Rhode Island

Advisory Loss Costs and Rating Values Filing

Proposed Effective August 1, 2025

Justin Moulton, CPCU, WCP, ARC, AIC, AIAF, ARe
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Regulatory Division

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November 19, 2024

The Honorable Elizabeth Kelleher Dwyer
Director and Superintendent of Insurance
State of Rhode Island
Department of Business Regulation
Insurance Division
1511 Pontiac Ave
Cranston, RI 02920

Attention: Beth Vollucci, SPIR, Chief of Consumer and Filing Services

Re: **Rhode Island Advisory Loss Costs and Rating Values Filing Proposed to Be Effective August 1, 2025**

Dear Superintendent Dwyer:

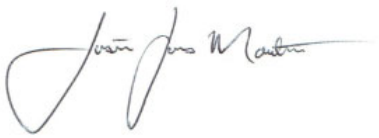
In accordance with the applicable statutes and regulations of the state of Rhode Island, we are filing for your consideration and approval advisory loss costs changes for Rhode Island. The advisory loss costs, which are proposed to be effective August 1, 2025, reflect a decrease of 4.8% from the current advisory loss costs which became effective August 1, 2024.

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 that, 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.

As always, if you should have any questions or need additional information, please do not hesitate to contact me at (561) 893-3828.

Respectfully Submitted,



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Actuarial Certification

I, Kirsten Callovi, am a Director and Actuary for the National Council on Compensation Insurance, Inc. I am a Fellow 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.

Kirsten Callovi, FCAS, MAAA
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 advisory loss costs for workers compensation policies in Rhode Island, proposed to be effective August 1, 2025.

The intended users of this report are:

- The Rhode Island Department of Business Regulation, Insurance Division
- 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 Rhode Island that uses NCCI loss costs may 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.

NCCI utilizes widely accepted general ratemaking methodologies in the calculation of voluntary loss costs, including (i) experience base determination, (ii) chain ladder development method, (iii) trending procedure, (iv) expense calculation, and (v) application of indemnity and medical benefit changes. These ratemaking methodologies are unchanged from the prior filing and continue to remain appropriate for use in this filing.

Data Sources and Dates

Financial Data Valuation Date	December 31, 2023
Financial Call Data Cutoff Date	September 16, 2024
Unit Statistical Plan Data Cutoff Date	September 27, 2024
Filing Preparation Date	October 16, 2024

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

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Call Data submissions received after the Financial Call Data Cutoff Date were not considered for inclusion in the analysis.

Loss cost level changes at the classification code level are based on five years of Unit Statistical Plan 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 the Unit Statistical Plan Data Cutoff Date were not considered for inclusion in the analysis.

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. Events that have occurred after the Filing Preparation Date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.

Data Exclusions

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 Rhode Island workers compensation written premium volume have been included in the experience period on which this filing is based.

NCCI categorizes catastrophic events as those that incur aggregate workers compensation losses of more than $50 million per occurrence. Pandemics have the potential to be catastrophic in terms of the costs they impose on the workers compensation system. NCCI's standard ratemaking methodology excludes catastrophe-related losses from the calculation of loss costs. This is because the actual experience from such events is not considered to be predictive of future experience. In line with this methodology, NCCI is proposing to treat COVID-19 claims with accident dates between December 1, 2019 through June 30, 2023 as a catastrophe in this filing. These reported claims have been excluded from Financial Call Data and Unit Statistical Plan Data for use in ratemaking to better reflect the conditions expected to prevail in the filing's proposed effective period. Due to approved Item E-1410, claims attributable to COVID-19 with accident dates on or after July 1, 2023, are no longer treated as catastrophic claims and are included in the calculation of loss costs in this year's filing. The temporary classification of COVID-19 claims as catastrophic was intended to address the initial surge in cases but is no longer necessary. As COVID-19 losses are expected to persist, they no longer represent a unique risk in workers compensation. Starting from July 1, 2023, NCCI anticipates that COVID-19 claims will align with typical claim patterns and no longer need special treatment,

and thus should be treated like any other workers compensation claims for ratemaking purposes.

Below is a summary of COVID-19-related lost-time claim counts and indemnity and medical combined paid plus case losses, as reported in NCCI's Financial Call 31 as of year-end 2023.

Year	COVID-19 Lost-Time Claim Counts	COVID-19 Paid+Case Losses
PY 2019	87	$1,657,551
PY 2020	140	$1,448,658
PY 2021	29	$28,181
PY 2022	8	$9,232
AY 2020	215	$2,934,864
AY 2021	31	$187,635
AY 2022	18	$21,123
AY 2023	-	-

Excludes large deductible and expense-only claims.

Reported COVID-19-related losses would have represented less than a 1% share of the reported paid plus case losses in Rhode Island's experience period.

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
- Unanticipated changes to wage or medical inflation
- Potential impact of changes to laws and/or regulations

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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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Part 1 Filing Overview

- Executive Summary
- Overview of Methodology
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Advisory Loss Costs and Rating Values Filing – August 1, 2025

Executive Summary

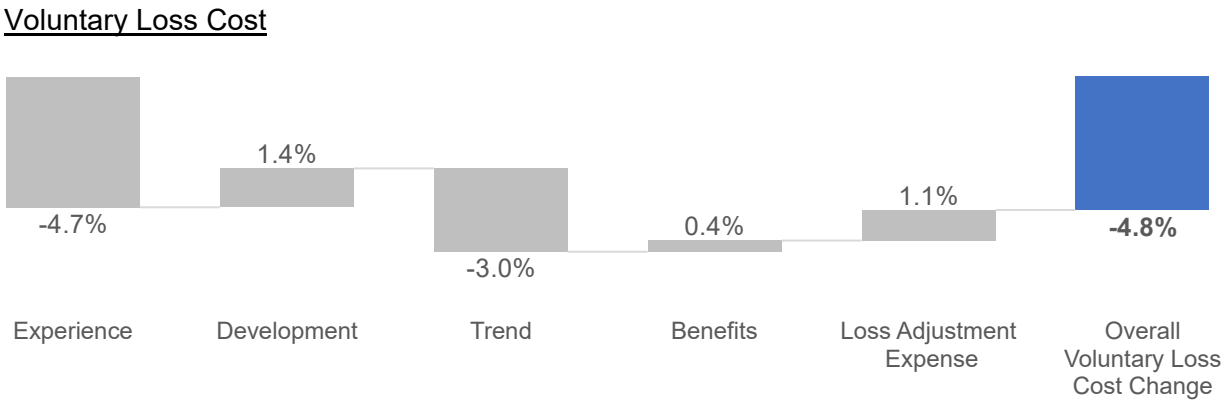
Based on its review of the most recently available data, NCCI has proposed the following overall average workers compensation voluntary loss cost level change in Rhode Island to become effective August 1, 2025.

Summary of Overall Indications

Proposed Change in Overall Voluntary Loss Cost Level	**– 4.8%**

Breakdown of the Change in Key Components

Below are changes in the key components underlying the overall voluntary loss cost level indication. The impact of these components are combined multiplicatively to produce the overall change. The overall change varies by classification code, each of which belongs to one of five Industry Groups.



The key components shown above are described in detail on the following page(s).

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Advisory Loss Costs and Rating Values Filing – August 1, 2025

Executive Summary

Key Component Overview

Experience and Development:

- This filing is based on premium and loss experience for Policy Years 2020, 2021, and 2022 evaluated as of December 31, 2023. The financial data experience period evaluated as of December 31, 2023 shows continued improvement when compared to the data evaluated as of December 31, 2022. Refer to Exhibit I for the considerations underlying the Experience Period and Loss Base selections.
    - Similar to last year, as favorable loss experience persists in the post-pandemic environment, equal weight was applied to all three policy years underlying the experience period.
    - Paid loss data was selected to best reflect the conditions likely to prevail in the proposed effective period. This is consistent with prior Rhode Island filings.
    - Reported COVID-19-related claims with accident dates between December 1, 2019 through June 30, 2023 have been excluded from the data on which this filing is based.
- Similar to previous Rhode Island filings, the reported paid loss amounts are projected to an ultimate basis using a five-year average excluding the year with the highest factor and year with the lowest factor. Refer to Appendix A-II for considerations underlying the Development selection.
    - The 19th-to-ultimate tail factor in this filing is calculated on a paid loss basis, which differs from the paid plus case reserve loss basis used in prior Rhode Island filings. This change was to mitigate the impact of year-to-year variability in tail factors from changes in carrier case reserves, which can be especially volatile in claims open after a 19th report.

Trend:

- NCCI is proposing to decrease the currently approved indemnity loss ratio trend from –3.5% to –4.0% and decrease the medical loss ratio trend from –5.5% to –6.5%. Refer to Appendix A-III for considerations underlying the Trend selection.
    - After adjusting to a common wage level, Rhode Island's lost-time claim frequency relative to premium continues to display a long-term pattern of decline. After two years of significant declines, the average cost per case has risen in the most recent policy year. Overall, the last three policy years indicate decreasing claim costs.
    - Annual trend factors were selected with reduced weight given to the year-over-year loss ratio decreases in Policy Years 2020 and 2021 which may have been an indirect effect of the pandemic and not necessarily indicative of how loss ratios are expected to change going forward.

Executive Summary

Other Items of Note:

- The primary driver of the proposed decrease is attributable to improved experience.
- Additional proposed changes in this filing include a small increase as a result of the medical fee schedule changes, and a slight increase from enacted House Bill 8262/Senate Bill 3068, both effective January 1, 2025, as well as an update to the loss adjustment expense component.

Overview of Methodology

The following methodologies 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.

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 Rhode Island-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 via a non-catastrophe excess ratio (with excess ratios at limits beyond $50 million set equal to zero)
- Proposed benefit level and 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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Advisory Loss Costs and Rating Values Filing – August 1, 2025

Summary of Selections

The following is a summary of selections underlying the voluntary loss costs proposed to be effective August 1, 2025, along with the selections underlying the currently approved filing effective August 1, 2024.

Voluntary Market Advisory Loss Costs	Currently Approved August 1, 2024	Proposed Effective August 1, 2025
Experience Period	Policy Years 2019, 2020 and 2021	Policy Years 2020, 2021 and 2022
Premium Development	3-yr avg	3-yr avg
Loss Experience Base	Paid	Paid
Loss Development – Paid	5-yr xhilo avg	5-yr xhilo avg
Paid Tail Factor – Indemnity	1.015*	1.040
Paid Tail Factor – Medical	1.025*	1.045
Trend Factor – Indemnity Loss Ratio	0.965	0.960
Trend Factor – Medical Loss Ratio	0.945	0.935
Base Threshold for Limiting Losses	$2,666,303	$2,593,462
Excess Ratio	2.3%	2.7%
Loss-based Expense Provision	22.7%	24.0%
Classification Swing Limits (applied by Industry Group)	+/-15%	+/-15%

*Implied unlimited paid tail factor based on currently approved paid + case tail factors and the paid to paid + case conversion ratios

Part 2 Proposed Values

- Proposed Voluntary Market Advisory Loss Costs for Inclusion in the Basic Manual
- Proposed Values for Inclusion in the Experience Rating Plan Manual
- Proposed Values for Inclusion in the Retrospective Rating Plan Manual

Please note the following in connection with this filing:

- As a result of Item R-1423, the Retrospective Rating Plan parameters have been updated.
- As a result of Item E-1411, the Subject Premium Eligibility Amounts exhibit has been updated to reflect the language included in Item E-1411.

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Advisory Loss Cost Filing – August 1, 2025

Proposed Voluntary Market Advisory Loss Costs for Inclusion in the Basic Manual

The following pages include proposed:

- Voluntary market advisory loss costs by class code, along with associated footnotes
- Advisory miscellaneous values, such as:
    - Catastrophe and Terrorism provisions
    - Maximum and minimum weekly payroll applicable for select class codes
    - Premium determination for Partners and Sole Proprietors
    - United States Longshore and Harbor Workers' Compensation Coverage Percentage

Effective August 1, 2025

CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST
0005	2.18	2081	2.11	2835	1.64	3373	2.79	4207	1.53	5020	3.43	6233	1.07
0008	1.75	2089	2.02	2836	1.88	3383	1.32	4239	1.58	5022	3.43	6235	2.91
0016	2.86	2095	2.27	2841	2.10	3385	0.59	4240	1.36	5037	5.34	6236	3.15
0034	2.34	2105	2.75	2881	1.77	3400	1.87	4243	1.68	5040	4.47	6237	0.92
0035	1.37	2110	1.93	2883	1.85	3507	1.64	4244	1.73	5057	1.90	6251	3.05
0036	2.86	2111	1.70	2915	1.92	3515	1.00	4250	1.51	5059	6.53	6252	4.47
0037	2.54	2112	2.27	2916	1.88	3548	1.05	4251	1.95	5102	3.23	6306	2.10
0042	2.93	2114	1.36	2923	1.23	3559	1.40	4263	2.28	5146	2.37	6319	1.37
0050	2.75	2121	0.80	2960	3.40	3574	0.63	4273	1.50	5160	1.20	6325	2.31
0059	–	2130	1.33	3004	0.96	3581	0.65	4279	2.11	5183	1.95	6400	2.61
0065	–	2131	1.24	3018	1.78	3612	1.30	4283	1.31	5188	1.73	6503	1.41
0066	–	2143	1.51	3022	2.30	3620	1.58	4299	1.04	5190	1.37	6504	1.95
0067	–	2157	2.85	3027	2.05	3629	1.12	4304	3.33	5191	0.67	6702M*	2.16
0079	2.06	2172	1.29	3028	1.92	3632	1.35	4307	1.02	5192	1.90	6703M*	3.86
0083	3.23	2174	1.92	3030	3.27	3634	1.14	4351	0.96	5213	3.78	6704M*	2.40
0106	5.28	2211	3.90	3040	3.09	3635	1.00	4352	0.83	5215	2.52	6801F	3.21
0113	3.86	2220	1.75	3041	2.26	3638	1.11	4360	–	5221	2.10	6811	2.94
0170	1.86	2286	–	3042	2.43	3642	0.83	4361	0.57	5222	3.27	6824F	3.47
0251	2.47	2288	2.85	3064	2.37	3643	1.15	4410	1.84	5223	2.22	6826F	1.93
0401	6.76	2302	1.23	3076	2.01	3647	1.86	4420	2.12	5348	2.22	6834	1.70
0771N	0.32	2305	1.60	3081	3.45	3648	0.72	4431	0.78	5402	3.40	6836	1.84
0908P	122.00	2361	1.27	3082	2.52	3681	0.47	4432	1.00	5403	2.57	6843F	4.34
0913P	284.00	2362	1.66	3085	2.83	3685	0.52	4452	1.99	5437	2.70	6845F	3.17
0917	3.01	2380	1.39	3110	2.38	3719	0.55	4459	1.82	5443	1.76	6854	3.50
0918	0.59	2388	0.87	3111	1.32	3724	2.09	4470	1.44	5445	3.09	6872F	4.29
1005	4.04	2402	1.39	3113	1.04	3726	1.71	4484	1.68	5462	3.38	6874F	5.14
1164	2.20	2413	1.39	3114	1.61	3803	1.73	4493	1.30	5472	3.74	6882	3.59
1165	1.80	2416	1.31	3118	1.09	3807	1.31	4511	0.30	5473	4.31	6884	1.67
1320	1.13	2417	1.18	3119	0.54	3808	2.52	4557	1.53	5474	2.93	7016M	2.34
1322	4.50	2501	1.36	3122	1.16	3821	3.84	4558	1.17	5478	2.03	7024M	2.60
1430	2.55	2503	0.92	3126	1.11	3822	2.55	4568	1.79	5479	3.54	7038M	2.61
1438	2.07	2570	2.39	3131	0.91	3824	2.10	4581	0.58	5480	3.09	7046M	3.59
1452	1.59	2585	2.73	3132	1.60	3826	0.51	4583	2.70	5491	1.22	7047M	4.18
1463	5.72	2586	2.40	3145	1.22	3827	1.26	4611	0.76	5506	3.36	7050M	4.66
1472	2.14	2587	2.23	3146	1.60	3830	0.83	4635	1.90	5507	2.05	7090M	2.90
1624	2.28	2589	1.11	3169	2.17	3851	1.25	4653	2.00	5508	–	7098M	3.99
1642	2.00	2600	3.10	3179	1.27	3865	1.92	4665	5.53	5535	3.40	7099M	6.42
1654	3.15	2623	3.58	3180	1.59	3881	2.44	4670	–	5537	2.07	7133	1.62
1699	1.85	2651	1.09	3188	1.13	4000	2.68	4683	2.75	5551	7.39	7151M	1.97
1701	1.99	2660	1.33	3220	1.21	4021	2.50	4686	1.69	5606	0.62	7152M	3.52
1710	1.90	2670	–	3224	2.02	4024	2.11	4692	0.44	5610	2.86	7153M	2.19
1747	2.05	2683	–	3227	1.90	4034	4.76	4693	0.67	5645	3.78	7219	4.37
1748	2.57	2688	1.15	3240	–	4036	1.47	4703	1.03	5703	7.01	7222	4.90
1803	4.38	2701	7.50	3241	2.06	4038	1.49	4717	1.33	5705	6.83	7225	5.70
1924	1.78	2702	11.81	3255	1.67	4062	1.44	4720	1.92	5951	0.26	7230	4.98
1925	2.12	2709	4.95	3257	2.27	4101	1.67	4740	1.15	6003	3.03	7231	6.08
2002	3.40	2710	4.35	3270	1.36	4109	0.29	4741	1.95	6005	2.19	7232	5.68
2003	2.43	2714	2.88	3300	2.50	4110	0.81	4751	1.68	6045	2.86	7309F	4.29
2014	3.09	2731	2.96	3303	1.68	4111	1.35	4771N	1.82	6204	4.36	7313F	1.89
2016	1.95	2735	3.23	3307	1.48	4114	1.73	4777	2.37	6206	1.48	7317F	3.09
2021	2.18	2759	4.32	3315	1.92	4130	2.39	4825	0.51	6213	1.11	7327F	7.77
2039	2.22	2790	1.22	3334	1.70	4131	3.62	4828	1.08	6214	0.93	7333M	2.04
2041	1.82	2797	1.95	3336	2.08	4133	1.62	4829	1.23	6216	2.63	7335M	2.27
2065	1.32	2799	3.19	3365	2.75	4149	0.62	4902	1.31	6217	2.33	7337M	3.65
2070	3.20	2802	3.29	3372	1.65	4206	2.00	4923	1.03	6229	2.23	7350F	5.37

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the ***Basic Manual*** for any state specific classification phraseology.

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

Effective August 1, 2025

CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST
7360	2.75	8102	1.37	8814M	0.10	9516	1.62				
7370	3.38	8103	2.12	8815M	0.17	9519	2.67				
7380	3.60	8106	2.43	8820	0.07	9521	1.95				
7382	2.80	8107	2.12	8824	1.76	9522	1.51				
7390	5.48	8111	1.37	8825	–	9534	2.27				
7394M	2.57	8116	2.22	8826	1.46	9554	4.04				
7395M	2.86	8203	4.68	8831	0.65	9586	0.32				
7398M	4.60	8204	2.45	8832	0.19	9600	1.52				
7402	0.11	8209	3.07	8833	0.67	9620	0.98				
7403	2.60	8215	2.43	8835	1.45						
7405N	0.71	8227	1.67	8841	1.50						
7420	6.66	8232	3.73	8842	1.47						
7421	0.54	8233	2.90	8855	0.07						
7422	0.83	8235	3.06	8856	0.31						
7425	1.48	8263	4.38	8864	0.78						
7431N	0.63	8264	2.91	8868	0.18						
7445N	0.38	8265	3.30	8869	0.66						
7453N	0.34	8279	4.21	8871	0.02						
7502	1.22	8288	4.86	8901	0.11						
7515	0.61	8291	2.32	9012	0.51						
7520	2.11	8292	2.19	9014	1.73						
7538	1.32	8293	5.00	9015	2.29						
7539	0.87	8304	3.92	9016	1.62						
7540	1.80	8350	4.45	9019	1.93						
7580	2.13	8381	1.06	9033	2.04						
7590	2.40	8385	1.64	9040	3.76						
7600	3.53	8387	1.54	9047	1.58						
7605	1.39	8391	2.04	9052	1.15						
7610	0.38	8392	1.32	9058	0.98						
7705	3.38	8393	1.13	9060	0.81						
7710	2.73	8500	3.39	9061	0.77						
7711	2.73	8601	0.16	9063	0.50						
7720	1.58	8602	0.82	9077F	3.21						
7855	1.78	8603	0.04	9082	0.73						
8001	1.43	8606	1.26	9083	0.86						
8002	1.25	8709F	1.92	9084	0.79						
8006	1.17	8719	1.43	9088a	a						
8008	0.68	8720	0.71	9089	0.68						
8010	1.03	8721	0.21	9093	0.74						
8013	0.39	8723	0.06	9101	2.13						
8015	0.47	8725	1.25	9102	2.08						
8017	1.02	8726F	0.88	9154	0.97						
8018	1.94	8734M	0.24	9156	1.59						
8021	1.82	8737M	0.22	9170	6.27						
8031	1.46	8738M	0.39	9178	2.20						
8032	1.18	8742	0.18	9179	4.91						
8033	1.12	8745	2.45	9180	3.23						
8037	1.21	8748	0.37	9182	1.05						
8039	1.12	8754	0.73	9186	5.18						
8044	2.01	8755	0.19	9220	3.05						
8045	0.57	8799	0.49	9402	3.53						
8046	1.79	8800	0.99	9403	5.20						
8047	0.65	8803	0.03	9410	1.65						
8058	1.71	8805M	0.11	9501	1.71						
8072	0.41	8810	0.08	9505	1.96						

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the ***Basic Manual*** for any state specific classification phraseology.

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

FOOTNOTES

a Advisory loss cost for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.

F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Loss cost contains a provision for the USL&HW Assessment.

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. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.

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.

*** 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 code 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 x 2.171 and elr x 2.11.

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.

ADVISORY MISCELLANEOUS VALUES

Advisory Loss Elimination Ratios - The following percentages represent the portion of total loss eliminated per claim and are applicable by hazard group:

Advisory Loss Elimination Ratios							
Deductible	**HAZARD GROUP**						
Amount	**A**	**B**	**C**	**D**	**E**	**F**	**G**
$250	2.3%	1.9%	1.5%	1.3%	1.0%	0.8%	0.6%
$500	4.0%	3.4%	2.8%	2.3%	1.8%	1.5%	1.2%
$1,000	6.6%	5.7%	4.7%	3.9%	3.2%	2.6%	2.1%
$2,500	11.8%	10.5%	8.9%	7.5%	6.3%	5.2%	4.3%
$5,000	18.1%	16.2%	14.0%	12.1%	10.2%	8.6%	7.2%
Note: These percentages do not include a safety factor and do not reflect the premium reductions to be applied to policy premium.							

Basis of premium applicable in accordance with the ***Basic Manual*** notes for Code 7370 -- "Taxicab Co.":
Employee operated vehicle…… $98,100
Leased or rented vehicle…… $65,400

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

Maximum Weekly Payroll applicable in accordance with the ***Basic Manual*** rule, Rule for premium determination of executive officers and the ***Basic Manual*** notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"…..... $5,000

Minimum Weekly Payroll applicable in accordance with the ***Basic Manual*** rule, Rule for premium determination of executive officers…..... $1,250

Terrorism - (Advisory Loss Cost)…..……...……...…… 0.005

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the ***Basic Manual*** rule, Federal coverages……...……...……..... 81%

(Multiply a Non-F classification loss cost by a factor of 1.81 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.75) and the adjustment for differences in loss-based expenses (1.036).)

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.

RHODE ISLAND

Advisory Loss Cost Filing – August 1, 2025

Proposed Values for Inclusion in the Experience Rating Plan Manual

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

- Description of Expected Loss Rates and D-ratios
- Description of the Weighting and Ballast values
- Expected Loss Rates and D-ratios by class code
- Table of Weighting Values
- Table of Ballast Values
- Experience Rating Premium Eligibility Amounts

Proposed Rating Values

Description of Expected Loss Rates and D-ratios

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 proposed loss costs are adjusted to reflect the average loss levels of the 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 (HG), remove the effects of the following: loss development, expected losses in excess of the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and assigned risk programs.

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 split point is based on the average claim costs in the state, promoting an equitable determination of primary and excess losses. To reflect changes in claim costs and preserve alignment with other experience rating parameters, the split point is reviewed annually and may be adjusted to maintain an average D-ratio of approximately 40%, the average D-ratio utilized when the credibility parameters underlying the weight and ballast values were last recalibrated. Utilizing a consistent average D-ratio promotes similar experience rating plan performance across states with varying cost levels.

The D-ratio is used to determine the expected excess losses to be used in the experience mod calculation. D-ratios are calculated by hazard group and are based on the latest three years of Unit Statistical Data trended to the midpoint of the proposed experience rating period. A comparison of the resulting D-ratios across hazard groups is done to ensure that they monotonically decrease from 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 the hazard group D-ratio.

An adjustment to the ELR factors is necessary so that the resulting ELRs produce an expected intrastate experience rating off-balance that equals the targeted intrastate experience rating off-balance used in the calculation of the overall loss cost level change for the state. Preliminary ELR factors are calculated by class code utilizing the appropriate hazard group factors and underlying pure premiums. Intrastate experience rating modifications for the most recent year of rating effective dates available at the time of the production of the filing are calculated based on the preliminary ELRs and D-ratios, and the losses underlying the mod calculations are adjusted for trend and to the appropriate benefit level of the data that will be used for experience ratings in the proposed effective period. The trend is applied separately by frequency and severity using selected values that are appropriate for the time period covered. It should be noted that the loss ratio trends used in other parts of the filing may not match the ELR trends due to possible differences between the experience rating trend periods and the ratemaking trend periods. An average of these intrastate experience modifications is calculated, and an iterative process follows where the ELR factors are adjusted up or down, class ELRs are recalculated, and experience rating modifications are restated until the target average intrastate experience mod is achieved.

The final ELR for each classification is calculated as follows:

ELR = {(HG indemnity ELR factor) x (indemnity pure premium) + (HG medical ELR factor) x (medical pure premium)} x Manual/Standard Ratio

Description of the Weighting and Ballast Values

The weighting value (W) and ballast value (B) influence the degree to which an employer's actual losses impact the experience rating modification for employers of various sizes - generally described as excess loss credibility - and are governed by the formulas in Item E-1409.

One element of these formulas is the G-value, which represents the state average claim severity in thousands of dollars and reflects the state accident limitation and the reduction of medical only losses. The state accident limit is used to curtail the impact of large claims on the experience modification and is based on a state-level 95th percentile of lost-time claims so that the limitation is expected to impact the largest 5% of lost-time claims.

The values for W and B are such that larger employers receive higher excess loss credibility in their experience modification calculation than smaller employers.

The ballast value is a stabilizing value designed to control the effect of actual loss experience on the experience rating modification. It is added to both the numerator and denominator in the experience modification calculation and increases as expected losses increase.

The weighting value for various levels of expected losses is provided in the Table of Weighting Values.

The ballast value for various levels of expected losses is provided in the Table of Ballast Values.

Effective August 1, 2025

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
0005	1.77	0.37	2081	1.79	0.41	2835	1.38	0.41	3373	2.22	0.37	4207	1.01	0.33
0008	1.40	0.37	2089	1.61	0.37	2836	1.58	0.41	3383	1.05	0.37	4239	1.05	0.33
0016	2.06	0.35	2095	1.74	0.37	2841	1.70	0.37	3385	0.47	0.37	4240	1.16	0.41
0034	1.81	0.37	2105	2.31	0.41	2881	1.48	0.41	3400	1.49	0.37	4243	1.30	0.37
0035	1.06	0.37	2110	1.54	0.37	2883	1.48	0.37	3507	1.26	0.37	4244	1.23	0.35
0036	2.26	0.37	2111	1.36	0.37	2915	1.37	0.35	3515	0.78	0.37	4250	1.16	0.37
0037	1.81	0.35	2112	1.81	0.37	2916	1.36	0.35	3548	0.84	0.37	4251	1.55	0.37
0042	2.26	0.37	2114	1.15	0.41	2923	1.04	0.41	3559	1.08	0.37	4263	1.74	0.37
0050	1.95	0.35	2121	0.68	0.41	2960	2.62	0.37	3574	0.50	0.37	4273	1.15	0.37
0059	–	–	2130	1.03	0.37	3004	0.63	0.33	3581	0.52	0.37	4279	1.51	0.35
0065	–	–	2131	0.99	0.37	3018	1.19	0.33	3612	1.00	0.37	4283	1.04	0.37
0066	–	–	2143	1.27	0.41	3022	1.83	0.37	3620	1.12	0.35	4299	0.80	0.37
0067	–	–	2157	2.24	0.37	3027	1.46	0.35	3629	0.86	0.37	4304	2.56	0.37
0079	1.60	0.37	2172	0.90	0.35	3028	1.36	0.35	3632	1.04	0.37	4307	0.86	0.41
0083	2.49	0.37	2174	1.56	0.37	3030	2.34	0.35	3634	0.88	0.37	4351	0.78	0.37
0106	3.51	0.33	2211	2.80	0.35	3040	2.38	0.37	3635	0.77	0.37	4352	0.67	0.37
0113	3.08	0.37	2220	1.34	0.37	3041	1.74	0.37	3638	0.88	0.37	4360	0.27	0.35
0170	1.49	0.37	2286	1.34	0.37	3042	1.86	0.37	3642	0.66	0.37	4361	0.46	0.37
0251	1.91	0.37	2288	2.28	0.37	3064	1.83	0.37	3643	0.82	0.35	4410	1.46	0.37
0401	4.57	0.33	2302	0.95	0.37	3076	1.61	0.37	3647	1.42	0.37	4420	1.40	0.33
0771	–	–	2305	1.14	0.35	3081	2.65	0.37	3648	0.61	0.41	4431	0.66	0.41
0908	96.18	0.37	2361	0.99	0.37	3082	1.80	0.35	3681	0.38	0.37	4432	0.85	0.41
0913	217.01	0.37	2362	1.33	0.37	3085	2.18	0.37	3685	0.41	0.37	4452	1.54	0.37
0917	2.54	0.41	2380	1.11	0.37	3110	1.85	0.37	3719	0.33	0.30	4459	1.30	0.35
0918	0.46	0.37	2388	0.74	0.41	3111	1.05	0.37	3724	1.27	0.30	4470	1.11	0.37
1005	2.40	0.30	2402	1.00	0.35	3113	0.80	0.37	3726	1.03	0.30	4484	1.34	0.37
1164	1.34	0.30	2413	1.07	0.37	3114	1.24	0.37	3803	1.37	0.37	4493	1.00	0.37
1165	1.08	0.30	2416	1.05	0.37	3118	0.92	0.41	3807	1.04	0.37	4511	0.23	0.37
1320	0.74	0.33	2417	0.94	0.37	3119	0.47	0.46	3808	1.91	0.37	4557	1.09	0.35
1322	2.71	0.30	2501	1.09	0.37	3122	0.98	0.41	3821	2.73	0.35	4558	0.90	0.37
1430	1.83	0.35	2503	0.74	0.37	3126	0.85	0.37	3822	2.06	0.37	4568	1.26	0.35
1438	1.47	0.35	2570	1.90	0.37	3131	0.71	0.37	3824	1.68	0.37	4581	0.39	0.33
1452	1.12	0.35	2585	2.09	0.37	3132	1.29	0.37	3826	0.39	0.37	4583	1.79	0.33
1463	3.49	0.30	2586	1.93	0.37	3145	0.94	0.37	3827	1.00	0.37	4611	0.60	0.37
1472	1.53	0.35	2587	1.77	0.37	3146	1.25	0.37	3830	0.64	0.37	4635	1.26	0.33
1624	1.51	0.33	2589	0.86	0.37	3169	1.72	0.37	3851	1.00	0.37	4653	1.61	0.37
1642	1.42	0.35	2600	2.47	0.37	3179	1.01	0.37	3865	1.61	0.41	4665	3.99	0.35
1654	2.24	0.35	2623	2.57	0.35	3180	1.28	0.37	3881	1.87	0.37	4670	2.12	0.37
1699	1.33	0.35	2651	0.88	0.37	3188	0.87	0.37	4000	1.77	0.33	4683	2.12	0.37
1701	1.33	0.33	2660	1.13	0.41	3220	0.93	0.37	4021	1.93	0.37	4686	1.20	0.35
1710	1.33	0.35	2670	0.93	0.37	3224	1.68	0.41	4024	1.49	0.35	4692	0.35	0.37
1747	1.45	0.35	2683	1.09	0.37	3227	1.50	0.37	4034	3.40	0.35	4693	0.53	0.37
1748	1.84	0.35	2688	0.93	0.37	3240	1.83	0.37	4036	1.05	0.35	4703	0.78	0.37
1803	3.13	0.35	2701	4.93	0.33	3241	1.65	0.37	4038	1.25	0.41	4717	1.12	0.41
1924	1.42	0.37	2702	7.16	0.30	3255	1.41	0.41	4062	1.12	0.37	4720	1.50	0.37
1925	1.63	0.37	2709	3.28	0.33	3257	1.83	0.37	4101	1.29	0.37	4740	0.68	0.30
2002	2.73	0.37	2710	3.11	0.35	3270	1.10	0.37	4109	0.23	0.37	4741	1.50	0.37
2003	1.86	0.37	2714	2.32	0.37	3300	2.13	0.41	4110	0.65	0.37	4751	1.21	0.35
2014	2.20	0.35	2731	2.36	0.37	3303	1.34	0.37	4111	1.07	0.37	4771	1.20	0.33
2016	1.53	0.37	2735	2.61	0.37	3307	1.14	0.37	4114	1.32	0.37	4777	1.59	0.33
2021	1.69	0.37	2759	3.48	0.37	3315	1.52	0.37	4130	1.90	0.37	4825	0.36	0.35
2039	1.77	0.37	2790	1.03	0.41	3334	1.29	0.37	4131	2.90	0.37	4828	0.72	0.33
2041	1.44	0.37	2797	1.65	0.41	3336	1.59	0.37	4133	1.39	0.41	4829	0.82	0.33
2065	1.02	0.37	2799	2.44	0.37	3365	1.82	0.33	4149	0.52	0.41	4902	1.05	0.37
2070	2.44	0.37	2802	2.53	0.37	3372	1.26	0.37	4206	1.60	0.37	4923	0.79	0.37

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Effective August 1, 2025

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
5020	2.26	0.33	6233	0.65	0.30	7360	1.94	0.35	8102	1.10	0.37	8814	0.08	0.37
5022	2.08	0.30	6235	1.75	0.30	7370	2.68	0.37	8103	1.64	0.37	8815	0.13	0.37
5037	3.21	0.30	6236	2.22	0.35	7380	2.54	0.35	8106	1.73	0.35	8820	0.05	0.35
5040	2.70	0.30	6237	0.60	0.33	7382	2.16	0.37	8107	1.41	0.33	8824	1.52	0.46
5057	1.15	0.30	6251	2.00	0.33	7390	4.35	0.37	8111	1.06	0.37	8825	1.23	0.41
5059	3.98	0.30	6252	2.69	0.30	7394	1.54	0.30	8116	1.71	0.37	8826	1.23	0.41
5102	2.14	0.33	6306	1.39	0.33	7395	1.72	0.30	8203	3.60	0.37	8831	0.58	0.46
5146	1.67	0.35	6319	0.83	0.30	7398	2.69	0.30	8204	1.91	0.37	8832	0.15	0.37
5160	0.73	0.30	6325	1.41	0.30	7402	0.09	0.37	8209	2.45	0.37	8833	0.53	0.37
5183	1.29	0.33	6400	1.87	0.35	7403	2.06	0.37	8215	1.74	0.35	8835	1.15	0.37
5188	1.14	0.33	6503	1.12	0.37	7405	0.55	0.37	8227	1.11	0.33	8841	1.15	0.37
5190	0.91	0.33	6504	1.56	0.37	7420	3.93	0.30	8232	2.65	0.35	8842	1.27	0.46
5191	0.47	0.35	6702	1.53	0.35	7421	0.38	0.35	8233	2.00	0.35	8855	0.05	0.37
5192	1.45	0.37	6703	2.66	0.35	7422	0.54	0.33	8235	2.36	0.37	8856	0.25	0.37
5213	2.31	0.30	6704	1.70	0.35	7425	0.96	0.33	8263	3.39	0.37	8864	0.66	0.41
5215	1.78	0.35	6801F	1.75	0.30	7431	0.40	0.33	8264	2.06	0.35	8868	0.15	0.41
5221	1.38	0.33	6811	2.11	0.35	7445	–	–	8265	2.19	0.33	8869	0.56	0.41
5222	1.99	0.30	6824F	1.89	0.30	7453	–	–	8279	2.83	0.33	8871	0.02	0.37
5223	1.58	0.35	6826F	1.05	0.30	7502	0.87	0.35	8288	3.79	0.37	8901	0.08	0.35
5348	1.56	0.35	6834	1.36	0.37	7515	0.37	0.30	8291	1.78	0.37	9012	0.36	0.35
5402	2.71	0.37	6836	1.42	0.37	7520	1.62	0.37	8292	1.75	0.37	9014	1.37	0.37
5403	1.71	0.33	6843F	2.09	0.25	7538	0.81	0.30	8293	3.96	0.37	9015	1.77	0.37
5437	1.79	0.33	6845F	1.53	0.25	7539	0.58	0.33	8304	2.62	0.33	9016	1.31	0.37
5443	1.35	0.37	6854	2.33	0.33	7540	1.10	0.30	8350	2.93	0.33	9019	1.40	0.35
5445	1.88	0.30	6872F	2.06	0.25	7580	1.51	0.35	8381	0.82	0.37	9033	1.56	0.37
5462	2.38	0.35	6874F	2.47	0.25	7590	1.71	0.35	8385	1.26	0.37	9040	3.18	0.41
5472	2.26	0.30	6882	2.46	0.33	7600	2.49	0.35	8387	1.17	0.37	9047	1.26	0.37
5473	2.61	0.30	6884	1.11	0.33	7605	0.92	0.33	8391	1.56	0.37	9052	0.96	0.41
5474	1.79	0.30	7016	1.39	0.30	7610	0.27	0.35	8392	1.10	0.41	9058	0.85	0.46
5478	1.35	0.33	7024	1.54	0.30	7705	2.57	0.37	8393	0.79	0.35	9060	0.68	0.41
5479	2.53	0.35	7038	1.67	0.30	7710	1.81	0.33	8500	2.43	0.35	9061	0.64	0.41
5480	2.03	0.33	7046	2.19	0.30	7711	1.81	0.33	8601	0.10	0.33	9063	0.43	0.41
5491	0.81	0.33	7047	2.41	0.30	7720	1.12	0.35	8602	0.58	0.35	9077F	1.95	0.32
5506	2.23	0.33	7050	2.89	0.30	7855	1.26	0.35	8603	0.04	0.37	9082	0.63	0.46
5507	1.37	0.33	7090	1.85	0.30	8001	1.15	0.37	8606	0.84	0.33	9083	0.75	0.46
5508	1.37	0.33	7098	2.44	0.30	8002	1.00	0.37	8709F	0.92	0.25	9084	0.66	0.41
5535	2.09	0.30	7099	3.81	0.30	8006	0.98	0.41	8719	0.96	0.33	9088	a	a
5537	1.46	0.35	7133	1.08	0.33	8008	0.57	0.41	8720	0.48	0.33	9089	0.58	0.41
5551	4.60	0.30	7151	1.32	0.33	8010	0.83	0.37	8721	0.15	0.35	9093	0.62	0.41
5606	0.38	0.30	7152	2.28	0.33	8013	0.30	0.37	8723	0.04	0.37	9101	1.79	0.41
5610	2.04	0.35	7153	1.47	0.33	8015	0.37	0.37	8725	0.89	0.35	9102	1.61	0.37
5645	2.30	0.30	7219	2.89	0.33	8017	0.85	0.41	8726F	0.48	0.30	9154	0.79	0.37
5703	5.05	0.35	7222	3.19	0.33	8018	1.53	0.37	8734	0.17	0.35	9156	1.35	0.41
5705	4.90	0.35	7225	4.04	0.35	8021	1.45	0.37	8737	0.16	0.35	9170	4.16	0.33
5951	0.21	0.37	7230	3.79	0.37	8031	1.16	0.37	8738	0.27	0.35	9178	1.98	0.46
6003	2.00	0.33	7231	4.62	0.37	8032	0.94	0.37	8742	0.13	0.35	9179	4.23	0.46
6005	1.56	0.35	7232	3.69	0.33	8033	0.94	0.41	8745	1.89	0.37	9180	2.56	0.37
6045	2.01	0.35	7309F	2.06	0.25	8037	1.06	0.46	8748	0.25	0.33	9182	0.86	0.37
6204	2.90	0.33	7313F	0.91	0.25	8039	0.95	0.41	8754	0.56	0.37	9186	3.57	0.33
6206	0.89	0.30	7317F	1.49	0.25	8044	1.60	0.37	8755	0.13	0.35	9220	2.34	0.37
6213	0.68	0.30	7327F	3.74	0.25	8045	0.46	0.37	8799	0.39	0.37	9402	2.33	0.33
6214	0.62	0.33	7333	1.22	0.30	8046	1.44	0.37	8800	0.79	0.37	9403	3.42	0.33
6216	1.58	0.30	7335	1.36	0.30	8047	0.51	0.37	8803	0.02	0.35	9410	1.31	0.37
6217	1.42	0.30	7337	2.13	0.30	8058	1.38	0.37	8805	0.09	0.37	9501	1.22	0.35
6229	1.58	0.35	7350F	2.76	0.28	8072	0.35	0.41	8810	0.06	0.37	9505	1.52	0.37

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Effective August 1, 2025

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
9516	1.23	0.37												
9519	1.88	0.35												
9521	1.38	0.35												
9522	1.26	0.41												
9534	1.39	0.30												
9554	2.70	0.33												
9586	0.26	0.41												
9600	1.22	0.37												
9620	0.71	0.35												

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Effective August 1, 2025

TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	2,466	0.14	1,390,327	--	1,460,259	0.49
2,467	--	6,947	0.15	1,460,260	--	1,533,955	0.50
6,948	--	11,536	0.16	1,533,956	--	1,611,724	0.51
11,537	--	16,236	0.17	1,611,725	--	1,693,915	0.52
16,237	--	17,876	0.18	1,693,916	--	1,780,918	0.53
17,877	--	20,218	0.17	1,780,919	--	1,873,168	0.54
20,219	--	23,417	0.16	1,873,169	--	1,971,155	0.55
23,418	--	28,231	0.15	1,971,156	--	2,075,433	0.56
28,232	--	37,391	0.14	2,075,434	--	2,186,627	0.57
37,392	--	85,924	0.13	2,186,628	--	2,305,451	0.58
85,925	--	115,464	0.14	2,305,452	--	2,432,717	0.59
115,465	--	141,261	0.15	2,432,718	--	2,569,361	0.60
141,262	--	166,075	0.16	2,569,362	--	2,716,457	0.61
166,076	--	190,691	0.17	2,716,458	--	2,875,255	0.62
190,692	--	215,468	0.18	2,875,256	--	3,047,208	0.63
215,469	--	240,610	0.19	3,047,209	--	3,234,023	0.64
240,611	--	266,254	0.20	3,234,024	--	3,437,715	0.65
266,255	--	292,502	0.21	3,437,716	--	3,660,678	0.66
292,503	--	319,438	0.22	3,660,679	--	3,905,785	0.67
319,439	--	347,136	0.23	3,905,786	--	4,176,508	0.68
347,137	--	374,448	0.24	4,176,509	--	4,477,082	0.69
374,449	--	401,289	0.25	4,477,083	--	4,812,738	0.70
401,290	--	428,975	0.26	4,812,739	--	5,189,997	0.71
428,976	--	457,553	0.27	5,189,998	--	5,617,105	0.72
457,554	--	487,071	0.28	5,617,106	--	6,104,642	0.73
487,072	--	517,583	0.29	6,104,643	--	6,666,411	0.74
517,584	--	549,142	0.30	6,666,412	--	7,320,764	0.75
549,143	--	581,807	0.31	7,320,765	--	8,092,646	0.76
581,808	--	615,641	0.32	8,092,647	--	9,016,845	0.77
615,642	--	650,710	0.33	9,016,846	--	10,143,385	0.78
650,711	--	687,085	0.34	10,143,386	--	11,546,886	0.79
687,086	--	724,844	0.35	11,546,887	--	13,343,804	0.80
724,845	--	764,068	0.36	13,343,805	--	15,726,521	0.81
764,069	--	804,846	0.37	15,726,522	--	19,037,288	0.82
804,847	--	847,273	0.38	19,037,289	--	23,949,440	0.83
847,274	--	891,455	0.39	23,949,441	--	31,995,477	0.84
891,456	--	937,504	0.40	31,995,478	--	47,579,284	0.85
937,505	--	985,540	0.41	47,579,285	--	90,627,030	0.86
985,541	--	1,035,698	0.42	90,627,031	--	772,105,754	0.87
1,035,699	--	1,088,121	0.43	772,105,755	--	AND OVER	0.88
1,088,122	--	1,142,969	0.44				
1,142,970	--	1,200,413	0.45				
1,200,414	--	1,260,645	0.46				
1,260,646	--	1,323,873	0.47				
1,323,874	--	1,390,326	0.48				

(a) G	11.40
(b) State Per Claim Accident Limitation	$138,500
(c) State Multiple Claim Accident Limitation	$277,000
(d) USL&HW Per Claim Accident Limitation	$308,500
(e) USL&HW Multiple Claim Accident Limitation	$617,000
(f) Employers Liability Accident Limitation	$55,000
(g) Primary/Excess Loss Split Point	$18,000
(h) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.75

(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.75.)

Effective August 1, 2025

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 411,346	52,440	3,863,518 -- 3,965,276	251,940	7,425,522 -- 7,527,300	451,440
411,347 -- 511,284	58,140	3,965,277 -- 4,067,037	257,640	7,527,301 -- 7,629,078	457,140
511,285 -- 611,814	63,840	4,067,038 -- 4,168,799	263,340	7,629,079 -- 7,730,857	462,840
611,815 -- 712,692	69,540	4,168,800 -- 4,270,562	269,040	7,730,858 -- 7,832,636	468,540
712,693 -- 813,792	75,240	4,270,563 -- 4,372,326	274,740	7,832,637 -- 7,934,415	474,240
813,793 -- 915,041	80,940	4,372,327 -- 4,474,090	280,440	7,934,416 -- 8,036,195	479,940
915,042 -- 1,016,397	86,640	4,474,091 -- 4,575,856	286,140	8,036,196 -- 8,137,974	485,640
1,016,398 -- 1,117,829	92,340	4,575,857 -- 4,677,623	291,840	8,137,975 -- 8,239,754	491,340
1,117,830 -- 1,219,320	98,040	4,677,624 -- 4,779,391	297,540	8,239,755 -- 8,341,534	497,040
1,219,321 -- 1,320,856	103,740	4,779,392 -- 4,881,159	303,240	8,341,535 -- 8,443,313	502,740
1,320,857 -- 1,422,427	109,440	4,881,160 -- 4,982,928	308,940	8,443,314 -- 8,545,094	508,440
1,422,428 -- 1,524,027	115,140	4,982,929 -- 5,084,698	314,640	8,545,095 -- 8,646,874	514,140
1,524,028 -- 1,625,650	120,840	5,084,699 -- 5,186,468	320,340	8,646,875 -- 8,748,654	519,840
1,625,651 -- 1,727,292	126,540	5,186,469 -- 5,288,239	326,040	8,748,655 -- 8,850,435	525,540
1,727,293 -- 1,828,950	132,240	5,288,240 -- 5,390,010	331,740	8,850,436 -- 8,952,215	531,240
1,828,951 -- 1,930,621	137,940	5,390,011 -- 5,491,782	337,440	8,952,216 -- 9,053,996	536,940
1,930,622 -- 2,032,304	143,640	5,491,783 -- 5,593,555	343,140	9,053,997 -- 9,155,777	542,640
2,032,305 -- 2,133,996	149,340	5,593,556 -- 5,695,328	348,840	9,155,778 -- 9,257,558	548,340
2,133,997 -- 2,235,697	155,040	5,695,329 -- 5,797,101	354,540	9,257,559 -- 9,359,339	554,040
2,235,698 -- 2,337,405	160,740	5,797,102 -- 5,898,875	360,240	9,359,340 -- 9,461,120	559,740
2,337,406 -- 2,439,120	166,440	5,898,876 -- 6,000,649	365,940	9,461,121 -- 9,562,901	565,440
2,439,121 -- 2,540,840	172,140	6,000,650 -- 6,102,424	371,640	9,562,902 -- 9,664,682	571,140
2,540,841 -- 2,642,566	177,840	6,102,425 -- 6,204,199	377,340	9,664,683 -- 9,766,464	576,840
2,642,567 -- 2,744,295	183,540	6,204,200 -- 6,305,974	383,040	9,766,465 -- 9,868,245	582,540
2,744,296 -- 2,846,029	189,240	6,305,975 -- 6,407,750	388,740	9,868,246 -- 9,970,027	588,240
2,846,030 -- 2,947,767	194,940	6,407,751 -- 6,509,526	394,440	9,970,028 -- 10,070,760	593,940
2,947,768 -- 3,049,507	200,640	6,509,527 -- 6,611,302	400,140		
3,049,508 -- 3,151,251	206,340	6,611,303 -- 6,713,078	405,840		
3,151,252 -- 3,252,997	212,040	6,713,079 -- 6,814,855	411,540		
3,252,998 -- 3,354,745	217,740	6,814,856 -- 6,916,632	417,240		
3,354,746 -- 3,456,496	223,440	6,916,633 -- 7,018,410	422,940		
3,456,497 -- 3,558,249	229,140	7,018,411 -- 7,120,187	428,640		
3,558,250 -- 3,660,003	234,840	7,120,188 -- 7,221,965	434,340		
3,660,004 -- 3,761,759	240,540	7,221,966 -- 7,323,743	440,040		
3,761,760 -- 3,863,517	246,240	7,323,744 -- 7,425,521	445,740		

For Expected Losses greater than $10,070,760, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

Ballast = (0.056)(Expected Losses) + 2876.4(Expected Losses)(11.40) / (Expected Losses + (600)(11.40))

G = 11.40

RHODE ISLAND—UPDATE TO EXPERIENCE RATING SUBJECT PREMIUM ELIGIBILITY AMOUNTS

Experience Rating Plan Manual

Subject premium eligibility amounts

Rule ID: ER-ELIT-SEE7E
Effective Date: July 1, 2025

A risk's rating effective date determines the applicable minimum subject premium eligibility amount to qualify for experience rating based on (a) subject premium from the most recent 24 months of the experience period, or (b) average annual subject premium if using more than 24 months of experience in the experience period.

Subject premium eligibility amounts table for Rhode Island

Rating effective date	Minimum subject premium eligibility amount based on subject premium from the most recent 24 months of the experience period ($)	Minimum subject premium eligibility amount based on average annual subject premium if using more than 24 months of experience in the experience period ($)
02/01/2026 and after	14,000	7,000
02/01/2025 to 01/31/2026	13,500	6,750
02/01/2024 to 01/31/2025	13,000	6,500

Note: This exhibit revises the Rhode Island experience rating subject premium eligibility amounts shown in the Subject premium eligibility amounts table for Rhode Island in NCCI's ***Experience Rating Plan Manual*** for Rhode Island. The subject premium eligibility amounts are applicable to all policies.

RHODE ISLAND

Advisory Loss Cost Filing – August 1, 2025

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

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

- Average Cost per Case
- Excess Loss Pure Premium Factors
- Retrospective Pure Premium Development Factors

1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
9,987	12,315	15,325	18,682	24,582	30,768	38,744

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
11,413	14,067	17,492	21,312	27,998	35,016	44,077

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	0.594	0.615	0.640	0.659	0.681	0.700	0.718
$15,000	0.538	0.562	0.591	0.613	0.641	0.663	0.686
$20,000	0.494	0.519	0.552	0.575	0.606	0.632	0.658
$25,000	0.457	0.484	0.518	0.542	0.576	0.604	0.633
$30,000	0.426	0.454	0.489	0.513	0.550	0.580	0.611
$35,000	0.400	0.428	0.464	0.488	0.527	0.558	0.590
$40,000	0.378	0.405	0.441	0.466	0.506	0.538	0.572
$50,000	0.340	0.368	0.404	0.429	0.471	0.504	0.539
$75,000	0.276	0.302	0.338	0.362	0.405	0.438	0.476
$100,000	0.233	0.259	0.293	0.316	0.359	0.392	0.429
$125,000	0.203	0.227	0.260	0.281	0.324	0.357	0.394
$150,000	0.179	0.202	0.234	0.254	0.297	0.329	0.365
$175,000	0.160	0.182	0.213	0.233	0.275	0.306	0.341
$200,000	0.145	0.166	0.196	0.215	0.256	0.287	0.321
$225,000	0.133	0.153	0.181	0.199	0.240	0.270	0.303
$250,000	0.122	0.141	0.169	0.186	0.226	0.255	0.288
$275,000	0.113	0.131	0.158	0.175	0.214	0.242	0.274
$300,000	0.105	0.123	0.148	0.165	0.203	0.231	0.262
$325,000	0.098	0.115	0.140	0.156	0.193	0.220	0.251
$350,000	0.092	0.108	0.133	0.148	0.184	0.211	0.241
$375,000	0.086	0.102	0.126	0.140	0.177	0.202	0.232
$400,000	0.082	0.097	0.120	0.134	0.169	0.195	0.223
$425,000	0.077	0.092	0.114	0.128	0.163	0.188	0.215
$450,000	0.073	0.088	0.109	0.122	0.157	0.181	0.208
$475,000	0.070	0.084	0.105	0.117	0.151	0.175	0.201
$500,000	0.066	0.080	0.100	0.113	0.146	0.169	0.195
$600,000	0.056	0.068	0.086	0.097	0.128	0.150	0.174
$700,000	0.048	0.059	0.076	0.086	0.114	0.134	0.157
$800,000	0.042	0.052	0.067	0.076	0.103	0.122	0.143
$900,000	0.037	0.046	0.060	0.069	0.094	0.112	0.131
$1,000,000	0.033	0.041	0.055	0.062	0.086	0.103	0.121
$2,000,000	0.015	0.020	0.027	0.032	0.046	0.057	0.068
$3,000,000	0.009	0.012	0.017	0.020	0.030	0.038	0.046
$4,000,000	0.006	0.008	0.012	0.014	0.022	0.027	0.034
$5,000,000	0.004	0.006	0.009	0.010	0.016	0.021	0.026
$6,000,000	0.003	0.004	0.007	0.008	0.012	0.016	0.021
$7,000,000	0.002	0.003	0.005	0.006	0.010	0.013	0.017
$8,000,000	0.002	0.003	0.004	0.005	0.008	0.011	0.014
$9,000,000	0.002	0.002	0.003	0.004	0.007	0.009	0.012
$10,000,000	0.001	0.002	0.003	0.003	0.005	0.007	0.010

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	0.692	0.714	0.741	0.762	0.785	0.805	0.824
$15,000	0.632	0.658	0.689	0.713	0.742	0.766	0.790
$20,000	0.583	0.611	0.646	0.672	0.705	0.733	0.760
$25,000	0.543	0.573	0.610	0.636	0.673	0.703	0.734
$30,000	0.509	0.540	0.578	0.605	0.645	0.677	0.710
$35,000	0.480	0.511	0.550	0.578	0.619	0.653	0.688
$40,000	0.455	0.486	0.526	0.554	0.597	0.631	0.668
$50,000	0.414	0.444	0.484	0.512	0.557	0.593	0.632
$75,000	0.341	0.370	0.410	0.437	0.484	0.521	0.562
$100,000	0.292	0.321	0.359	0.385	0.432	0.470	0.511
$125,000	0.257	0.284	0.321	0.346	0.393	0.430	0.471
$150,000	0.229	0.256	0.292	0.315	0.362	0.398	0.439
$175,000	0.208	0.233	0.268	0.290	0.337	0.372	0.412
$200,000	0.190	0.214	0.248	0.270	0.315	0.350	0.389
$225,000	0.175	0.198	0.231	0.252	0.297	0.331	0.369
$250,000	0.162	0.184	0.216	0.237	0.281	0.314	0.351
$275,000	0.151	0.173	0.204	0.223	0.267	0.299	0.336
$300,000	0.141	0.162	0.192	0.211	0.254	0.286	0.322
$325,000	0.133	0.153	0.182	0.201	0.243	0.274	0.309
$350,000	0.125	0.145	0.173	0.191	0.233	0.263	0.297
$375,000	0.118	0.137	0.165	0.182	0.223	0.253	0.287
$400,000	0.112	0.131	0.158	0.175	0.215	0.244	0.277
$425,000	0.107	0.125	0.151	0.167	0.207	0.236	0.268
$450,000	0.102	0.119	0.145	0.161	0.200	0.228	0.260
$475,000	0.097	0.114	0.139	0.155	0.193	0.221	0.252
$500,000	0.093	0.109	0.134	0.149	0.187	0.214	0.245
$600,000	0.079	0.094	0.116	0.130	0.165	0.191	0.219
$700,000	0.068	0.082	0.103	0.115	0.148	0.172	0.199
$800,000	0.060	0.072	0.092	0.103	0.135	0.157	0.183
$900,000	0.053	0.065	0.083	0.094	0.123	0.145	0.169
$1,000,000	0.048	0.059	0.075	0.085	0.113	0.134	0.157
$2,000,000	0.022	0.028	0.038	0.044	0.062	0.075	0.090
$3,000,000	0.013	0.017	0.024	0.028	0.041	0.051	0.061
$4,000,000	0.009	0.012	0.017	0.020	0.029	0.037	0.046
$5,000,000	0.006	0.008	0.012	0.015	0.022	0.028	0.035
$6,000,000	0.005	0.006	0.009	0.011	0.017	0.022	0.028
$7,000,000	0.004	0.005	0.007	0.009	0.014	0.018	0.023
$8,000,000	0.003	0.004	0.006	0.007	0.011	0.015	0.019
$9,000,000	0.002	0.003	0.005	0.006	0.009	0.012	0.016
$10,000,000	0.002	0.003	0.004	0.005	0.008	0.010	0.014

3. **Retrospective Pure Premium Development Factors**

With Loss Limit			Without Loss Limit			
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	4th & Subsequent Adjustment
0.06	0.03	0.01	0.18	0.09	0.04	0.00

Part 3 Supporting Exhibits

- Exhibit I – Determination of the Indicated Loss Cost Level Change
- Exhibit II – Workers Compensation Loss Adjustment Expense
- 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

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Advisory Loss Costs and Rating Values Filing – August 1, 2025

Exhibit I – Determination of Indicated Loss Cost Level Change

NCCI analyzed the emerging experience of Rhode Island workers compensation policies in recent years. The primary focus of the analysis was on premiums and losses from the proposed experience period, as shown in the exhibits on the next few pages.

Determination of the Loss Base

In analyzing losses for the purpose of Aggregate Ratemaking, NCCI reviews both “paid” and “paid plus case” loss data, which are (i) the benefit amounts already paid by insurers on reported claims and (ii) the benefit amounts already paid by insurers on reported claims plus the amounts set aside to cover future payments on those claims.

During this year’s analysis, which included an assessment of possible pandemic claim-related impacts, paid data was selected to best reflect the conditions likely to prevail in the proposed effective period. This methodology makes the most use of the available financial data information and is consistent with prior filings made in Rhode Island.

Determination of the Experience Period

This year’s analysis included a review of various experience periods and an assessment of possible pandemic claim-related impacts. The most recent five policy year and calendar-accident year projected loss ratios are shown below. Policy year data is given greater consideration by NCCI because policy year data reflects the best match between exposure and losses.

Policy Year	Loss Ratio	Calendar-Accident Year	Loss Ratio
2018	1.063	2019	1.074
2019	1.034	2020	0.886
2020	0.952	2021	0.955
2021	0.885	2022	0.960
2022	0.989	2023	0.998

Note the following regarding the projected loss ratios:

- *Based on NCCI’s Financial Call data reported through 12/31/2023, on-leveled, developed to an ultimate report, and trended to the prospective period. Projected losses do not include the change in expenses and standard earned premium at Designated Statistical Reporting (DSR) level is adjusted to a pure premium level.*
- *The Calendar-Accident Year analysis was not conducted separately; the displayed loss ratios are trended using the policy year loss ratio selections underlying this filing.*
- *Calendar-Accident Year 2019–2023 loss ratios include a premium audit adjustment due to changes in audit activity primarily attributable to the COVID-19 pandemic-related recession.*

Pandemic-related effects have generally helped to increase workplace safety. For example, the shift to remote work and reduced business travel are likely contributing to the improved loss ratio experience observed in recent years. Additionally, there has been a long-term pattern of improved workplace safety as well as an increase in the use of automation, both of which continue to put downward pressure on lost-time claim frequency. Other pandemic-related effects that are expected to persist into the future include shifting job duties, many which have reduced person-to-person interaction.

The Rhode Island loss ratio experience is favorable in the three most recent policy year loss ratio results. While some of the improved experience observed in Policy Years 2020 and 2021 was likely influenced by the pandemic, Policy Year 2022 loss ratio results, which are furthest removed for the peak of the pandemic, remain favorable and provide another barometer of future experience in Rhode Island. A similar pattern is observed for experience in the latest three calendar-accident years where loss ratios remain below unity, which further supports a decrease in the loss costs for the proposed effective period.

Data from the three most recently available full policy years was selected as the most appropriate period on which to base this year's filing. Utilizing three policy years provides a balance between stability and responsiveness, and best reflects the conditions expected to prevail in the proposed effective period. This method is consistent with the currently approved filing in Rhode Island.

Determination of the Indicated 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 loss cost level, and adjusted to a pure premium 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. Limited losses are adjusted to an unlimited basis via a non-catastrophe excess ratio (with excess ratios at limits beyond $50 million set equal to zero)
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

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Exhibit I – Determination of Indicated Loss Cost Level Change

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.

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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section A - Policy Year 2022 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	$139,993,977
(2)	Premium On-level Factor (Appendix A-I)	0.659
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	$92,256,031

Indemnity Benefit Cost:

(4)	Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	$77,559,484
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6)	Adjusted Limited Indemnity Losses = (4) x (5)	$77,559,484
(7)	Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.841
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.862
(9)	Projected Limited Indemnity Cost Ratio = (7) x (8)	0.725
(10)	Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(11)	Projected Indemnity Cost Ratio = (9) x (10)	0.745
(12)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.002
(13)	Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.746

Medical Benefit Cost:

(14)	Limited Medical Losses Developed to Ultimate (Appendix A-II)	$26,813,606
(15)	Medical Loss On-level Factor (Appendix A-I)	1.021
(16)	Adjusted Limited Medical Losses = (14) x (15)	$27,376,692
(17)	Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.297
(18)	Factor to Reflect Medical Trend (Appendix A-III)	0.784
(19)	Projected Limited Medical Cost Ratio = (17) x (18)	0.233
(20)	Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(21)	Projected Medical Cost Ratio = (19) x (20)	0.240
(22)	Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.012
(23)	Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.243

Total Benefit Cost:

(24)	Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.989

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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section B - Policy Year 2021 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	$137,023,742
(2)	Premium On-level Factor (Appendix A-I)	0.611
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	$83,721,506

Indemnity Benefit Cost:

(4)	Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	$65,250,441
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.013
(6)	Adjusted Limited Indemnity Losses = (4) x (5)	$66,098,697
(7)	Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.790
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.828
(9)	Projected Limited Indemnity Cost Ratio = (7) x (8)	0.654
(10)	Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(11)	Projected Indemnity Cost Ratio = (9) x (10)	0.672
(12)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.002
(13)	Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.673

Medical Benefit Cost:

(14)	Limited Medical Losses Developed to Ultimate (Appendix A-II)	$22,461,272
(15)	Medical Loss On-level Factor (Appendix A-I)	1.031
(16)	Adjusted Limited Medical Losses = (14) x (15)	$23,157,571
(17)	Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.277
(18)	Factor to Reflect Medical Trend (Appendix A-III)	0.733
(19)	Projected Limited Medical Cost Ratio = (17) x (18)	0.203
(20)	Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(21)	Projected Medical Cost Ratio = (19) x (20)	0.209
(22)	Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.012
(23)	Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.212

Total Benefit Cost:

(24)	Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.885

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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section C - Policy Year 2020 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	$135,285,175
(2)	Premium On-level Factor (Appendix A-I)	0.548
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	$74,136,276

Indemnity Benefit Cost:

(4)	Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	$63,585,294
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.023
(6)	Adjusted Limited Indemnity Losses = (4) x (5)	$65,047,756
(7)	Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.877
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.795
(9)	Projected Limited Indemnity Cost Ratio = (7) x (8)	0.697
(10)	Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(11)	Projected Indemnity Cost Ratio = (9) x (10)	0.717
(12)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.002
(13)	Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.718

Medical Benefit Cost:

(14)	Limited Medical Losses Developed to Ultimate (Appendix A-II)	$23,384,555
(15)	Medical Loss On-level Factor (Appendix A-I)	1.039
(16)	Adjusted Limited Medical Losses = (14) x (15)	$24,296,553
(17)	Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.328
(18)	Factor to Reflect Medical Trend (Appendix A-III)	0.685
(19)	Projected Limited Medical Cost Ratio = (17) x (18)	0.225
(20)	Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.028
(21)	Projected Medical Cost Ratio = (19) x (20)	0.231
(22)	Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.012
(23)	Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.234

Total Benefit Cost:

(24)	Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.952

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EXHIBIT I

Determination of Indicated Loss Cost Level Change

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

(1)	Policy Year 2022 Indicated Change Based on Experience, Trend, and Benefits	0.989
(2)	Policy Year 2021 Indicated Change Based on Experience, Trend, and Benefits	0.885
(3)	Policy Year 2020 Indicated Change Based on Experience, Trend, and Benefits	0.952
(4)	Indicated Change Based on Experience, Trend, and Benefits = (1) x 33.3% + (2) x 33.3% + (3) x 33.3%	0.942

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

(1)	Indicated Loss Cost Level Change	0.942
(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)	0.952

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

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.053
Contracting	0.994
Office & Clerical	0.995
Goods & Services	0.976
Miscellaneous	1.029

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	0.952	1.053	1.002	(+0.2%)
Contracting	0.952	0.994	0.946	(-5.4%)
Office & Clerical	0.952	0.995	0.947	(-5.3%)
Goods & Services	0.952	0.976	0.929	(-7.1%)
Miscellaneous	0.952	1.029	0.980	(-2.0%)
Overall	0.952	1.000	0.952	(-4.8%)

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Exhibit II – Workers Compensation Loss Adjustment Expenses

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 are calculated on a countrywide basis using private carrier-only data after applying an adjustment to exclude the percentage of COVID-19-related losses relative to total losses for COVID-19 claims with accident dates between December 1, 2019 and June 30, 2023.

The reported DCCE and losses from COVID-19-related claims with accident dates between December 1, 2019 and June 30, 2023 have been excluded from the underlying data in this year's analysis to better reflect the conditions likely to prevail in the proposed effective period. NCCI used the following general methodology to determine the proposed DCCE provision based on Rhode Island-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 proposed LAE provision is based on private carrier only data.

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 Rhode Island Loss Adjustment Expense Provision

NCCI proposes a 24.0% loss adjustment expense allowance as a percentage of losses. This represents a 1.1% increase from the currently approved loss adjustment expense provision.

Rhode Island Provisions	(1) Current Approved	(2) Proposed
AOE	9.4%	**9.8%**
DCCE	13.3%	**14.2%**
Total LAE	22.7%	**24.0%**

Proposed Change in Rhode Island 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 9.8%.

Accident Year	Ultimate AOE Ratio
2019	9.6%
2020	10.2%
2021	9.9%
2022	9.7%
2023	9.9%
Countrywide Selected	9.8%
Rhode Island Selected	**9.8%**

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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section C - Selection of DCCE Provision

Policy Year	(1) Reported Ratio of Paid DCCE to Paid Losses	(2) Age to Ultimate Development Factor	(3) Ultimate DCCE Ratio
2018	13.5%	0.987	13.3%
2019	12.9%	0.983	12.7%
2020	14.1%	0.960	13.5%
2021	14.9%	0.943	14.1%
2022	15.4%	0.980	15.1%
		Rhode Island Selected	**14.2%**

(2) Section D

(3) = (1) x (2)

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

Report	(1) DCCE Ratio Development To Next Report	(2) DCCE Ratio Development To Ultimate
1st	1.039	0.980
2nd	0.982	0.943
3rd	0.977	0.960
4th	0.996	0.983
5th	1.002	0.987
6th	1.003	0.985
7th	1.003	0.982
8th	0.995	0.979
9th	0.999	0.984
10th	0.995	0.985
11th	0.996	0.990
12th	0.998	0.994
13th	0.998	0.996
14th	0.999	0.998
15th	0.999	0.999
16th	1.000	1.000
17th	1.000	1.000
18th	1.000	1.000
19th		1.000*

(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

Valuation	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th
12/31/2019	1.042	1.012	0.865	0.977	1.005	1.000
12/31/2020	1.040	0.930	0.998	0.984	0.982	1.007
12/31/2021	1.058	1.008	1.003	1.013	1.003	0.981
12/31/2022	1.032	0.963	0.944	0.997	0.998	1.004
12/31/2023	1.035	0.974	0.988	1.008	1.010	1.005
Average*	1.039	0.982	0.977	0.996	1.002	1.003

*Excludes the years with the lowest and highest factors.

Valuation	7th/8th	8th/9th	9th/10th	10th/11th	11th/12th	12th/13th
12/31/2019	1.000	0.991	0.996	1.001	0.999	1.001
12/31/2020	0.994	0.992	0.994	0.999	0.979	1.000
12/31/2021	1.006	0.992	1.004	0.992	0.996	0.998
12/31/2022	1.003	1.002	0.999	0.993	0.994	0.992
12/31/2023	1.010	1.000	1.001	0.975	1.004	0.995
Average*	1.003	0.995	0.999	0.995	0.996	0.998

*Excludes the years with the lowest and highest factors.

Valuation	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th
12/31/2019	0.998	0.996	1.001	1.000	1.002	1.000
12/31/2020	0.983	0.998	0.996	1.002	1.000	1.000
12/31/2021	0.999	1.001	0.998	0.997	1.001	1.000
12/31/2022	0.998	1.000	1.001	0.998	0.997	0.999
12/31/2023	0.998	1.000	0.997	1.001	0.999	0.997
Average*	0.998	0.999	0.999	1.000	1.000	1.000

*Excludes the years with the lowest and highest factors.

Appendix A – Factors Underlying the Proposed Rate 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 and benefit levels, respectively.

Premium on-level factors capture the difference between the average premium level for the year being on-leveled and the present premium level. The average premium level for the year being on-leveled is calculated using a weighted average based on a monthly premium distribution derived from Rhode Island Unit Statistical Plan data. The following adjustments are applied as part of the premium on-level factor calculation:

- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported voluntary DSR level premium totals.
- 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 expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.

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.

Experience Rating Off-Balance Adjustment Factor

The term “off-balance” refers to the average experience rating modification factor (E-mod) across all employers for a given time period. Historical off-balance values are calculated as a weighted average—using expected losses as weights—of the following:

- E-mods for intrastate rated employers
- E-mods for interstate rated employers
- A unity factor for all non-rated employers

NCCI reviews changes in each state’s average off-balance annually. The historical data review combined with the experience rating parameters included in the latest approved filing provide all necessary information to adjust historical premiums to reflect any changes in the off-balance values over time. Specifically, the premiums in the financial data experience period are adjusted

to the off-balance expected in the proposed filing effective period. This adjustment can be seen in the premium on-level adjustment factors provided in Appendix A-I.

The key components used to estimate the off-balance for the proposed filing include:

- A targeted average E-mod of 0.960 for intrastate rated employers is used to estimate the off-balance. A targeted average intrastate E-mod slightly below unity is desirable because employers who qualify for experience rating typically have better loss experience, on average, than non-rated employers. The impact of NCCI's off-balance adjustment is premium-neutral on a statewide basis while promoting loss cost adequacy for non-rated employers.
- An average interstate E-mod is used to estimate the off-balance. The average interstate E-mod is estimated based on experience rating data for interstate rated employers compiled within the most recent twelve months. Unlike intrastate-rated employers, interstate employers have exposure in multiple states, where each state's data and underlying experience rating parameters are used to determine the employer's interstate E-mod. Because E-mods for interstate employers are influenced by experience rating values for multiple states, NCCI's standard approach is to assume that the average interstate E-mod during the proposed filing period is best approximated by the average interstate E-mod observed over the most recent twelve months of E-mod data available at the time of the analysis.

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2022 Policy Year Premium to Present Level

	Date	(1) Loss Cost Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Removal	(7) Off-balance Adjustment Factor*	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	08/01/21	Base	1.000	0.626	0.626	0.805	0.815	1.005	0.659
NR	08/01/22	0.936	0.936	0.374	0.350				
NR	08/01/23	0.938	0.878						
NR	08/01/24	0.895	0.786						
					0.976				

Section B - Factor Adjusting 2022 Policy Year Indemnity Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/22	Base	1.000	0.561	0.561	1.000
01/01/23	1.000	1.000	0.439	0.439	
01/01/24	1.000	1.000			
				1.000	

Section C - Factor Adjusting 2022 Policy Year Medical Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/22	Base	1.000	0.561	0.561	1.021
01/01/23	1.013	1.013	0.439	0.445	
01/01/24	1.014	1.027			
				1.006	

NR New and renewal business.

* 1.005 = 0.961 / 0.956 = (Targeted Off-balance) / (Off-balance for Policy Year 2022)

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2021 Policy Year Premium to Present Level

	Date	(1) Loss Cost Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Removal	(7) Off-balance Adjustment Factor*	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	08/01/20	Base	1.000	0.626	0.626	0.749	0.815	1.002	0.611
NR	08/01/21	0.930	0.930	0.374	0.348				
NR	08/01/22	0.936	0.870						
NR	08/01/23	0.938	0.816						
NR	08/01/24	0.895	0.730						
					0.974				

Section E - Factor Adjusting 2021 Policy Year Indemnity Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/21	Base	1.000	0.561	0.561	1.013
01/01/22	1.023	1.023	0.439	0.449	
01/01/23	1.000	1.023			
01/01/24	1.000	1.023			
				1.010	

Section F - Factor Adjusting 2021 Policy Year Medical Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/21	Base	1.000	0.561	0.561	1.031
01/01/22	1.008	1.008	0.439	0.443	
01/01/23	1.013	1.021			
01/01/24	1.014	1.035			
				1.004	

NR New and renewal business.

* 1.002 = 0.961 / 0.959 = (Targeted Off-balance) / (Off-balance for Policy Year 2021)

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section G - Factor Adjusting 2020 Policy Year Premium to Present Level

	Date	(1) Loss Cost Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Removal	(7) Off-balance Adjustment Factor*	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	08/01/19	Base	1.000	0.626	0.626	0.668	0.815	1.007	0.548
NR	08/01/20	0.870	0.870	0.374	0.325				
NR	08/01/21	0.930	0.809						
NR	08/01/22	0.936	0.757						
NR	08/01/23	0.938	0.710						
NR	08/01/24	0.895	0.635						
					0.951				

Section H - Factor Adjusting 2020 Policy Year Indemnity Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/20	Base	1.000	0.561	0.561	1.023
01/01/21	1.000	1.000	0.439	0.439	
01/01/22	1.023	1.023			
01/01/23	1.000	1.023			
01/01/24	1.000	1.023			
				1.000	

Section I - Factor Adjusting 2020 Policy Year Medical Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/20	Base	1.000	0.561	0.561	1.039
01/01/21	1.008	1.008	0.439	0.443	
01/01/22	1.008	1.016			
01/01/23	1.013	1.029			
01/01/24	1.014	1.043			
				1.004	

NR New and renewal business.

* 1.007 = 0.961 / 0.954 = (Targeted Off-balance) / (Off-balance for Policy Year 2020)

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section J - Premium Adjustment to Average Expected Mod

Rating Year	(1) Average Intrastate Mod	(2) Average Interstate Mod	(3) Average Mod Combined Rated Risk	(4) Weighted Average Off-Balance	(5) Average Mod Expected	(6)= (5)/(4) Policy Year Adjustment Factor
2006	0.974	0.991	0.980	0.982	0.961	0.979
2007	0.985	0.991	0.987	0.989	0.961	0.972
2008	0.985	0.997	0.989	0.991	0.961	0.970
2009	0.995	0.977	0.988	0.990	0.961	0.971
2010	0.992	0.987	0.990	0.991	0.961	0.970
2011	0.998	0.990	0.995	0.996	0.961	0.965
2012	0.996	0.987	0.992	0.993	0.961	0.968
2013	0.988	0.983	0.986	0.988	0.961	0.973
2014	0.960	0.982	0.969	0.973	0.961	0.988
2015	0.951	0.957	0.953	0.959	0.961	1.002
2016	0.949	0.955	0.951	0.958	0.961	1.003
2017	0.939	0.952	0.944	0.951	0.961	1.011
2018	0.945	0.935	0.941	0.949	0.961	1.013
2019	0.938	0.940	0.939	0.947	0.961	1.015
2020	0.943	0.950	0.946	0.954	0.961	1.007
2021	0.945	0.961	0.952	0.959	0.961	1.002
2022	0.938	0.960	0.948	0.956	0.961	1.005
2023	0.926	0.954	0.938	0.948	0.961	1.014

Appendix A – Factors Underlying the Proposed Rate 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 on the following pages.

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 Rhode Island. 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. It is calculated as one percent of the total volume of premium from the most recent three policy years underlying the currently approved filing. Using three years in the determination of the large loss base threshold further mitigates large loss volatility between filings and is consistent with how the limitation was calculated historically. The base threshold is then 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 Rhode Island 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.

After developing limited indemnity and medical losses to an ultimate report, a statewide, non-catastrophe excess ratio at the base threshold is used to adjust the limited losses to an unlimited basis. The excess ratios are non-catastrophe because excess ratios at limits beyond $50 million are set equal to zero. The excess ratio is derived from Rhode Island’s Retrospective Rating Plan Parameters.

Premium Development

Premium at an ultimate report is estimated by incorporating a review of historical patterns of premium development over time–primarily due to payroll audits. 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.

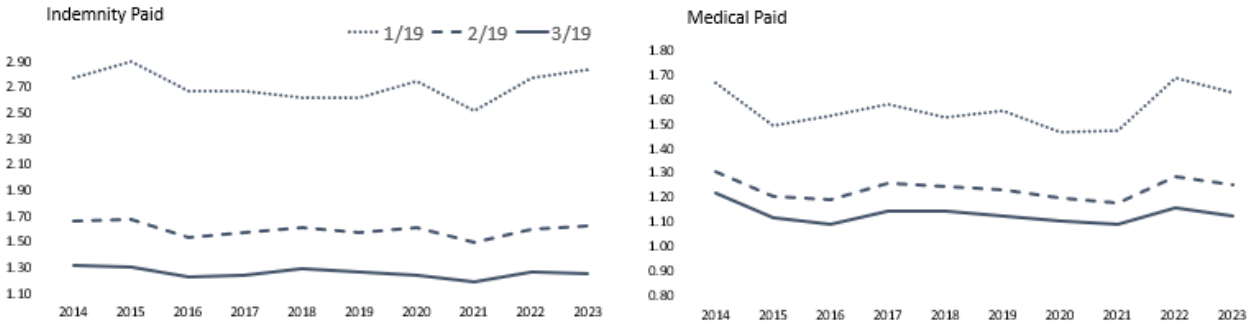
In this filing, a three-year average of historical premium development factors was selected to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one filing to the next.

Appendix A – Factors Underlying the Proposed Rate Level Change

Loss Development

Loss development factors are needed since total paid losses on a given claim change over time until the claim is finally closed. 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 19th-to-ultimate "tail" factor is used to reflect all future expected loss emergence. The loss development factors are calculated based on how paid losses change over time for claims in older years.

The graphs below display the age-to-19th cumulative loss development factors over the last ten valuations.



Consistent with prior filings in Rhode Island, a five-year average, excluding the highest and lowest, of historical paid loss development factors through a 19th report was selected.

As can be seen in the graphs above, the latest valuation of development factors are generally consistent with those from historical periods for both indemnity and medical paid development. Although there has been more year-to-year fluctuation in indemnity and medical 1st-to-19th, the indemnity and medical 2nd-to-19th and 3rd-to-19th factors have remained relatively stable. Therefore, there was no change in these selected development averages compared to last year's filing.

These development factors were selected to strike a balance between being responsive to observed changes and promoting stability in the selected development factors from one filing to the next.

19th-to-Ultimate Tail Factor

Tail factors are calculated separately for indemnity and medical unlimited 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. To adjust for

these differences in the volume of losses between policy years, a growth adjustment factor is applied. The tail factors are brought from an unlimited basis to a limited basis through the application of a tail adjustment factor, which is based on countrywide data and the state specific large loss threshold.

The 19th-to-ultimate tail factor in Rhode Island is calculated on a paid basis. This is a change from last year's filing, which was calculated on a paid plus case basis. Paid data is used in the calculation of a 19th-to-ultimate loss development factors in order to limit the impact of year-to-year changes in carrier case reserves, which can be volatile in Rhode Island. This selection is also consistent with the selected loss base utilized in the experience period of this filing.

Both the indemnity and medical tail factors utilize all available experience for the years prior to the tail attachment point and are calculated for the most recent ten available policy years. Paid loss development tail factors from a nineteenth report to ultimate were judgmentally selected in this filing based on a review of the ten most recently available factors.

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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 12/31/2023

Policy Year 2022

(1)	Standard Earned Premium	$138,470,798
(2)	Factor to Develop Premium to Ultimate	1.011
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	$139,993,977
(4)	Limited Indemnity Paid Losses	$28,451,755
(5)	Limited Indemnity Paid Development Factor to Ultimate	2.726
(6)	Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	$77,559,484
(7)	Limited Medical Paid Losses	$16,949,182
(8)	Limited Medical Paid Development Factor to Ultimate	1.582
(9)	Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	$26,813,606

Policy Year 2021

(1)	Standard Earned Premium	$137,160,903
(2)	Factor to Develop Premium to Ultimate	0.999
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	$137,023,742
(4)	Limited Indemnity Paid Losses	$40,807,030
(5)	Limited Indemnity Paid Development Factor to Ultimate	1.599
(6)	Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	$65,250,441
(7)	Limited Medical Paid Losses	$18,041,182
(8)	Limited Medical Paid Development Factor to Ultimate	1.245
(9)	Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	$22,461,272

Policy Year 2020

(1)	Standard Earned Premium	$135,285,175
(2)	Factor to Develop Premium to Ultimate	1.000
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	$135,285,175
(4)	Limited Indemnity Paid Losses	$50,304,821
(5)	Limited Indemnity Paid Development Factor to Ultimate	1.264
(6)	Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	$63,585,294
(7)	Limited Medical Paid Losses	$20,566,891
(8)	Limited Medical Paid Development Factor to Ultimate	1.137
(9)	Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	$23,384,555

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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section B - Premium Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2019	1.001	2018	0.999	2017	1.000	2016	1.000
2020	1.014	2019	0.999	2018	1.000	2017	1.000
2021	1.021	2020	1.000	2019	1.000	2018	1.000
Average	1.012	Average	0.999	Average	1.000	Average	1.000

Summary of Premium Development Factors

1st/5th	2nd/5th	3rd/5th	4th/5th
1.011	0.999	1.000	1.000

Section C - Limited Indemnity Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2017	1.657	2016	1.240	2015	1.097	2014	1.048
2018	1.698	2017	1.298	2016	1.097	2015	1.043
2019	1.685	2018	1.248	2017	1.094	2016	1.039
2020	1.731	2019	1.257	2018	1.116	2017	1.040
2021	1.743	2020	1.290	2019	1.097	2018	1.064
Average*	1.705	Average*	1.265	Average*	1.097	Average*	1.044

* Excludes the years with the lowest and highest factors.

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2013	1.040	2012	1.017	2011	1.010	2010	1.004
2014	1.032	2013	1.017	2012	1.008	2011	1.005
2015	1.019	2014	1.018	2013	1.004	2012	1.004
2016	1.049	2015	1.005	2014	1.005	2013	1.006
2017	1.015	2016	1.023	2015	1.004	2014	1.003
Average*	1.030	Average*	1.017	Average*	1.006	Average*	1.004

* Excludes the years with the lowest and highest factors.

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2009	1.013	2008	1.002	2007	1.002	2006	1.002
2010	1.005	2009	1.003	2008	1.006	2007	1.000
2011	1.001	2010	1.003	2009	1.003	2008	1.002
2012	1.003	2011	1.009	2010	1.002	2009	1.011
2013	1.005	2012	1.015	2011	1.001	2010	1.002
Average*	1.004	Average*	1.005	Average*	1.002	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2005	1.010	2004	1.004	2003	1.000	2002	1.000
2006	1.008	2005	1.001	2004	1.001	2003	1.000
2007	1.000	2006	1.001	2005	1.001	2004	1.001
2008	1.002	2007	1.000	2006	1.001	2005	1.002
2009	1.007	2008	1.002	2007	1.000	2006	1.003
Average*	1.006	Average*	1.001	Average*	1.001	Average*	1.001

* Excludes the years with the lowest and highest factors.

Policy Year	17th/18th	Policy Year	18th/19th
2001	1.002	2000	1.000
2002	1.000	2001	1.002
2003	1.000	2002	1.000
2004	1.002	2003	1.000
2005	1.001	2004	1.002
Average*	1.001	Average*	1.001

* Excludes the years with the lowest and highest factors.

Section D - Limited Medical Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2017	1.259	2016	1.095	2015	1.042	2014	1.019
2018	1.225	2017	1.085	2016	1.032	2015	1.012
2019	1.252	2018	1.080	2017	1.028	2016	1.015
2020	1.314	2019	1.105	2018	1.060	2017	1.023
2021	1.303	2020	1.111	2019	1.054	2018	1.013
Average*	1.271	Average*	1.095	Average*	1.043	Average*	1.016

* Excludes the years with the lowest and highest factors.

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2013	1.017	2012	1.011	2011	1.005	2010	1.005
2014	1.011	2013	1.008	2012	1.011	2011	1.003
2015	1.013	2014	1.005	2013	1.004	2012	1.006
2016	1.032	2015	1.001	2014	1.003	2013	1.005
2017	1.010	2016	1.013	2015	1.002	2014	1.000
Average*	1.014	Average*	1.008	Average*	1.004	Average*	1.004

* Excludes the years with the lowest and highest factors.

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2009	1.010	2008	1.002	2007	1.001	2006	1.003
2010	1.005	2009	1.003	2008	1.007	2007	1.001
2011	1.005	2010	1.001	2009	1.004	2008	1.001
2012	1.002	2011	1.011	2010	1.001	2009	1.008
2013	1.014	2012	1.002	2011	1.000	2010	1.003
Average*	1.007	Average*	1.002	Average*	1.002	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2005	1.002	2004	1.002	2003	1.001	2002	1.001
2006	1.002	2005	1.001	2004	1.003	2003	1.001
2007	1.001	2006	1.003	2005	1.001	2004	1.002
2008	1.002	2007	1.001	2006	1.003	2005	1.001
2009	1.001	2008	1.001	2007	1.004	2006	1.006
Average*	1.002	Average*	1.001	Average*	1.002	Average*	1.001

* Excludes the years with the lowest and highest factors.

Policy Year	17th/18th	Policy Year	18th/19th
2001	1.003	2000	1.000
2002	1.001	2001	1.001
2003	1.001	2002	1.000
2004	1.001	2003	1.001
2005	1.000	2004	1.001
Average*	1.001	Average*	1.001

* Excludes the years with the lowest and highest factors.

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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

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

Indemnity Paid Data for Matching Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	Losses for Policy Year 19th Report	Losses for Policy Year 20th Report	Losses for All Prior Policy Years Previous	Losses for All Prior Policy Years Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1994	35,052,236	35,068,331	1,542,753,276	1,546,552,732	2.828	1.039
1995	33,291,735	33,324,323	1,581,439,855	1,584,779,995	2.860	1.036
1996	32,183,409	32,305,731	1,618,093,165	1,621,208,255	2.785	1.039
1997	37,128,654	37,148,954	1,653,097,799	1,656,995,295	2.173	1.049
1998	42,406,781	42,405,412	1,694,144,249	1,696,900,178	1.674	1.039
1999	50,873,710	50,963,954	1,705,526,171	1,708,576,775	1.201	1.052
2000	56,465,714	56,465,714	1,732,432,563	1,734,849,704	0.894	1.048
2001	57,697,279	58,120,020	1,786,547,586	1,789,052,942	0.768	1.064
2002	53,227,593	53,294,554	1,874,546,997	1,876,802,152	0.791	1.055
2003	60,372,725	60,412,856	1,930,099,388	1,932,436,805	0.699	1.056
			Selected Indemnity 19th-to-Ultimate Loss Development Factor			1.040

Medical Paid Data for Matching Companies

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Policy Year	Losses for Policy Year 19th Report	Losses for Policy Year 20th Report	Losses for All Prior Policy Years Previous	Losses for All Prior Policy Years Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1994	15,818,237	15,838,291	446,464,020	447,766,311	1.779	1.048
1995	15,831,309	15,925,183	463,532,546	464,438,248	1.764	1.038
1996	15,220,156	15,238,637	480,329,258	481,164,419	1.791	1.032
1997	18,037,840	18,055,545	496,124,838	496,902,200	1.430	1.031
1998	19,623,228	19,624,596	514,957,745	515,634,037	1.235	1.028
1999	28,448,024	28,953,145	525,388,849	526,290,405	0.793	1.058
2000	26,335,939	26,391,822	547,749,737	548,936,524	0.810	1.058
2001	27,507,084	27,542,173	573,082,638	574,771,715	0.739	1.084
2002	28,021,588	28,080,153	609,981,269	611,438,216	0.718	1.075
2003	31,798,952	31,828,172	639,520,474	641,102,048	0.651	1.077
			Selected Medical 19th-to-Ultimate Loss Development Factor			1.045

(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.

Determination of Premium and Losses Developed to an Ultimate Report

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

	Indemnity	Medical
(1) Paid 19th-to-Ultimate Loss Development Factor (Section E)	1.040	1.045
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.468	0.468
(3) Limited Paid 19th-to-Ultimate Loss Development Factor = [(1) - 1] x (2) + 1	1.019	1.021

Section G - Summary of Limited Paid Loss Development Factors

	(1)	(2)		(3)	(4)
	Indemnity Paid Loss Development			Medical Paid Loss Development	
Report	to Next Report	to Ultimate	Report	to Next Report	to Ultimate
1st	1.705	2.726	1st	1.271	1.582
2nd	1.265	1.599	2nd	1.095	1.245
3rd	1.097	1.264	3rd	1.043	1.137
4th	1.044	1.152	4th	1.016	1.090
5th	1.030	1.103	5th	1.014	1.073
6th	1.017	1.071	6th	1.008	1.058
7th	1.006	1.053	7th	1.004	1.050
8th	1.004	1.047	8th	1.004	1.046
9th	1.004	1.043	9th	1.007	1.042
10th	1.005	1.039	10th	1.002	1.035
11th	1.002	1.034	11th	1.002	1.033
12th	1.002	1.032	12th	1.002	1.031
13th	1.006	1.030	13th	1.002	1.029
14th	1.001	1.024	14th	1.001	1.027
15th	1.001	1.023	15th	1.002	1.026
16th	1.001	1.022	16th	1.001	1.024
17th	1.001	1.021	17th	1.001	1.023
18th	1.001	1.020	18th	1.001	1.022
19th		1.019	19th		1.021

(2) = Cumulative upward product of column (1).
(4) = Cumulative upward product of column (3).

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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

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

(1) Threshold at the Midpoint of the Loss Cost Effective Period*	2,593,462
(2) Statewide Excess Ratio for (1)	0.027
(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) x (1.0 - (3))]}	1.028

Section I - Policy Year Large Loss Limits

Experience Year	Policy Year Detrended Limit
2022	2,272,043
2021	2,190,002
2020	2,090,297
2019	1,961,673
2018	1,867,822
2017	1,833,024
2016	1,794,175
2015	1,756,530
2014	1,718,731
2013	1,664,435
2012	1,613,850
2011	1,573,804
2010	1,537,084
2009	1,497,660
2008	1,473,885
2007	1,445,217
2006	1,404,027
2005	1,353,472
2004	1,305,565
2003	1,265,500
2002	1,214,740
2001	1,168,474
2000	1,132,242

* July 25, 2026 is the midpoint of the effective period for which the revised loss costs are being proposed.

Appendix A – Factors Underlying the Proposed Rate Level Change

Appendix A-III Trend Factors

The proposed loss costs are intended for use with policies with effective dates in the proposed effective period. However, the data underlying this filing is based on the years in the experience period. Thus, it is necessary to use trend factors that forecast how much the future Rhode Island workers compensation experience will differ from historical experience.

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.

Overview of Methodology

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 Rhode Island. 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 in severity figures.

While claim frequency and severity are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors in Rhode Island. Loss ratios are relied upon as they are less impacted by shifts in the industry mix since these impacts to frequency and severity tend to offset one another. Additionally, loss ratios do not require an adjustment to a common wage level since the wage adjustment to frequency and severities nullify. In order to estimate the average annual percentage changes in the loss ratios, exponential curves are fit to the historical data points. Consideration in the trend factor selections include a review of loss ratio patterns observed over an extended period of time, 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 trend lengths displayed on the following exhibits are calculated by comparing the average accident date, or midpoint, for the effective period of the proposed rates to each average accident date of the policy years in the experience period. The average accident dates are based on a Rhode Island distribution of policy writings by month and assume a uniform probability of loss over the coverage period.

Appendix A – Factors Underlying the Proposed Rate Level Change

Considerations Underlying Trend Selections in this Filing

The trend factors selected in this filing are meant to recognize the impact the changes in benefits and inflation will have on loss ratios between the midpoints of the experience period years on which the filing is based and the midpoint of the proposed loss cost effective period. Trends using the most recent fifteen policy years are typically reviewed to allow one to evaluate changes over an extended period of time, including both economic and non-economic factors, and to mitigate short-term anomalous year-to-year changes.

The indicated exponential indemnity and medical loss ratio trend fits, which helped inform the selections in this filing, are displayed on the following pages. In general, long-term patterns of decreasing loss ratios have been observed over the most recent fifteen policy years. The improved loss ratio experience is expected to continue going forward as the COVID-19 pandemic may have permanently altered aspects of the workplace and economy in Rhode Island. For example, remote work and reduced business travel affecting some sectors, changes in job duties and workplaces, and changes in the mix of business are likely to persist into the future.

However, it is possible that some portion of the improved loss ratio loss ratio experience observed during Policy Years 2020 and 2021, may in part be due to indirect effects of the COVID-19 pandemic-related effects which may not persist during the effective period of the prospective lost costs. While favorable experience for these policy years is accounted for directly in the experience period utilized in determining the loss cost indication, the magnitude of the year-over-year loss ratio decreases in Policy Year 2020 and 2021 are not necessarily indicative of how loss ratios are expected to change going forward. In the following year, Policy Year 2022, there was a noticeable rebound in the loss ratios. Given the volatility experienced over these three years, the trend exhibits also display alternate exponential fits, which smooths out the changes over this time period. While selections were not based solely on these alternative exponential fits, they were used in conjunction with the unadjusted exponential fits to assess the reasonability of the selected loss ratio trends prior to; during; and post-pandemic.

The adjusted indemnity loss ratio (LR) calculation starts by calculating the average annual change from 2019 to 2022:

Average annual change from 2019 to 2022 = $\left(\frac{PY\ 2022\ LR}{PY\ 2019\ LR}\right)^{1/3} - 1 = \left(\frac{0.841}{0.967}\right)^{1/3} - 1 = -4.5\%$

The adjusted loss ratios are derived by applying the average annual change of –4.5% to the prior year's adjusted loss ratios:

Adjusted Policy Year 2020 Loss Ratio = $0.967 \times (1 - 0.045) = 0.923$

Appendix A – Factors Underlying the Proposed Rate Level Change

Policy Year	Indemnity Loss Ratio	Indemnity Loss Ratio Change	Adjusted Indemnity Loss Ratio	Adjusted Indemnity Loss Ratio Change
2019	0.967		0.967	
2020	0.877	-9.3%	0.923	-4.5%
2021	0.790	-9.9%	0.881	-4.5%
2022	0.841	6.5%	0.841	-4.5%

The alternate exponential trend fits were derived from the adjusted indemnity loss ratios (where the adjusted loss ratios for Policy Years 2007-2019 are equal to the original loss ratios).

Greater reliance was placed on the longer-term fits and the alternate fits to promote stability in the selection from year to year. Despite the increase in Policy Year 2022, the longer-term fits decreased from last year's filing, in which an indemnity loss ratio selection of –3.5% was made. The fits calculated from the adjusted loss ratios range from –5.1% to –3.6% and also support lowering the indemnity loss ratio trend factor to –4.0% for this filing.

The same logic to smooth out the changes over the most recent three policy years was applied to the medical loss ratios to arrive at the alternate exponential trend fits shown in Section C. Similar to indemnity, the longer-term medical exponential fits also decreased from the prior filing. The magnitude of the change in fits from last year to the current year was more pronounced in medical, leading to a larger decrease in the selection. The alternate 15-point fit calculated using the adjusted medical loss ratios is –6.5%. In addition to these two sets of fits, another consideration for the medical trend selection was fits excluding the most recent three years. These fits range from –7.3% to –5.6% and support the –6.5% selection.

As a result of the analysis, an annual trend factor of –4.0% was selected for the indemnity loss ratio, and an annual trend factor of –6.5% was selected for the medical loss ratio.

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APPENDIX A-III

Policy Year Trend Factors

Section A - Calculation of Annual Loss Ratio Trend Factors

	Indemnity	Medical
(1) Selected Annual Loss Ratio Trends:	**–4.0%**	**–6.5%**

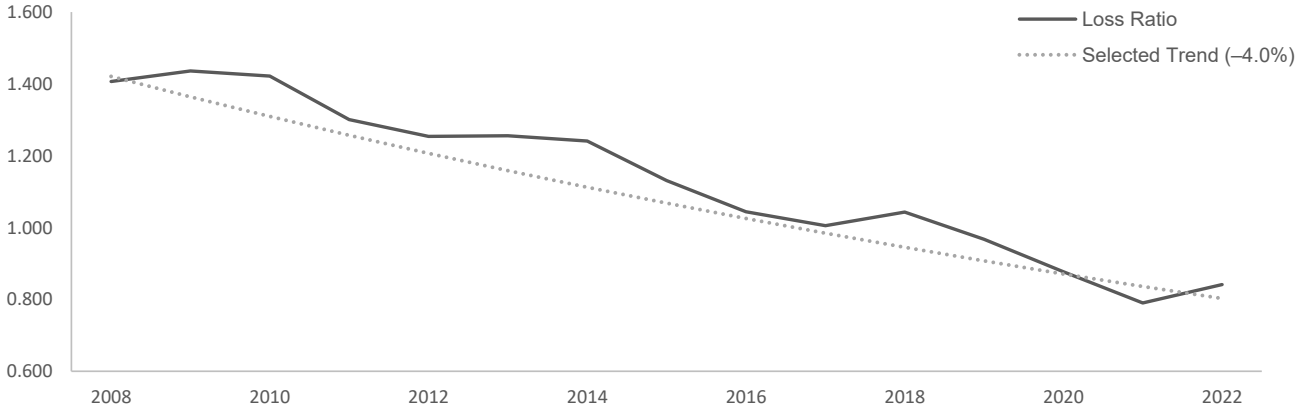
(2) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:

	PY 2022	PY 2021	PY 2020
Trend Length:	3.628	4.628	5.628

(3) Trend Factors Applied to Experience Year Loss Ratios = [1 + (1)] ^ (2)

	PY 2022	PY 2021	PY 2020
Indemnity:	0.862	0.828	0.795
Medical:	0.784	0.733	0.685

Section B - Indemnity Loss Ratio Trend Data



Policy Year	Indemnity Loss Ratio^	Annual Percent Change
2008	1.407	
2009	1.436	2.1%
2010	1.422	-1.0%
2011	1.301	-8.5%
2012	1.254	-3.6%
2013	1.256	0.2%
2014	1.241	-1.2%
2015	1.131	-8.9%
2016	1.044	-7.7%
2017	1.005	-3.7%
2018	1.043	3.8%
2019	0.967	-7.3%
2020	0.877	-9.3%
2021	0.790	-9.9%
2022	0.841	6.5%

# of Years in Fit	Exponential Fits	Alternate Exponential Fits*
15	-4.2%	-3.9%
14	-4.4%	-4.0%
13	-4.5%	-4.1%
12	-4.4%	-4.0%
11	-4.6%	-4.1%
10	-4.9%	-4.3%
9	-4.9%	-4.2%
8	-4.6%	-3.8%
7	-4.5%	-3.6%
6	-5.1%	-4.0%
5	-6.1%	-5.1%

^Based on paid losses

*Alternate fits are calculated using adjusted loss ratios smoothing out the year-to-year changes in Policy Years 2020-2022

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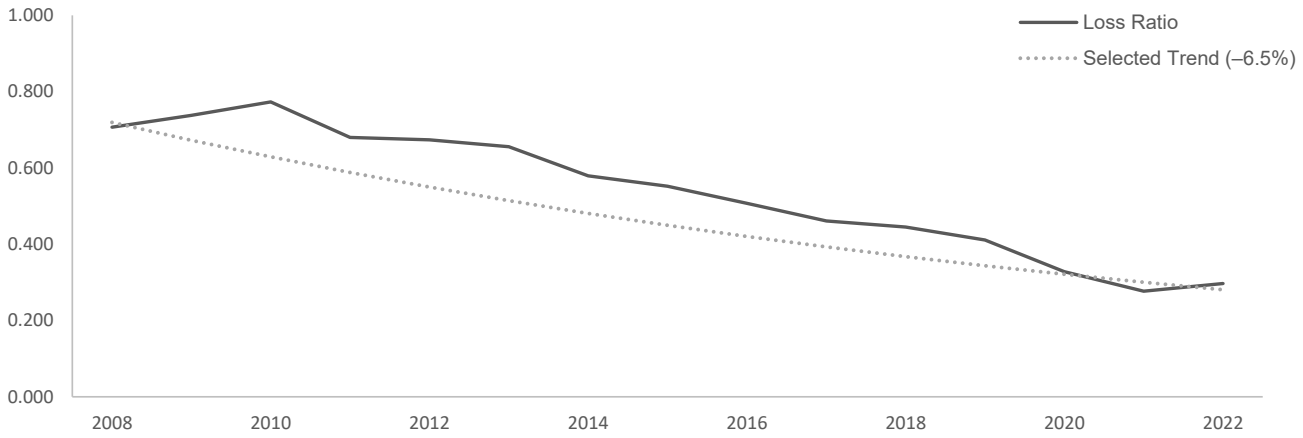
APPENDIX A-III

Policy Year Trend Factors

Section C - Medical Loss Ratio Trend Data



Policy Year	Medical Loss Ratio^	Annual Percent Change
2008	0.707	
2009	0.738	4.4%
2010	0.773	4.7%
2011	0.680	-12.0%
2012	0.674	-0.9%
2013	0.656	-2.7%
2014	0.579	-11.7%
2015	0.552	-4.7%
2016	0.507	-8.2%
2017	0.461	-9.1%
2018	0.445	-3.5%
2019	0.411	-7.6%
2020	0.328	-20.2%
2021	0.277	-15.5%
2022	0.297	7.2%

# of Years in Fit	Exponential Fits	Alternate Exponential Fits*
15	-7.0%	-6.5%
14	-7.6%	-7.0%
13	-8.0%	-7.3%
12	-8.2%	-7.4%
11	-8.7%	-7.8%
10	-9.0%	-8.0%
9	-9.1%	-7.9%
8	-9.6%	-8.2%
7	-9.9%	-8.4%
6	-10.4%	-8.7%
5	-11.3%	-9.7%

^Based on paid losses

*Alternate fits are calculated using adjusted loss ratios smoothing out the year-to-year changes in Policy Years 2020-2022

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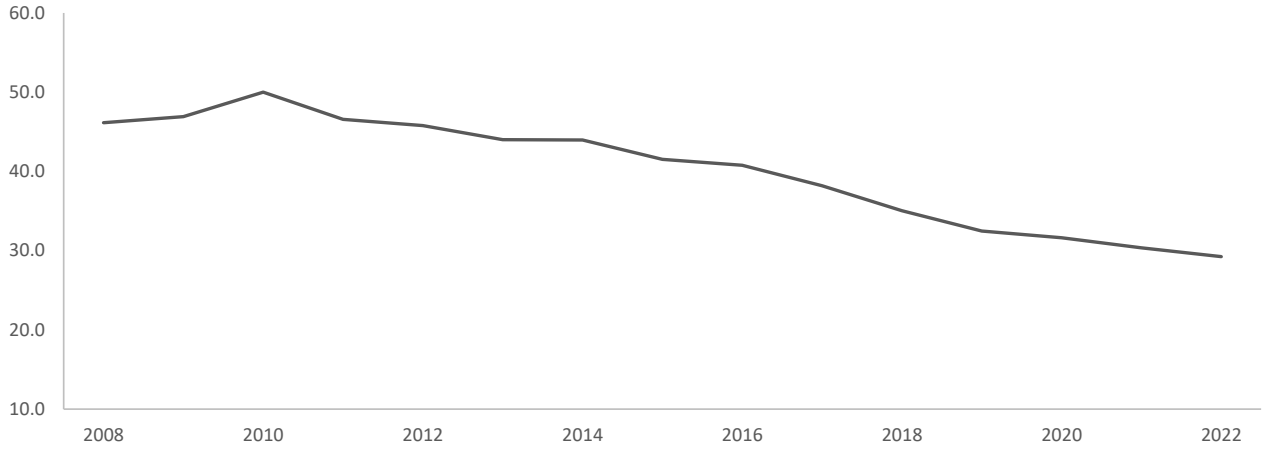
APPENDIX A-III

Policy Year Trend Factors

Section D - Frequency Trend Data



Policy Year	Claim Frequency^	Annual Percent Change
2008	46.144	-
2009	46.916	1.7%
2010	50.008	6.6%
2011	46.571	-6.9%
2012	45.769	-1.7%
2013	43.993	-3.9%
2014	43.955	-0.1%
2015	41.522	-5.5%
2016	40.772	-1.8%
2017	38.175	-6.4%
2018	35.033	-8.2%
2019	32.479	-7.3%
2020	31.626	-2.6%
2021	30.343	-4.1%
2022	29.245	-3.6%

# of Years in Fit	Exponential Fits
15	-3.7%
14	-4.1%
13	-4.5%
12	-4.5%
11	-4.8%
10	-5.0%
9	-5.3%
8	-5.3%
7	-5.4%
6	-5.0%
5	-4.2%

^Per million of on-leveled, wage-adjusted premium

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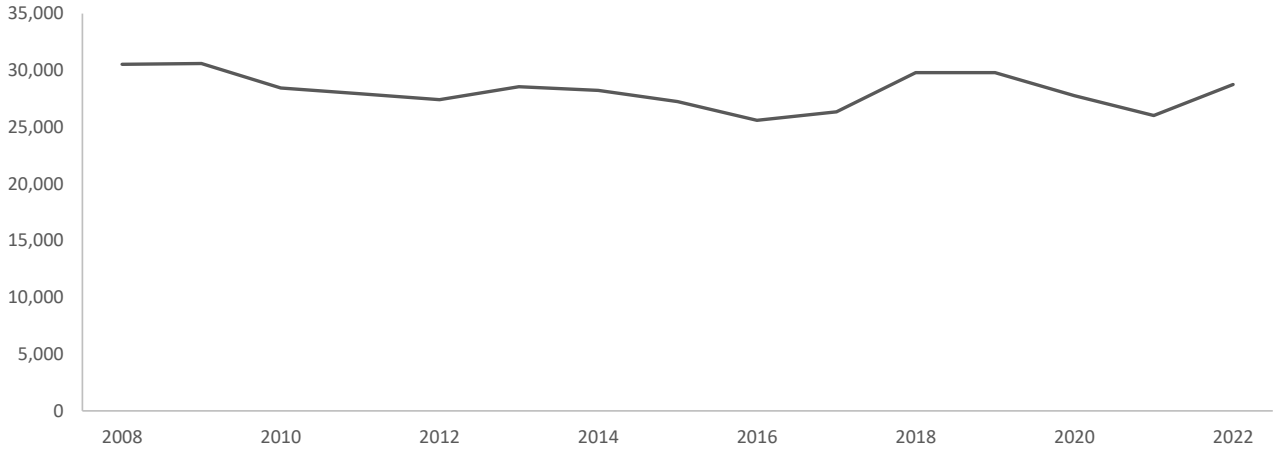
APPENDIX A-III

Policy Year Trend Factors

Section E - Indemnity Severity Trend Data



Policy Year	Indemnity Severity^	Annual Percent Change
2008	30,517	-
2009	30,597	0.3%
2010	28,438	-7.1%
2011	27,921	-1.8%
2012	27,407	-1.8%
2013	28,540	4.1%
2014	28,222	-1.1%
2015	27,232	-3.5%
2016	25,597	-6.0%
2017	26,331	2.9%
2018	29,787	13.1%
2019	29,780	0.0%
2020	27,753	-6.8%
2021	26,016	-6.3%
2022	28,747	10.5%

# of Years in Fit	Exponential Fits
15	-0.5%
14	-0.3%
13	0.0%
12	0.1%
11	0.1%
10	0.1%
9	0.4%
8	0.7%
7	0.9%
6	-0.1%
5	-2.0%

^Adjusted to a common wage level, based on paid losses

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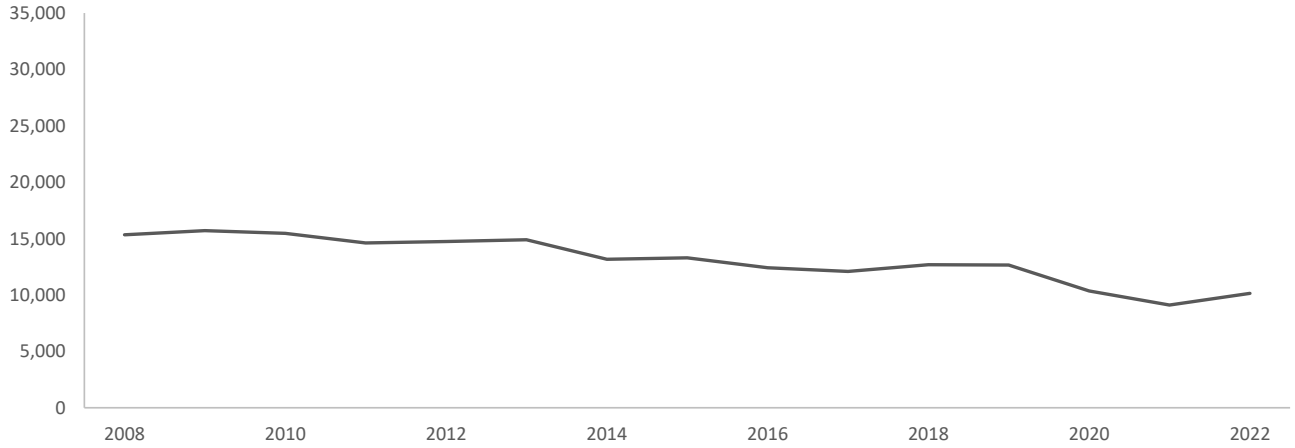
APPENDIX A-III

Policy Year Trend Factors

Section F - Medical Severity Trend Data



Policy Year	Medical Severity^	Annual Percent Change
2008	15,334	-
2009	15,710	2.5%
2010	15,468	-1.5%
2011	14,609	-5.6%
2012	14,738	0.9%
2013	14,904	1.1%
2014	13,170	-11.6%
2015	13,289	0.9%
2016	12,420	-6.5%
2017	12,088	-2.7%
2018	12,691	5.0%
2019	12,660	-0.2%
2020	10,363	-18.1%
2021	9,117	-12.0%
2022	10,147	11.3%

# of Years in Fit	Exponential Fits
15	-3.4%
14	-3.6%
13	-3.7%
12	-3.9%
11	-4.1%
10	-4.3%
9	-4.1%
8	-4.5%
7	-4.8%
6	-5.7%
5	-7.5%

^Adjusted to a common wage level, based on paid losses

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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	17,008,722	78,098,174	74,315,575	1.121	1.128
Contracting	23,732,226	104,989,760	99,923,546	1.098	1.093
Office & Clerical	16,703,367	75,013,136	71,373,189	1.124	1.121
Goods & Services	58,906,464	262,861,195	250,117,748	1.023	1.024
Miscellaneous	27,180,142	117,463,582	111,812,432	1.071	1.065
Statewide	143,530,921	638,425,847	607,542,490		

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	16,903,172	77,613,522	73,854,397	1.051	1.000
Contracting	23,840,790	105,470,042	100,380,653	1.051	1.000
Office & Clerical	16,748,069	75,213,884	71,564,196	1.051	1.000
Goods & Services	58,848,938	262,604,495	249,873,492	1.051	1.000
Miscellaneous	27,333,270	118,125,349	112,442,361	1.051	1.000
Statewide	143,674,239	639,027,292	608,115,099	1.051	

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 expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of $50 million are set equal to zero. 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	81,096,849	1.098	1.099	2,759
Contracting	97,608,255	0.972	0.973	2,148
Office & Clerical	69,813,338	0.976	0.977	2,182
Goods & Services	241,813,664	0.968	0.969	10,211
Miscellaneous	117,468,706	1.045	1.046	3,228
Statewide	607,800,812	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	0.48	1.047	1.053
Contracting	12,000	0.42	0.988	0.994
Office & Clerical	12,000	0.43	0.989	0.995
Goods & Services	12,000	0.92	0.970	0.976
Miscellaneous	12,000	0.52	1.023	1.029
Statewide			0.994	1.000

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

III. Description of Industry Group Differentials

Column (2) reflects the indemnity and medical combined expected losses calculated as five years of payroll (in hundreds) extended separately by indemnity and medical pure premiums underlying the latest approved loss costs. Column (3) adjusts the current expected losses to the proposed level by applying the components of the proposed loss cost level change. These components are applied separately for indemnity and medical, where possible. These adjustments are reflected in Appendix B-I, Section B.

Column (4) shows the current manual premium to standard premium ratios that were calculated using the latest five years of WCSP data used in the currently approved Rhode Island filing. Column (5) shows the proposed manual premium to standard premium ratios calculated using the latest five years of manual premium and experience modification factors reported in the WCSP data used in the proposed Rhode Island filing. “Proposed” ratio refers to the fact that these ratios are based on the latest available WCSP data in the proposed filing, and they are used to adjust the proposed industry group differentials to reflect the latest available impact of experience rating by industry group. The differences between columns (4) and (5) relate to the different periods of data being used, which are rolling 5-year periods.

Columns (6), (7), and (8) are based on columns (1), (2), and (3), respectively, and include an adjustment for the change in the average experience rating off-balance by Industry Group (IG). The adjustment for the change in the average experience rating off-balance by IG is reflected by multiplying columns (1), (2), and (3) by the ratio of column (4) to column (5). The ratio of column (4) to column (5) adjusts the current and proposed expected losses (and therefore the IG differentials) to reflect the latest available impact of experience rating by industry group.

The expected losses in column (6) are used as the IG weights when determining the statewide average Credibility Weighted Indicated-to-Expected Ratio in column (17).

The expected losses in columns (7) and (8) are used to determine the relative IG changes from the prior filing to the proposed filing in column (9). Since the indicated IG relativities in column (9) reflect a statewide average that differs from 1.000, the calculation in column (10) ensures that the indicated changes by IG balance to the overall proposed statewide loss cost level change.

Column (13) normalizes the indicated to expected ratios determined in column (12) to determine differentials before credibility weighting. The credibilities are calculated for each industry group using actual lost-time cases (column (14)) and the full credibility standard. The full credibility standard (column (15)) is determined based on an analysis of five successive years of five industry group differential fluctuations across 36 states. In column (16), the credibility is 1.00 when lost-time claims exceed 12,000. The final differentials reflected in column (18) are the normalized credibility weighted industry group differentials calculated in column (17).

Appendix B – Calculations Underlying the Loss Cost Change by Classification

NCCI separately determines 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 industrial 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 Rhode Island 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, swing limits, and where applicable, any additional loads

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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
1/17-12/17	1.066	1.027	0.978	0.998
1/18-12/18	1.095	1.043	0.987	0.997
1/19-12/19	1.139	1.078	0.997	1.000
1/20-12/20	1.283	1.190	1.004	0.992
1/21-12/21	2.017	1.560	1.053	0.985

*The likely/not-likely development factors reflect a 60% likely / 40% not-likely distribution of the total tail development.

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
1/17-12/17	0.703	0.560
1/18-12/18	0.732	0.599
1/19-12/19	0.763	0.640
1/20-12/20	0.795	0.685
1/21-12/21	0.828	0.733

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
1/17-12/17	0.991	1.028	1.034	1.025	1.070
1/18-12/18	0.988	1.014	1.021	1.011	1.064
1/19-12/19	0.997	1.024	1.029	1.021	1.058
1/20-12/20	0.999	1.026	1.031	1.023	1.053
1/21-12/21	0.999	1.019	1.018	1.017	1.044

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)
1/17-12/17	0.743	0.715	0.770	0.775	0.747	0.768	0.740	0.586	0.598
1/18-12/18	0.792	0.754	0.813	0.818	0.780	0.810	0.772	0.629	0.635
1/19-12/19	0.866	0.820	0.890	0.894	0.846	0.887	0.840	0.675	0.677
1/20-12/20	1.019	0.945	1.047	1.052	0.975	1.043	0.968	0.724	0.716
1/21-12/21	1.668	1.290	1.702	1.700	1.315	1.698	1.314	0.806	0.754

* 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. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of $50 million are set equal to zero. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.075	0.092	0.116	0.132	0.172	0.201	0.233
(2) Excess Factors 1/(1-(1))	1.081	1.101	1.131	1.152	1.208	1.252	1.304

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*	1.099	0.973	0.977	0.969	1.046
(2) Final Differentials**	1.053	0.994	0.995	0.976	1.029
(3) Adjustment (2)/(1)	0.958	1.022	1.018	1.007	0.984

*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)
1/17-12/17	0.830	1.068	1.071	0.997	0.828
1/18-12/18	0.795	1.068	1.073	0.995	0.791
1/19-12/19	0.815	1.068	1.069	0.999	0.814
1/20-12/20	0.896	1.068	1.067	1.001	0.897
1/21-12/21	0.880	1.068	1.060	1.008	0.887

3. Adjustment for Experience Change

A factor of 0.967 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 1.240 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
1/17-12/17	0.951	1.015	1.011	1.000	0.977
1/18-12/18	0.909	0.969	0.966	0.955	0.933
1/19-12/19	0.935	0.998	0.994	0.983	0.960
1/20-12/20	1.030	1.099	1.095	1.083	1.058
1/21-12/21	1.019	1.087	1.083	1.071	1.047

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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 0.967 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, 0.976 and 0.952, 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
January 1, 2025	1.002	1.000
January 1, 2025	1.000	1.012
Combined Benefit Adjustment	1.002	1.012

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	1.227	1.227	1.240	1.240
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.227	1.227	1.240	1.240
(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	1.121	1.128	0.994
Contracting	1.098	1.093	1.005
Office & Clerical	1.124	1.121	1.003
Goods & Services	1.023	1.024	0.999
Miscellaneous	1.071	1.065	1.006

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	1.053	1.000	1.053
Contracting	0.994	1.000	0.994
Office & Clerical	0.995	1.000	0.995
Goods & Services	0.976	1.000	0.976
Miscellaneous	1.029	1.000	1.029

*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	1.001	0.986
Contracting	0.955	0.941
Office & Clerical	0.954	0.940
Goods & Services	0.932	0.918
Miscellaneous	0.990	0.975

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 Rhode Island conditions in four steps. First, statewide indicated pure premiums are determined for Rhode Island. Second, using Rhode Island payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Rhode Island 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 Rhode Island 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: $35,645,496 for indemnity and $6,903,158 for medical.

The partial credibilities formula is:

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

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:

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

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	0.9897
Contracting	1.0157
Office & Clerical	0.9948
Goods & Services	1.0079
Miscellaneous	1.0021

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	1.128
Contracting	1.093
Office & Clerical	1.121
Goods & Services	1.024
Miscellaneous	1.065

3. 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 15% above to 15% below
Contracting	from 10% above to 20% below
Office & Clerical	from 10% above to 20% below
Goods & Services	from 8% above to 22% below
Miscellaneous	from 13% above to 17% 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 15% 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.

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.

* 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.

List of Classifications Limited by the Upper Swing	List of Classifications Limited by the Lower Swing
2586 4665 4825 5020 5102 5606 8745 8754	1438 8871* 9012

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APPENDIX B-II

Determination of Rating Values on Miscellaneous Values Page

A. Current and Proposed Miscellaneous Values are calculated based on formulas, dependent on the State Average Weekly Wage (SAWW).

	Current	Proposed	Change
1) State Average Weekly Wage (SAWW)	$1,227.06 [1]	$1,257.97 [2]	2.5%
2) Basis of premium applicable in accordance with the ***Basic Manual*** notes for Code 7370 -- "Taxicab Co.":			
Employee operated vehicle [3]	$95,700	$98,100	2.5%
Leased or rented vehicle [4]	$63,800	$65,400	2.5%
3) Maximum Weekly Payroll applicable in accordance with the ***Basic Manual*** rule, Rule for premium determination of executive officers [5] and the ***Basic Manual*** notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports" [6]	$4,900	$5,000	2.0%
4) Minimum Weekly Payroll applicable in accordance with the ***Basic Manual*** rule, Rule for premium determination of executive officers [7]	$1,250	$1,250	0.0%

[1] State Average Weekly Wage. Effective October 1, 2023.
[2] State Average Weekly Wage. Effective October 1, 2024.
[3] Underlying formula is: SAWW x 52 x 1.5 (Rounded to the nearest $100), Item B-1422.
[4] Underlying formula is: SAWW x 52 (Rounded to the nearest $100), Item B-1422.
[5] Underlying formula is: SAWW x 4 (Rounded to the nearest $100), Item B-1420.
[6] Underlying formula is: SAWW x 4 (Rounded to the nearest $100), Item B-1422.
[7] Underlying formula is: SAWW (Rounded to the nearest $50), Item B-1420.

B. Loss Elimination Ratios (LERs) are defined in "Fundamentals of Individual Risk Rating" by Gillam and Snader, 1992. The latest methodology for determining Excess Loss Pure Premium Factors (ELPPFs) is described in "NCCI's 2014 Excess Loss Factors" by Corro and Tseng, 2019. The updated LER values reflect the experience, trend, and development consistent with the Excess Loss Pure Premium Factors (ELPPFs) filed in Item R-1423.

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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
01/01/17 - 12/31/17	0	0	0	711,360	889,990	176,507	986,596	229,085	1,001,958
01/01/18 - 12/31/18	0	0	0	345,507	1,470,460	583,536	1,299,116	241,329	1,557,593
01/01/19 - 12/31/19	0	0	0	30,000	441,294	477,716	1,359,478	153,372	908,628
01/01/20 - 12/31/20	0	0	0	185,797	162,796	571,217	1,192,335	303,794	905,267
01/01/21 - 12/31/21	0	0	0	201,912	147,960	260,091	951,289	388,381	857,303

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
01/01/17 - 12/31/17	0.743	0.715	0.770	0.775	0.747	0.768	0.740	0.586	0.598
01/01/18 - 12/31/18	0.792	0.754	0.813	0.818	0.780	0.810	0.772	0.629	0.635
01/01/19 - 12/31/19	0.866	0.820	0.890	0.894	0.846	0.887	0.840	0.675	0.677
01/01/20 - 12/31/20	1.019	0.945	1.047	1.052	0.975	1.043	0.968	0.724	0.716
01/01/21 - 12/31/21	1.668	1.290	1.702	1.700	1.315	1.698	1.314	0.806	0.754

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	1.131

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
01/01/17 - 12/31/17	0	0	0	594,710	717,166	146,230	787,562	187,912	751,011
01/01/18 - 12/31/18	0	0	0	304,877	1,237,263	509,878	1,081,881	211,359	1,231,704
01/01/19 - 12/31/19	0	0	0	28,931	402,729	457,096	1,231,872	140,760	775,397
01/01/20 - 12/31/20	0	0	0	210,847	171,223	642,686	1,245,052	290,340	802,137
01/01/21 - 12/31/21	0	0	0	370,275	209,886	476,406	1,348,410	395,310	807,052

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

Policy Period	INDUSTRY GROUP: Office and Clerical
01/01/17 - 12/31/17	1.011
01/01/18 - 12/31/18	0.966
01/01/19 - 12/31/19	0.994
01/01/20 - 12/31/20	1.095
01/01/21 - 12/31/21	1.083

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
01/01/17 - 12/31/17	5,047,145,938	749,090	1,521,280	189,979	759,272	2,270,370	949,251	3,219,621
01/01/18 - 12/31/18	5,027,772,161	787,053	2,240,293	204,173	1,189,826	3,027,346	1,393,999	4,421,345
01/01/19 - 12/31/19	5,142,425,684	483,111	1,624,793	139,915	770,745	2,107,904	910,660	3,018,564
01/01/20 - 12/31/20	5,125,155,600	934,619	1,550,821	317,922	878,340	2,485,440	1,196,262	3,681,702
01/01/21 - 12/31/21	5,664,913,945	916,956	1,687,635	428,121	874,037	2,604,591	1,302,158	3,906,749
Total	26,007,413,328	3,870,829	8,624,822	1,280,110	4,472,220	12,495,651	5,752,330	18,247,981
		INDICATED PURE PREMIUM				**0.048**	**0.022**	**0.07**

The pure premiums shown were calculated using unrounded losses, while the converted losses have been rounded for display purposes.

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	0.047	0.023	0.07
Conversion Factors (App. B-I, Section B)	0.954	0.940	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.045	0.022	0.07

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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:

		Indemnity	Medical	Total
1.	Indicated Pure Premium	0.048	0.022	0.07
2.	Pure Premium Indicated by National Relativity	0.048	0.022	0.07
3.	Pure Premium Present on Rate Level	0.045	0.022	0.07
4.	State Credibilities	57%	90%	xxx
5.	National Credibilities	21%	5%	xxx
6.	Residual Credibilities = 100% - (4) - (5)	22%	5%	xxx
7.	Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.047	0.022	0.07
8.	Test Correction Factor	0.9948	0.9948	xxx
9.	Underlying Pure Premiums = (7) x (8) *	0.048	0.022	0.07
10.	Ratio of Manual to Standard Premium			1.121
11.	Loss Cost = (9) x (10)			0.08
12.	Loss Cost Within Swing Limits			0.08
	Current Loss Cost x Swing Limits a) Lower bound = 0.08 x 0.800 = 0.07 b) Upper bound = 0.08 x 1.100 = 0.08			
13.	Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	0.048	0.022	0.07
14.	Miscellaneous Loadings			0.00
15.	Final Loaded Loss Cost			0.08

* 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

WCSP data is used to determine the F-Classification (F-Class) loss costs. The latest year of WCSP payroll is extended by both the current and proposed loss costs. Based on $6,810,423 of payroll, the overall loss cost level change in Rhode Island is -12.9%.

I. Overview of Methodology

- Ten years of F-Class losses* across all states for which the National Council on Compensation Insurance compiles workers compensation ratemaking data are converted and adjusted to a countrywide level and used with ten years of F-Class countrywide payroll to determine the F-class countrywide pure premiums at both an overall and individual classification level.
- F-class code countrywide relativities are then calculated by comparing the F-class countrywide pure premiums by class to the overall countrywide F-class pure premium. The relativity values are reflected in the table in Section II.
- A single state primary base pure premium is calculated by applying a countrywide to state relativity factor to bring the F-class overall countrywide pure premium to the Rhode Island proposed level.
- A final base pure premium is calculated by bringing the primary base pure premium to the proposed Rhode Island trend and benefit levels, and applying any applicable expenses and/or offsets.
- Final F-Class loss costs are calculated by applying the countrywide relativity by class code to the final base pure premium and applying swing limits.

*Losses are limited to $500,000 for a single claim occurrence and $1,500,000 for each multiple claim occurrence. Texas data is included for policies effective 1/1/2013 and subsequent.

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APPENDIX B-IV

II. The F-class code countrywide relativities:

Class Code	(1) 10-Year Countrywide Payroll	(2) 10-Year Expected Unlimited Countrywide Losses	(3) = (2)/((1)/100) Countrywide Pure Premium	(4) = (3)/(3)Overall Countrywide Relativity
6006	414,124,714	15,368,473	3.71	1.427
6801*	27,346,413	722,254	2.64	1.000
6824	447,172,653	12,575,174	2.81	1.081
6825	278,629,234	2,654,069	0.95	0.365
6826	144,020,407	2,070,534	1.44	0.554
6828*	29,276,826	457,014	1.56	1.000
6829*	8,759,538	88,208	1.01	1.000
6843	929,338,676	29,396,645	3.16	1.215
6845	281,500,815	8,701,152	3.09	1.188
6872	1,618,863,209	56,150,653	3.47	1.335
6873*	33,096,319	684,303	2.07	1.000
6874	152,731,608	5,330,294	3.49	1.342
7309	971,348,463	33,700,883	3.47	1.335
7313	702,956,785	10,776,600	1.53	0.588
7317	1,401,745,011	32,773,878	2.34	0.900
7327*	43,082,544	3,224,307	7.48	1.000
7350	703,993,474	20,979,050	2.98	1.146
8709	440,829,790	4,200,289	0.95	0.365
8726	741,743,944	4,171,383	0.56	0.215
9077*	309,799	0	0.00	1.000
Overall	9,370,870,222	244,025,163	2.60	

*Relativities for class codes with a limited amount of data are set to 1.000.

III. Swing Limits

The proposed loss costs are limited to the swing limits based on 15% above and 15% below the current loss costs.

Classifications Limited by the Upper Swing	Classifications Limited by the Lower Swing			
6845	6826	6843	6874	7317
	7327	7350	8709	8726

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APPENDIX B-IV

Derivation of State Base Pure Premium

	Indemnity	Medical	Total
1. Overall Countrywide Pure Premium			2.60
2. State Act Pure Premium Relativity Factor			1.208
3. Countrywide State Act Weight			25%
4. **Primary Base Pure Premium** =[(1) x (2) x (3)] + [(1) x (1 - (3))]			**2.74**
5. Countrywide Weights	53%	47%	100%
6. Trend Factors	0.938	0.901	xx
7. Weighted Benefits	1.001	1.003	xx
8. Weighted Loss-Based Expenses	1.293	1.240	xx
9. **Secondary Base Pure Premium** = (4tot) x (5) x (6) x (7) x (8)	1.763	1.443	**3.21**
10. Additional Offsets			1.000
11. **Final Base Pure Premium** = (9) x (10)			**3.21**

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APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 6872

Industry Group - F-Class, Hazard Group - G

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

1. Rhode Island's Final Base Pure Premium	3.21
2. Countrywide Class Code 6872 Relativity (Section II)	1.335
3. Loss Cost = (1) x (2)	4.29
4. Loss Cost Within Swing Limits	4.29
Current Loss Cost x Swing Limits a) Lower bound = 4.31 x 0.85 = 3.67 b) Upper bound = 4.31 x 1.15 = 4.95	
5. Miscellaneous Loadings	0.00
6. Final Loaded Loss Cost	4.29

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APPENDIX B-IV

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

The F-class and Program II, Option II maritime class voluntary loss costs include the following provision for the federal assessment:

1.)	Assessment Rate on Indemnity Losses *	7.1%
2.)	Assessment Rate on Total Losses #	4.5%

* Calculated using data provided by the U.S. Department of Labor

\# Calculated using U.S. Department of Labor data and on-leveled and developed USL&HW losses - statistical plan data

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 Rhode Island benefit levels are detailed in this section of the filing:

- Annual Updates to the Medical Fee Schedule, Effective January 1, 2025
- Enacted House Bill 8262/Senate Bill 3068, Effective January 1, 2025

Rhode Island

Appendix C-I

Analysis Of Rhode Island Medical Fee Schedule Changes Effective January 1, 2025

NCCI estimates that the changes to the medical fee schedule in Rhode Island, effective January 1, 2025, will result in an impact of +0.3% on overall workers compensation system costs.

Summary of Changes

The following medical fee schedules are being updated effective January 1, 2025, replacing the previous fee schedules effective since January 1, 2024:

- Professional
- Healthcare Common Procedure Coding System (HCPCS)
- Ambulance
- Dental

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 to 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. 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.
    - Any potential impact from the share of costs not subject to the fee schedule will be realized in future claim experience and reflected in subsequent NCCI loss cost filings, as appropriate.

3. 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.
    - A price realization factor of 80% is also assumed for the ambulance, HCPCS, and dental fee schedules.

Note that the values presented in the document are rounded and may not be displayed to full precision.

Rhode Island

Appendix C-I

Analysis Of Rhode Island Medical Fee Schedule Changes Effective January 1, 2025

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 Rhode Island for Service Year 2022. Reported medical experience for COVID-19 claims as reported in NCCI Call 31 for Large Loss and Catastrophe have been excluded from the data on which this analysis is based.
- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Rhode Island from Policy Years 2019, 2020, and 2021 projected to the effective date of the benefit changes.

Summary of Impacts

The impacts from the fee schedule changes in Rhode Island, effective January 1, 2025, are summarized below.

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs
Professional	+2.0%	55.9%	+1.1%
Other[1]	+0.6%	12.9%	+0.1%
Combined Impact on Medical Costs (D) = Total of (C)			**+1.2%**
Medical Costs as a Share of Overall Costs (E)			27%
Combined Impact on Overall Costs (F) = (D) x (E)			**+0.3%**

Refer to the appendix for the weighted-average changes in maximum allowable reimbursements (MARs) by professional practice category, the share of costs subject to the fee schedule by type of service, and the weighted-average change in MAR by type of service.

[1] Other includes the HCPCS, ambulance, and dental fee schedules.

Rhode Island

Appendix C-I

Analysis Of Rhode Island Medical Fee Schedule Changes Effective January 1, 2025

Appendix

Weighted-Average Percentage Change in MARs Prior to Price Realization by Professional Practice Category

Professional Practice Category	Share of Professional Costs	Percentage Change in MARs
Anesthesia	3.0%	+3.0%
Surgery	26.6%	+2.3%
Radiology	9.9%	+2.9%
Pathology & Laboratory	0.2%	+2.3%
Evaluation & Management	24.1%	+2.8%
Medicine	1.5%	+2.7%
State Specific Codes	25.5%	+3.0%
Subject to the Fee Schedule	**90.8%**	**+2.7%**
Payments with no specific MAR	9.2%	–
Total	**100.0%**	**+2.5%**

*Healthcare Common Procedure Coding System

Share of Costs Subject to the Fee Schedule (FS) and Weighted-Average Percentage Change in MARs by Type of Service

	(A)	(B)	(C) = (A) x (B)	(D) = (C) x 80%
Type of Service	**Change in MARs for Costs Subject to the FS**	**Share of Costs Subject to the FS**	**Change in MARs by Type of Service**	**Impact after Price Realization**
Professional	+2.7%	90.8%	+2.5%	+2.0%
Other	+1.9%	43.6%	+0.8%	+0.6%

Rhode Island

Appendix C-II

Analysis Of Rhode Island House Bill 8262/Senate Bill 3068 Effective January 1, 2025

NCCI evaluated the impact of Rhode Island House Bill 8262 /Senate Bill 3068, effective January 1, 2025, which increase the total incapacity weekly dependency benefit from $15 to $25. NCCI estimates that the change will result in an impact of +0.1% on overall workers compensation (WC) system costs in Rhode Island.

Summary And Actuarial Analysis

Under Rhode Island Chapter 28-33-17(c)(1), when the employee has dependents, $15 per dependent shall be added to the weekly compensation payable for total incapacity, subject to a maximum weekly benefit[1]. These bills increase the dependent weekly benefit from $15 to $25 for accidents occurring on or after January 1, 2025.

In analyzing the direct cost impacts of the change, NCCI utilized a countrywide distribution of workers and their wages indexed to Rhode Island's average injured worker's weekly wage level. The average weekly benefit payable was calculated using the increased $25 dependent benefit and compared to the average weekly benefit using the prior $15 dependent benefit. The impact to total incapacity benefits is estimated to be +1.0%[2].

NCCI estimates that total incapacity benefits represent approximately 16.9%[3] of total indemnity benefits and indemnity benefit costs are projected to represent 73%[4] of total WC benefit costs in Rhode Island. Therefore, **NCCI estimates that the enacted increase to the total incapacity weekly dependent benefit would result in an impact of +0.2% on indemnity costs (= +1.0% x 16.9%) and +0.1% (= +0.2% x 73.0%) on overall WC system costs in Rhode Island.**

Other Considerations

The below changes are also included in this bill but are anticipated to only have a negligible impact on overall system costs in the state:

- Per section 28-33-18.2, the compensation rate for suitable alternative employment will decrease from 66 2/3 % of the difference between the employee's average weekly wage (AWW) and suitable alternative employment wage to 62% of the difference. This was already contemplated in NCCI's analysis of enacted Senate Bill 937 / House Bill 6376 from the 2021 Rhode Island legislative session.

[1] The maximum weekly benefit in Rhode Island is 125% of the state average weekly wage; the maximum compensation percentage for total disability, including dependency payments, is 80% of the average weekly wage of the employee.
[2] The impact of the change is mitigated due to the caps on maximum weekly benefits in the footnote above.
[3] Based on NCCI Indemnity Call data for Rhode Island claims with benefit payments in Accident Years 2017-2021.
[4] Based on NCCI Financial Call data for Policy Years 2018, 2019, and 2020, for Rhode Island, trended to 1/1/2025.

Analysis Of Rhode Island House Bill 8262/Senate Bill 3068
Effective January 1, 2025

- Per section 28-35-58, in the event there is a dispute over the reimbursement owed or the period of suspension going forward with respect to liability of third person for damages, the court shall assign the dispute to the WC Court's mediation program.
- Per section 28-37-10, whenever an injured employee suffering total incapacity ceases to receive payment under the Rhode Island temporary disability insurance act, they shall receive compensation from the Workers Compensation Administrative Fund in addition to compensation for total incapacity, not exceeding $5 per week for each child wholly or partially dependent upon the wage but not exceeding a total of $15 per week, provided that any injured employee suffering total incapacity as the consequence of an injury sustained on or after September 1, 1969 shall not be eligible for this additional compensation. These bills raise the additional compensation to $25 and $75 respectively.

Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts

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.

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.

RHODE ISLAND

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ACADIA INSURANCE COMPANY
ACCIDENT FUND GENERAL INS CO
ACCIDENT FUND INS CO OF AMERICA
ACCIDENT FUND NATIONAL INS CO
ACCREDITED SURETY & CASUALTY COMPANY INC
ACE AMERICAN INSURANCE COMPANY
ACE FIRE UNDERWRITERS INSURANCE COMPANY
ACE PROPERTY & CASUALTY INSURANCE COMPANY
ACIG INS CO
AIG ASSURANCE COMPANY
AIG PROPERTY CASUALTY COMPANY
AIU INSURANCE CO
ALLIED EASTERN IND CO
ALLIED INSURANCE COMPANY OF AMERICA
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 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 INTERSTATE INS CO
AMERICAN MODERN HOME INS CO
AMERICAN ZURICH INS CO
AMERISURE INS CO
AMERISURE MUTUAL INS CO
AMERISURE PARTNERS INS CO
AMFED ADVANTAGE INSURANCE COMPANY
AMFED CASUALTY INS CO
AMFED NATIONAL INSURANCE COMPANY
AMGUARD INS CO
AMTRUST INSURANCE CO
ARBELLA INDEMNITY INS CO
ARBELLA PROTECTION INS CO
ARCH INDEMNITY INSURANCE COMPANY
ARCH INSURANCE COMPANY
ARCH PROPERTY CASUALTY INS CO
ARGONAUT GREAT CENTRAL INS CO
ARGONAUT INS CO
ARGONAUT MIDWEST INS CO
ARROW MUTUAL LIABILITY INS CO
ARTISAN AND TRUCKERS CASUALTY COMPANY
ASSOCIATED EMPLOYERS INS CO
ASSOCIATED INDUSTRIES OF MASS MUTUAL INS CO
ATLANTIC CHARTER INS CO
ATLANTIC SPECIALTY INS CO
BANKERS STANDARD INS CO
BEACON MUTUAL 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
BITCO NATIONAL INSURANCE COMPANY
BRICKSTREET MUTUAL INS CO
BROTHERHOOD MUTUAL INS CO
CALIFORNIA INSURANCE COMPANY
CAROLINA CASUALTY INS CO
CEDAR INSURANCE COMPANY
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COLONIAL SURETY COMPANY
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CONTINENTAL WESTERN INSURANCE COMPANY
COREPOINTE INSURANCE COMPANY
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EVEREST PREMIER INSURANCE COMPANY
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GENESIS INS CO
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GRAPHIC ARTS MUTUAL INS CO
GRAY INSURANCE COMPANY
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GREAT AMERICAN INS CO OF NY
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GREAT AMERICAN SPIRIT INS CO
GREAT DIVIDE INSURANCE COMPANY
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GREAT NORTHERN INS CO
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NATIONAL SPECIALTY INS CO
NATIONAL SURETY CORP
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SCOTTSDALE INDEMNITY CO
SECURITY NATIONAL INS CO
SELECTIVE INS CO OF SC
SELECTIVE INS CO OF THE SOUTHEAST
SELECTIVE INSURANCE COMPANY OF AMERICA
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SENTRY CASUALTY CO
SENTRY INS CO
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ST PAUL GUARDIAN INS CO
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STANDARD FIRE INSURANCE COMPANY
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TRAVELERS CASUALTY INS CO OF AMERICA
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TRAVELERS INDEMNITY CO
TRAVELERS INDEMNITY CO OF AMERICA
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TRAVELERS PROPERTY CASUALTY CO OF AMERICA
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TRIUMPHE CASUALTY COMPANY
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UNION INSURANCE COMPANY
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UNITED WI INS CO
US FIRE INS CO
UTICA MUTUAL INS CO
VALLEY FORGE INS CO
VANLINER INS CO
VANTAPRO SPECIALTY INS CO
VICTORIA FIRE & CASUALTY COMPANY
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WCF NATIONAL INSURANCE COMPANY
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Rhode Island

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