



## Montana

### Advisory Loss Costs and Rating Values Filing – July 1, 2018

#### 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 –10.7% to become effective July 1, 2018 for the industrial classifications.

#### Advisory Loss Cost Filing Components

Change in Experience and Trend	–11.7%
Change in Benefits	+0.8%
<u>Change in Loss-based Expenses</u>	<u>+0.3%</u>
<b>Proposed Overall Average Advisory Loss Cost Level</b>	<b>–10.7%</b>

#### Key Observations:

- The filing is based on premium and loss experience for policy years 2013, 2014, and 2015. Experience within this time frame has been favorable.
- Montana’s frequency of lost-time claims continues to decline.
- After adjusting to a common wage level, indemnity average cost per case figures have exhibited a downward trend, while an upward trend has been observed in the medical average cost per case figures.
- Due to the change to the state average weekly wage and an update to the Montana Medical Fee Schedule, benefits are estimated to increase overall system costs by 0.8%.

#### Proposed Changes in Advisory Loss Cost Level by Industry Group:

<u>Industry Group</u>	<u>Average Change</u>
Manufacturing	–10.2%
Contracting	–11.8%
Office and Clerical	–11.7%
Goods and Services	–10.5%
Miscellaneous	–9.4%

#### Additional Notable Change Proposed in the Filing:

- Updated terrorism loss cost provision