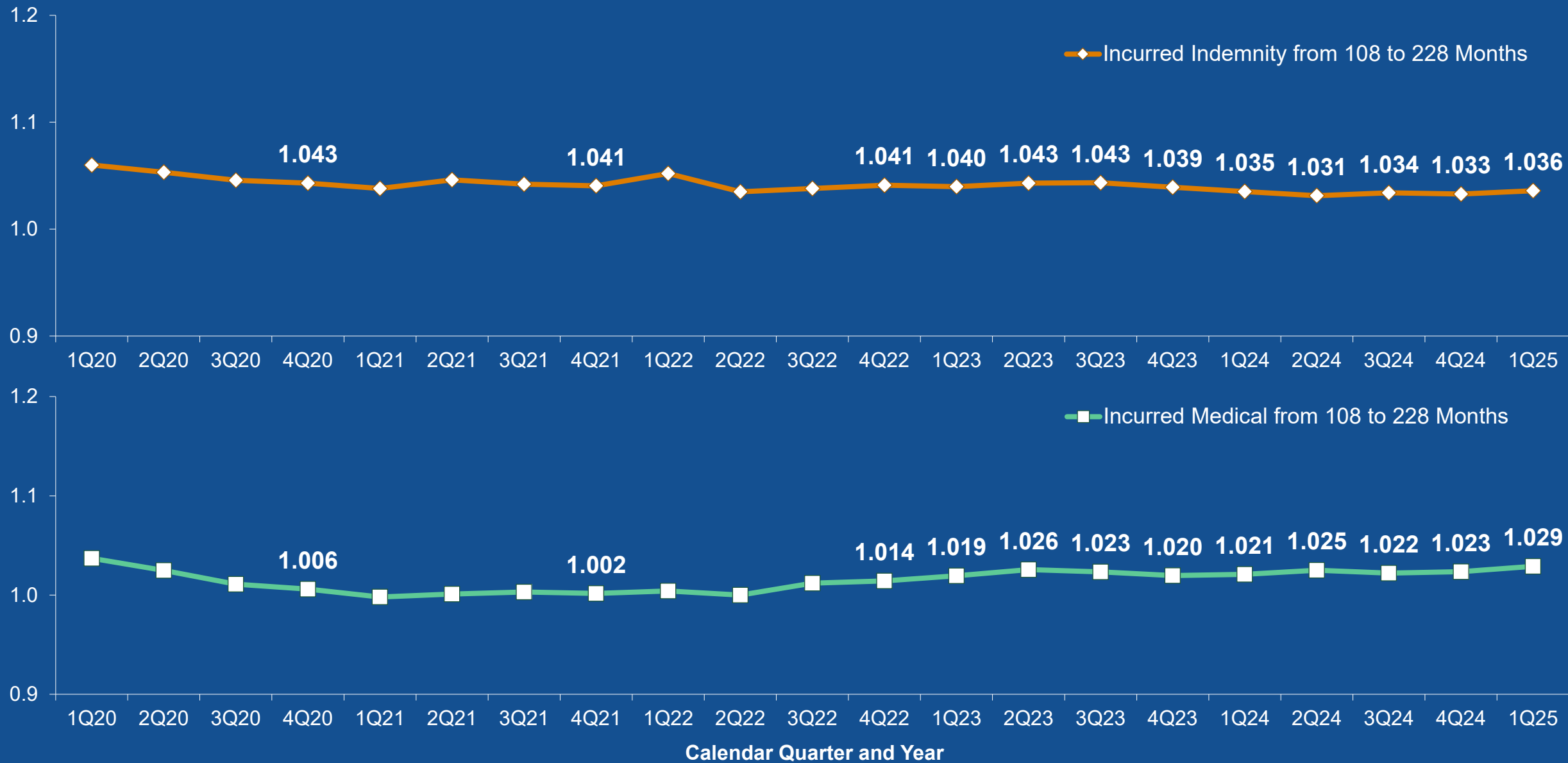
Quarterly Paid Medical Loss Development Factors (Exhibit 9.4)

As of March 31, 2025



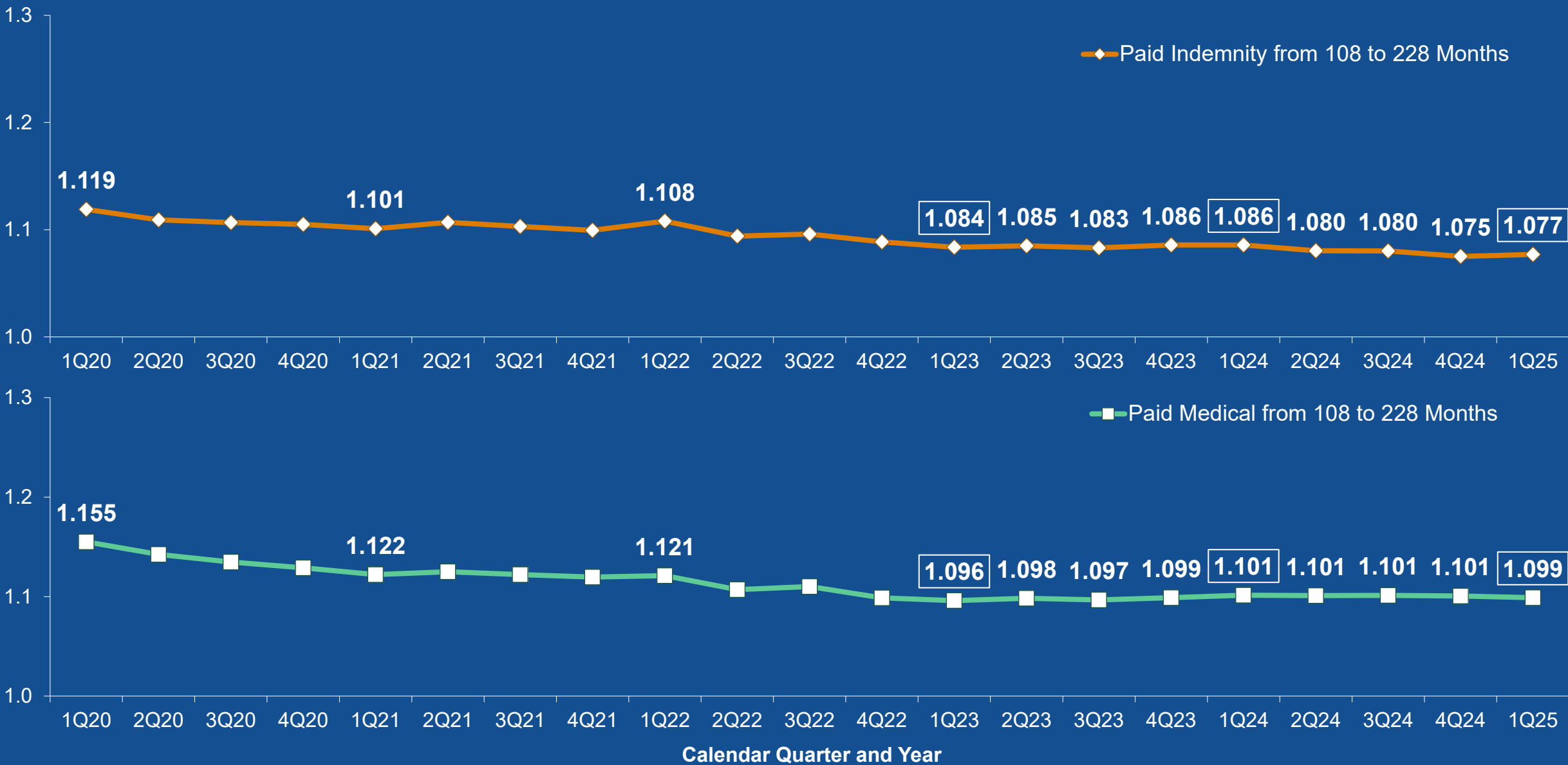
Cumulative Incurred Development from 108 to 228 Months

As of March 31, 2025



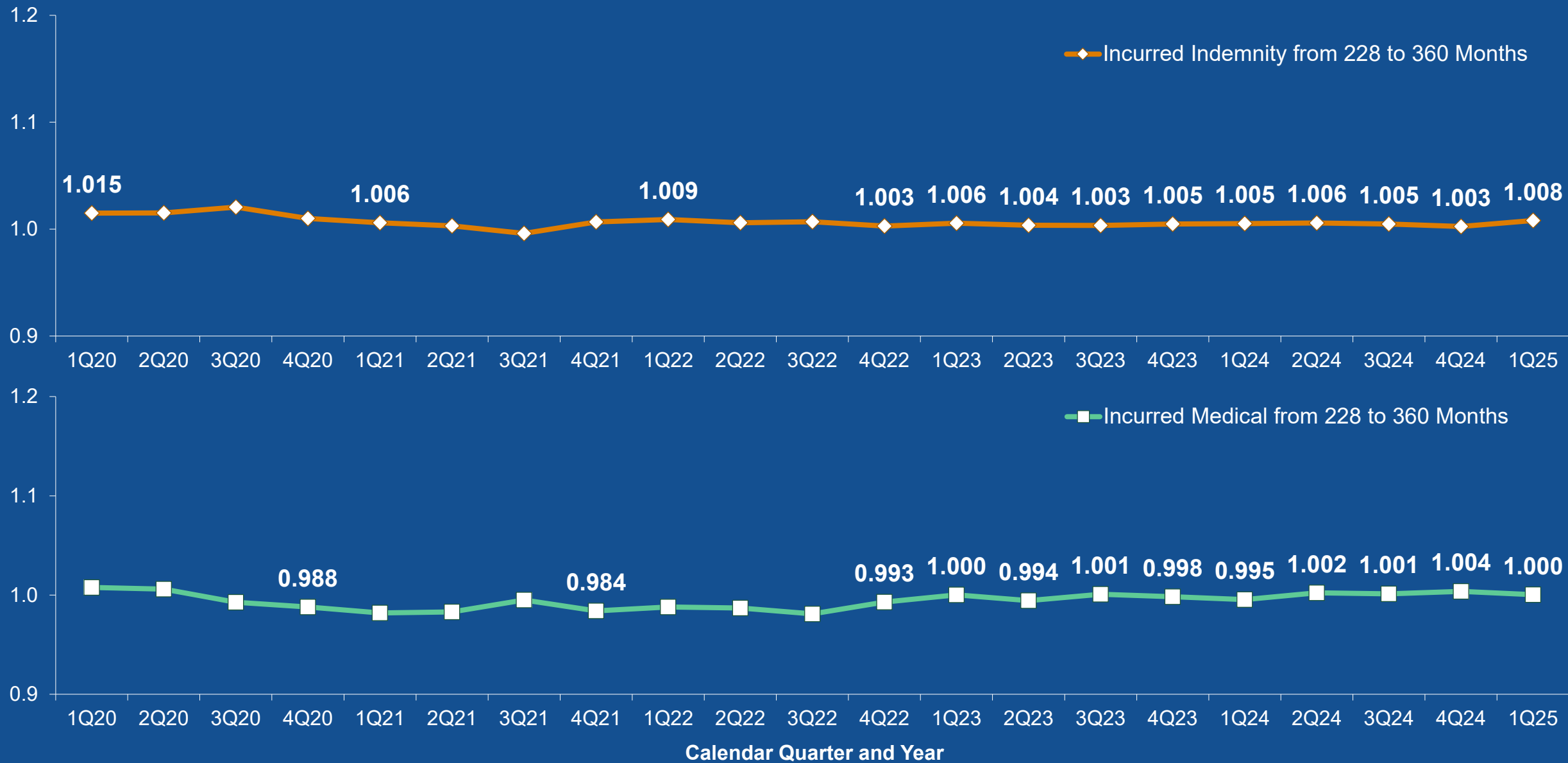
Cumulative Paid Development from 108 to 228 Months

As of March 31, 2025



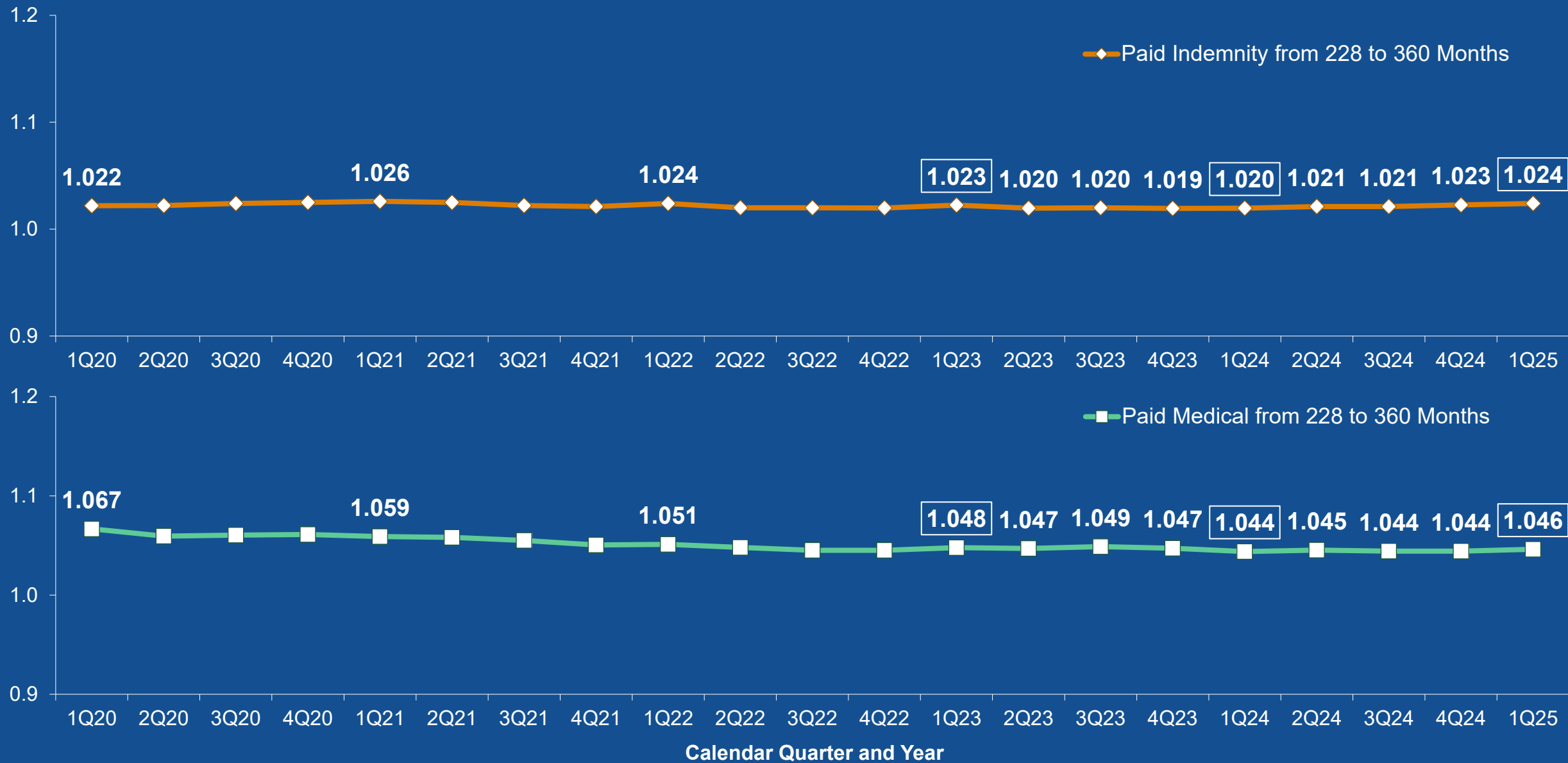
Cumulative Incurred Development from 228 to 360 Months

As of March 31, 2025



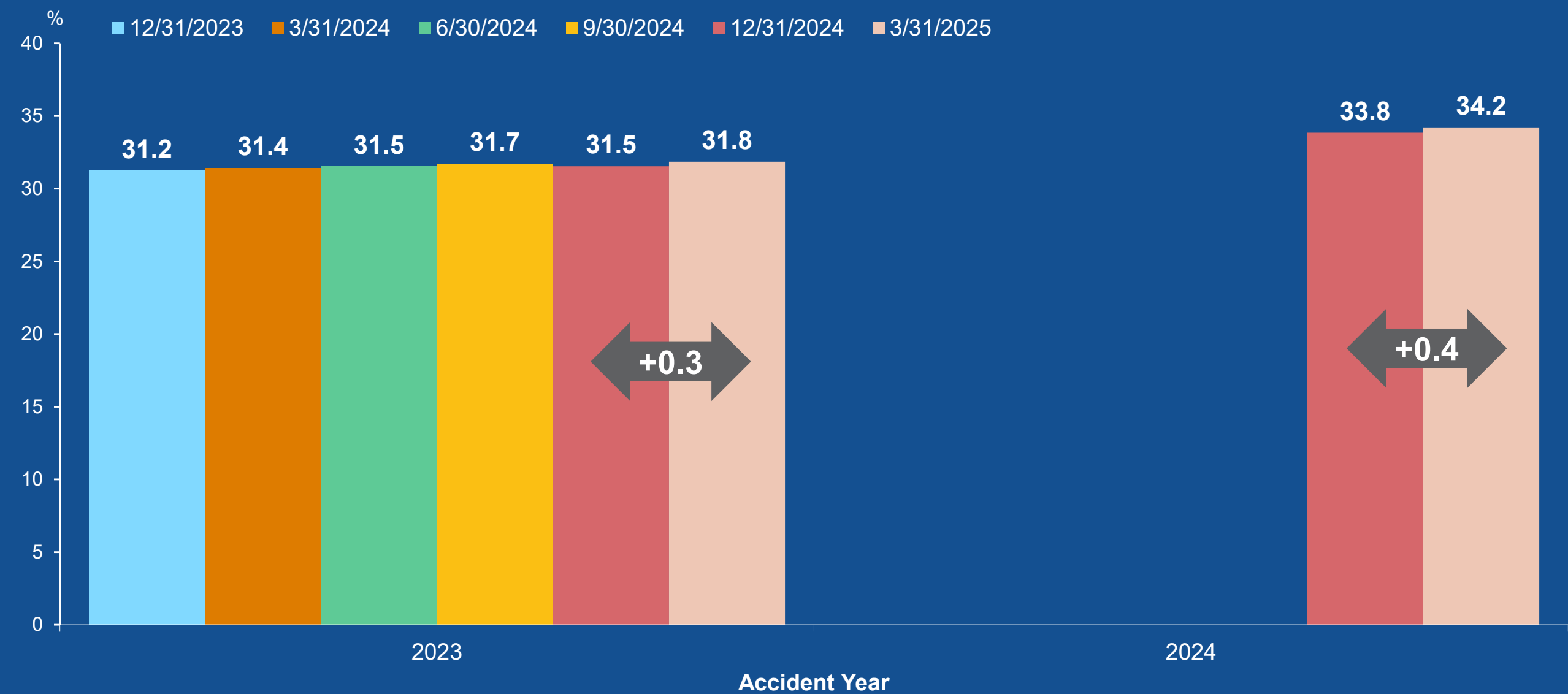
Cumulative Paid Development from 228 to 360 Months

As of March 31, 2025



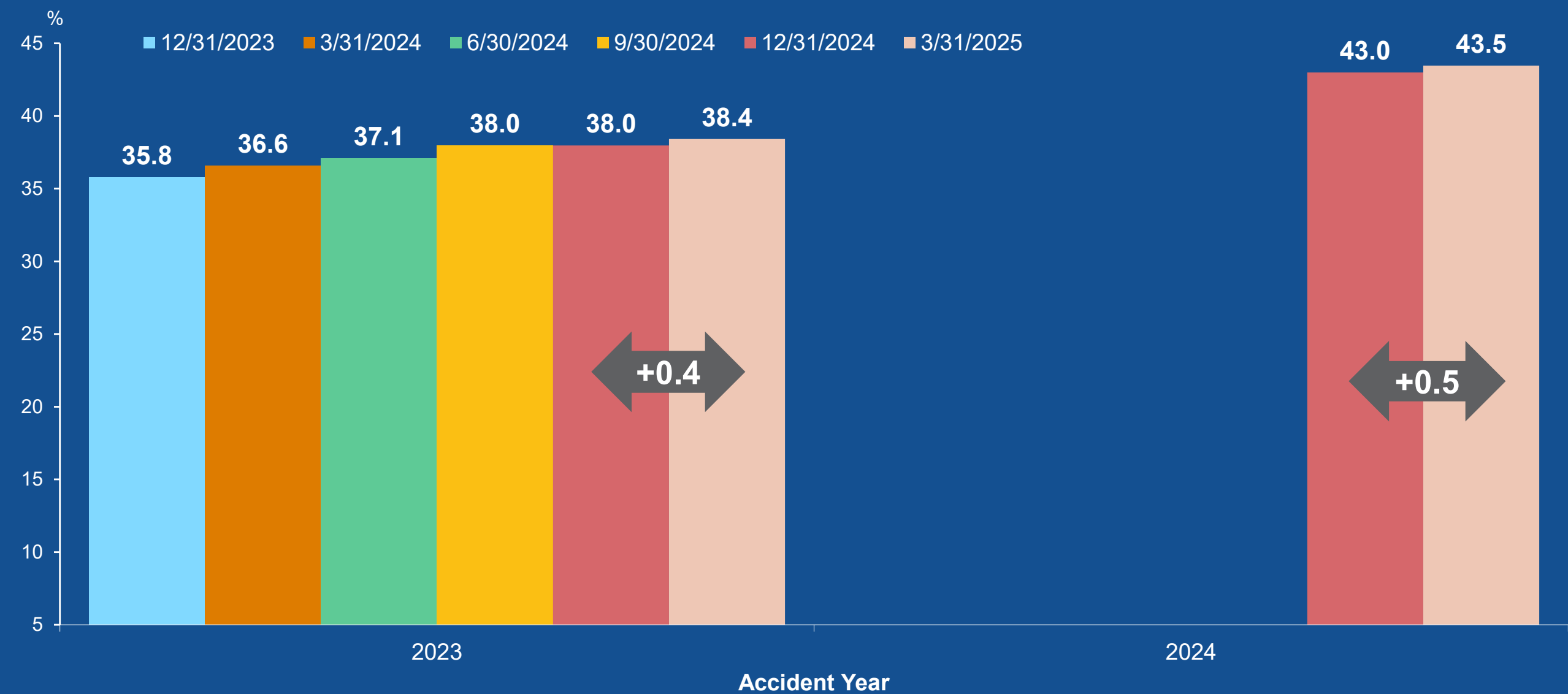
Developed Indemnity Loss Ratios (Exhibit 3.2)

As of March 31, 2025



Developed Medical Loss Ratios (Exhibit 3.4)

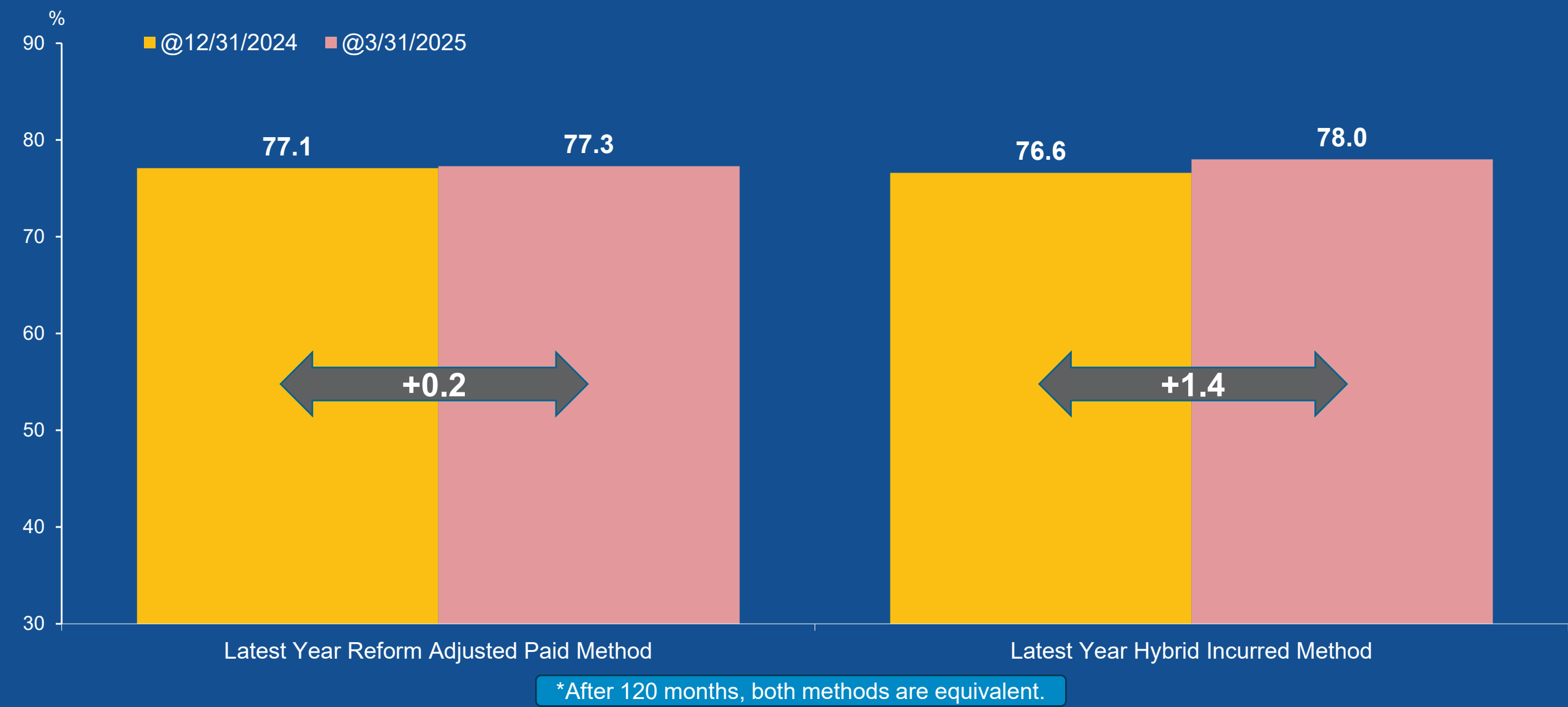
As of March 31, 2025



Note: All loss ratios are adjusted to the loss development methodology reflected in the Actuarial Committee Agenda and may not be comparable to the actual loss ratios projected at that time.
Source: WCIRB Aggregate Financial Data

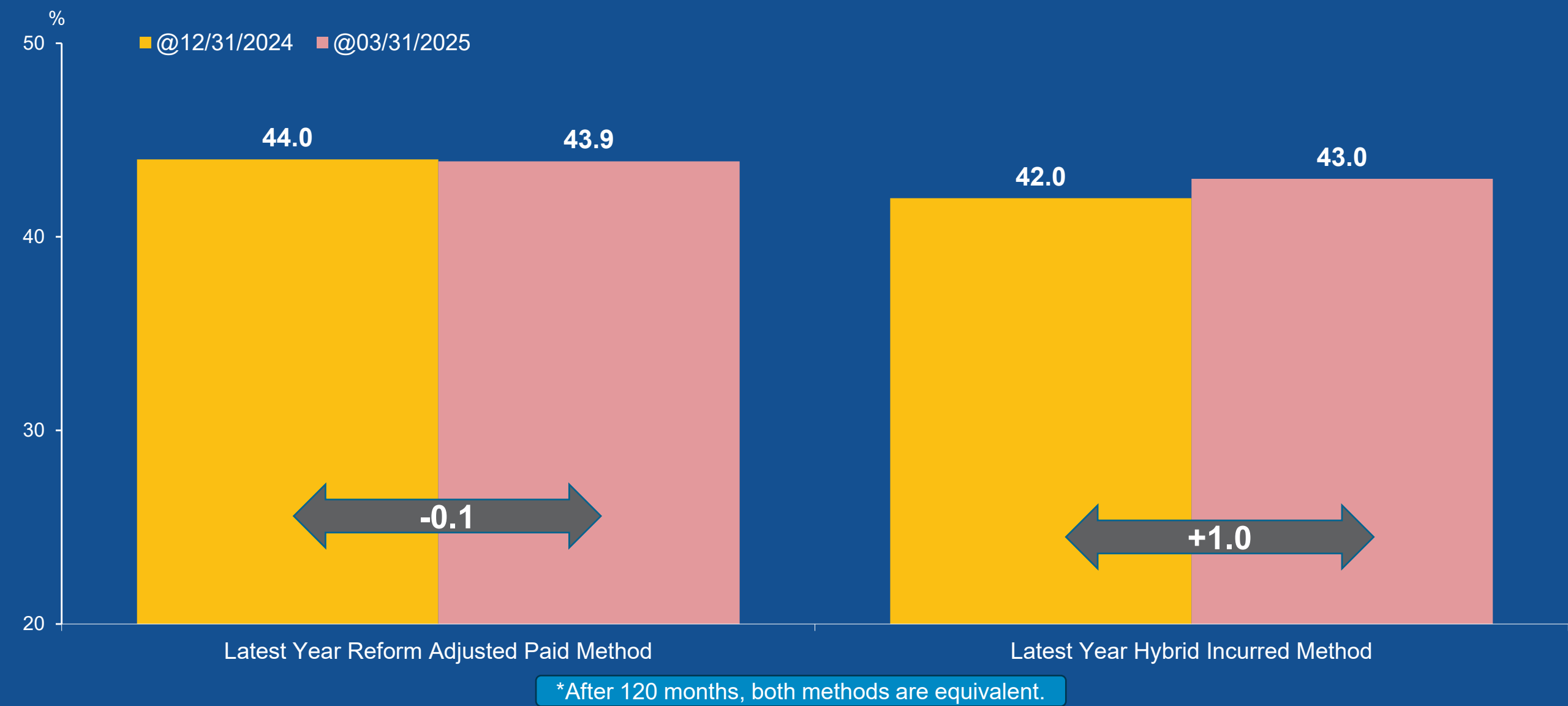
AY 2024 Developed Loss Ratio Comparison

As of March 31, 2025



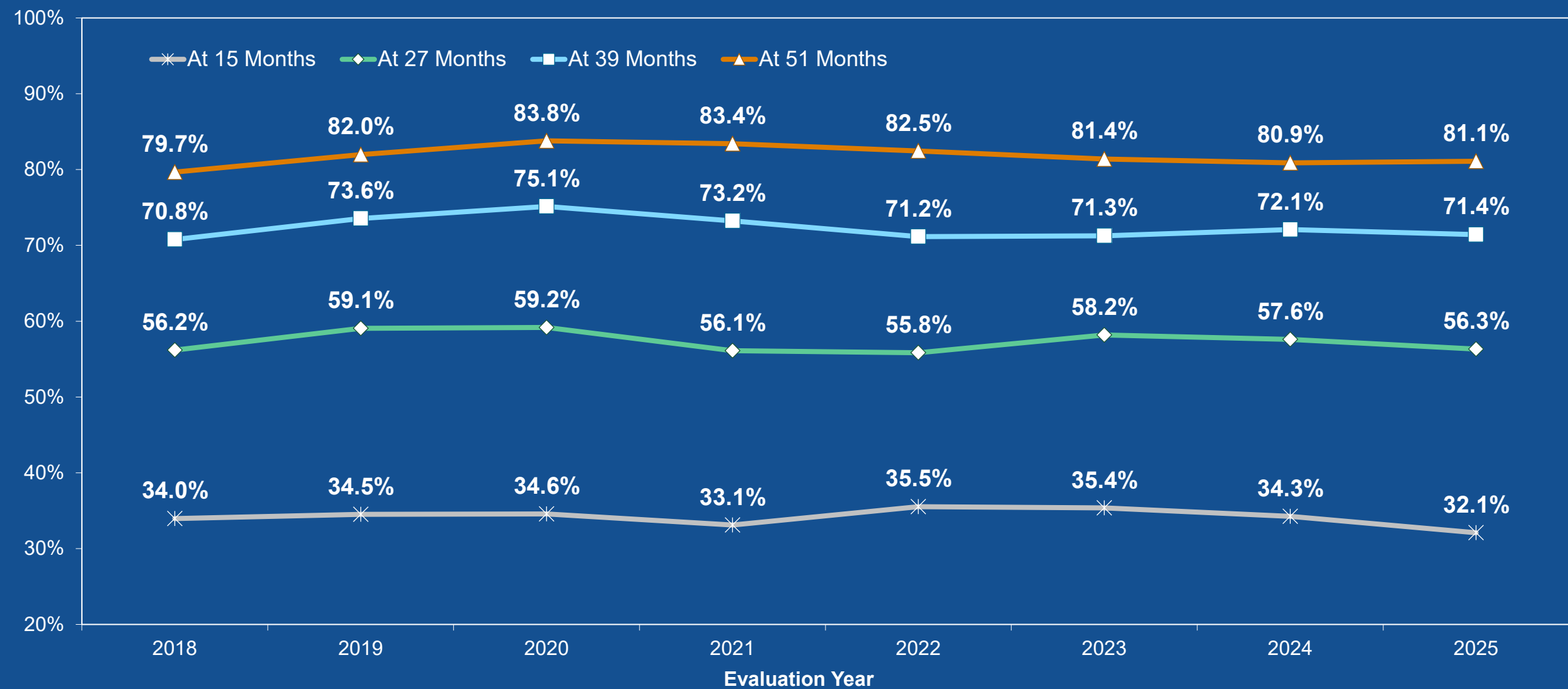
AY 2024 Developed Medical Loss Ratio Comparison

As of March 31, 2025



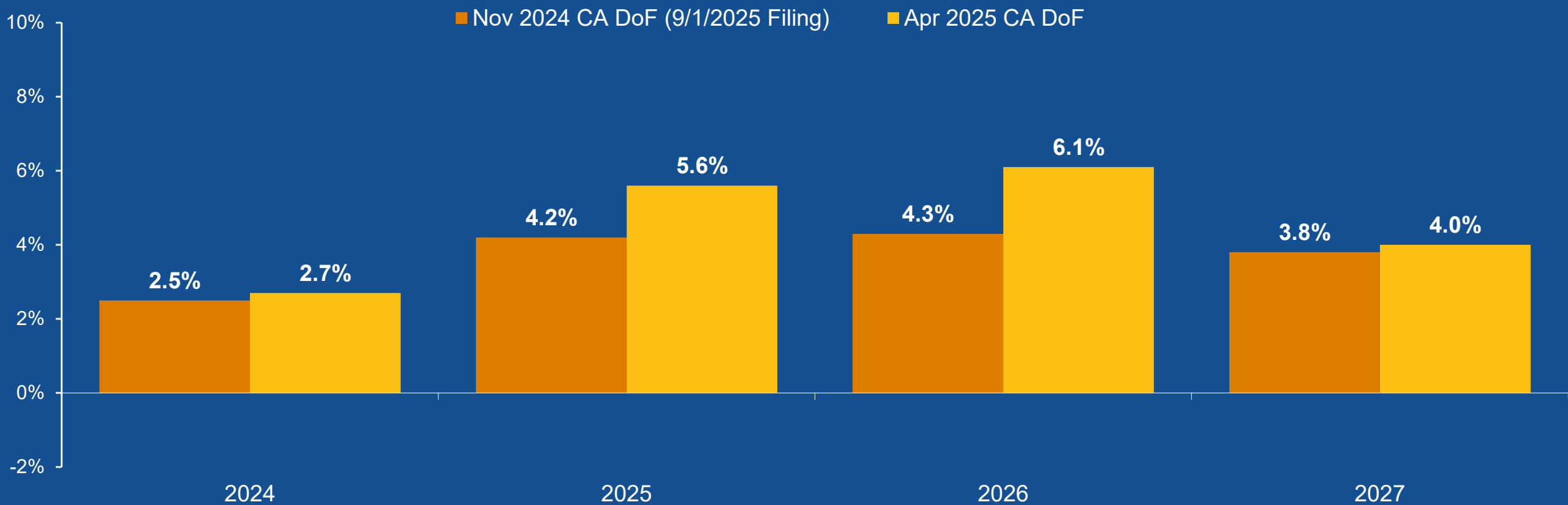
Estimated Ultimate Indemnity Claim Settlement Ratios (Exhibit 11.2)

As of March 31, 2025



Average Medical CPI Level Change Forecast (Exhibit 4.2)

As of March 31, 2025



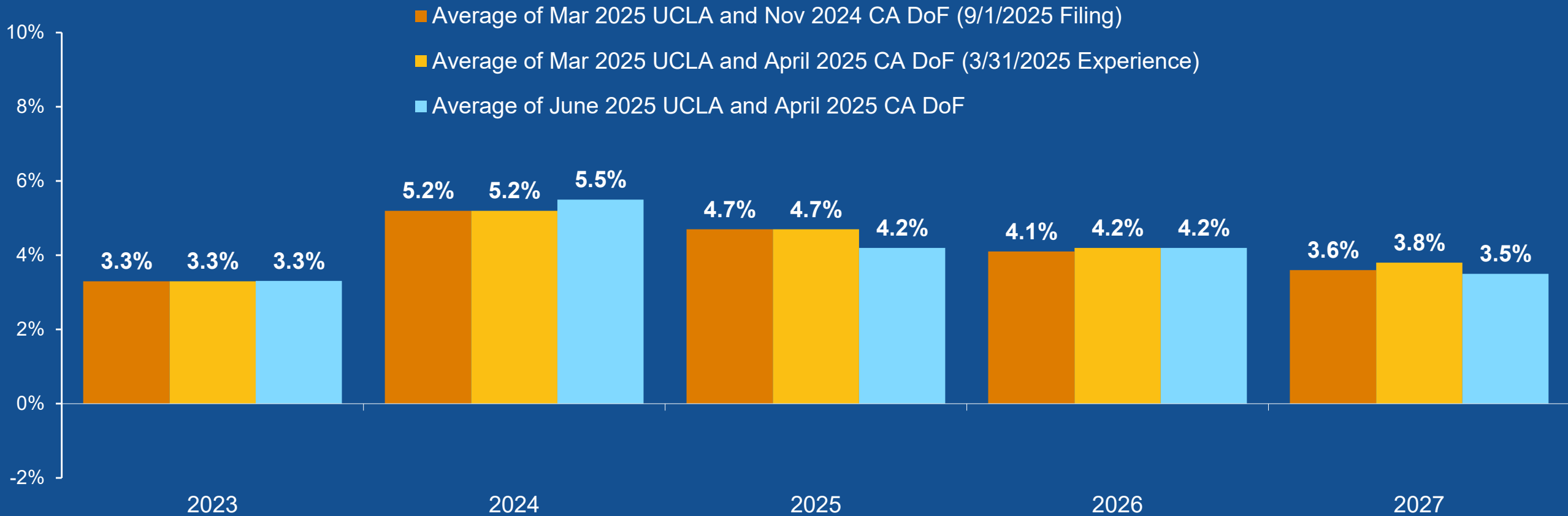
Average Annualized Medical Level Cost Change Due to Medical CPI from 2024:

9/1/2025 Filing: 0.4%

Updated Forecast: 0.6%

Average Wage Level Change Forecast (Exhibit 5.1) - Updated

As of March 31, 2025

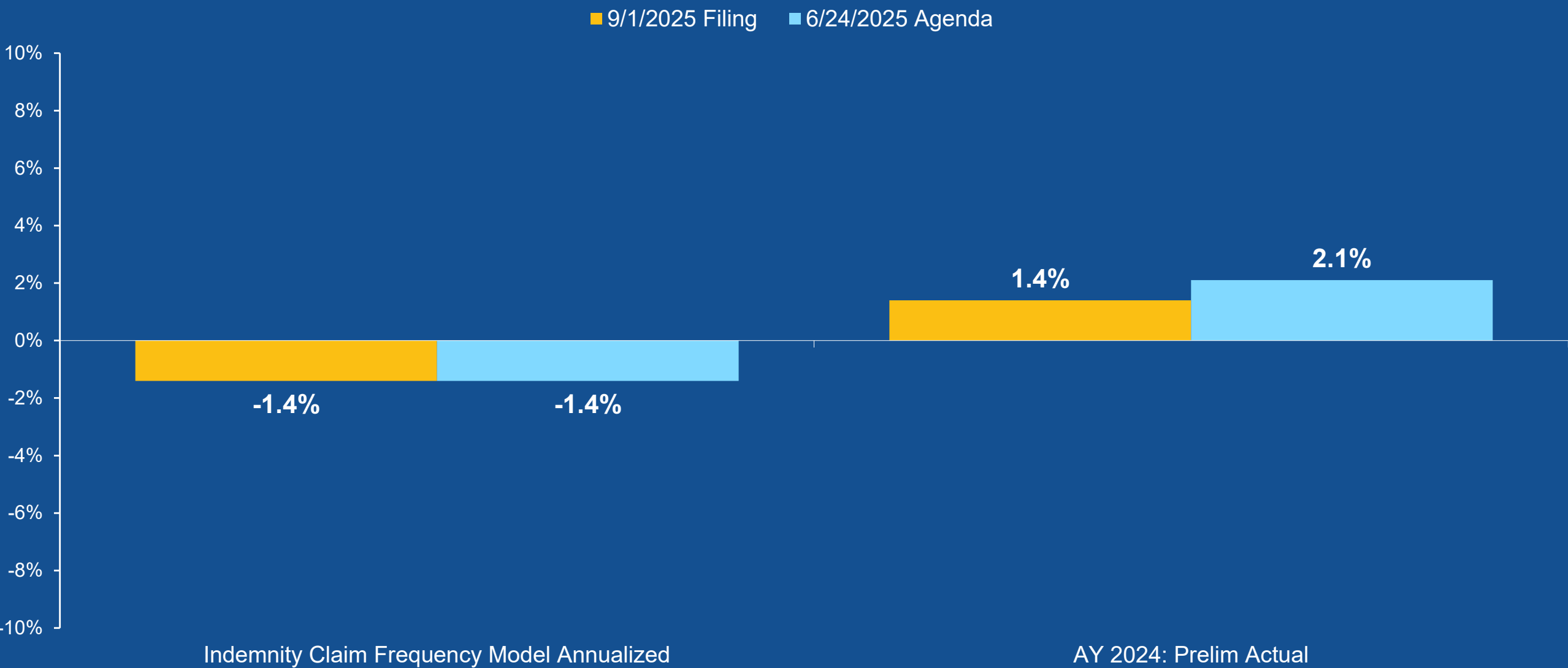


Average Annualized Wage Change Projection from 2023:

9/1/2025 Filing: 4.6%
3/31/2025 Forecast: 4.6%
w/ June UCLA: 4.6%

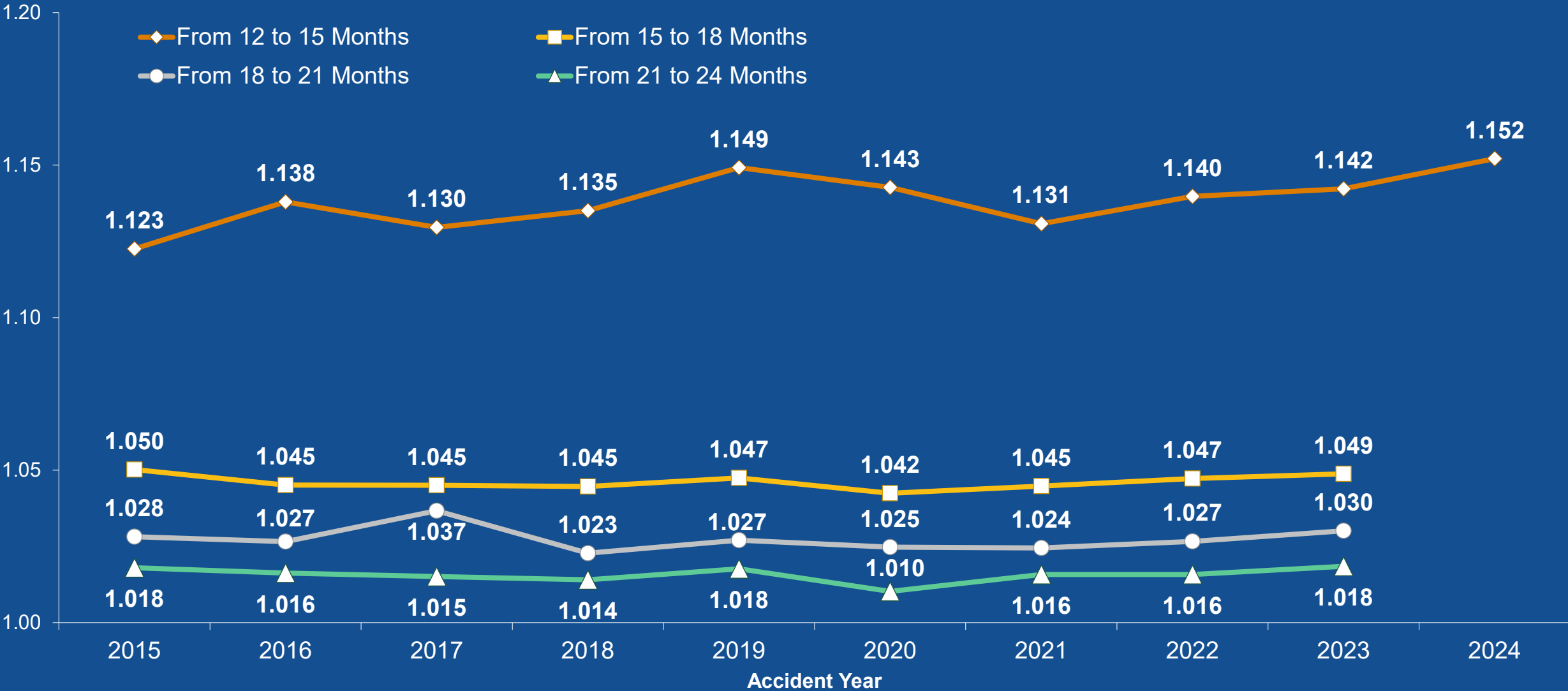
Estimated Intra-Class Indemnity Claim Frequency Change (Exhibits 6.1 and 12)

As of March 31, 2025



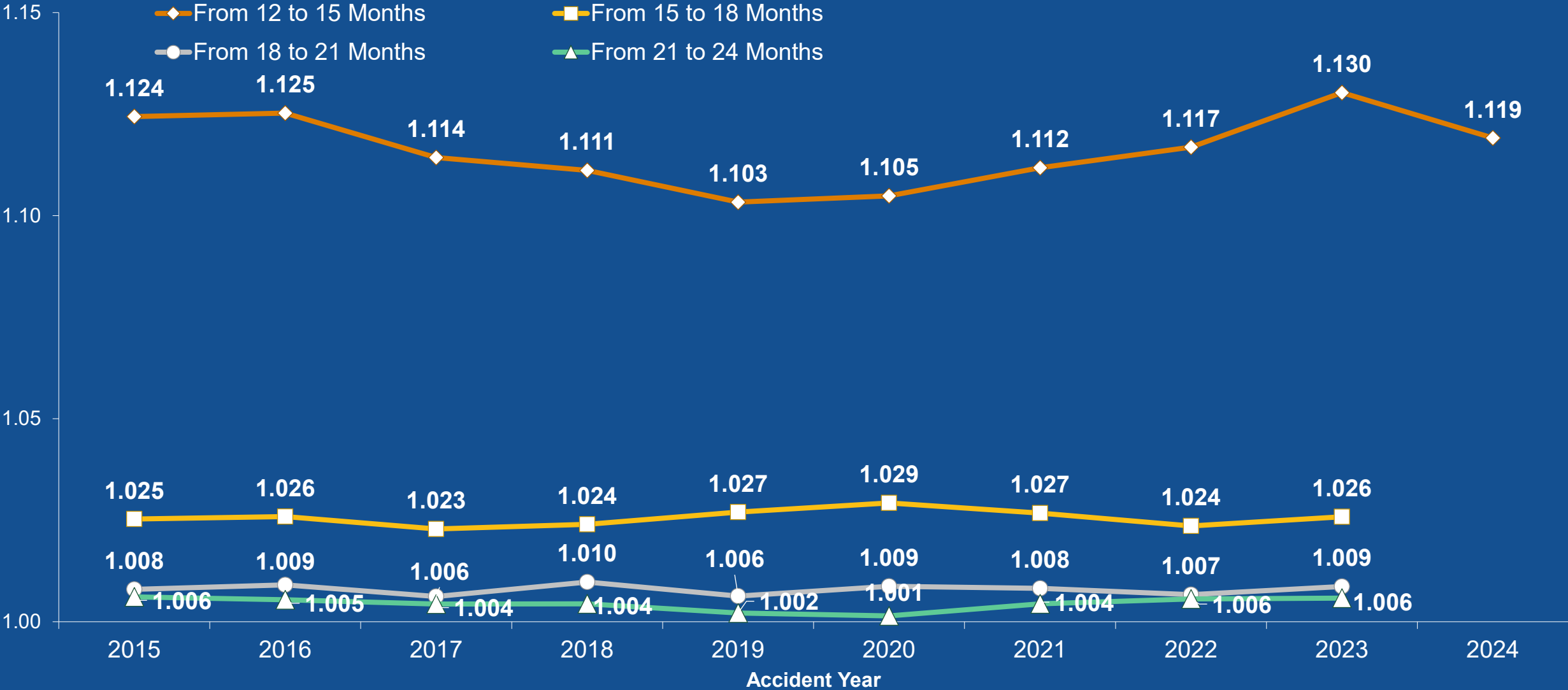
Indemnity Claim Count Development (Exhibit 10.2)

As of March 31, 2025



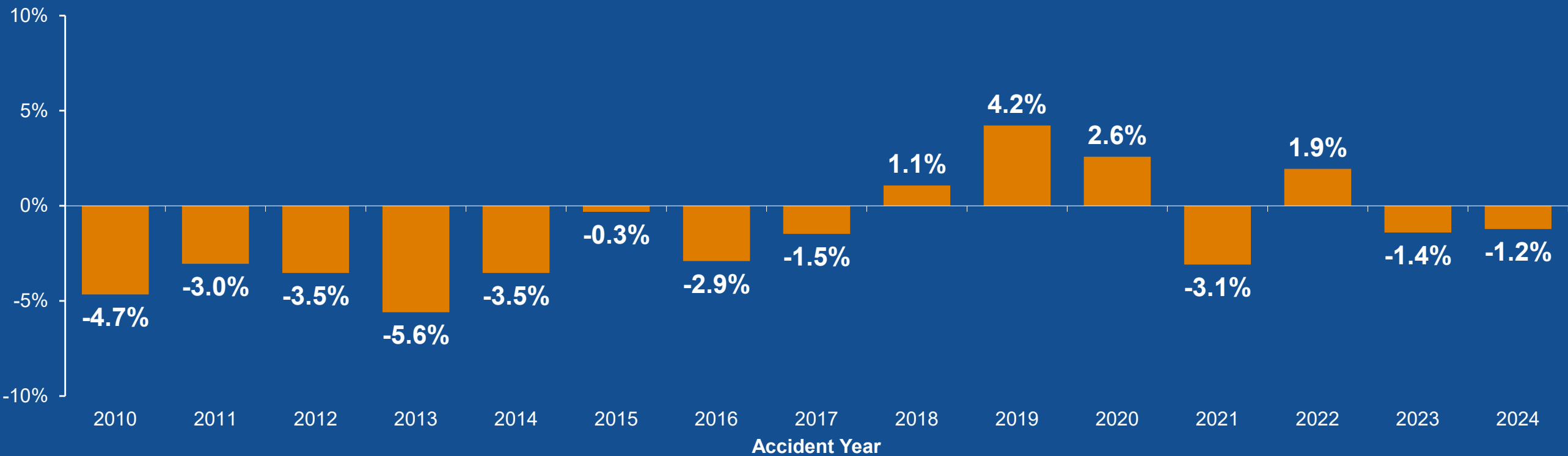
Total Claim Count Development

As of March 31, 2025



Projected Changes in On-Level Indemnity Severity (Exhibit 6.2)

As of March 31, 2025



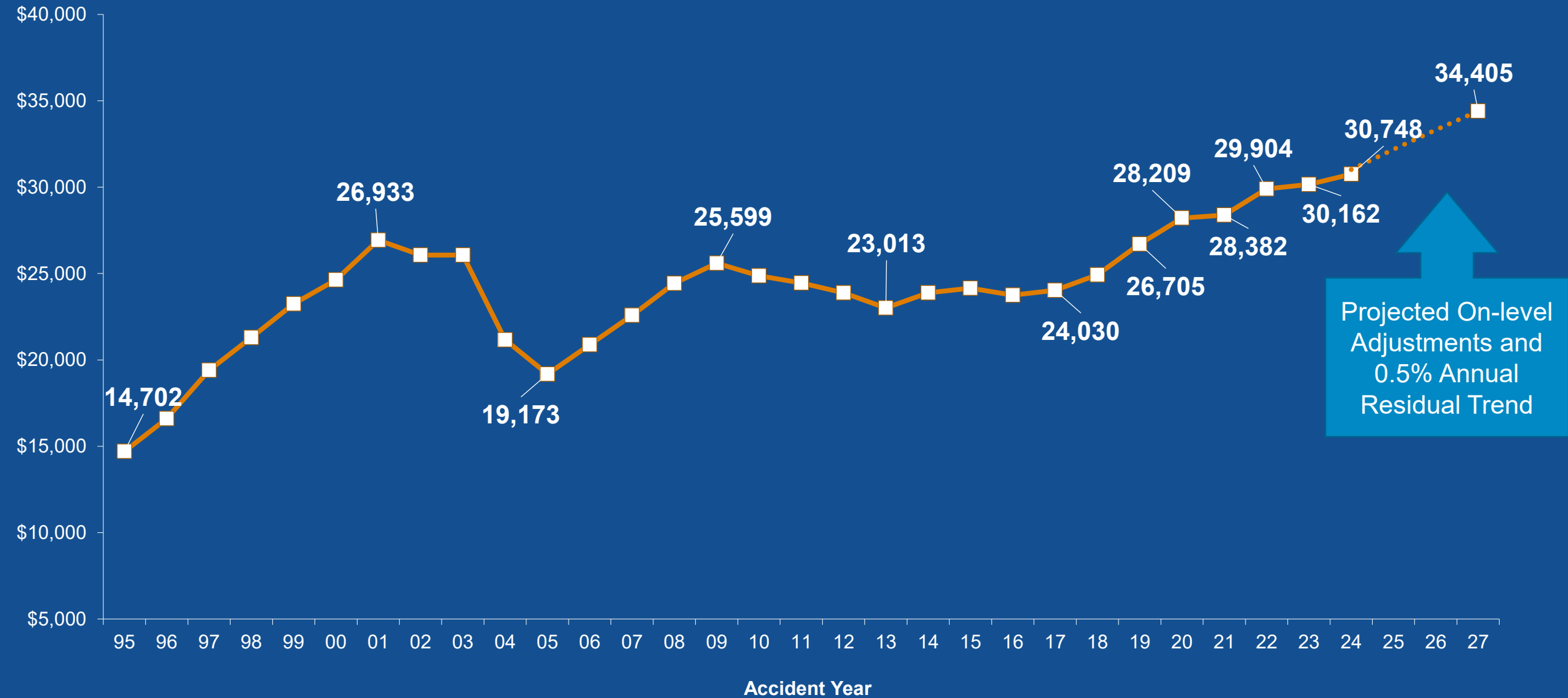
Annual Exponential Trend Based on:

- 1990 to 2024: 0.7%
- 2017 to 2024: 0.6%
- 2021 to 2024: -0.4%

6/24/2025 Agenda Selected: 0.5%

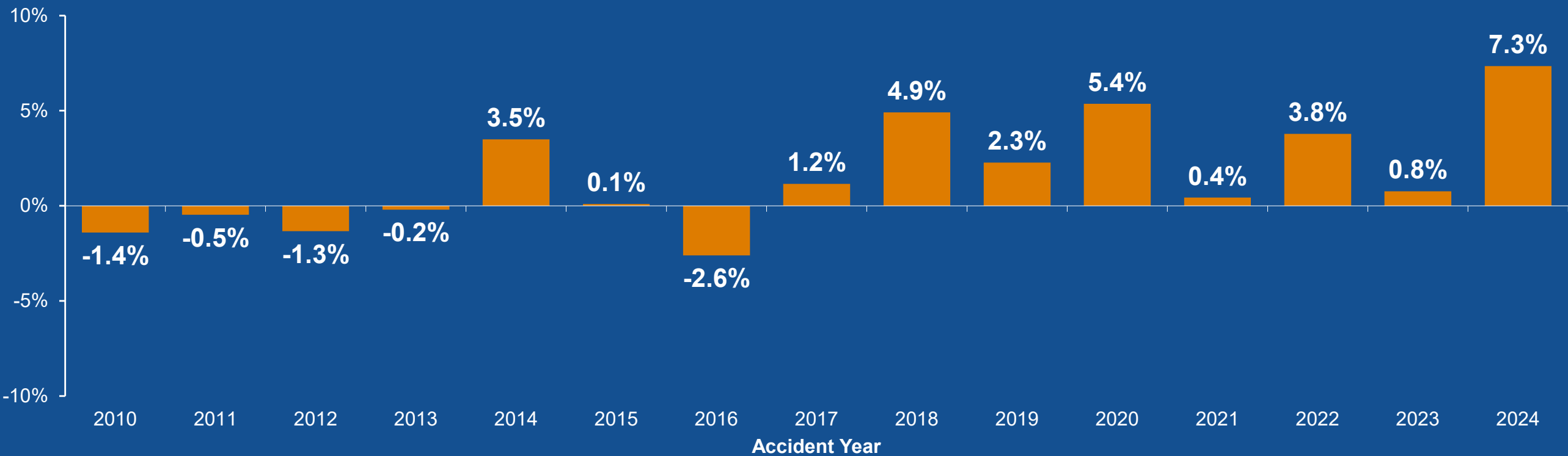
Ultimate Indemnity per Indemnity Claim

As of March 31, 2025



Projected Changes in On-Level Medical Severity (Exhibit 6.4)

As of March 31, 2025



Annual Exponential Trend Based on:

1990 to 2024 (including MCCP): 4.4%

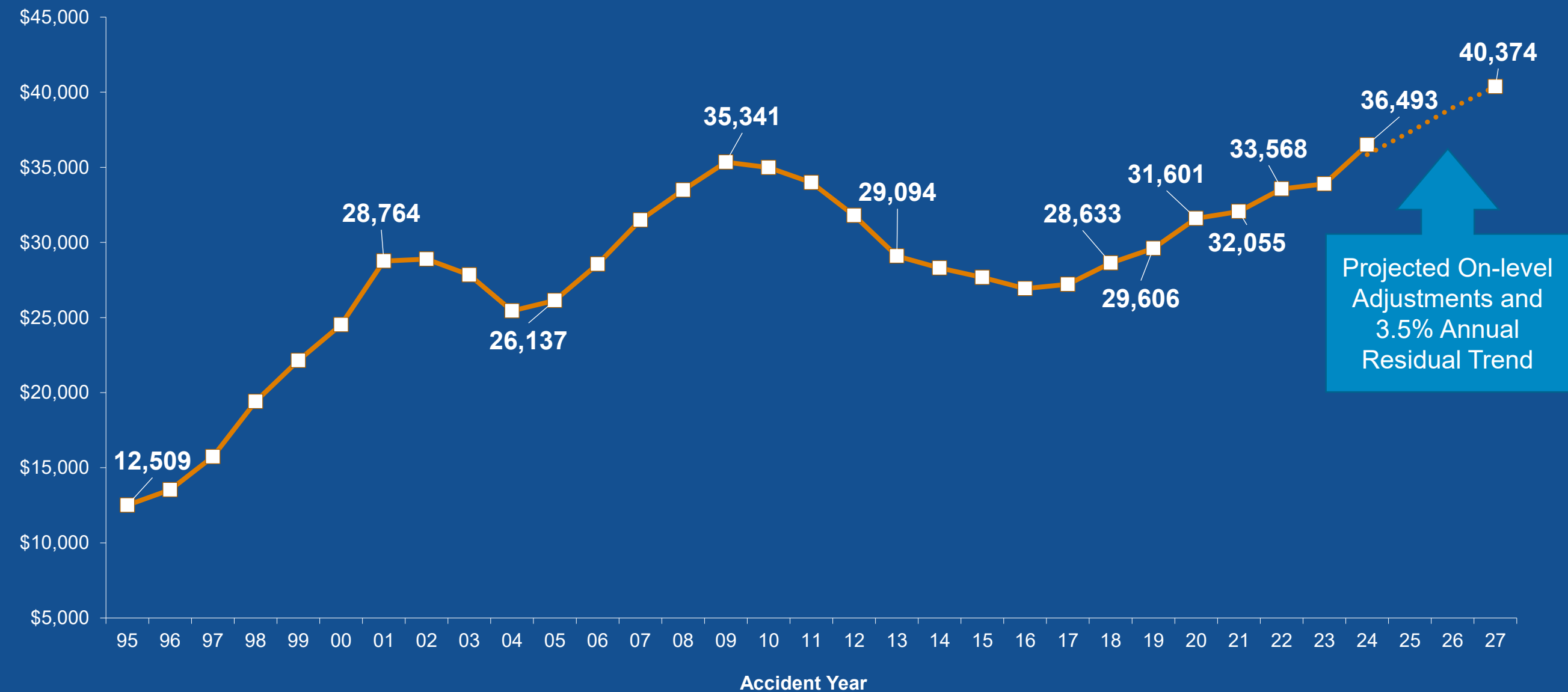
2017 to 2024: 3.1%

2021 to 2024: 3.6%

6/24/2025 Agenda Selected: 3.5%

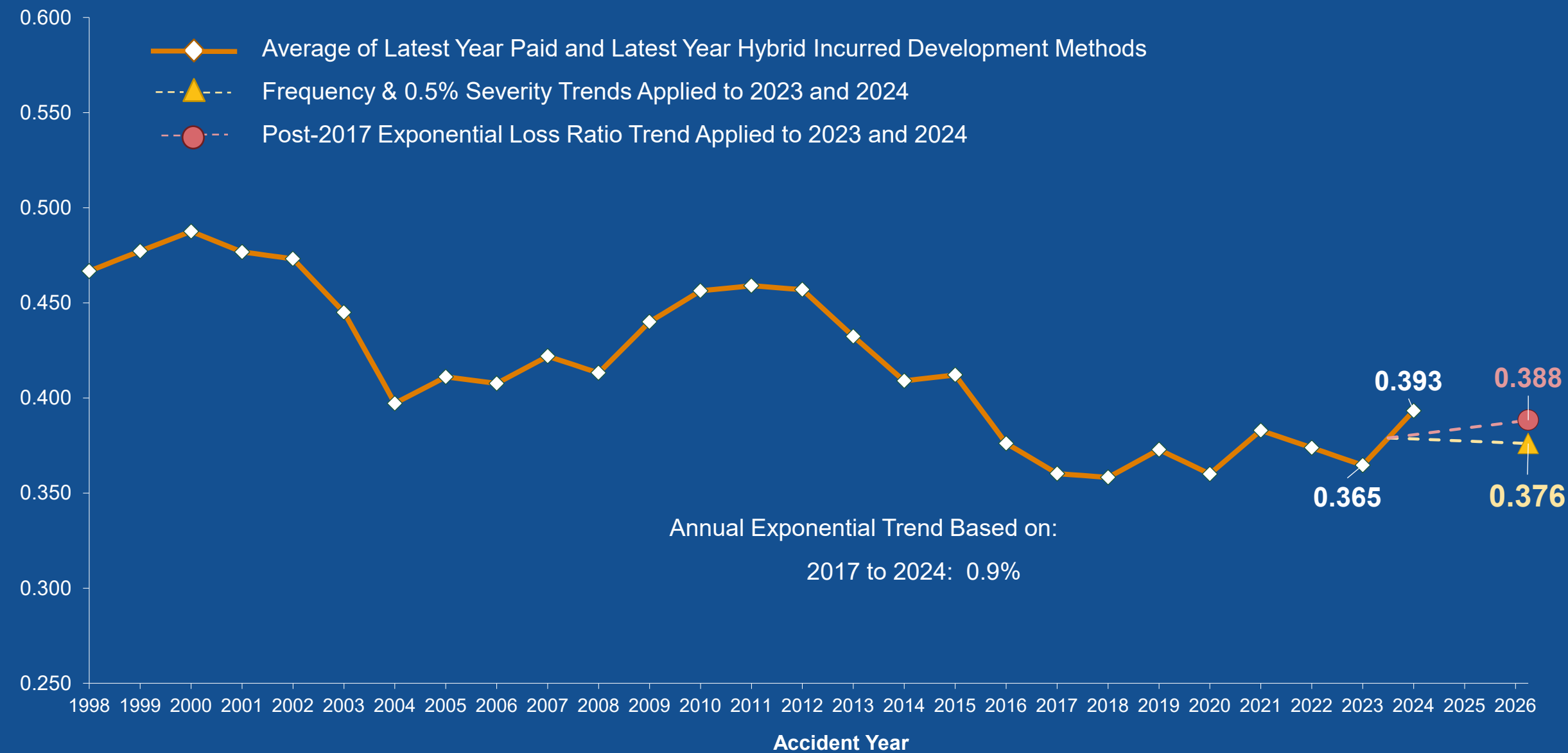
Ultimate Medical per Indemnity Claim

As of March 31, 2025



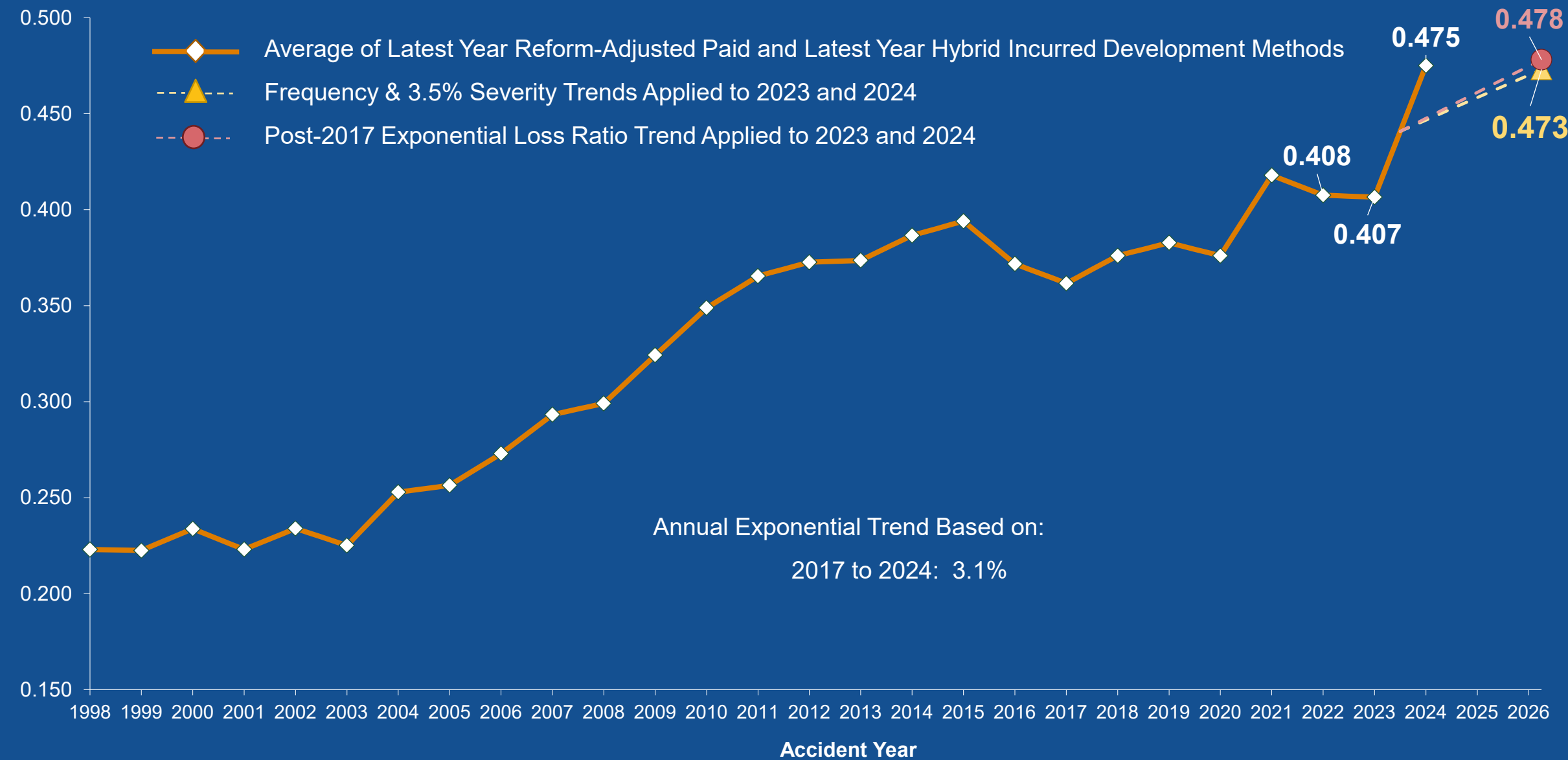
Projected On-Level Indemnity Loss Ratios (Exhibit 7.1)

As of March 31, 2025

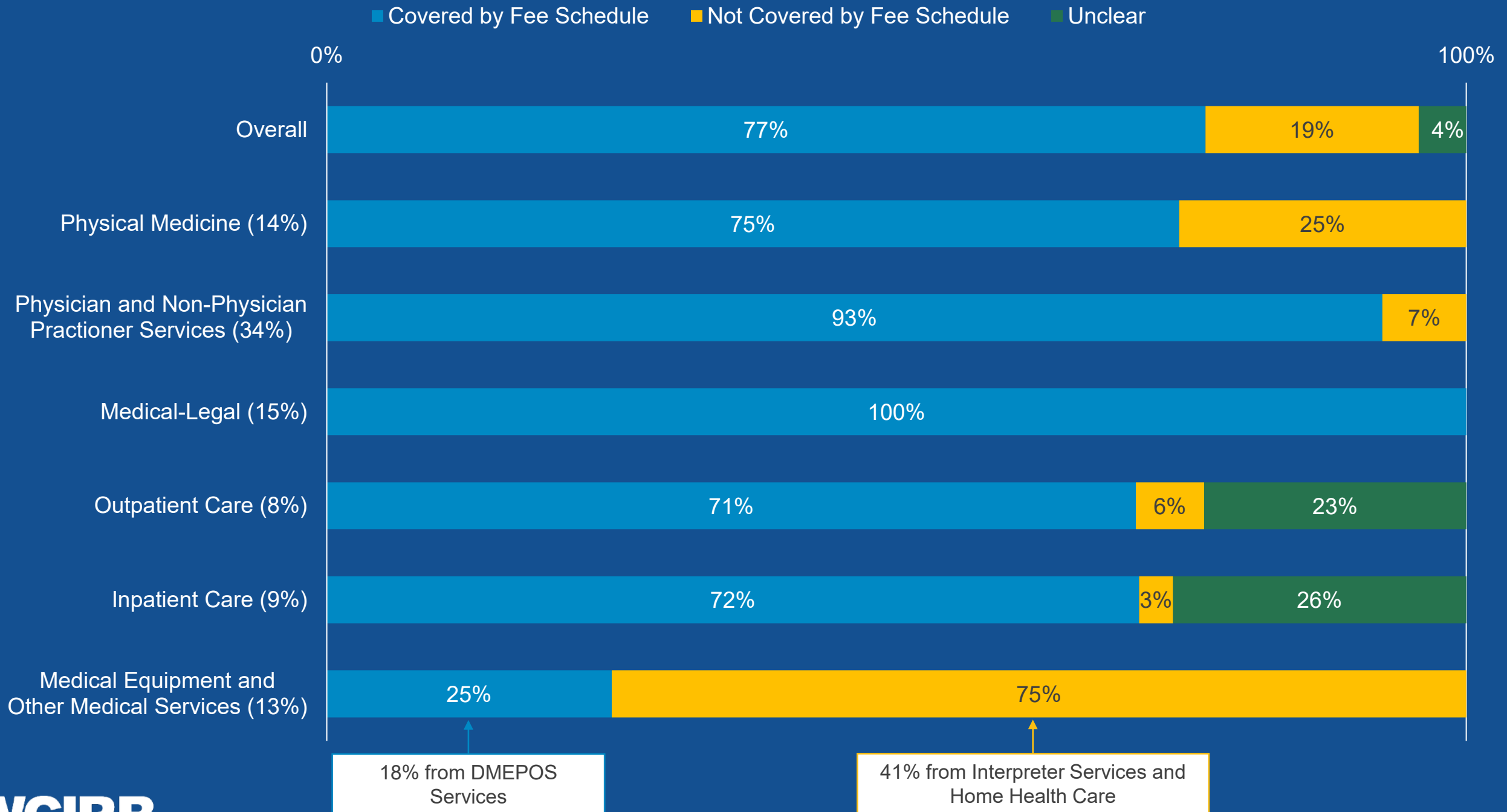


Projected On-Level Medical Loss Ratios (Exhibit 7.3)

As of March 31, 2025



Share of Medical Service Payments in Service Year 2024 Covered by the Official Medical Fee Schedule (OMFS)



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