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

Proposed Effective April 1, 2025



National Council on
Compensation Insurance

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July 26, 2024

The Honorable Scott White
Insurance Commissioner
State Corporation Commission
Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218

Re: **Revised Workers Compensation Advisory Loss Costs, Rates and Rating Values:
Virginia Voluntary and Assigned Risk Markets, Proposed Effective April 1, 2025
INS-2024-00074**

Dear Commissioner White:

In accordance with the applicable statutes and regulations of the Commonwealth of Virginia, we are filing for your consideration and approval revised workers compensation advisory loss costs and rating values for the Virginia voluntary market and assigned risk rates and rating values for the Virginia assigned risk market, to become effective April 1, 2025. This filing proposes an overall average decrease of 12.0% in voluntary loss costs, and an overall average decrease of 15.8% in assigned risk market rates. Reported COVID-19-related claims have been excluded from the data on which this filing is based for claims prior to July 1, 2023 to better reflect the conditions likely to prevail during the proposed effective period. As a result of 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.

I hereby certify that I am familiar with the insurance laws, rules, and regulations of the Commonwealth of Virginia and to the best of my knowledge this filing complies in all respects to such laws, rules, and regulations. This filing is made on behalf of the members and subscribers of the National Council on Compensation Insurance, Inc. who are now writing or will write workers compensation insurance in Virginia.

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

Please contact me if you have any questions or need any further information.

Respectfully submitted,

David E. Benedict
Senior State Relations Executive



Certification

National Council on Compensation Insurance, Inc.

(Name of Insurance Company)

Filing Being Certified: Revised Workers Compensation Advisory Loss Costs, Rates and Rating Values: Virginia Voluntary and Assigned Risk Markets

Proposed Effective Date: April 1, 2025

I, being a qualified actuary, certify that appropriate consideration has been given in this filing to the factors specified in subsections A. and B. of § 38.2 – 1904 or of § 38.2 – 2005 (as appropriate) of the Code of Virginia. For the purpose of this certification, a qualified actuary is defined as (1) a member in good standing of the American Academy of Actuaries, or (2) a fellow or associate of the Casualty Actuarial Society, or (3) an individual who has both the educational background necessary for the practice of actuarial science and at least four years of property and casualty actuarial experience. I am a qualified actuary in accordance with (1), (2), and (3) above.

Meagan Mirkovich
NAME (Please Print or Type)

SIGNATURE

July 26, 2024
DATE

561-893-3108
TELEPHONE NUMBER

I certify that the Division of Consumer Counsel of the Office of the Attorney General has been notified of this filing.

David E. Benedict
NAME (Please print or Type)

SIGNATURE

July 26, 2024
DATE

804-380-3005
TELEPHONE NUMBER



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

NCCI Filing Logo

Actuarial Certification

I, Meagan Mirkovich, am an Actuary I 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.

A handwritten signature in black ink, appearing to read "Meagan Mirkovich", is placed here.

Meagan Mirkovich, FCAS, MAAA
Actuary I
Actuarial and Economic Services



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Disclosures

Purpose of the Report

The purpose of this report is to provide the proposed voluntary advisory loss costs and assigned risk rates for workers compensation policies in Virginia, proposed to be effective April 1, 2025.

The intended users of this report are:

- The Virginia Bureau of Insurance
- 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 Virginia must file a loss cost multiplier to be applied to the approved advisory prospective loss costs to compute the final workers compensation rates they intend to charge. This multiplier is intended to cover the other costs associated with providing workers compensation insurance that are not already part of the advisory prospective loss costs.

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

NCCI utilizes widely accepted general ratemaking methodologies in the calculation of voluntary loss costs and assigned risk rates, 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.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Disclosures

Data Sources and Dates

Financial Call Data Valuation Date	December 31, 2023
Financial Call Data Cutoff Date	May 9, 2024
Unit Statistical Plan Data Cutoff Date	May 17, 2024
Filing Preparation Date	June 12, 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 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 Plan 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.

In this year's filing, data for all carriers writing at least one-tenth of one percent of the Virginia workers compensation written premium volume have been included in the experience period on which this filing is based.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Disclosures

NCCI categorizes catastrophic events as those that incur aggregate workers compensation losses of more than \$50 million per occurrence. NCCI's ratemaking methodology excludes catastrophe-related losses from the calculation of loss costs/rates since these events are not considered to be predictive of future experience. NCCI is proposing to treat the COVID-19 pandemic as a catastrophic event and, therefore, the losses from reported COVID-19-related claims with accident dates between December 1, 2019 and June 30, 2023 have been excluded from the data underlying this year's analyses (including reviews of the experience period, trend, and loss adjustment expense) to better reflect the conditions likely to prevail during this 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/rates 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, thus should be managed like any other standard workers compensation claims.

Note: Consistent with historical direction from the Virginia Bureau of Insurance, catastrophic exposure for potential occurrences in excess of \$50 million is not contemplated in this filing.

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.

<u>Year</u>	<u>COVID-19 Lost-Time Claim Counts</u>	<u>COVID-19 Paid+Case Losses</u>
PY 2019	84	\$928,048
PY 2020	216	\$1,426,499
PY 2021	35	\$154,829
PY 2022	6	\$3,770
AY 2020	263	\$2,136,638
AY 2021	61	\$346,896
AY 2022	17	\$29,612
AY 2023	1	\$191

Excludes large deductible and expense-only claims.

Reported COVID-19-related losses would have represented a negligible share of the reported paid plus case losses in Virginia's experience period.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



Disclosures

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

Risks and Uncertainty

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

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

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

The course of the COVID-19 pandemic and related considerations, such as future economic conditions and the labor market, contribute additional uncertainty when estimating future costs.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



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Part 1 Filing Overview

- Executive Summary
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Voluntary Loss Cost and Assigned Risk Rate Filing – April 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 and assigned risk rate level changes in Virginia to become effective April 1, 2025.

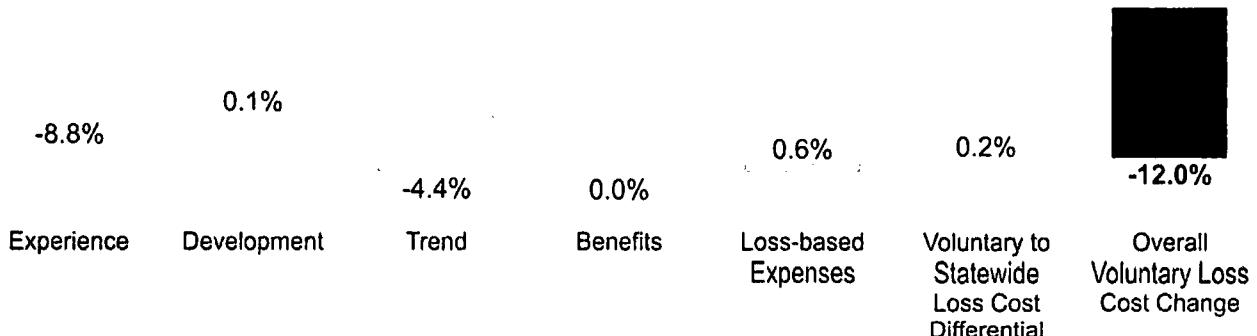
Summary of Overall Indications

Proposed Change in Overall Voluntary Loss Cost Level	– 12.0%
Proposed Change in Overall Assigned Risk Rate Level	– 15.8%

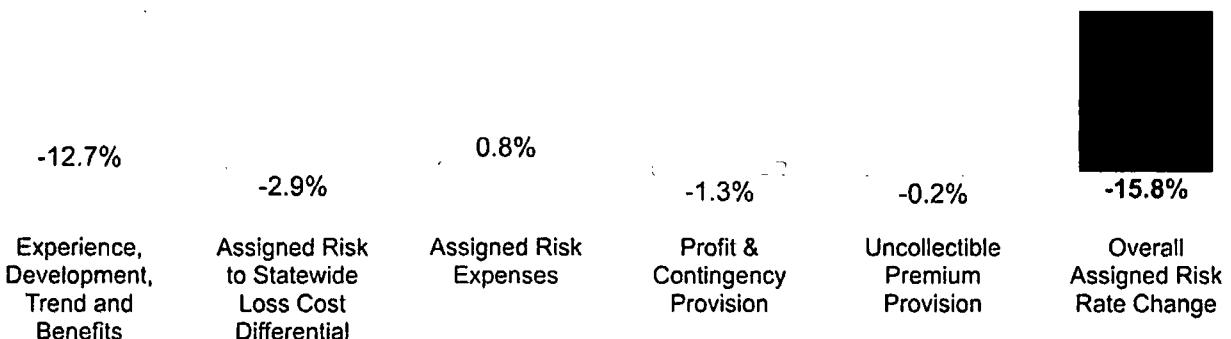
Breakdown of the Change in Key Components

Below are changes in the key components underlying the overall voluntary loss cost and assigned risk rate level indications. 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.

Voluntary Loss Cost



Assigned Risk Rate



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



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Executive Summary

Key Component Overview

Experience and Development

- The filing is based on premium and loss experience for Policy Years 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.
 - Paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period.
 - It is likely that the implementation of Virginia's medical fee schedule, effective January 1, 2018, has contributed to the favorable experience observed since that time.
 - 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 Virginia filings, the reported loss amounts are projected to an ultimate basis using a 3-year average for indemnity paid plus case losses. This year a 5-year average excluding the highest and lowest factors is used for medical paid plus case losses which is a change from using a 3-year average. The change for medical was done in order to provide stability while still being responsive to the new environment. The most recent valuation of development factors shows no clear deviation from historical values. Refer to Appendix A-II for considerations underlying the Development selections.

Trend

- Generally, the selected annual loss ratio trends in this year's filing are more heavily based on the observed mid-term (i.e. 8-point) exponential loss ratio trend fits. Refer to Appendix A-III for considerations underlying the Trend selections.
 - After adjusting to a common wage level, Virginia's lost-time claim frequency has generally been declining.
 - After adjusting to a common wage level, Virginia's indemnity average cost per case figures have been relatively more stable from year-to-year when compared with those for medical.
 - After adjusting to a common wage level, Virginia's medical average cost per case figures have been impacted by the medical fee schedule that was implemented in 2018. The trend selection was made to incorporate the data "post" medical fee schedule implementation.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Executive Summary

Other Items of Note

- The proposed overall average assigned risk rate level change is primarily driven by a combination of the proposed change in voluntary market loss costs, a decrease in the profit and contingency provision, and a decrease in the assigned risk-to-statewide loss cost differential.
 - This year's filing proposes to decrease the profit and contingency provision from +0.5% to -0.5%.

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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Overview of Methodology

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

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 reported historical 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
- Proposed benefit level and/or expense changes are applied to the projected cost ratios

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

Class Ratemaking

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

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

Assigned Risk Rates

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



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



Summary of Selections

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

<u>Voluntary Loss Costs</u>	<u>Currently Approved</u>	<u>Proposed Effective</u>
	<u>April 1, 2024</u>	<u>April 1, 2025</u>
Experience Period	Policy Years 2020 and 2021	Policy Years 2021 and 2022
Premium Development	3-yr avg	3-yr avg
Loss Experience Base	Paid + Case	Paid + Case
Loss Development - Paid+Case (Indemnity / Medical)	3-yr avg / 3-yr avg	3-yr avg / 5-yr xhilo avg
Tail Factor – Indemnity	1.005	1.006
Tail Factor – Medical	1.034	1.025
Trend Factor – Indemnity Loss Ratio	0.955	0.956
Trend Factor – Medical Loss Ratio	0.975	0.955
Loss-based Expense Provision	18.1%	18.8%
Classification Swing Limits (applied by Industry Group)	+/-15%	+/-15%

<u>Assigned Risk Rates</u>	<u>Currently Approved</u>	<u>Proposed Effective</u>
	<u>April 1, 2024</u>	<u>April 1, 2025</u>
Assigned Risk Differential	1.473	1.427
Permissible Loss Ratio (PLR)	0.781	0.785
Uncollectible Premium Provision (UPP)	3.0%	2.8%
Servicing Carrier Allowance (SCA)	14.3%	14.6%
Profit and Contingencies Provision (P&C)	0.5%	-0.5%
Maximum Minimum Premium	\$1,500	\$1,500
Minimum Premium Multiplier	155	155
Expense Constant	\$160	\$160



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Additional Proposed Changes

In this year's filing, there have been no other additional proposed changes in Virginia.



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Part 2 Proposed Values

- Proposed Voluntary Loss Costs for Inclusion in the Basic Manual
- Proposed Assigned Risk Rates for Inclusion in the Residual Market 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 02-VA-2024, effective April 1, 2025, Code 7228 and Code 7229 are discontinued and the loss cost for Code 7219 is established and payroll-weighted to reflect the combined experience of Code 7228 and Code 7229.
- The advisory loss elimination ratios and retrospective rating plan parameters – average cost per case by hazard group, excess loss pure premium factors, retrospective pure premium development factors, per accident excess ratios, and per claim excess ratios – were updated.



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Proposed Voluntary Loss Costs for Inclusion in the Basic Manual

The following pages include proposed:

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



Virginia

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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Proposed Voluntary Loss Costs

Payroll-Weighted Class Codes

This exhibit is included to display combined experience for indicated groupings of classes in the determination of loss costs.

Loss costs for these groups are calculated by payroll-weighting the indicated loss costs of the class codes using the latest policy period of payroll included in this filing. If swing limits are applied to a class code's loss cost, preventing it from achieving the payroll-weighted loss cost, it is noted in the table below with an "Upper" or "Lower" to indicate which limit was applied because of payroll-weighting.

The class codes below also have a footnote indicating a non-standard calculation in the Individual Classification Exhibit that accompanies this filing.

Class Code	Swing Limit Applied
7228	-
7229	-
7710	-
7711	-


ADVISORY LOSS COSTS - NOT RATES
VIRGINIA
Advisory loss costs exclude all expense provisions except loss adjustment expense.
Original Printing
Page S1
Effective April 1, 2025

CLASS CODE	LOSS COST												
0005	1.04	2081	1.30	2797	1.83	3336	0.96	4133	1.16	4829	0.64	6213	0.77
0008	1.14	2089	0.92	2799	2.43	3365	1.82	4149	0.26	4902	0.76	6214	0.53
0016	1.67	2095	1.58	2802	1.48	3372	1.01	4206	1.44	4923	0.44	6216	2.21
0034	1.34	2105	1.73	2835	1.00	3373	1.68	4207	1.19	5020	1.89	6217	1.71
0035	0.93	2110	1.13	2836	0.96	3383	0.66	4239	0.87	5022	2.64	6229	1.55
0036	1.53	2111	1.10	2841	1.98	3385	0.48	4240	0.91	5037	3.95	6233	0.73
0037	1.57	2112	1.49	2881	1.18	3400	1.17	4243	0.92	5040	2.85	6235	2.23
0042	1.87	2114	0.76	2883	1.25	3507	1.11	4244	1.06	5057	1.50	6236	2.13
0050	2.00	2121	0.51	2915	0.98	3515	0.69	4250	0.79	5059	4.93	6237	0.57
0079	0.92	2130	0.79	2916	1.27	3548	0.51	4251	1.23	5102	2.26	6251	1.48
0083	1.99	2131	0.79	2923	0.77	3559	0.82	4263	1.62	5146	1.88	6252	2.62
0106	3.79	2143	0.93	2960	1.88	3574	0.33	4273	0.82	5160	0.93	6306	1.87
0113	1.31	2157	1.52	3004	0.57	3581	0.39	4279	1.35	5183	1.34	6319	1.28
0161*	1.87	2172	0.68	3018	1.43	3612	0.67	4283	0.79	5188	1.29	6325	1.45
0162*	0.89	2174	1.13	3022	1.44	3620	0.69	4299	0.75	5190	0.88	6400	1.96
0170	0.77	2211	2.72	3027	0.86	3629	0.64	4304	1.75	5191	0.35	6503	0.80
0251	1.44	2220	0.98	3028	1.06	3632	0.83	4307	0.62	5192	1.14	6504	1.12
0401	3.96	2286	—	3030	1.69	3634	0.60	4351	0.44	5213	2.46	6702Ma	a
0771N	0.23	2288	1.66	3040	2.00	3635	0.60	4352	0.62	5215	2.18	6703Ma	a
0908P	59.00	2302	0.81	3041	1.78	3638	0.69	4360	—	5221	1.79	6704Ma	a
0913P	201.00	2305	0.74	3042	1.31	3642	0.80	4361	0.28	5222	2.88	6801F	3.04
0917	1.44	2361	0.94	3064	1.24	3643	0.73	4410	1.05	5223	1.60	6811	1.86
1005*	11.32	2362	1.08	3076	1.21	3647	1.16	4420	1.62	5348	1.53	6824F	3.29
1016*	22.95	2380	0.81	3081	2.02	3648	0.48	4431	0.44	5402	2.67	6826F	1.84
1164	1.13	2388	0.60	3082	1.43	3681	0.20	4432	0.51	5403	1.82	6834	0.90
1165	0.96	2402	0.86	3085	1.54	3685	0.30	4452	1.20	5437	1.94	6836	1.22
1320	0.67	2413	0.74	3110	1.51	3719	0.35	4459	1.06	5443	1.22	6843F	3.97
1322	3.15	2416	1.23	3111	0.76	3724	1.44	4470	0.92	5445	2.60	6845F	3.00
1430	1.49	2417	0.52	3113	0.62	3726	1.50	4484	0.88	5462	2.09	6854	1.71
1438	1.48	2501	0.87	3114	1.04	3803	1.11	4493	0.95	5472	2.10	6872F	4.06
1452	1.01	2503	0.36	3118	0.63	3807	0.88	4511	0.18	5473	3.18	6874F	5.54
1463	3.24	2534	—	3119	0.32	3808	2.61	4557	1.00	5474	2.12	6882	1.00
1472	1.12	2570	1.31	3122	0.68	3821	2.35	4558	0.62	5478	1.20	6884	1.24
1624	1.08	2576	—	3126	0.58	3822	1.58	4568	0.86	5479	2.59	7016M	4.02
1642	1.28	2585	1.52	3131	0.60	3824	1.20	4581	0.37	5480	2.21	7024M	4.46
1654	1.67	2586	1.51	3132	0.94	3826	0.30	4583	1.72	5491	0.96	7038M	2.01
1699	1.08	2587	1.02	3145	0.79	3827	0.76	4611	0.45	5506	2.22	7046M	2.21
1701	1.01	2589	0.80	3146	0.75	3830	0.37	4635	0.99	5507	1.45	7047M	3.93
1710	1.17	2600	1.67	3169	0.83	3851	0.88	4653	0.91	5508	—	7050M	1.96
1741	—	2623	2.18	3179	0.76	3865	1.04	4665	2.91	5535	2.70	7069M	3.93
1747	1.75	2651	0.50	3180	0.85	3881	1.37	4670	—	5537	1.41	7076M	4.02
1748	1.95	2660	0.80	3188	0.67	4000	1.94	4683	1.35	5551	5.58	7090M	2.23
1803	2.47	2670	—	3220	0.61	4021	1.35	4686	0.89	5606	0.43	7094M	4.46
1853	—	2683	—	3224	1.20	4024	1.33	4692	0.24	5610	1.65	7098M	2.46
1924	1.06	2688	0.74	3227	1.24	4034	2.38	4693	0.37	5645	3.96	7099M	2.16
1925	1.24	2701	4.75	3240	—	4036	1.02	4703	0.56	5651	4.53	7133	1.59
2002	1.52	2702	6.72	3241	1.21	4038	0.93	4717	0.79	5703	3.41	7151Ma	a
2003	1.36	2710	3.39	3255	0.98	4082	0.87	4720	0.88	5705	4.76	7152Ma	a
2014	1.66	2714	1.67	3257	1.20	4101	1.01	4740	0.39	5951	0.20	7153Ma	a
2016	1.07	2725	2.37	3270	1.06	4109	0.18	4741	1.12	6003	1.99	7219	2.88
2021	1.24	2731	1.89	3300	1.54	4110	0.32	4751	0.93	6005	1.42	7222	2.42
2039	1.23	2735	2.25	3303	1.06	4111	1.06	4771N	1.31	6018	1.79	7225	2.64
2041	1.08	2740	—	3307	1.00	4114	1.07	4777	1.42	6045	1.67	7228	—
2065	0.74	2759	2.17	3315	1.04	4130	1.23	4825	0.37	6204	2.71	7229	—
2070	1.56	2790	1.13	3334	0.98	4131	2.52	4828	0.73	6206	1.35	7230	2.94

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.

VIRGINIA

ADVISORY LOSS COSTS - NOT RATES

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

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CLASS CODE	LOSS COST										
7231	3.10	8013	0.12	8726F	0.82	9179	9.26				
7232	3.16	8015	0.37	8734Ma	a	9180	1.52				
7309F	4.06	8017	0.60	8737Ma	a	9182	0.80				
7313F	2.21	8018	1.32	8738Ma	a	9186	3.39				
7317F	3.43	8021	0.96	8742	0.07	9220	1.77				
7327F	7.11	8031	0.80	8745	1.23	9402	1.69				
7333M	2.36	8032	0.69	8748	0.16	9403	2.67				
7335M	2.62	8033	0.78	8755	0.10	9410	0.90				
7337M	2.30	8037	0.63	8799	0.21	9411	0.24				
7350F	4.26	8039	0.70	8800	0.48	9501	1.31				
7360	1.82	8044	1.01	8803	0.01	9505	1.10				
7370	1.93	8045	0.28	8805Ma	a	9516	0.90				
7380	2.24	8046	0.93	8810	0.04	9519	1.46				
7382	1.63	8047	0.33	8814Ma	a	9521	1.26				
7390	1.56	8058	0.77	8815Ma	a	9522	0.80				
7394M	4.02	8072	0.27	8820	0.03	9534	1.74				
7395M	4.46	8102	0.86	8824	0.80	9554	3.12				
7398M	3.93	8103	1.05	8825	—	9586	0.17				
7402	0.05	8106	1.62	8826	0.63	9600	0.79				
7403	1.16	8107	1.03	8829	—	9620	0.63				
7405N	0.51	8111	0.70	8831	0.60	9740*	0.01				
7420	2.66	8116	0.81	8832	0.11						
7421	0.22	8203	2.21	8833*	0.37						
7422	0.38	8204	1.83	8835	0.84						
7425	0.87	8209	1.49	8861	0.45						
7431N	0.29	8215	1.50	8868	0.13						
7445N	0.17	8227	1.49	8869	0.40						
7453N	0.10	8232	1.91	8871	0.01						
7502	0.72	8233	1.16	8901	0.04						
7515	0.37	8235	2.13	9012	0.29						
7520	1.00	8263	2.47	9014	0.97						
7538	0.98	8264	2.25	9015	0.85						
7539	0.56	8265	1.96	9016	0.90						
7540	1.13	8279	2.71	9019	1.24						
7580	0.93	8288	3.74	9033	0.77						
7590	1.45	8291	1.20	9040*	1.05						
7600	1.25	8292	1.25	9052	0.64						
7601	2.72	8293	2.48	9058	0.58						
7605	0.87	8304	2.54	9060	0.59						
7610	0.16	8350	2.82	9061	0.44						
7611	1.74	8380	1.03	9063	0.31						
7612	2.46	8381	0.65	9077F	2.25						
7613	2.00	8385	0.80	9082	0.54						
7705	2.10	8392	0.78	9083	0.45						
7710	3.08	8393	0.55	9084	0.56						
7711	3.08	8500	2.24	9088a	a						
7720	0.90	8601	0.10	9089	0.32						
7723	0.58	8602	0.64	9093	0.47						
7727	1.20	8603	0.01	9101	1.18						
7855	1.36	8606	0.47	9102	1.09						
8001	0.82	8709F	2.10	9110	0.95						
8002	0.71	8719	0.64	9154	0.69						
8006	0.64	8720	0.36	9156	1.14						
8008	0.46	8721	0.08	9170	3.74						
8010	0.67	8725	0.63	9178	2.96						

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.

Effective April 1, 2025



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 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.
- 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

- 0161 See VA Exception Rule - Employers With a Coal Workers' Pneumoconiosis Exposure Under Section 65.2-504 of the VA Workers' Compensation Act. Codes are non-ratable for determining premium.
- 1005 Advisory loss cost includes a non-ratable disease element of \$8.93.**
- 1016 Advisory loss cost includes a non-ratable disease element of \$18.72.**
- 8833 A charge of \$0.10 is to be added to this advisory loss cost whenever this class is applied to a hospital or 9040 sanitarium specializing in the treatment of tuberculosis. Apply to the National Council for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9740 Terrorism (The statistical code 9740 has been established for the reporting of premium associated with this terrorism loss cost).

** This charge is for coverage under Section 65.2-504 of the Virginia Workers' Compensation Act and the Federal Coal Mine Health and Safety Act. Premium derived from the above is not subject to experience rating. In addition, the Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02) should be attached to the policy.

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



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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. These percentages do not represent final percentage premium reductions to be applied to policy premium. They do not include a safety factor.

Deductible Amount	Advisory Loss Elimination Ratios*						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$100	1.4%	1.1%	0.8%	0.6%	0.4%	0.3%	0.2%
\$250	3.2%	2.5%	1.9%	1.4%	1.0%	0.7%	0.5%
\$500	5.6%	4.4%	3.4%	2.6%	1.8%	1.4%	1.1%
\$1,000	9.3%	7.4%	5.8%	4.5%	3.3%	2.5%	2.0%
\$2,500	15.9%	13.1%	10.5%	8.5%	6.3%	5.0%	4.1%
\$5,000	22.3%	18.8%	15.4%	12.8%	9.9%	8.1%	6.8%
\$7,500	26.6%	22.8%	19.0%	16.0%	12.6%	10.5%	8.9%
\$10,000	30.0%	26.0%	21.9%	18.7%	14.9%	12.5%	10.7%

*Likely, Not Likely, and Medical-only severities underlying the Advisory Loss Elimination Ratios have been adjusted at the direction of the Virginia Bureau of Insurance.

Average Weekly Wage applicable in connection with:

Code 7727 - Auxiliary and Reserve Police, etc. \$529

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

Employee operated vehicle.....	\$110,000
Leased or rented vehicle.....	\$73,300

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: Non-Contact Sports", and Code 9179 -- "Athletic Sports or Park: Contact Sports" \$2,800

Minimum Weekly Payroll applicable in accordance with the **Basic Manual** rule, Rule for premium determination of executive officers..... \$700

Monthly Payroll applicable in connection with:

Code 7711 - Volunteer firefighters, volunteer rescue, ambulance and emergency medical services squads \$300

Premium Determination for Partners and Sole Proprietors in accordance with the **Basic Manual** rule, Rule for premium determination for partners or sole proprietors (Annual Payroll) \$73,300

Terrorism (Advisory Loss Cost) 0.01
(The statistical code 9740 has been established for the reporting of premium associated with this terrorism loss cost.)

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the **Basic Manual** rule, Federal coverages..... 30%

(Multiply a Non-F classification loss cost by a factor of 1.30 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in state and federal benefits (1.25) and the adjustment for differences in state and federal loss-based expenses (1.038). This factor includes a provision for the USL&HW assessment of 1.045).

District of Columbia Additional Benefits Percentage applicable in connection with the rule, Virginia Additional Benefits Coverage 4%
(Multiply advisory loss cost by a factor of 1.04.)

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ADVISORY MISCELLANEOUS VALUES (cont.)

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.



Virginia

240740068

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Proposed Assigned Risk Rates for Inclusion in the Residual Market Manual

The following pages include proposed:

- Assigned risk rates and minimum premiums by class code, along with associated footnotes
- Miscellaneous values, such as:
 - Expense constant and minimum premium parameters
 - Maximum and minimum weekly payroll applicable for select class codes
 - Premium determination for Partners and Sole Proprietors
 - Terrorism Provision
 - United States Longshore and Harbor Workers' Compensation Coverage Percentage

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM
0005	1.64	414	2081	2.04	476	2797	2.88	606	3336	1.51	394
0008	1.79	437	2089	1.45	385	2799	3.82	752	3365	2.86	603
0016	2.63	568	2095	2.49	546	2802	2.33	521	3372	1.59	406
0034	2.11	487	2105	2.72	582	2835	1.57	403	3373	2.64	569
0035	1.46	386	2110	1.78	436	2836	1.51	394	3383	1.04	321
0036	2.41	534	2111	1.73	428	2841	3.11	642	3385	0.76	278
0037	2.47	543	2112	2.34	523	2881	1.86	448	3400	1.84	445
0042	2.94	616	2114	1.20	346	2883	1.97	465	3507	1.75	431
0050	3.15	648	2121	0.80	284	2915	1.54	399	3515	1.09	329
0079	1.45	385	2130	1.24	352	2916	2.00	470	3548	0.80	284
0083	3.13	645	2131	1.24	352	2923	1.21	348	3559	1.29	360
0106	5.96	1084	2143	1.46	386	2960	2.96	619	3574	0.52	241
0113	2.06	479	2157	2.39	530	3004	0.90	300	3581	0.61	255
0161*	2.20	—	2172	1.07	326	3018	2.25	509	3612	1.05	323
0162*	1.05	—	2174	1.78	436	3022	2.27	512	3620	1.09	329
0170	1.21	348	2211	4.28	823	3027	1.35	369	3629	1.01	317
0251	2.27	512	2220	1.54	399	3028	1.67	419	3632	1.31	363
0401	6.23	1126	2286	—	—	3030	2.66	572	3634	0.94	306
0771N	0.36	—	2288	2.61	565	3040	3.15	648	3635	0.94	306
0908P	93.00	253	2302	1.27	357	3041	2.80	594	3638	1.09	329
0913P	316.00	476	2305	1.16	340	3042	2.06	479	3642	1.26	355
0917	2.27	512	2361	1.48	389	3064	1.95	462	3643	1.15	338
1005*	14.23	1500	2362	1.70	424	3076	1.90	455	3647	1.82	442
1016*	28.61	1500	2380	1.27	357	3081	3.18	653	3648	0.76	278
1184	1.78	436	2388	0.94	306	3082	2.25	509	3681	0.31	208
1165	1.51	394	2402	1.35	369	3085	2.42	535	3685	0.47	233
1320	1.05	323	2413	1.16	340	3110	2.38	529	3719	0.55	245
1322	4.95	927	2416	1.93	459	3111	1.20	346	3724	2.27	512
1430	2.34	523	2417	0.82	287	3113	0.98	312	3726	2.36	526
1438	2.33	521	2501	1.37	372	3114	1.64	414	3803	1.75	431
1452	1.59	406	2503	0.57	248	3118	0.99	313	3807	1.38	374
1463	5.10	951	2534	—	—	3119	0.50	238	3808	4.11	797
1472	1.76	433	2570	2.06	479	3122	1.07	326	3821	3.70	734
1624	1.70	424	2576	—	—	3126	0.91	301	3822	2.49	546
1642	2.01	472	2585	2.39	530	3131	0.94	306	3824	1.89	453
1654	2.63	568	2586	2.38	529	3132	1.48	389	3826	0.47	233
1699	1.70	424	2587	1.60	408	3145	1.24	352	3827	1.20	346
1701	1.59	406	2589	1.26	355	3146	1.18	343	3830	0.58	250
1710	1.84	445	2600	2.63	568	3169	1.31	363	3851	1.38	4653
1741	—	—	2623	3.43	692	3179	1.20	346	3865	1.64	414
1747	2.75	586	2651	0.79	282	3180	1.34	368	3881	2.16	495
1748	3.07	636	2660	1.26	355	3188	1.05	323	4000	3.05	633
1803	3.89	763	2670	—	—	3220	0.96	309	4021	2.12	489
1853	—	—	2683	—	—	3224	1.89	453	4024	2.09	484
1924	1.67	419	2688	1.16	340	3227	1.95	462	4034	3.74	740
1925	1.95	462	2701	7.47	1318	3240	—	—	4036	1.60	408
2002	2.39	530	2702	10.57	1500	3241	1.90	455	4038	1.46	386
2003	2.14	492	2710	5.33	986	3255	1.54	399	4062	1.37	372
2014	2.61	565	2714	2.63	568	3257	1.89	453	4101	1.59	406
2016	1.68	420	2725	3.73	738	3270	1.67	419	4109	0.28	203
2021	1.95	462	2731	2.97	620	3300	2.42	535	4110	0.50	238
2039	1.93	459	2735	3.54	709	3303	1.67	419	4111	1.67	419
2041	1.70	424	2740	—	—	3307	1.57	403	4114	1.68	420
2065	1.16	340	2759	3.41	689	3315	1.64	414	4130	1.93	459
2070	2.45	540	2790	1.78	436	3334	1.54	399	4131	3.96	774

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

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Effective April 1, 2025

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM	CLASS CODE	MIN RATE	MIN PREM
4829	1.01	317	6213	1.21	348	7231	4.88	916	8013	0.19	189
4902	1.20	346	6214	0.83	289	7232	4.97	930	8015	0.58	250
4923	0.69	267	6216	3.48	699	7309F	6.39	1150	8017	0.94	306
5020	2.97	620	6217	2.69	577	7313F	3.48	699	8018	2.08	482
5022	4.15	803	6229	2.44	538	7317F	5.40	997	8021	1.51	394
5037	6.21	1123	6233	1.15	338	7327F	11.18	1500	8031	1.26	355
5040	4.48	854	6235	3.51	704	7333M	3.71	100	8032	1.09	329
5057	2.36	526	6236	3.35	679	7335M	4.12	200	8033	1.23	351
5059	7.75	1361	6237	0.90	300	7337M	3.62	200	8037	0.99	313
5102	3.55	710	6251	2.33	521	7350F	6.70	1199	8039	1.10	331
5146	2.98	619	6252	4.12	799	7360	2.86	603	8044	1.59	406
5160	1.46	386	6306	2.94	616	7370	3.04	631	8045	0.44	228
5183	2.11	487	6319	2.01	472	7380	3.52	706	8046	1.46	386
5188	2.03	475	6325	2.28	513	7382	2.56	557	8047	0.52	241
5190	1.38	374	6400	3.08	637	7390	2.45	540	8058	1.21	348
5191	0.55	245	6503	1.26	355	7394M	6.32	100	8072	0.42	225
5192	1.79	437	6504	1.76	433	7395M	7.02	200	8102	1.35	369
5213	3.87	760	6702Ma	a	100	7398M	6.18	200	8103	1.65	416
5215	3.43	692	6703Ma	a	200	7402	0.08	172	8106	2.55	555
5221	2.82	597	6704Ma	a	200	7403	1.82	442	8107	1.62	411
5222	4.53	862	6801F	4.78	901	7405N	0.80	326	8111	1.10	331
5223	2.52	551	6811	2.93	614	7420	4.18	808	8116	1.27	357
5348	2.41	534	6824F	5.18	963	7421	0.35	214	8203	3.48	699
5402	4.20	811	6826F	2.89	608	7422	0.60	253	8204	2.88	606
5403	2.86	603	6834	1.42	380	7425	1.37	372	8209	2.34	523
5437	3.05	633	6836	1.92	458	7431N	0.46	256	8215	2.36	526
5443	1.92	458	6843F	6.24	1127	7445N	0.27	—	8227	2.34	523
5445	4.09	794	6845F	4.72	892	7453N	0.16	—	8232	3.00	625
5462	3.29	670	6854	2.69	577	7502	1.13	335	8233	1.82	442
5472	3.30	672	6872F	6.39	1150	7515	0.58	250	8235	3.35	679
5473	5.00	935	6874F	8.71	1500	7520	1.57	403	8263	3.89	763
5474	3.33	676	6882	1.57	403	7538	1.54	399	8264	3.54	709
5478	1.89	453	6884	1.95	462	7539	0.88	296	8265	3.08	637
5479	4.07	791	7016M	6.32	100	7540	1.78	436	8279	4.26	820
5480	3.48	699	7024M	7.02	200	7580	1.46	386	8288	5.88	1071
5491	1.51	394	7038M	3.16	100	7590	2.28	513	8291	1.89	453
5506	3.49	701	7046M	3.48	100	7600	1.97	465	8292	1.97	465
5507	2.28	513	7047M	6.18	200	7601	4.28	823	8293	3.90	765
5508	—	—	7050M	3.08	200	7605	1.37	372	8304	4.00	780
5535	4.25	819	7069M	6.18	200	7610	0.25	199	8350	4.44	848
5537	2.22	504	7076M	6.32	100	7611	2.74	585	8380	1.62	411
5551	8.78	1500	7090M	3.51	200	7612	3.87	760	8381	1.02	318
5606	0.68	265	7094M	7.02	200	7613	3.15	648	8385	1.26	355
5610	2.60	563	7098M	3.87	200	7705	3.30	672	8392	1.23	351
5645	6.23	1126	7099M	3.40	200	7710	4.84	910	8393	0.87	295
5651	7.13	1265	7133	2.50	548	7711	4.84	910	8500	3.52	706
5703	5.36	991	7151Ma	a	100	7720	1.42	380	8601	0.16	185
5705	7.49	1321	7152Ma	a	200	7723	0.91	301	8602	1.01	317
5951	0.31	208	7153Ma	a	200	7727	1.89	453	8603	0.02	163
6003	3.13	645	7219	4.53	862	7855	2.14	492	8606	0.74	275
6005	2.23	506	7222	3.81	751	8001	1.29	360	8709F	3.30	672
6018	2.82	597	7225	4.15	803	8002	1.12	334	8719	1.01	317
6045	2.63	568	7228	—	—	8006	1.01	317	8720	0.57	248
6204	4.26	820	7229	—	—	8008	0.72	272	8721	0.13	180
6206	2.12	489	7230	4.62	876	8010	1.05	323	8725	0.99	313

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.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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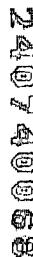
APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9179	14.57	1500												
9180	2.39	530												
9182	1.26	355												
9186	5.33	986												
9220	2.78	591												
9402	2.66	572												
9403	4.20	811												
9410	1.42	380												
9411	0.38	219												
9501	2.06	479												
9505	1.73	428												
9516	1.42	380												
9519	2.30	517												
9521	1.98	467												
9522	1.26	355												
9534	2.74	585												
9554	4.91	921												
9586	0.27	202												
9600	1.24	352												
9620	0.99	313												
9740*	0.01	-												

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 April 1, 2025
APPLICABLE TO ASSIGNED RISK POLICIES ONLY

FOOTNOTES

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

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

- P Classification is computed on a per capita basis.

* Class Codes with Specific Footnotes

- 0161 See VA Exception Rule - Employers With a Coal Workers' Pneumoconiosis Exposure Under Section 65.2-504 of the VA Workers' Compensation Act. Codes are non-ratable for determining premium.
- 1005 Rate includes a non-ratable disease element of \$10.47.**
- 1016 Rate includes a non-ratable disease element of \$21.96.**
- 8833 A charge of \$0.10 is to be added to this rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the National Council for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9040
- 9740 Terrorism (The statistical code 9740 has been established for the reporting of premium associated with this terrorism rate).

** This charge is for coverage under Section 65.2-504 of the Virginia Workers' Compensation Act and the Federal Coal Mine Health and Safety Act. Premium derived from the above is not subject to experience rating. In addition, the Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02) should be attached to the policy.

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

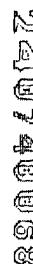
WORKERS COMPENSATION AND EMPLOYERS LIABILITY

VIRGINIA

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APPLICABLE TO ASSIGNED RISK POLICIES ONLY



MISCELLANEOUS VALUES

Average Weekly Wage applicable in connection with:

Code 7727-Auxiliary and Reserve Police, etc. \$529

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

Employee operated vehicle.....	\$110,000
Leased or rented vehicle.....	\$73,300

Expense Constant applicable in accordance with the **Basic Manual** rule..... \$160

Maximum Minimum Premium..... \$1,500

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: Non-Contact Sports", and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... \$2,800

Minimum Premium Multiplier..... 155

Minimum Weekly Payroll applicable in accordance with the **Basic Manual** rule, Rule for premium determination of executive officers..... \$700

Monthly Payroll applicable in connection with:

Code 7711 - Volunteer firefighters, volunteer rescue, ambulance and emergency medical services squads

\$300

Premium Determination for Partners and Sole Proprietors in accordance with the **Basic Manual** rule, Rule for premium determination for partners or sole proprietors (Annual Payroll)

\$73,300

Terrorism (Assigned Risk)..... 0.01

(The statistical code 9740 has been established for the reporting of premium associated with this terrorism rate.)

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the **Basic Manual** rule, Federal coverages..... 30%

(Multiply a Non-F classification rate by a factor of 1.30 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in state and federal benefits (1.25) and the adjustment for differences in state and federal loss-based expenses (1.038). This factor includes a provision for the USL&HW assessment of 1.045.)

District of Columbia Additional Benefits Percentage applicable in connection with the rule, Virginia Additional Benefits Coverage

9%

(Multiply rate by a factor of 1.09.)

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.



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 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. To keep up with changes in claim costs over time, the split point value is reviewed annually and indexed as appropriate so that the average D-ratio in the state remains consistent.

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.



Virginia

2 4 0 7 4 9 9 8 8

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Proposed Rating Values

The final ELR for each classification is calculated as follows:

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

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 April 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	0.82	0.44	2081	1.09	0.47	2797	1.55	0.47	3336	0.73	0.40	4133	0.97	0.47
0008	0.90	0.44	2089	0.73	0.44	2799	1.85	0.40	3365	1.18	0.35	4149	0.22	0.47
0016	1.16	0.37	2095	1.21	0.40	2802	1.12	0.40	3372	0.77	0.40	4206	1.15	0.44
0034	1.02	0.40	2105	1.45	0.47	2835	0.84	0.47	3373	1.33	0.44	4207	0.77	0.35
0035	0.71	0.40	2110	0.90	0.44	2836	0.81	0.47	3383	0.52	0.44	4239	0.56	0.35
0036	1.21	0.44	2111	0.87	0.44	2841	1.57	0.44	3385	0.38	0.44	4240	0.76	0.47
0037	1.10	0.37	2112	1.18	0.44	2881	0.99	0.47	3400	0.93	0.44	4243	0.70	0.40
0042	1.42	0.40	2114	0.64	0.47	2883	0.99	0.44	3507	0.84	0.40	4244	0.74	0.37
0050	1.39	0.37	2121	0.43	0.47	2915	0.68	0.37	3515	0.53	0.40	4250	0.60	0.40
0079	0.70	0.40	2130	0.60	0.40	2916	0.89	0.37	3548	0.41	0.44	4251	0.97	0.44
0083	1.52	0.40	2131	0.62	0.44	2923	0.65	0.47	3559	0.63	0.40	4263	1.23	0.40
0106	2.46	0.35	2143	0.78	0.47	2960	1.43	0.40	3574	0.26	0.44	4273	0.63	0.40
0113	1.04	0.44	2157	1.21	0.44	3004	0.37	0.35	3581	0.31	0.44	4279	0.94	0.37
0161	—	—	2172	0.47	0.37	3018	0.92	0.35	3612	0.51	0.40	4283	0.62	0.44
0162	—	—	2174	0.90	0.44	3022	1.14	0.44	3620	0.48	0.37	4299	0.57	0.40
0170	0.61	0.44	2211	1.89	0.37	3027	0.60	0.37	3629	0.49	0.40	4304	1.33	0.40
0251	1.10	0.40	2220	0.74	0.40	3028	0.74	0.37	3632	0.63	0.40	4307	0.52	0.47
0401	2.57	0.35	2286	0.74	0.40	3030	1.18	0.37	3634	0.45	0.40	4351	0.35	0.44
0771	—	—	2288	1.32	0.44	3040	1.52	0.40	3635	0.45	0.40	4352	0.49	0.44
0908	44.83	0.40	2302	0.62	0.40	3041	1.35	0.40	3638	0.55	0.44	4360	0.11	0.37
0913	153.47	0.40	2305	0.51	0.37	3042	1.00	0.40	3642	0.64	0.44	4361	0.23	0.44
0917	1.21	0.47	2361	0.72	0.40	3064	0.94	0.40	3643	0.51	0.37	4410	0.83	0.44
1005	1.43	0.32	2362	0.86	0.44	3076	0.96	0.44	3647	0.88	0.40	4420	1.05	0.35
1016	2.52	0.32	2380	0.64	0.44	3081	1.54	0.40	3648	0.40	0.47	4431	0.37	0.47
1164	0.68	0.32	2388	0.50	0.47	3082	0.99	0.37	3681	0.16	0.44	4432	0.43	0.47
1165	0.57	0.32	2402	0.60	0.37	3085	1.17	0.40	3685	0.24	0.44	4452	0.92	0.40
1320	0.43	0.35	2413	0.56	0.40	3110	1.15	0.40	3719	0.21	0.32	4459	0.74	0.37
1322	1.88	0.32	2416	0.97	0.44	3111	0.60	0.44	3724	0.86	0.32	4470	0.70	0.40
1430	1.04	0.37	2417	0.42	0.44	3113	0.47	0.40	3726	0.89	0.32	4484	0.70	0.44
1438	1.03	0.37	2501	0.69	0.44	3114	0.79	0.40	3803	0.88	0.44	4493	0.73	0.40
1452	0.70	0.37	2503	0.28	0.44	3118	0.53	0.47	3807	0.70	0.44	4511	0.14	0.40
1463	1.94	0.32	2534	0.69	0.44	3119	0.28	0.52	3808	1.99	0.40	4557	0.70	0.37
1472	0.78	0.37	2570	1.04	0.44	3122	0.57	0.47	3821	1.63	0.37	4558	0.47	0.40
1624	0.70	0.35	2576	0.69	0.44	3126	0.44	0.40	3822	1.26	0.44	4568	0.60	0.37
1642	0.89	0.37	2585	1.16	0.40	3131	0.45	0.40	3824	0.96	0.44	4581	0.24	0.35
1654	1.16	0.37	2586	1.20	0.44	3132	0.75	0.44	3826	0.23	0.40	4583	1.11	0.35
1699	0.75	0.37	2587	0.81	0.44	3145	0.60	0.40	3827	0.61	0.44	4611	0.36	0.44
1701	0.66	0.35	2589	0.61	0.40	3146	0.57	0.40	3830	0.28	0.40	4635	0.64	0.35
1710	0.82	0.37	2600	1.32	0.44	3169	0.66	0.44	3851	0.70	0.44	4653	0.72	0.44
1741	0.66	0.35	2623	1.52	0.37	3179	0.60	0.44	3865	0.87	0.47	4665	2.02	0.37
1747	1.21	0.37	2651	0.40	0.44	3180	0.67	0.44	3881	1.04	0.40	4670	1.03	0.40
1748	1.36	0.37	2660	0.67	0.47	3188	0.51	0.40	4000	1.26	0.35	4683	1.03	0.40
1803	1.72	0.37	2670	0.59	0.44	3220	0.46	0.40	4021	1.03	0.40	4686	0.62	0.37
1853	0.66	0.35	2683	0.69	0.44	3224	1.01	0.47	4024	0.93	0.37	4692	0.19	0.44
1924	0.84	0.44	2688	0.59	0.44	3227	0.98	0.44	4034	1.66	0.37	4693	0.29	0.44
1925	0.95	0.40	2701	3.08	0.35	3240	0.95	0.44	4036	0.71	0.37	4703	0.43	0.40
2002	1.21	0.44	2702	4.02	0.32	3241	0.96	0.44	4038	0.78	0.47	4717	0.66	0.47
2003	1.03	0.40	2710	2.36	0.37	3255	0.82	0.47	4062	0.66	0.40	4720	0.67	0.40
2014	1.15	0.37	2714	1.32	0.44	3257	0.95	0.44	4101	0.77	0.40	4740	0.23	0.32
2016	0.85	0.44	2725	1.54	0.35	3270	0.84	0.44	4109	0.14	0.44	4741	0.85	0.40
2021	0.94	0.40	2731	1.50	0.44	3300	1.29	0.47	4110	0.25	0.44	4751	0.65	0.37
2039	0.97	0.44	2735	1.79	0.44	3303	0.84	0.44	4111	0.84	0.44	4771	0.85	0.35
2041	0.86	0.44	2740	1.79	0.44	3307	0.76	0.40	4114	0.82	0.40	4777	0.92	0.35
2065	0.56	0.40	2759	1.72	0.44	3315	0.82	0.44	4130	0.97	0.44	4825	0.26	0.37
2070	1.19	0.40	2790	0.95	0.47	3334	0.74	0.40	4131	2.01	0.44	4828	0.47	0.35

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

Effective April 1, 2025

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

CLASS CODE	D ELR	RATIO												
4829	0.42	0.35	6213	0.46	0.32	7231	2.35	0.40	8013	0.09	0.40	8726F	0.45	0.34
4902	0.61	0.44	6214	0.34	0.35	7232	2.04	0.35	8015	0.29	0.40	8734	a	a
4923	0.34	0.40	6216	1.32	0.32	7309F	1.96	0.28	8017	0.50	0.47	8737	a	a
5020	1.22	0.35	6217	1.02	0.32	7313F	1.07	0.28	8018	1.04	0.44	8738	a	a
5022	1.58	0.32	6229	1.08	0.37	7317F	1.65	0.28	8021	0.77	0.44	8742	0.05	0.37
5037	2.36	0.32	6233	0.44	0.32	7327F	3.43	0.28	8031	0.64	0.44	8745	0.94	0.40
5040	1.70	0.32	6235	1.33	0.32	7333	1.53	0.35	8032	0.54	0.44	8748	0.10	0.35
5057	0.89	0.32	6236	1.48	0.37	7335	1.70	0.35	8033	0.66	0.47	8755	0.07	0.37
5059	2.94	0.32	6237	0.37	0.35	7337	1.49	0.35	8037	0.55	0.52	8799	0.16	0.44
5102	1.46	0.35	6251	0.96	0.35	7350F	2.19	0.31	8039	0.59	0.47	8800	0.38	0.44
5146	1.31	0.37	6252	1.56	0.32	7360	1.27	0.37	8044	0.80	0.44	8803	0.01	0.37
5160	0.56	0.32	6306	1.21	0.35	7370	1.53	0.44	8045	0.22	0.44	8805	a	a
5183	0.87	0.35	6319	0.77	0.32	7380	1.55	0.37	8046	0.74	0.44	8810	0.03	0.44
5188	0.84	0.35	6325	0.87	0.32	7382	1.24	0.40	8047	0.26	0.44	8814	a	a
5190	0.57	0.35	6400	1.36	0.37	7390	1.24	0.44	8058	0.61	0.44	8815	a	a
5191	0.25	0.37	6503	0.63	0.44	7394	2.61	0.28	8072	0.23	0.47	8820	0.02	0.37
5192	0.86	0.40	6504	0.89	0.44	7395	2.89	0.28	8102	0.68	0.44	8824	0.70	0.52
5213	1.47	0.32	6702	a	a	7398	2.55	0.28	8103	0.80	0.40	8825	0.53	0.47
5215	1.52	0.37	6703	a	a	7402	0.04	0.44	8106	1.13	0.37	8826	0.53	0.47
5221	1.16	0.35	6704	a	a	7403	0.92	0.44	8107	0.67	0.35	8829	0.70	0.52
5222	1.72	0.32	6801F	1.66	0.34	7405	0.40	0.44	8111	0.53	0.40	8831	0.53	0.52
5223	1.11	0.37	6811	1.29	0.37	7420	1.58	0.32	8116	0.62	0.40	8832	0.09	0.44
5348	1.06	0.37	6824F	1.79	0.34	7421	0.15	0.37	8203	1.68	0.40	8833	0.30	0.44
5402	2.12	0.44	6826F	1.00	0.34	7422	0.25	0.35	8204	1.40	0.40	8835	0.66	0.44
5403	1.18	0.35	6834	0.71	0.44	7425	0.56	0.35	8209	1.18	0.44	8861	0.36	0.44
5437	1.25	0.35	6836	0.93	0.40	7431	0.18	0.35	8215	1.04	0.37	8868	0.11	0.47
5443	0.93	0.40	6843F	1.91	0.28	7445	—	—	8227	0.96	0.35	8869	0.34	0.47
5445	1.55	0.32	6845F	1.45	0.28	7453	—	—	8232	1.33	0.37	8871	0.01	0.44
5462	1.45	0.37	6854	1.11	0.35	7502	0.50	0.37	8233	0.80	0.37	8901	0.03	0.37
5472	1.26	0.32	6872F	1.96	0.28	7515	0.22	0.32	8235	1.62	0.40	9012	0.20	0.37
5473	1.90	0.32	6874F	2.67	0.28	7520	0.76	0.40	8263	1.89	0.40	9014	0.77	0.44
5474	1.26	0.32	6882	0.65	0.35	7538	0.58	0.32	8264	1.57	0.37	9015	0.64	0.40
5478	0.78	0.35	6884	0.80	0.35	7539	0.36	0.35	8265	1.27	0.35	9016	0.72	0.44
5479	1.80	0.37	7016	2.61	0.28	7540	0.68	0.32	8279	1.76	0.35	9019	0.86	0.37
5480	1.43	0.35	7024	2.89	0.28	7580	0.65	0.37	8288	2.85	0.40	9033	0.59	0.40
5491	0.62	0.35	7038	1.30	0.28	7590	1.01	0.37	8291	0.91	0.40	9040	0.88	0.47
5506	1.44	0.35	7046	1.54	0.37	7600	0.87	0.37	8292	0.99	0.44	9052	0.54	0.47
5507	0.94	0.35	7047	2.55	0.28	7601	1.77	0.35	8293	1.97	0.44	9058	0.51	0.52
5508	0.94	0.35	7050	1.27	0.28	7605	0.56	0.35	8304	1.64	0.35	9060	0.50	0.47
5535	1.61	0.32	7069	2.55	0.28	7610	0.11	0.37	8350	1.82	0.35	9061	0.37	0.47
5537	0.98	0.37	7076	2.61	0.28	7611	1.21	0.37	8380	0.78	0.40	9063	0.26	0.47
5551	3.34	0.32	7090	1.45	0.28	7612	1.71	0.37	8381	0.50	0.40	9077F	1.37	0.41
5606	0.26	0.32	7094	2.89	0.28	7613	1.39	0.37	8385	0.61	0.40	9082	0.47	0.52
5610	1.15	0.37	7098	1.72	0.37	7705	1.60	0.40	8392	0.66	0.47	9083	0.39	0.52
5645	2.37	0.32	7099	1.51	0.37	7710	2.01	0.35	8393	0.38	0.37	9084	0.47	0.47
5651	2.94	0.35	7133	1.04	0.35	7711	2.01	0.35	8500	1.56	0.37	9088	a	a
5703	2.37	0.37	7151	a	a	7720	0.63	0.37	8601	0.06	0.35	9089	0.27	0.47
5705	3.32	0.37	7152	a	a	7723	0.38	0.35	8602	0.45	0.37	9093	0.40	0.47
5951	0.16	0.44	7153	a	a	7727	0.71	0.32	8603	0.01	0.44	9101	0.99	0.47
6003	1.29	0.35	7219	1.86	0.35	7855	0.95	0.37	8606	0.31	0.35	9102	0.83	0.40
6005	0.99	0.37	7222	1.56	0.35	8001	0.66	0.44	8709F	1.01	0.28	9110	0.76	0.44
6018	1.24	0.37	7225	1.83	0.37	8002	0.56	0.44	8719	0.42	0.35	9154	0.55	0.44
6045	1.16	0.37	7228	1.86	0.35	8006	0.54	0.47	8720	0.24	0.35	9156	0.96	0.47
6204	1.75	0.35	7229	1.86	0.35	8008	0.39	0.47	8721	0.06	0.37	9170	2.42	0.35
6206	0.80	0.32	7230	2.24	0.40	8010	0.54	0.44	8725	0.44	0.37	9178	2.62	0.52

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

EXPERIENCE RATING PLAN MANUAL**VIRGINIA**

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Original Printing

Effective April 1, 2025

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

CLASS CODE	D	ELR	RATIO	CLASS CODE	D	ELR	RATIO	CLASS CODE	D	ELR	RATIO	CLASS CODE	D	ELR	RATIO
9178	8.08		0.52												
9180	1.16		0.40												
9182	0.64		0.44												
9186	2.21		0.35												
9220	1.35		0.40												
9402	1.09		0.35												
9403	1.73		0.35												
9410	0.71		0.44												
9411	0.17		0.37												
9501	0.91		0.37												
9505	0.84		0.40												
9516	0.68		0.40												
9519	1.01		0.37												
9521	0.88		0.37												
9522	0.67		0.47												
9534	1.04		0.32												
9554	2.02		0.35												
9586	0.14		0.47												
9600	0.62		0.44												
9620	0.44		0.37												
9740	—	—	—												

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

Expected Losses	Weighting Values	Expected Losses	Weighting Values
0 --	2,152	0.14	1,213,487 --
2,153 --	6,064	0.15	1,274,524 --
6,065 --	10,068	0.16	1,338,846 --
10,069 --	14,171	0.17	1,406,724 --
14,172 --	15,603	0.18	1,478,461 --
			1,554,398 --
15,604 --	17,646	0.17	1,554,399 --
17,647 --	20,438	0.16	1,634,915 --
20,439 --	24,640	0.15	1,720,439 --
24,641 --	32,635	0.14	1,811,452 --
32,636 --	74,995	0.13	1,908,504 --
			2,012,213 --
74,996 --	100,778	0.14	2,012,214 --
100,779 --	123,293	0.15	2,123,293 --
123,294 --	144,952	0.16	2,242,557 --
144,953 --	166,437	0.17	2,370,944 --
166,438 --	188,062	0.18	2,509,543 --
			2,659,624 --
188,063 --	210,006	0.19	2,659,625 --
210,007 --	232,388	0.20	2,822,679 --
232,389 --	255,298	0.21	3,000,462 --
255,299 --	278,808	0.22	3,195,066 --
278,809 --	302,982	0.23	3,408,997 --
			3,645,285 --
302,983 --	326,821	0.24	3,645,286 --
326,822 --	350,248	0.25	3,907,630 --
350,249 --	374,413	0.26	4,200,592 --
374,414 --	399,355	0.27	4,529,867 --
399,356 --	425,119	0.28	4,902,650 --
			5,328,174 --
425,120 --	451,750	0.29	5,328,175 --
451,751 --	479,294	0.30	5,818,491 --
479,295 --	507,805	0.31	6,389,615 --
507,806 --	537,336	0.32	7,063,319 --
537,337 --	567,944	0.33	7,869,966 --
			8,853,217 --
567,945 --	599,692	0.34	8,853,218 --
599,693 --	632,649	0.35	10,078,204 --
632,650 --	666,884	0.36	11,646,567 --
666,885 --	702,475	0.37	13,726,219 --
702,476 --	739,506	0.38	16,615,879 --
			20,903,240 --
739,507 --	778,068	0.39	20,903,241 --
778,069 --	818,260	0.40	27,925,878 --
818,261 --	860,186	0.41	41,527,534 --
860,187 --	903,964	0.42	79,099,909 --
903,965 --	949,720	0.43	673,899,321 -- AND OVER
			0.88
949,721 --	997,591	0.44	
997,592 --	1,047,729	0.45	
1,047,730 --	1,100,300	0.46	
1,100,301 --	1,155,486	0.47	
1,155,487 --	1,213,486	0.48	

(a) G	9.95
(b) State Per Claim Accident Limitation	\$206,500
(c) State Multiple Claim Accident Limitation	\$413,000
(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	\$26,500
(h) USL&HW Act - Expected Loss Factor -- Non-F Classes	1.25

(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.25.)

EXPERIENCE RATING PLAN MANUAL

VIRGINIA

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Original Printing

Effective April 1, 2025

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 --	359,025	45,770	3,372,106	219,895	6,481,048 -- 6,569,880 394,020
359,026 --	446,252	50,745	3,460,922 -- 3,549,738 224,870	6,569,881 -- 6,658,713 398,995	
446,253 --	533,995	55,720	3,549,739 -- 3,638,557 229,845	6,658,714 -- 6,747,546 403,970	
533,996 --	622,042	60,695	3,638,558 -- 3,727,376 234,820	6,747,547 -- 6,836,380 408,945	
622,043 --	710,283	65,670	3,727,377 -- 3,816,196 239,795	6,836,381 -- 6,925,213 413,920	
710,284 --	798,654	70,645	3,816,197 -- 3,905,017 244,770	6,925,214 -- 7,014,047 418,895	
798,655 --	887,118	75,620	3,905,018 -- 3,993,839 249,745	7,014,048 -- 7,102,881 423,870	
887,119 --	975,649	80,595	3,993,840 -- 4,082,662 254,720	7,102,882 -- 7,191,715 428,845	
975,650 --	1,064,231	85,570	4,082,663 -- 4,171,486 259,695	7,191,716 -- 7,280,549 433,820	
1,064,232 --	1,152,852	90,545	4,171,487 -- 4,260,310 264,670	7,280,550 -- 7,369,383 438,795	
1,152,853 --	1,241,505	95,520	4,260,311 -- 4,349,134 269,645	7,369,384 -- 7,458,218 443,770	
1,241,506 --	1,330,182	100,495	4,349,135 -- 4,437,960 274,620	7,458,219 -- 7,547,052 448,745	
1,330,183 --	1,418,879	105,470	4,437,961 -- 4,526,785 279,595	7,547,053 -- 7,635,887 453,720	
1,418,880 --	1,507,592	110,445	4,526,786 -- 4,615,612 284,570	7,635,888 -- 7,724,721 458,695	
1,507,593 --	1,596,320	115,420	4,615,613 -- 4,704,439 289,545	7,724,722 -- 7,813,556 463,670	
1,596,321 --	1,685,060	120,395	4,704,440 -- 4,793,266 294,520	7,813,557 -- 7,902,391 468,645	
1,685,061 --	1,773,809	125,370	4,793,267 -- 4,882,094 299,495	7,902,392 -- 7,991,226 473,620	
1,773,810 --	1,862,567	130,345	4,882,095 -- 4,970,922 304,470	7,991,227 -- 8,080,061 478,595	
1,862,568 --	1,951,332	135,320	4,970,923 -- 5,059,750 309,445	8,080,062 -- 8,168,896 483,570	
1,951,333 --	2,040,104	140,295	5,059,751 -- 5,148,579 314,420	8,168,897 -- 8,257,732 488,545	
2,040,105 --	2,128,881	145,270	5,148,580 -- 5,237,409 319,395	8,257,733 -- 8,346,567 493,520	
2,128,882 --	2,217,663	150,245	5,237,410 -- 5,326,238 324,370	8,346,568 -- 8,435,402 498,495	
2,217,664 --	2,306,450	155,220	5,326,239 -- 5,415,068 329,345	8,435,403 -- 8,524,238 503,470	
2,306,451 --	2,395,240	160,195	5,415,069 -- 5,503,898 334,320	8,524,239 -- 8,613,073 508,445	
2,395,241 --	2,484,034	165,170	5,503,899 -- 5,592,729 339,295	8,613,074 -- 8,701,909 513,420	
2,484,035 --	2,572,831	170,145	5,592,730 -- 5,681,560 344,270	8,701,910 -- 8,789,830 518,395	
2,572,832 --	2,661,631	175,120	5,681,561 -- 5,770,391 349,245		
2,661,632 --	2,750,434	180,095	5,770,392 -- 5,859,222 354,220		
2,750,435 --	2,839,238	185,070	5,859,223 -- 5,948,053 359,195		
2,839,239 --	2,928,045	190,045	5,948,054 -- 6,036,885 364,170		
2,928,046 --	3,016,854	195,020	6,036,886 -- 6,125,717 369,145		
3,016,855 --	3,105,664	199,995	6,125,718 -- 6,214,549 374,120		
3,105,665 --	3,194,476	204,970	6,214,550 -- 6,303,382 379,095		
3,194,477 --	3,283,290	209,945	6,303,383 -- 6,392,214 384,070		
3,283,291 --	3,372,105	214,920	6,392,215 -- 6,481,047 389,045		

For Expected Losses greater than \$8,789,830, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.056)(\text{Expected Losses}) + 2876.4(\text{Expected Losses})(9.95) / (\text{Expected Losses} + (600)(9.95))$$

$$G = 9.95$$

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

VIRGINIA—UPDATE TO EXPERIENCE RATING PREMIUM ELIGIBILITY AMOUNTS

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

2. State Subject Premium Eligibility Amounts

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

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

State Table of Subject Premium Eligibility Amounts

State	Rating Effective Date	Column A (\$)	Column B (\$)
VA	10/1/25 and after	<u>9,500</u>	<u>4,750</u>
	10/1/24 - 9/30/25	9,000	4,500
	10/1/23 - 9/30/24	9,000	4,500

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



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

240749988

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

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

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

Note: Likely, Not Likely, and Medical-only severities underlying the values listed above have been adjusted at the direction of the Virginia Bureau of Insurance.

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**
Effective April 1, 2025
**VIRGINIA
Original Printing**
1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
7,089	9,252	12,327	16,467	23,981	32,950	44,600

The Virginia Bureau of Insurance has requested NCCI to publish the following information. Carriers should communicate directly with the Bureau of Insurance for clarification (if needed) and on any alternative methods you may be contemplating.

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

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	
\$10,000	0.594	0.628	0.663	0.689	0.721	0.741	0.756
\$15,000	0.549	0.585	0.623	0.652	0.688	0.711	0.730
\$20,000	0.513	0.550	0.591	0.621	0.661	0.686	0.707
\$25,000	0.483	0.521	0.563	0.594	0.636	0.664	0.687
\$30,000	0.457	0.496	0.539	0.570	0.615	0.644	0.669
\$35,000	0.435	0.473	0.517	0.549	0.595	0.626	0.652
\$40,000	0.415	0.453	0.498	0.530	0.577	0.609	0.637
\$50,000	0.382	0.420	0.464	0.496	0.546	0.579	0.609
\$75,000	0.322	0.358	0.402	0.433	0.484	0.519	0.553
\$100,000	0.280	0.314	0.357	0.387	0.439	0.475	0.510
\$125,000	0.250	0.282	0.324	0.352	0.404	0.439	0.474
\$150,000	0.226	0.257	0.297	0.324	0.376	0.410	0.446
\$175,000	0.206	0.236	0.275	0.301	0.352	0.386	0.421
\$200,000	0.190	0.219	0.257	0.281	0.332	0.366	0.400
\$225,000	0.177	0.204	0.241	0.265	0.315	0.348	0.382
\$250,000	0.165	0.191	0.228	0.250	0.299	0.332	0.365
\$275,000	0.155	0.180	0.216	0.237	0.286	0.318	0.351
\$300,000	0.146	0.170	0.205	0.226	0.274	0.305	0.338
\$325,000	0.138	0.162	0.195	0.216	0.263	0.294	0.326
\$350,000	0.130	0.154	0.187	0.206	0.253	0.284	0.315
\$375,000	0.124	0.147	0.179	0.198	0.244	0.274	0.305
\$400,000	0.118	0.140	0.172	0.190	0.236	0.265	0.295
\$425,000	0.113	0.135	0.165	0.183	0.228	0.257	0.287
\$450,000	0.108	0.129	0.159	0.177	0.221	0.250	0.279
\$475,000	0.104	0.124	0.154	0.171	0.215	0.243	0.271
\$500,000	0.100	0.120	0.149	0.165	0.209	0.236	0.264
\$600,000	0.086	0.105	0.132	0.147	0.188	0.214	0.240
\$700,000	0.076	0.093	0.119	0.132	0.172	0.196	0.221
\$800,000	0.068	0.084	0.108	0.120	0.159	0.182	0.205
\$900,000	0.062	0.077	0.099	0.111	0.148	0.170	0.192
\$1,000,000	0.057	0.071	0.092	0.103	0.139	0.160	0.181
\$2,000,000	0.031	0.040	0.055	0.062	0.089	0.104	0.118
\$3,000,000	0.022	0.029	0.041	0.045	0.068	0.080	0.091
\$4,000,000	0.016	0.022	0.032	0.036	0.055	0.066	0.074
\$5,000,000	0.013	0.018	0.027	0.030	0.047	0.056	0.063
\$6,000,000	0.011	0.015	0.023	0.026	0.040	0.049	0.055
\$7,000,000	0.009	0.013	0.020	0.022	0.036	0.043	0.049
\$8,000,000	0.008	0.011	0.017	0.020	0.032	0.038	0.044
\$9,000,000	0.007	0.010	0.015	0.018	0.028	0.035	0.040
\$10,000,000	0.006	0.009	0.014	0.016	0.026	0.031	0.036

3. Retrospective Pure Premium Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st	2nd	3rd	1st	2nd	3rd	
Adj. 0.06	Adj. 0.03	Adj. 0.02	Adj. 0.21	Adj. 0.11	Adj. 0.07	0.00



The Virginia Bureau of Insurance has requested NCCI to publish the following information. Carriers should communicate directly with the Bureau of Insurance for clarification (if needed) and on any alternative methods you may be contemplating.

The Advisory Excess Ratios displayed on this page represent the ratio of expected excess loss excluding loss adjustment to total loss excluding loss adjustment on a per accident basis, limited to \$50M. These values are intended to be used in the calculation of the policy excess ratio during the determination of the basic premium factor.

4.

Per Accident Excess Ratios
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups					
	A	B	C	D	E	F
\$10,000	0.702	0.741	0.782	0.814	0.851	0.875
\$15,000	0.648	0.690	0.735	0.770	0.813	0.840
\$20,000	0.606	0.649	0.697	0.733	0.780	0.810
\$25,000	0.570	0.615	0.665	0.701	0.751	0.784
\$30,000	0.540	0.585	0.636	0.674	0.726	0.760
\$35,000	0.514	0.559	0.611	0.648	0.703	0.739
\$40,000	0.490	0.535	0.588	0.626	0.682	0.719
\$50,000	0.451	0.495	0.548	0.586	0.644	0.684
\$75,000	0.380	0.422	0.474	0.511	0.572	0.613
\$100,000	0.331	0.371	0.422	0.457	0.518	0.560
\$125,000	0.295	0.333	0.382	0.415	0.477	0.518
\$150,000	0.267	0.303	0.351	0.382	0.443	0.484
\$175,000	0.244	0.279	0.325	0.355	0.416	0.456
\$200,000	0.225	0.258	0.303	0.332	0.392	0.432
\$225,000	0.208	0.241	0.285	0.312	0.371	0.411
\$250,000	0.195	0.226	0.269	0.295	0.354	0.392
\$275,000	0.182	0.213	0.254	0.280	0.338	0.375
\$300,000	0.172	0.201	0.242	0.267	0.323	0.360
\$325,000	0.162	0.191	0.231	0.254	0.311	0.347
\$350,000	0.154	0.182	0.220	0.244	0.299	0.335
\$375,000	0.146	0.173	0.211	0.234	0.288	0.323
\$400,000	0.140	0.166	0.203	0.225	0.279	0.313
\$425,000	0.133	0.159	0.195	0.216	0.270	0.304
\$450,000	0.128	0.153	0.188	0.209	0.261	0.295
\$475,000	0.123	0.147	0.182	0.202	0.254	0.287
\$500,000	0.118	0.142	0.176	0.195	0.247	0.279
\$600,000	0.102	0.124	0.156	0.173	0.222	0.253
\$700,000	0.090	0.110	0.140	0.156	0.203	0.232
\$800,000	0.081	0.099	0.128	0.142	0.188	0.215
\$900,000	0.073	0.091	0.117	0.131	0.175	0.201
\$1,000,000	0.067	0.083	0.109	0.122	0.164	0.189
\$2,000,000	0.037	0.048	0.065	0.073	0.105	0.123
\$3,000,000	0.025	0.034	0.048	0.054	0.080	0.094
\$4,000,000	0.019	0.026	0.038	0.043	0.065	0.077
\$5,000,000	0.016	0.021	0.032	0.036	0.055	0.066
\$6,000,000	0.013	0.018	0.027	0.030	0.048	0.057
\$7,000,000	0.011	0.016	0.023	0.026	0.042	0.051
\$8,000,000	0.010	0.014	0.020	0.023	0.037	0.045
\$9,000,000	0.008	0.012	0.018	0.021	0.033	0.041
\$10,000,000	0.007	0.011	0.016	0.019	0.030	0.037

RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES
VIRGINIA
RR 3
Effective April 1, 2025
Original Printing

The Virginia Bureau of Insurance has requested NCCI to publish the following information. Carriers should communicate directly with the Bureau of Insurance for clarification (if needed) and on any alternative methods you may be contemplating.

The Advisory Excess Ratios displayed on this page represent the ratio of expected excess loss excluding loss adjustment to total loss excluding loss adjustment on a per claim basis, limited to \$50M. These values are intended to be used in the calculation of the policy excess ratio during the determination of the basic premium factor.

5.
Per Claim Excess Ratios
 (Applicable to New and Renewal Policies)

Per Claim Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.700	0.740	0.781	0.813	0.851	0.875	0.893
\$15,000	0.646	0.689	0.734	0.769	0.812	0.839	0.861
\$20,000	0.603	0.647	0.696	0.732	0.779	0.809	0.834
\$25,000	0.568	0.613	0.663	0.700	0.750	0.783	0.810
\$30,000	0.537	0.582	0.634	0.672	0.724	0.759	0.789
\$35,000	0.510	0.556	0.608	0.646	0.701	0.737	0.769
\$40,000	0.487	0.532	0.585	0.624	0.680	0.718	0.751
\$50,000	0.447	0.492	0.545	0.584	0.642	0.682	0.718
\$75,000	0.375	0.418	0.470	0.507	0.569	0.611	0.651
\$100,000	0.325	0.366	0.418	0.453	0.515	0.557	0.599
\$125,000	0.289	0.328	0.377	0.411	0.473	0.515	0.557
\$150,000	0.260	0.297	0.346	0.377	0.439	0.481	0.523
\$175,000	0.237	0.273	0.319	0.350	0.411	0.452	0.494
\$200,000	0.218	0.252	0.297	0.326	0.387	0.427	0.468
\$225,000	0.202	0.234	0.279	0.306	0.366	0.406	0.446
\$250,000	0.188	0.219	0.262	0.289	0.348	0.387	0.427
\$275,000	0.176	0.206	0.248	0.274	0.332	0.370	0.409
\$300,000	0.165	0.194	0.235	0.260	0.318	0.355	0.394
\$325,000	0.155	0.184	0.224	0.248	0.305	0.342	0.379
\$350,000	0.147	0.175	0.214	0.237	0.293	0.329	0.366
\$375,000	0.140	0.166	0.204	0.227	0.282	0.318	0.354
\$400,000	0.133	0.159	0.196	0.218	0.272	0.307	0.343
\$425,000	0.127	0.152	0.188	0.210	0.263	0.298	0.333
\$450,000	0.121	0.146	0.181	0.202	0.255	0.289	0.323
\$475,000	0.116	0.140	0.175	0.195	0.247	0.280	0.315
\$500,000	0.111	0.135	0.169	0.188	0.240	0.273	0.306
\$600,000	0.096	0.117	0.149	0.166	0.216	0.246	0.278
\$700,000	0.084	0.104	0.133	0.149	0.196	0.225	0.255
\$800,000	0.075	0.093	0.121	0.135	0.181	0.208	0.236
\$900,000	0.067	0.084	0.111	0.124	0.168	0.194	0.220
\$1,000,000	0.061	0.077	0.102	0.115	0.157	0.182	0.207
\$2,000,000	0.032	0.042	0.059	0.067	0.099	0.116	0.133
\$3,000,000	0.021	0.029	0.043	0.048	0.074	0.088	0.101
\$4,000,000	0.016	0.022	0.033	0.038	0.059	0.071	0.082
\$5,000,000	0.012	0.018	0.027	0.031	0.050	0.060	0.069
\$6,000,000	0.010	0.015	0.023	0.026	0.042	0.052	0.059
\$7,000,000	0.008	0.012	0.019	0.022	0.037	0.045	0.052
\$8,000,000	0.007	0.011	0.017	0.019	0.032	0.040	0.046
\$9,000,000	0.006	0.009	0.015	0.017	0.029	0.036	0.041
\$10,000,000	0.005	0.008	0.013	0.015	0.026	0.032	0.037



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Part 3. Supporting Exhibits

- Exhibit I – Determination of Indicated Loss Cost Level Change
- Exhibit II – Workers Compensation Loss Adjustment Expense Provision
- Appendix A – Factors Underlying the Proposed Loss Cost Level Change
- Appendix B – Calculations Underlying the Loss Cost Change by Classification
- Appendix C – Memoranda for Laws and Assessments
- Appendix D – Coal Mine
- Appendix E – Determination of Assigned Risk Rates



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Exhibit I – Determination of Indicated Loss Cost Level Change

NCCI analyzed the emerging experience of Virginia workers compensation policies in recent years. The primary focus of our 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, the paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period. This methodology was selected to strike an appropriate balance between stability and responsiveness and is consistent with prior filings made in Virginia.

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 <u>Year</u>	Loss <u>Ratio</u>	Calendar- <u>Accident Year</u>	Loss <u>Ratio</u>
2018	0.917	2019	0.904
2019	0.888	2020	0.891
2020	0.911	2021	0.955
2021	0.895	2022	0.842
2022	0.850	2023	0.792

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.*



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Exhibit I – Determination of Indicated Loss Cost Level Change

Recent policy year loss ratios are generally consistent, even when comparing both the pre- and post- pandemic impacted years. The experience in the most recent policy year, Policy Year 2022, is generally consistent with Calendar-Accident Years 2022 through 2023, which indicates improving experience based on the most recent data.

Improved experience is continuing while some pandemic-related effects may be contributing to the favorable loss ratio experience that was observed in Calendar-Accident Year 2020 which coincides with the height of the pandemic, the impact appears to be relatively limited as well as isolated within this specific calendar-accident year. Less favorable experience observed in Calendar-Accident Year 2021 appears to be offsetting the more favorable Calendar-Accident Year 2020 experience, to some extent, in the Policy Year 2020 loss ratio. The loss experience also remains favorable in the most recent Policy Years 2021 and 2022, as well as the Calendar-Accident Years 2022 and 2023 loss ratio projections, which are further removed from the peak of the pandemic. The relatively limited impact of pandemic-related effects in Virginia could be attributed to factors such as the state of the economy before and during the pandemic as well as the mix of business within the state not being materially affected. Additionally, there was not a significant deviation in the proportion of minor injuries, such as a change in medical-only claims, compared to previous time periods. Furthermore, the volume of large loss activity in the most recent policy years is generally consistent with the level observed in historical periods.

The Virginia economy shows strong wage growth and consistent employment levels. Employment in the majority of the Bureau Labor Statistics (BLS) "Supersector" industry groupings have either returned to or exceeded pre-pandemic employment levels (source: BLS CES) and the future economic outlook for the Virginia labor market continues to be positive. The unemployment rate during calendar year 2021 in Virginia was 3.9% and the unemployment rate for the effective period of this filing is forecasted to be approximately 3% (Source: Moody's Analytics).

Data for the two most recently available full policy years was selected as the most appropriate experience period on which to base this year's filing. The selection provides a balance between stability and responsiveness and best reflects the conditions likely to prevail in the proposed effective period. This method is consistent with prior filings in Virginia.

Determination of the Indicated Change

NCCI utilizes 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. Reported standard earned premium at the Designated Statistical Reporting (DSR) level is developed to an ultimate basis and adjusted (via on-level factors) to the current



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

NCCI

Exhibit I – Determination of Indicated Loss Cost Level Change

approved pure premium level.

2. Reported indemnity and medical losses are developed to an ultimate report and adjusted (via on-level factors) to the current benefit level.
3. Indemnity and medical cost ratios excluding trend and benefits are calculated as the 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 anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages between (i) the years in filing's experience period and (ii) the period during which the proposed loss costs will be in effect.
5. The impact of proposed indemnity and medical benefit changes is then applied.
6. The separate indemnity and medical cost ratios including benefit changes are then summed to yield the indicated change based on experience, trend, and benefits.

This filing's overall indicated change based on experience, trend, and benefits is calculated as the weighted average of the indicated changes for each of the individual policy years in the experience period. Lastly, the change in the voluntary-to-statewide loss cost differential and the impact of the change in loss-based expenses are applied to determine the indicated overall average loss cost level change.

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)	\$573,560,607
(2)	Premium On-level Factor (Appendix A-I)	0.732
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	\$419,846,364

Indemnity Benefit Cost:

(4)	Indemnity Losses Developed to Ultimate (Appendix A-II)	\$181,596,190
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6)	Adjusted Indemnity Losses = (4) x (5)	\$181,596,190
(7)	Adjusted Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.433
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.863
(9)	Projected Indemnity Cost Ratio = (7) x (8)	0.374
(10)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(11)	Projected Indemnity Cost Ratio including Benefit Changes = (9) x (10)	0.374

Medical Benefit Cost:

(12) Medical Losses Developed to Ultimate (Appendix A-II)	\$224,361,294
(13) Medical Loss On-level Factor (Appendix A-I)	1.034
(14) Adjusted Medical Losses = (12) x (13)	\$231,989,578
(15) Adjusted Medical Cost Ratio excluding Trend and Benefits = (14) / (3)	0.553
(16) Factor to Reflect Medical Trend (Appendix A-III)	0.860
(17) Projected Medical Cost Ratio = (15) x (16)	0.476
(18) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(19) Projected Medical Cost Ratio including Benefit Changes = (17) x (18)	0.476

Total Benefit Cost:

(20) Indicated Change Based on Experience, Trend and Benefits = (11) + (19) 0.850



Determination of Indicated Loss Cost Level Change

Section B - Policy Year 2021 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$640,136,935
(2)	Premium On-level Factor (Appendix A-I)	0.607
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	\$388,563,120

Indemnity Benefit Cost:

(4)	Indemnity Losses Developed to Ultimate (Appendix A-II)	\$170,632,950
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6)	Adjusted Indemnity Losses = (4) x (5)	\$170,632,950
(7)	Adjusted Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.439
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.825
(9)	Projected Indemnity Cost Ratio = (7) x (8)	0.362
(10)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(11)	Projected Indemnity Cost Ratio including Benefit Changes = (9) x (10)	0.362

Medical Benefit Cost:

(12) Medical Losses Developed to Ultimate (Appendix A-II)	\$238,546,009
(13) Medical Loss On-level Factor (Appendix A-I)	1.057
(14) Adjusted Medical Losses = (12) x (13)	\$252,143,132
(15) Adjusted Medical Cost Ratio excluding Trend and Benefits = (14) / (3)	0.649
(16) Factor to Reflect Medical Trend (Appendix A-III)	0.821
(17) Projected Medical Cost Ratio = (15) x (16)	0.533
(18) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(19) Projected Medical Cost Ratio including Benefit Changes = (17) x (18)	0.533

Total Benefit Cost:

(20) Indicated Change Based on Experience Trend and Benefits = (11) + (19) 0.895



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EXHIBIT I

Determination of Indicated Loss Cost Level Change

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

(1) Policy Year 2022 Indicated Change Based on Experience, Trend, and Benefits	0.850
(2) Policy Year 2021 Indicated Change Based on Experience, Trend, and Benefits	0.895
(3) Indicated Change Based on Experience, Trend, and Benefits* = (1) x 50.0% + (2) x 50.0%	0.873

* The weight applied to each loss ratio in the experience period does not vary by year.

Section D - Indicated Change in Voluntary-to-Statewide Loss Cost Differential

(1) Indicated Loss Cost Level Change	0.873
(2) Indicated Change in Voluntary-to-Statewide Loss Cost Differential (Appendix E)	1.002
(3) Indicated Change Modified to Reflect Indicated Change in Voluntary-to-Statewide Loss Cost Differential = (1) x (2)	0.875

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

(1) Indicated Loss Cost Level Change	0.875
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.006
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.880

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

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.019
Contracting	1.000
Office & Clerical	0.964
Goods & Services	0.997
Miscellaneous	1.012

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	0.880	1.019	0.897	(-10.3%)
Contracting	0.880	1.000	0.880	(-12.0%)
Office & Clerical	0.880	0.964	0.848	(-15.2%)
Goods & Services	0.880	0.997	0.877	(-12.3%)
Miscellaneous	0.880	1.012	0.891	(-10.9%)
Overall	0.880	1.000	0.880	(-12.0%)



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Exhibit II – Workers Compensation Loss Adjustment Expense Provision

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

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 removing the reported COVID-19-related losses.

The reported DCCE and losses from COVID-19-related claims 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 Virginia-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 based on an average of the ultimate projected DCCE ratios for the latest three policy years.

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 - Determination of Loss Adjustment Expense Provision

In this filing, NCCI proposes a 18.8% loss adjustment expense allowance as a percentage of losses. The DCCE provision is based on Virginia-specific data reported to NCCI on the Policy Year Call for Experience. The AOE provision is based on countrywide data reported to NCCI on the Call for Loss Adjustment Expense.

<u>Policy Year</u>	<u>Developed DCCE Ratio</u>	<u>Accident Year</u>	<u>Developed AOE Ratio</u>
2018	9.7%	2019	9.6%
2019	9.3%	2020	10.2%
2020	8.8%	2021	9.9%
2021	8.8%	2022	9.7%
2022	<u>9.3%</u>	2023	<u>9.9%</u>
Countrywide selected:			9.8%
Virginia selected:	9.0%	+	9.8% = 18.8%

Section B - Defense and Cost Containment Expense (DCCE) Ratio

<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4) = (2) x (3)</u>
<u>Policy Year</u>	<u>Reported Ratio of Paid DCCE to Paid Losses</u>	<u>Age-to-Ultimate Development Factor</u>	<u>Ultimate DCCE Ratio</u>
2018	9.7%	0.996	9.7%
2019	9.3%	0.998	9.3%
2020	8.8%	0.998	8.8%
2021	8.7%	1.016	8.8%
2022	8.5%	1.093	<u>9.3%</u>
Virginia selected:			9.0%

Section C - Proposed Change in the Virginia Loss Adjustment Expense (LAE) Provision

	<u>(5)</u> <u>Current</u>	<u>(6)</u> <u>Proposed</u>
Virginia LAE Provision	18.1%	18.8%
Proposed Change in LAE Provision = [1.000 + (6)] / [1.000 + (5)] - 1		1.006 (+0.6%)



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-1 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 Virginia's Unit Statistical Plan data. Differences in premium level changes specific to the market are addressed through distinct voluntary and assigned risk on-level factors. These factors are weighted together, using selected market shares as weights, to arrive at the final statewide on-level factor. The following adjustments are applied as part of the premium on-level factor calculation:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported assigned risk and voluntary DSR level premium totals—serving to make the separate market premiums more comparable.
- Premium Flat Factor: This factor is applied to the assigned risk market premium to account for (i) the relative difference between gross premium as reported and the ultimate premium that is collected and (ii) to remove the historical, year-specific impact of premium collected via the Assigned Risk Adjustment Program (ARAP).
- 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.
- Current Premium Index (Assigned Risk-To-Voluntary): This factor reflects the cumulative impact of the current assigned risk standard premium programs.
- Factor to Reflect the Impact of Assigned Risk Pricing Programs: This factor, in conjunction with the Current Premium Index, adjusts premium to a selected assigned risk market share volume by incorporating the current assigned risk premium programs at the selected level. Based on a review of historical assigned risk market shares in Virginia, a market share of 7.4% was selected in this filing.

The selection of 7.4% in this filing is calculated as an average of the balanced assigned risk market shares for the latest three policy years. The selection considers the observed



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Appendix A – Factors Underlying the Proposed Loss Cost Level Change

history across a 3 year period while considering several factors including Virginia's industry mix, economic factors, and the assigned risk mechanisms in effect.

Selecting a market share removes possible policy year-to-year distortions that may result due to changes in the volume of business written in the voluntary or assigned risk market. By maintaining a consistent A/R market share over an extended period, a stable benchmark loss cost/rate level independent of fluctuations in the assigned risk market's size is achieved.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all included 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.



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

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 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 includes:

- 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.

**VIRGINIA**

2024 Premium Adjustment Factors

APPENDIX A-I**Determination of Policy Year On-level Factors****Section A - Factor Adjusting 2022 Policy Year Assigned Risk Premium to Present Assigned Risk Level**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Flat Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR	04/01/21	Base	1.000	0.273	0.273	0.902	0.956	0.781	0.917
NR	04/01/22	0.849	0.849	0.727	0.617				
NR	04/01/23	0.971	0.824						
NR	04/01/24	0.975	0.803						
				0.890					

Section B - Factor Adjusting 2022 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Flat Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR	04/01/21	Base	1.000	0.273	0.273	0.880	1.000	0.847	1.000
NR	04/01/22	0.836	0.836	0.727	0.608				
NR	04/01/23	0.932	0.779						
NR	04/01/24	0.995	0.775						
				0.881					

Section C - Factor Adjusting 2022 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2022	0.087
(2) Voluntary Market Share PY 2022	0.913
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.617
(4) Voluntary Standard Premium Adjustment Factor (See Sec. B)	0.745
(5) Premium Adjustment Factor = [(1)x(3)]/1.473+(2)x(4) #	0.717
(6) Experience Rating Off-balance Adjustment Factor*	0.997
(7) Factor to Reflect the Impact of Assigned Risk Pricing Programs	0.977
(8) Final Premium Adjustment Factor = [(5)x(6)]/(7)	0.732

NR New and renewal business.

@ Eliminates premium derived from expense constants.

^ Combined effect of the removal of the current uncollectible premium provision and the historical impact of premium collected via ARAP.

Current premium index (assigned risk-to-voluntary) = 1.473

* = 0.997 = 0.948 / 0.951 = (Targeted Off-balance) / (Off-balance for Policy Year 2022)



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2024-06-08

APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - 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	1.000	1.000	1.000
01/01/24	1.000	1.000			
				1.000	

Section E - 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	1.000	1.000	1.034
01/01/24	1.034	1.034			
				1.000	

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2024-04-01

APPENDIX A-I**Determination of Policy Year On-level Factors****Section F - Factor Adjusting 2021 Policy Year Assigned Risk Premium to Present Assigned Risk Level**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Flat Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR	04/01/20	Base	1.000	0.273	0.273	0.773	0.957	0.781	0.917
NR	04/01/21	0.872	0.872	0.727	0.634				
NR	04/01/22	0.849	0.740						
NR	04/01/23	0.971	0.719						
NR	04/01/24	0.975	0.701						
				0.907					

Section G - Factor Adjusting 2021 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	Flat Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR	04/01/20	Base	1.000	0.273	0.273	0.726	1.000	0.847	1.000
NR	04/01/21	0.798	0.798	0.727	0.580				
NR	04/01/22	0.836	0.667						
NR	04/01/23	0.932	0.622						
NR	04/01/24	0.995	0.619						
				0.853					

Section H - Factor Adjusting 2021 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2021	0.084
(2) Voluntary Market Share PY 2021	0.916
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.530
(4) Voluntary Standard Premium Adjustment Factor (See Sec. G)	0.615
(5) Premium Adjustment Factor = [(1)x(3)]/1.473+(2)x(4) #	0.594
(6) Experience Rating Off-balance Adjustment Factor^	0.999
(7) Factor to Reflect the Impact of Assigned Risk Pricing Programs	0.977
(8) Final Premium Adjustment Factor = [(5)x(6)]/(7)	0.607

NR New and renewal business.

@ Eliminates premium derived from expense constants.

^ Combined effect of the removal of the current uncollectible premium provision and the historical impact of premium collected via ARAP.

Current premium index (assigned risk-to-voluntary) = 1.473

* = 0.999 = 0.948 / 0.949 = (Targeted Off-balance) / (Off-balance for Policy Year 2021)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section I - 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)
01/01/20	Base	1.000	0.576	0.576	1.000
01/01/22	1.000	1.000	0.424	0.424	
01/01/24	1.000	1.000			1.000

Section J - 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)
01/01/20	Base	1.000	0.576	0.576	1.057
01/01/22	1.040	1.040	0.424	0.441	
01/01/24	1.034	1.075			1.017



Virginia



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

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

Development factors are used to project premium and 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.

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.

Loss Development

Loss development factors are needed since total paid losses and case reserve estimates on a given claim change over time until the claim is finally closed. For indemnity and medical loss development, link ratios calculated from 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 and case reserve estimates 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.

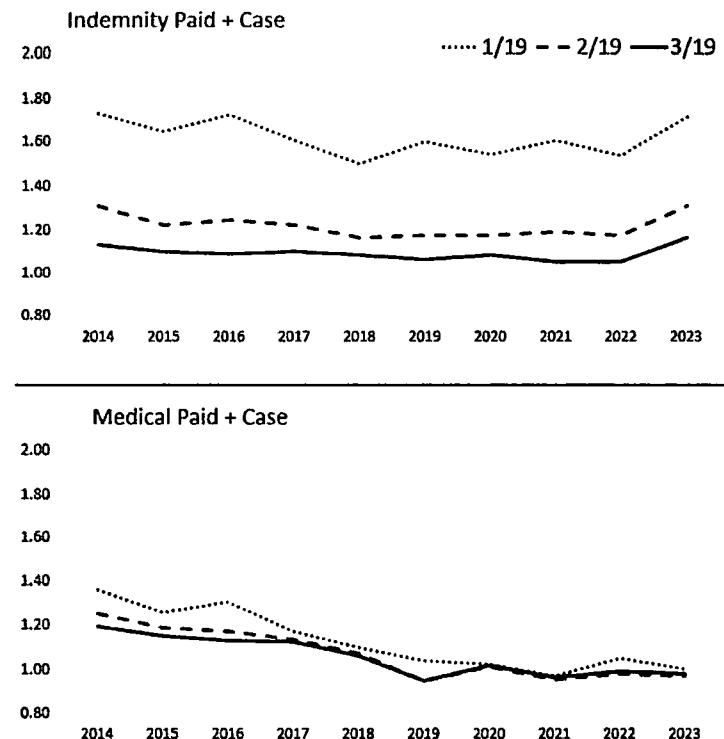


Virginia

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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost Level Change



The specific loss development link ratio selections underlying this filing are shown below:

- A three-year average of historical paid plus case loss development factors through a 19th report for indemnity losses
- A five-year average excluding the highest and lowest factors of historical paid plus case loss development factors through a 19th report for medical losses

As can be seen in the graphs above, the latest valuation of development factors are generally consistent with those from recent valuations for both indemnity and medical paid plus case development and shows no clear deviation from historical patterns observed.

The development factor selections were made to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one filing to the next.

For medical paid plus case development, due to the distorting impact of large claim settlements to two link ratios, the five-year average excluding the highest and lowest factors was selected for medical rather than the three-year average as in prior filings. This selection method also strikes a balance with maintaining stability as it removes the volatility from the development



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

factor selections. The change for medical was done in order to provide stability while still being responsive to the new environment that has existed since the implementation of the medical fee schedule in 2018.

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 19th-to-ultimate tail factor in Virginia is calculated on a paid plus case basis. 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. Loss development paid plus case tail factors from a nineteenth report to ultimate in this filing are based on an average of the ten most recently available factors.

Paid plus case data is used in the calculation of 19th-to-ultimate loss development factors since it is most reflective of the expected ultimate losses.



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	\$562,314,321
(2)	Factor to Develop Premium to Ultimate	1.020
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	\$573,560,607
(4)	Indemnity Paid+Case Losses	\$111,545,571
(5)	Indemnity Paid+Case Development Factor to Ultimate	1.628
(6)	Indemnity Paid+Case Losses Developed to Ultimate = (4)x(5)	\$181,596,190
(7)	Medical Paid+Case Losses	\$212,061,715
(8)	Medical Paid+Case Development Factor to Ultimate	1.058
(9)	Medical Paid+Case Losses Developed to Ultimate = (7)x(8)	\$224,361,294

Policy Year 2021

(1)	Standard Earned Premium	\$638,859,217
(2)	Factor to Develop Premium to Ultimate	1.002
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	\$640,136,935
(4)	Indemnity Paid+Case Losses	\$138,276,297
(5)	Indemnity Paid+Case Development Factor to Ultimate	1.234
(6)	Indemnity Paid+Case Losses Developed to Ultimate = (4)x(5)	\$170,632,950
(7)	Medical Paid+Case Losses	\$235,020,699
(8)	Medical Paid+Case Development Factor to Ultimate	1.015
(9)	Medical Paid+Case Losses Developed to Ultimate = (7)x(8)	\$238,546,009



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

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Section B - Premium Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2019	1.011	2018	1.000	2017	1.000	2016	1.000
2020	1.018	2019	1.000	2018	1.002	2017	1.001
2021	1.026	2020	1.002	2019	1.000	2018	1.000
Average	1.018	Average	1.001	Average	1.001	Average	1.000

Summary of Premium Development Factors

1st/5th	2nd/5th	3rd/5th	4th/5th
1.020	1.002	1.001	1.000

**VIRGINIA****APPENDIX A-II****Determination of Premium and Losses Developed to an Ultimate Report**

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Section C - Indemnity Paid + Case Loss Development Factors

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2019	1.344	2018	1.133	2017	1.018	2016	1.014
2020	1.304	2019	1.116	2018	1.025	2017	1.010
2021	1.310	2020	1.124	2019	1.057	2018	1.028
Average	1.319	Average	1.124	Average	1.033	Average	1.017
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2015	0.998	2014	1.007	2013	1.003	2012	1.001
2016	1.006	2015	1.004	2014	1.010	2013	0.995
2017	1.013	2016	1.003	2015	1.008	2014	1.004
Average	1.006	Average	1.005	Average	1.007	Average	1.000
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2011	1.002	2010	1.003	2009	1.001	2008	1.000
2012	1.003	2011	1.004	2010	0.998	2009	0.999
2013	1.006	2012	1.012	2011	0.999	2010	1.014
Average	1.004	Average	1.006	Average	0.999	Average	1.004
<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2007	1.000	2006	1.000	2005	1.006	2004	1.001
2008	1.001	2007	1.004	2006	1.000	2005	0.997
2009	1.003	2008	1.004	2007	1.002	2006	1.004
Average	1.001	Average	1.003	Average	1.003	Average	1.001
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2003	1.000	2002	1.001				
2004	0.998	2003	1.000				
2005	1.000	2004	1.003				
Average	0.999	Average	1.001				



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report



Section D - Medical Paid + Case Loss Development Factors

Policy Year	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2017	1.099	2016	0.997	2015	0.965	2014	0.998
2018	1.007	2017	0.999	2016	0.997	2015	1.010
2019	1.015	2018	0.990	2017	0.944	2016	1.002
2020	1.074	2019	0.987	2018	0.991	2017	0.984
2021	1.036	2020	0.988	2019	1.013	2018	1.013
Average*	1.042	Average*	0.992	Average*	0.984	Average*	1.003
* Excludes the years with the lowest and highest factors.							
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2013	1.005	2012	0.998	2011	1.005	2010	1.006
2014	0.996	2013	1.009	2012	1.005	2011	1.012
2015	1.007	2014	1.004	2013	1.001	2012	1.000
2016	1.019	2015	1.001	2014	0.998	2013	0.976
2017	1.003	2016	0.949	2015	1.005	2014	1.000
Average*	1.005	Average*	1.001	Average*	1.004	Average*	1.002
* Excludes the years with the lowest and highest factors.							
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2009	1.009	2008	1.003	2007	1.000	2006	1.000
2010	1.006	2009	0.996	2008	1.000	2007	0.999
2011	0.989	2010	1.007	2009	1.001	2008	1.002
2012	1.002	2011	1.002	2010	1.004	2009	1.007
2013	0.997	2012	0.997	2011	0.998	2010	1.000
Average*	1.002	Average*	1.001	Average*	1.000	Average*	1.001
* Excludes the years with the lowest and highest factors.							
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2005	0.985	2004	1.000	2003	0.981	2002	0.997
2006	1.001	2005	0.998	2004	0.990	2003	0.998
2007	0.999	2006	1.000	2005	1.007	2004	1.003
2008	0.996	2007	1.000	2006	1.012	2005	1.002
2009	1.001	2008	1.002	2007	0.994	2006	1.000
Average*	0.999	Average*	1.000	Average*	0.997	Average*	1.000
* Excludes the years with the lowest and highest factors.							
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
2001	0.998	2000	1.000				
2002	0.999	2001	1.001				
2003	0.999	2002	1.002				
2004	1.000	2003	1.000				
2005	1.008	2004	1.002				
Average*	0.999	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+Case Data for Matching Companies**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	<u>Losses for Policy Year</u>		<u>Losses for All Prior Policy Years</u>		Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
	19th Report	20th Report	Previous	Current		
1994	133,392,418	132,944,379	2,479,935,943	2,479,855,691	1.225	0.996
1995	123,356,398	123,359,230	2,607,128,638	2,609,507,879	1.338	1.014
1996	128,399,489	128,391,144	2,730,713,903	2,732,039,241	1.279	1.008
1997	130,059,592	130,033,969	2,859,665,331	2,861,801,070	1.248	1.013
1998	132,230,833	132,289,429	2,991,835,039	2,992,534,174	1.198	1.005
1999	149,715,481	150,044,202	3,061,423,474	3,061,552,887	0.984	1.003
2000	150,789,588	150,658,495	3,119,981,334	3,119,951,862	0.912	0.999
2001	144,462,195	144,409,716	3,269,360,112	3,270,264,090	0.940	1.006
2002	139,046,987	139,061,384	3,501,864,669	3,501,949,562	0.882	1.001
2003	132,137,989	132,136,066	3,641,010,946	3,642,177,681	0.866	1.010
Selected Indemnity 19th-to-Ultimate Loss Development Factor						1.006

Medical Paid+Case Data for Matching Companies

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Policy Year	<u>Losses for Policy Year</u>		<u>Losses for All Prior Policy Years</u>		Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
	19th Report	20th Report	Previous	Current		
1994	150,796,979	150,870,343	2,444,335,963	2,454,212,808	1.103	1.060
1995	144,873,744	145,361,223	2,599,543,878	2,608,978,250	1.173	1.059
1996	165,506,051	165,737,608	2,751,838,398	2,758,972,957	1.039	1.043
1997	176,574,348	175,455,310	2,923,883,818	2,937,795,156	0.991	1.073
1998	169,478,263	171,527,476	3,113,250,466	3,127,218,108	1.045	1.091
1999	182,018,233	182,501,167	3,246,298,343	3,242,381,845	0.930	0.980
2000	174,382,704	175,211,423	3,320,520,818	3,325,844,908	0.921	1.038
2001	165,469,009	164,906,151	3,500,007,675	3,496,010,050	0.955	0.971
2002	172,535,981	171,841,340	3,760,982,432	3,757,247,833	0.831	0.970
2003	179,053,674	178,254,078	3,929,089,173	3,924,307,180	0.750	0.960
Selected Medical 19th-to-Ultimate Loss Development Factor						1.025

$$(7) = 1 + [(3) - (2) + ((5) - (4)) / (6)] / (2)$$
$$(14) = 1 + [(10) - (9) + ((12) - (11)) / (13)] / (9)$$

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

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



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section F - Summary of Paid+Case Loss Development Factors

Report	<u>Indemnity Paid+Case Loss Development</u>		<u>Medical Paid+Case Loss Development</u>	
	<u>(1) to Next Report</u>	<u>(2) to Ultimate</u>	<u>(3) to Next Report</u>	<u>(4) to Ultimate</u>
1st	1.319	1.628	1st	1.042
2nd	1.124	1.234	2nd	0.992
3rd	1.033	1.098	3rd	0.984
4th	1.017	1.063	4th	1.003
5th	1.006	1.045	5th	1.005
6th	1.005	1.039	6th	1.001
7th	1.007	1.034	7th	1.004
8th	1.000	1.027	8th	1.002
9th	1.004	1.027	9th	1.002
10th	1.006	1.023	10th	1.001
11th	0.999	1.017	11th	1.000
12th	1.004	1.018	12th	1.001
13th	1.001	1.014	13th	0.999
14th	1.003	1.013	14th	1.000
15th	1.003	1.010	15th	0.997
16th	1.001	1.007	16th	1.000
17th	0.999	1.006	17th	0.999
18th	1.001	1.007	18th	1.001
19th		1.006	19th	1.025

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

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



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-III Trend Factors

The proposed loss costs and assigned risk rates 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 future Virginia workers compensation experience will differ from historical experience.

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 Virginia. 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 Virginia. 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 includes 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 loss costs to each average accident date of the policy years in the experience period. The average accident dates are based on a Virginia distribution of policy writings by month and assume a uniform probability of loss over the coverage period.



Virginia

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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix A – Factors Underlying the Proposed Loss Cost 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. A review of loss ratio patterns observed over an extended period of time are typically reviewed to allow one to evaluate changes due to both economic and non-economic factors, and to mitigate short-term anomalous year-to-year changes.

The COVID-19 pandemic may have permanently altered aspects of the workplace and economy. 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, based on this year's review, it is expected that the impact of the pandemic in Virginia, from both an economic and workers compensation perspective, was limited. The employment levels decreased in early 2020 but Virginia employment levels have since recovered.

The indicated exponential loss ratio trend fits for both indemnity and medical over periods ranging from 5 to 15 years are displayed on the following pages along with the exponential trend fits for the underlying frequency and severity components. These figures reflect today's loss cost and wage levels and are based on paid plus case losses. Note that coal mine experience is included in the loss ratios but excluded from the frequency and severity components.

Lost-time claim frequency has generally declined over the entire history displayed. After adjusting to a common wage level, indemnity average cost per case figures have generally declined over the entire history, although exhibited a slight increase in the latest policy year which is being offset by the decrease in frequency on an overall loss ratio basis. Looking over a longer-term history, indemnity average cost per case figures have followed a consistent and moderate negative trend. After adjusting to a common wage level for medical average cost per case, the figures have continued to decrease in the more recent policy years and have generally declined over the entire history displayed.

The range of indicated exponential loss ratio fits for indemnity is narrow, with all fits based on 5 to 15 years, ranging between -4.0% to -5.0% . Consideration of the trend component included a review of loss ratio patterns observed over an extended period of time. This allows one to review trends over an entire underwriting cycle and smooth out year-to-year fluctuations. The majority of the mid to longer term fits results in an annual trend consistent with the average of the currently approved -4.5% and the policy year 8-point exponential loss ratio trend of -4.2% which is NCCI's proposed indemnity loss ratio trend of -4.4% in this filing.



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

2 3 4 5 6 7 8 9 0 1

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

The implementation of Virginia's medical fee schedule, effective January 1, 2018, has been a primary contributor to the notable improvement in Virginia's medical loss ratio experience observed since that time. As a result, NCCI had historically relied more heavily on alternative adjusted exponential trend fits as the basis for the medical loss ratio trend selection. Additional years gathered since the implementation now provide a 5-point exponential loss ratio trend "post" (Policy Years 2018 and subsequent) of the medical fee schedule implementation impact. In reviewing the data that reflects the time period "post" medical fee schedule implementation, NCCI decided to bring in the current data. This selection for the medical loss ratio trend reflects both responsiveness and stability as we react to the current data but account for the still evolving nature of the post reform environment. Based on this year's analysis, NCCI's proposed medical loss ratio trend is to incorporate this post-data by using an average of the currently approved -2.5% and the policy year 5-point exponential loss ratio trend of -6.4%, resulting in a medical loss ratio trend of -4.5% in this filing.



VIRGINIA

APPENDIX A-III

Policy Year Trend Factors

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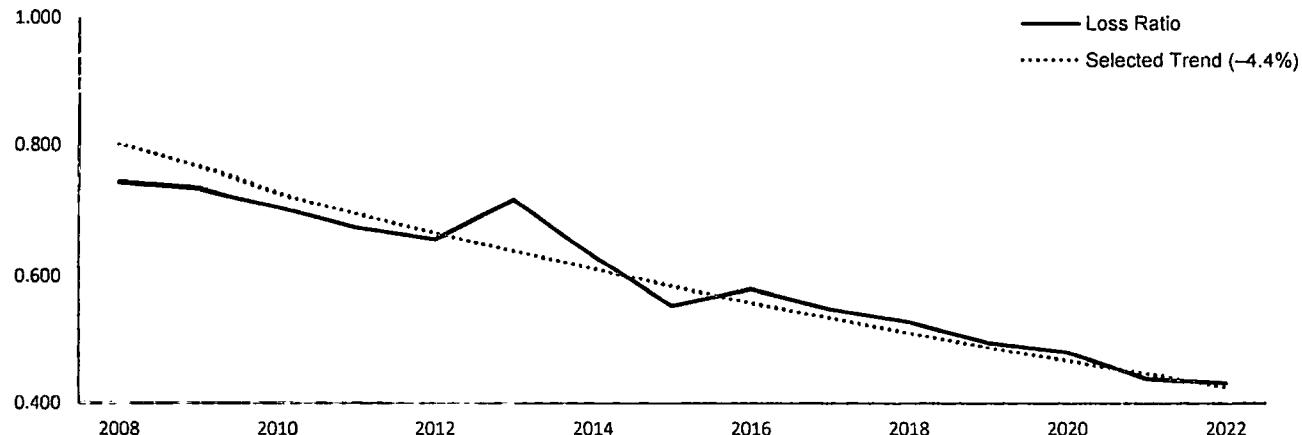
Section A - Calculation of Annual Loss Ratio Trend Factors

	<u>Indemnity</u>	<u>Medical</u>
(1) Currently Approved Annual Loss Ratio Trend:	-4.5%	-2.5%
(2) Policy Year Exponential Loss Ratio Trend:	-4.2%	-6.4%
Indemnity (Eight-Point)/Medical (Five-Point)		
(3) Selected Annual Loss Ratio Trend:	-4.4%	-4.5%
(4) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:		
Trend Length:	<u>PY 2022</u> 3.274	<u>PY 2021</u> 4.274

(5) Trend Factors Applied to Experience Year Loss Ratios = $[1 + (3)]^4$

	<u>PY 2022</u>	<u>PY 2021</u>
Indemnity:	0.863	0.825
Medical:	0.860	0.821

Section B - Indemnity Loss Ratio Trend Data



Policy Year	Indemnity Loss Ratio ^A	Annual Percent Change	# of Years in Fit	Exponential Fits
2008	0.745			
2009	0.738	-0.9%		
2010	0.710	-3.8%		
2011	0.678	-4.5%		
2012	0.659	-2.8%	15	-4.0%
2013	0.722	9.6%	14	-4.1%
2014	0.632	-12.5%	13	-4.3%
2015	0.554	-12.3%	12	-4.4%
2016	0.580	4.7%	11	-4.6%
2017	0.549	-5.3%	10	-5.0%
2018	0.528	-3.8%	9	-4.4%
2019	0.495	-6.2%	8	-4.2%
2020	0.480	-3.0%	7	-4.9%
2021	0.439	-8.5%	6	-4.9%
2022	0.433	-1.4%	5	-5.0%

^ABased on paid+case losses



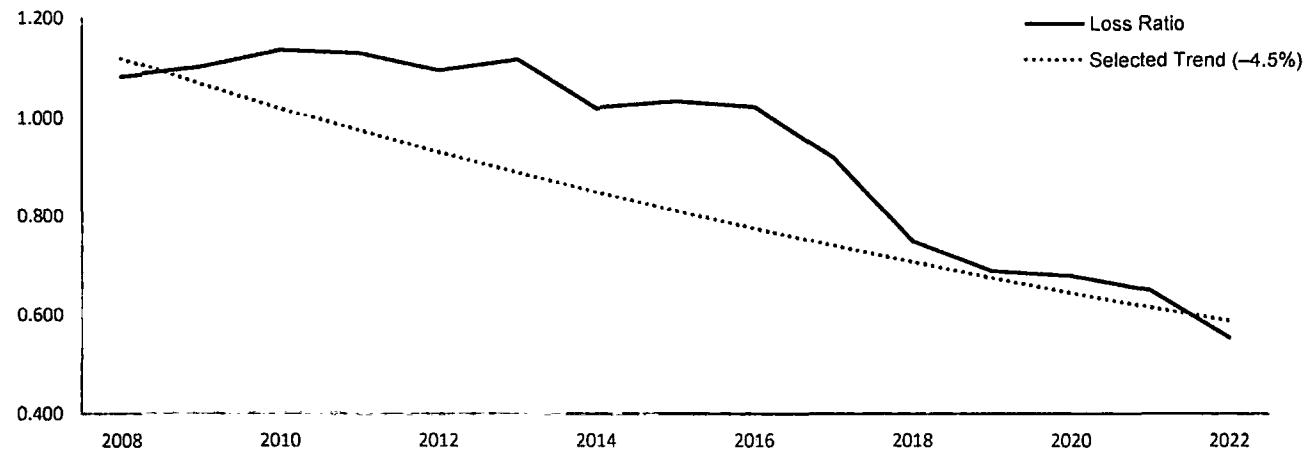
VIRGINIA

APPENDIX A-III

Policy Year Trend Factors

2023
2022
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2014
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2012
2011
2010
2009
2008

Section C - Medical Loss Ratio Trend Data



Policy Year	Medical Loss Ratio ^A	Annual Percent Change	# of Years in Fit	Exponential Fits
2008	1.083			
2009	1.101	1.7%		
2010	1.135	3.1%		
2011	1.128	-0.6%		
2012	1.094	-3.0%	15	-4.9%
2013	1.116	2.0%	14	-5.4%
2014	1.020	-8.6%	13	-6.0%
2015	1.032	1.2%	12	-6.4%
2016	1.021	-1.1%	11	-7.0%
2017	0.919	-10.0%	10	-7.6%
2018	0.749	-18.5%	9	-7.9%
2019	0.688	-8.1%	8	-8.7%
2020	0.678	-1.5%	7	-9.0%
2021	0.649	-4.3%	6	-8.2%
2022	0.553	-14.8%	5	-6.4%

^ABased on paid+case losses



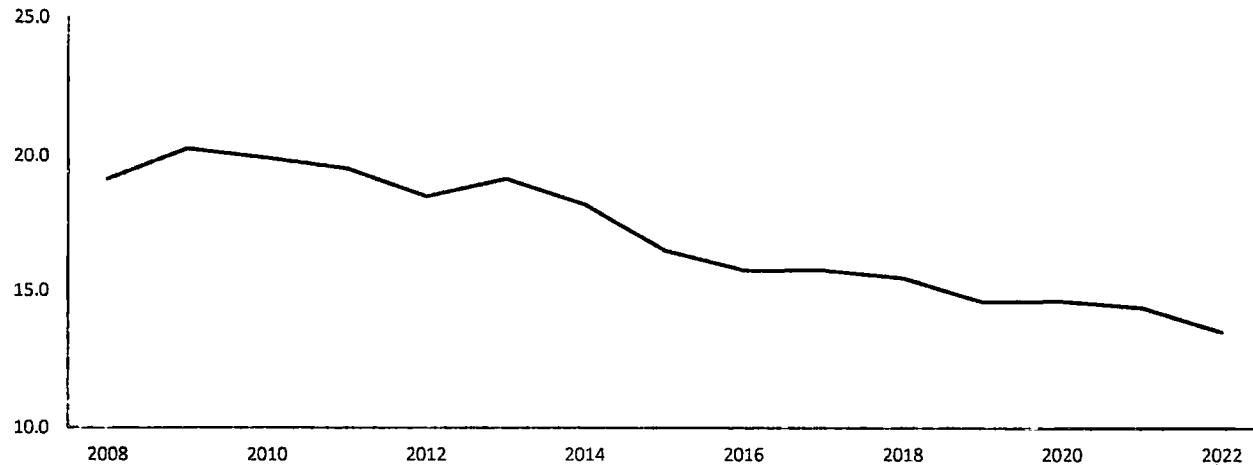
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APPENDIX A-III

Policy Year Trend Factors

2024
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Section D - Frequency Trend Data



Policy Year	Claim Frequency ^a	Annual Percent Change	# of Years in Fit	Exponential Fits
2008	19.110	-		
2009	20.250	6.0%		
2010	19.904	-1.7%		
2011	19.508	-2.0%		
2012	18.483	-5.3%	15	-2.9%
2013	19.123	3.5%	14	-3.2%
2014	18.183	-4.9%	13	-3.2%
2015	16.482	-9.4%	12	-3.3%
2016	15.751	-4.4%	11	-3.2%
2017	15.758	0.0%	10	-3.3%
2018	15.473	-1.8%	9	-3.0%
2019	14.590	-5.7%	8	-2.5%
2020	14.614	0.2%	7	-2.5%
2021	14.380	-1.6%	6	-2.8%
2022	13.506	-6.1%	5	-2.8%

^aPer million of on-leveled, wage-adjusted premium and excludes coal mine experience



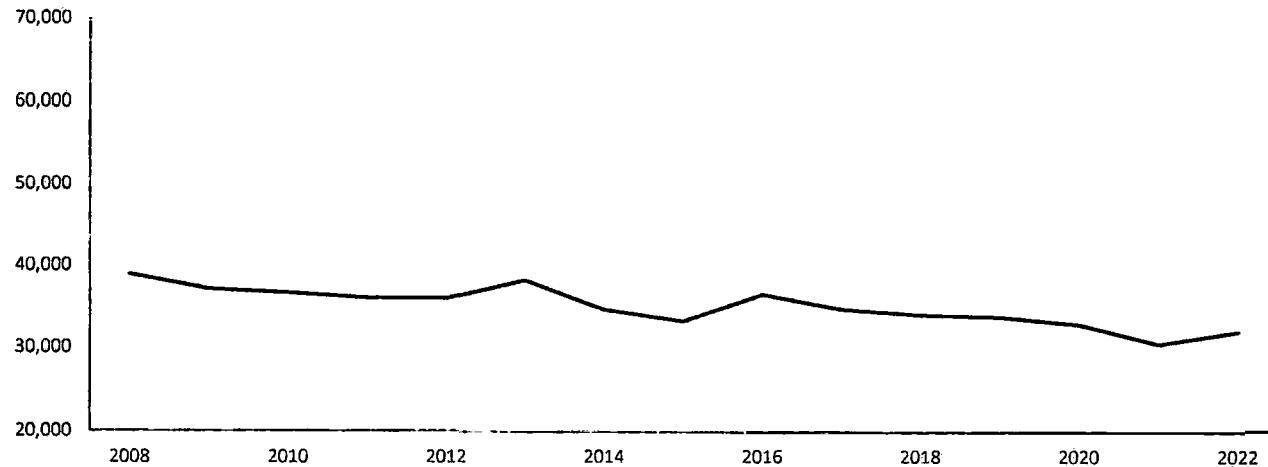
VIRGINIA

APPENDIX A-III

Policy Year Trend Factors

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Section E - Indemnity Severity Trend Data



Policy Year	Indemnity Severity^	Annual Percent Change	# of Years in Fit	Exponential Fits
2008	38,903	-		
2009	37,122	-4.6%		
2010	36,667	-1.2%		
2011	35,999	-1.8%		
2012	35,977	-0.1%	15	-1.3%
2013	38,198	6.2%	14	-1.3%
2014	34,641	-9.3%	13	-1.3%
2015	33,192	-4.2%	12	-1.4%
2016	36,487	9.9%	11	-1.5%
2017	34,673	-5.0%	10	-1.7%
2018	33,954	-2.1%	9	-1.4%
2019	33,751	-0.6%	8	-1.6%
2020	32,825	-2.7%	7	-2.4%
2021	30,464	-7.2%	6	-2.2%
2022	31,922	4.8%	5	-2.2%

[^]Figures are adjusted to a common wage level, based on paid+case losses, and exclude coal mine experience



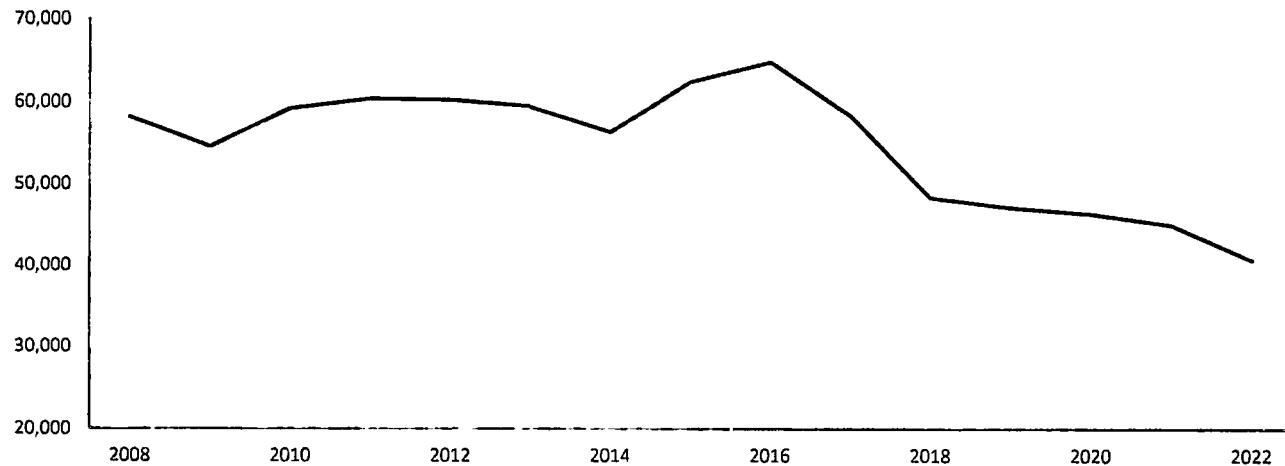
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APPENDIX A-III

Policy Year Trend Factors

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Section F - Medical Severity Trend Data



Policy Year	Medical Severity [^]	Annual Percent Change	# of Years in Fit	Exponential Fits
2008	58,117	-		
2009	54,539	-6.2%		
2010	59,164	8.5%		
2011	60,344	2.0%		
2012	60,179	-0.3%	15	-2.2%
2013	59,473	-1.2%	14	-2.5%
2014	56,403	-5.2%	13	-3.1%
2015	62,461	10.7%	12	-3.6%
2016	64,831	3.8%	11	-4.0%
2017	58,352	-10.0%	10	-4.5%
2018	48,451	-17.0%	9	-5.1%
2019	47,221	-2.5%	8	-6.3%
2020	46,508	-1.5%	7	-6.7%
2021	45,143	-2.9%	6	-5.6%
2022	40,836	-9.5%	5	-3.8%

[^]Figures are adjusted to a common wage level, based on paid+case losses, and exclude coal mine experience



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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	94,343,857	424,324,699	371,401,616	1.192	1.191
Contracting	184,889,521	798,082,425	699,350,383	1.123	1.125
Office & Clerical	82,477,623	359,158,953	314,189,031	1.205	1.208
Goods & Services	236,806,673	1,041,370,563	911,096,930	1.074	1.071
Miscellaneous	133,950,157	585,082,445	515,344,446	1.100	1.098
Statewide	732,467,831	3,208,019,085	2,811,382,407		

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	94,423,071	424,680,975	371,713,457	1.142	1.001
Contracting	184,560,829	796,663,611	698,107,094	1.141	1.000
Office & Clerical	82,272,794	358,267,002	313,408,760	1.143	1.002
Goods & Services	237,469,997	1,044,287,567	913,649,023	1.143	1.002
Miscellaneous	134,194,146	586,148,169	516,283,142	1.135	0.995
Statewide	732,920,837	3,210,047,324	2,813,161,476	1.141	



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APPENDIX A-IV

2024-09-09

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-1, 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	382,530,403	1.028	1.027	6,458
Contracting	699,659,778	1.002	1.001	8,407
Office & Clerical	298,247,562	0.950	0.949	5,510
Goods & Services	914,682,373	0.999	0.998	22,203
Miscellaneous	521,786,996	1.016	1.015	9,227
Statewide	2,816,907,112	1.001		

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	0.73	1.021	1.019
Contracting	12,000	0.84	1.002	1.000
Office & Clerical	12,000	0.68	0.966	0.964
Goods & Services	12,000	1.00	0.999	0.997
Miscellaneous	12,000	0.88	1.014	1.012
Statewide			1.002	1.000

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



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APPENDIX A-IV

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 Virginia 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 Virginia 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).



Virginia



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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 Virginia 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



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
2/17-1/18	1.065	1.025	1.064	1.021
2/18-1/19	1.081	1.042	1.074	1.022
2/19-1/20	1.145	1.082	1.083	1.026
2/20-1/21	1.347	1.197	1.104	1.031
2/21-1/22	2.177	1.561	1.196	1.066

*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
2/17-1/18	0.694	0.688
2/18-1/19	0.726	0.720
2/19-1/20	0.759	0.754
2/20-1/21	0.794	0.790
2/21-1/22	0.831	0.827

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
2/17-1/18	1.000	1.000	1.000	1.000	1.070
2/18-1/19	1.000	1.000	1.000	1.000	1.083
2/19-1/20	1.000	1.000	1.000	1.000	1.079
2/20-1/21	1.000	1.000	1.000	1.000	1.075
2/21-1/22	1.000	1.000	1.000	1.000	1.051



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APPENDIX B-I

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)
2/17-1/18	0.739	0.711	0.739	0.739	0.711	0.739	0.711	0.783	0.752
2/18-1/19	0.785	0.756	0.785	0.785	0.756	0.785	0.756	0.837	0.797
2/19-1/20	0.869	0.821	0.869	0.869	0.821	0.869	0.821	0.881	0.835
2/20-1/21	1.070	0.950	1.070	1.070	0.950	1.070	0.950	0.938	0.876
2/21-1/22	1.809	1.297	1.809	1.809	1.297	1.809	1.297	1.040	0.927

* 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*	0.111	0.135	0.169	0.188	0.240	0.273	0.306
(2) Excess Factors 1/(1-(1))	1.125	1.156	1.203	1.232	1.316	1.376	1.441

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.

*Likely, Not Likely, and Medical-only severities underlying the excess ratios have been adjusted at the direction of the Virginia Bureau of Insurance.



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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*	1.027	1.001	0.949	0.998	1.015
(2) Final Differentials**	1.019	1.000	0.964	0.997	1.012
(3) Adjustment (2)/(1)	0.992	0.999	1.016	0.999	0.997

*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)
2/17-1/18	0.790	1.121	1.121	1.000	0.790
2/18-1/19	0.815	1.121	1.127	0.995	0.811
2/19-1/20	0.844	1.121	1.124	0.997	0.841
2/20-1/21	0.841	1.122	1.115	1.006	0.846
2/21-1/22	0.846	1.121	1.111	1.009	0.854

3. Adjustment for Experience Change

A factor of 0.913 is applied to adjust for the experience change in the proposed loss cost level.

4. Indicated Change in the Voluntary-to-Statewide Loss Cost Differential

A factor of 1.002 is applied to offset the voluntary market loss costs due to the change in the voluntary-to-statewide loss cost differential.

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

A factor of 1.188 is applied to include the proposed loss-based expense provisions.

6. 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
2/17-1/18	0.852	0.858	0.872	0.858	0.856
2/18-1/19	0.874	0.881	0.896	0.881	0.879
2/19-1/20	0.907	0.913	0.929	0.913	0.911
2/20-1/21	0.912	0.919	0.934	0.919	0.917
2/21-1/22	0.921	0.927	0.943	0.927	0.925



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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 0.913 is applied to adjust for the experience change in the proposed loss cost level.

2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current loss costs contain the current trend. The change in trend factors, 1.004 and 0.925, 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
Benefit Adjustment	1.000	1.000

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	1.181	1.181	1.188	1.188
(2) Overall Change (1b)/(1a)			1.006	1.006

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	1.192	1.191	1.001
Contracting	1.123	1.125	0.998
Office & Clerical	1.205	1.208	0.998
Goods & Services	1.074	1.071	1.003
Miscellaneous	1.100	1.098	1.002



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APPENDIX B-I

6. Factors to Adjust for Proposed Industry Group Differentials

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

Industry Group	(1) Final Differential*	(2) Adjustment to Proposed for Current Relativities**	(3) Adjusted Differential (1)x(2)
Manufacturing	1.019	1.001	1.020
Contracting	1.000	1.000	1.000
Office & Clerical	0.964	1.002	0.966
Goods & Services	0.997	1.002	0.999
Miscellaneous	1.012	0.995	1.007

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

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

7. Indicated Change in the Voluntary-to-Statewide Loss Cost Differential

A factor of 1.002 is applied to offset the voluntary market loss costs due to the change in the voluntary-to-statewide loss cost differential.

8. Combined Conversion Factors

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

Industry Group	Indemnity	Medical
Manufacturing	0.943	0.869
Contracting	0.922	0.849
Office & Clerical	0.891	0.820
Goods & Services	0.926	0.853
Miscellaneous	0.932	0.859



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APPENDIX B-I



Section C – Calculation of National Pure Premiums

Finally, there are the national pure premiums, which reflect the nationwide experience for each classification adjusted to state conditions. These pure premiums reflect the nationwide 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 Virginia conditions in four steps. First, statewide indicated pure premiums are determined for Virginia. Second, using Virginia payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Virginia 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 Virginia indicated pure premiums. The quotient of the nationwide total of such adjusted losses divided by the total nationwide 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: \$37,081,814 for indemnity and \$25,976,678 for medical.

The partial credibilities formula is:

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

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

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

National Credibility equals the smaller of:

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

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

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

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



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APPENDIX B-II

Adjustments to Obtain Loss Costs

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

1. Test Correction Factor

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

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	1.0060
Contracting	1.0100
Office & Clerical	0.9584
Goods & Services	0.9925
Miscellaneous	1.0017

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	1.191
Contracting	1.125
Office & Clerical	1.208
Goods & Services	1.071
Miscellaneous	1.098



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APPENDIX B-II



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 5% above to 25% below
Contracting	from 3% above to 27% below
Office & Clerical	from 0% below to 30% below
Goods & Services	from 3% above to 27% below
Miscellaneous	from 4% above to 26% 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

1642 2361 3041 6251 7420 7502 8102 8233

List of Classifications Limited by the Lower Swing

1320 2702 8603* 8803* 8820 8871* 9186

4. Virginia Contracting Classification Premium Adjustment Program (VCCPAP)

For classifications eligible for the VCCPAP, the last step in producing the final proposed loss costs is to apply a factor of 1.000 to offset the credits payable under the VCCPAP.

A list of the eligible class codes can be found under the *Basic Manual* state pricing programs.



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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
02/01/17 - 01/31/18	0	10,121	0	683,587	2,492,002	2,786,730	2,667,091	4,472,193	11,931,969
02/01/18 - 01/31/19	7,958	160,001	495,360	1,313,056	2,516,059	1,565,266	3,215,729	3,210,423	10,716,112
02/01/19 - 01/31/20	90,000	230,001	0	730,433	1,078,075	1,355,389	3,045,505	1,646,146	8,722,777
02/01/20 - 01/31/21	0	0	0	469,523	690,393	1,195,773	2,281,768	1,509,924	7,070,162
02/01/21 - 01/31/22	0	334,749	0	171,614	755,000	608,758	2,453,706	1,415,365	8,247,201

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
02/01/17 - 01/31/18	0.739	0.711	0.739	0.739	0.711	0.739	0.711	0.783	0.752
02/01/18 - 01/31/19	0.785	0.756	0.785	0.785	0.756	0.785	0.756	0.837	0.797
02/01/19 - 01/31/20	0.869	0.821	0.869	0.869	0.821	0.869	0.821	0.881	0.835
02/01/20 - 01/31/21	1.070	0.950	1.070	1.070	0.950	1.070	0.950	0.938	0.876
02/01/21 - 01/31/22	1.809	1.297	1.809	1.809	1.297	1.809	1.297	1.040	0.927

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	1.203

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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**VIRGINIA****APPENDIX B-III****Derivation of Proposed Loss Cost - Code 8810**

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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
02/01/17 - 01/31/18	0	8,074	0	566,813	1,988,013	2,310,684	2,127,692	4,422,493	11,096,621
02/01/18 - 01/31/19	7,009	135,721	436,307	1,156,523	2,134,243	1,378,666	2,727,737	3,449,548	10,640,006
02/01/19 - 01/31/20	87,754	211,872	0	712,199	993,101	1,321,554	2,805,458	1,899,005	9,055,524
02/01/20 - 01/31/21	0	0	0	563,693	735,904	1,435,601	2,432,184	1,849,294	7,682,713
02/01/21 - 01/31/22	0	487,147	0	348,332	1,098,723	1,235,618	3,570,785	1,886,174	9,573,809

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

Policy Period	INDUSTRY GROUP: Office and Clerical
02/01/17 - 01/31/18	0.872
02/01/18 - 01/31/19	0.896
02/01/19 - 01/31/20	0.929
02/01/20 - 01/31/21	0.934
02/01/21 - 01/31/22	0.943

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
02/01/17 - 01/31/18	57,611,468,538	2,509,177	3,595,935	3,856,414	9,676,254	6,105,112	13,532,668	19,637,780
02/01/18 - 01/31/19	59,216,042,999	2,668,740	4,477,940	3,090,795	9,533,445	7,146,680	12,624,240	19,770,920
02/01/19 - 01/31/20	61,727,498,190	1,970,880	3,725,690	1,764,176	8,412,582	5,696,570	10,176,758	15,873,328
02/01/20 - 01/31/21	65,471,224,324	1,867,341	2,958,994	1,727,241	7,175,654	4,826,335	8,902,895	13,729,230
02/01/21 - 01/31/22	72,077,204,522	1,493,665	4,862,726	1,778,662	9,028,102	6,356,391	10,806,764	17,163,155
Total	316,103,438,573	10,509,803	19,621,285	12,217,288	43,826,037	30,131,088	56,043,325	86,174,413
		INDICATED PURE PREMIUM				0.010	0.018	0.03

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	0.011	0.019	0.03
Conversion Factors (App. B-I, Section B)	0.891	0.820	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.010	0.016	0.03



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APPENDIX B-III



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

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

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.010	0.018	0.03
2. Pure Premium Indicated by National Relativity	0.013	0.021	0.03
3. Pure Premium Present on Rate Level	0.010	0.016	0.03
4. State Credibilities	93%	100%	xxx
5. National Credibilities	3%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	4%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.010	0.018	0.03
8. Test Correction Factor	0.9584	0.9584	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.013	0.017	0.03
10. Ratio of Manual to Standard Premium			1.208
11. Loss Cost = (9) x (10)			0.04
12. Loss Cost Within Swing Limits			0.04
Current Loss Cost x Swing Limits			
a) Lower bound = 0.04 x 0.700 = 0.03			
b) Upper bound = 0.04 x 1.000 = 0.04			
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	0.013	0.017	0.03
14. Miscellaneous Loadings			0.00
15. Final Loaded Loss Cost			0.04

* 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 \$83,451,003 of payroll, the overall loss cost level change in Virginia is -4.9%.

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 Virginia proposed level.
- A final base pure premium is calculated by bringing the primary base pure premium to the proposed Virginia 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	(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

6845 9077

Classifications Limited by the Lower Swing

6826 6843 6874 7313
7317 7327 7350 8709
8726



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APPENDIX B-IV

Derivation of State Base Pure Premium

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Overall Countrywide Pure Premium			2.60
2. State Act Pure Premium Relativity Factor			1.142
3. Countrywide State Act Weight			25%
4. Primary Base Pure Premium $=[(1) \times (2) \times (3)] + [(1) \times (1 - (3))]$			2.69
5. Countrywide Weights	53%	47%	100%
6. Trend Factors	0.948	0.946	xx
7. Weighted Benefits	1.000	1.000	xx
8. Weighted Loss-Based Expenses	1.248	1.188	xx
9. Secondary Base Pure Premium $= (4\text{tot}) \times (5) \times (6) \times (7) \times (8)$	1.687	1.421	3.11
10. Additional Offsets			0.978
11. Final Base Pure Premium $= (9) \times (10)$			3.04



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APPENDIX B-IV

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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. Virginia's Final Base Pure Premium	3.04
2. Countrywide Class Code 6872 Relativity (Section II)	1.335
3. Loss Cost = (1) x (2)	4.06
4. Loss Cost Within Swing Limits	4.06
Current Loss Cost x Swing Limits	
a) Lower bound = $4.20 \times 0.85 = 3.57$	
a) Upper bound = $4.20 \times 1.15 = 4.83$	
5. Miscellaneous Loadings	0.00
6. Final Loaded Loss Cost	4.06



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APPENDIX B-IV

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

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

1.) Assessment Rate on Indemnity Losses *	8.0%
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



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



Appendix C – Memoranda for Laws and Assessments

The purpose of this appendix is to provide 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 within this appendix is calculated as of the benefit effective date, which may differ from the overall impact on the filing as shown in the Executive Summary.

In this year's filing, there have been no newly enacted benefit changes in Virginia.



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Appendix D – Coal Mine

Appendix D includes detail on the proposed coal mine voluntary loss costs and assigned risk rates in Virginia.

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APPENDIX D

Exhibit 1 - Proposed Advisory Loss Costs Effective 4/1/2025

	Current Approved Loss Cost	4/1/2025 Indicated Loss Cost Before Swing Limits	4/1/2025 Proposed Loss Cost After Swing Limits	% Change in Loss Cost
Surface Mines (Code 1005) Traumatic	2.82	2.39	2.39	
<u>Surface Mines (Code 1005) OD</u>	9.91	(1) 8.93	(5) 8.93	
Surface Mines (Code 1005) TOTAL	12.73	(2) 11.32	11.32	-11.1%
Underground Mines (Code 1016) Traumatic	5.20	4.23	4.23	
<u>Underground Mines (Code 1016) OD</u>	20.77	(3) 18.72	(6) 18.72	
Underground Mines (Code 1016) TOTAL	25.97	(4) 22.95	22.95	-11.6%

Notes

(1) through (4) are taken from the currently approved voluntary loss cost filing.

(5) is taken from Exhibit 3A, Line 20a.

(6) is taken from Exhibit 3A, Line 20b.



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APPENDIX D

Exhibit 2 - Proposed Assigned Risk Rates Effective 4/1/2025

	Current Approved Rate		4/1/2025 Proposed Rate	% Change in Rate
Surface Mines (Code 1005) Traumatic	4.64		3.76	
<u>Surface Mines (Code 1005) OD</u>	11.77	(1)	10.47	(5)
Surface Mines (Code 1005) TOTAL	16.41	(2)	14.23	-13.3%
Underground Mines (Code 1016) Traumatic	8.55		6.65	
<u>Underground Mines (Code 1016) OD</u>	24.67	(3)	21.96	(6)
Underground Mines (Code 1016) TOTAL	33.22	(4)	28.61	-13.9%

Notes

(1) through (4) are taken from the currently approved assigned risk rate filing.
(5) is taken from Exhibit 3A, Line 20e.
(6) is taken from Exhibit 3A, Line 20f.



VIRGINIA

APPENDIX D

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Exhibit 3A - Calculation of Occupational Disease Loss Costs and Assigned Risk Rates

Section A - State Pure Premium

(1) 2023 coal miner payroll	\$242,036,339
(2) Wage trend adjustment factor	1.099
(3) Estimated coal miner payroll = (1) x (2)	\$265,997,937
(4) Selected number of claims entitled to state benefits	14
(5) Selected average indemnity severity for state benefits	25,000
(6) Selected average medical severity for state benefits	8,000
(7) Estimated losses for state benefits = (4) x [(5) + (6)]	462,000
(8) State pure premium per \$100 of payroll = (7) / (3) x 100	0.17

Section B - Federal Pure Premium

(9) Living Miner Frequency per \$100 of payroll (Exhibit 4A)	0.00002113
(10) Selected average severity for federal benefits filed by living miners (Exhibit 5 Line 16)	588,471.72
(11) Living Widow Frequency per \$100 of payroll (Exhibit 4A)	0.00000211
(12) Selected average indemnity severity for federal benefits filed by living widows (Exhibit 5 Line 20)	386,494.94
(13) Federal pure premium per \$100 of payroll = [(9) x (10)] + [(11) x (12)]	13.25

Section C - Split Total Pure Premium by Market by Class Code

(14) Total pure premium per \$100 of payroll = (8) + (13)	13.42
(15) Code 1016 OD loss cost relative to code 1005 OD loss cost (current approved) = 20.77 / 9.91	2.096
(16) Distribution of WCSP statewide payroll for 2/21 - 1/22 policy period	
(a) 1005 payroll =	45,001,458
(b) 1016 payroll =	113,289,907
(c) 1005 payroll % =	28.4%
(d) 1016 payroll % =	71.6%

Formulas used to derive code 1005 voluntary OD loss cost:

Z = code 1005 voluntary OD loss cost

(14) = [(16c) x Z] + [(16d) x (15) x Z]

(17) Pure premiums	
(a) 1005 voluntary pure premium = (14) / [(16c) + ((16d) * (15))]	7.52
(b) 1016 voluntary pure premium = (17a) x (15)	15.76
(18) LAE factor	1.188
(19) Assigned Risk Expense Loading (Exhibit 3B)	1.394
(20) Loss cost / Rate conversion	
(a) Indicated 1005 voluntary loss cost = (17a) x (18)	8.93
(b) Indicated 1016 voluntary loss cost = (17b) x (18)	18.72
(c) Proposed 1005 voluntary loss cost (after swing limits)	8.93
(d) Proposed 1016 voluntary loss cost (after swing limits)	18.72
(e) Indicated 1005 assigned risk rate = (20c) x [(19) / (18)]	10.47
(f) Indicated 1016 assigned risk rate = (20d) x [(19) / (18)]	21.96



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VIRGINIA**APPENDIX D****Exhibit 3B - Calculation of Occupational Disease Expense Provision**

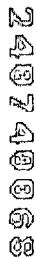
	Current Expense Provisions <u>\$160 EC</u>	Proposed Expense Provisions <u>\$160 EC</u>
(1) Servicing Carrier Allowance (Excludes DCCE)	12.9%	13.1%
(2) Plan Administrative and Other Expense Provisions (Appendix E)	5.9%	6.1%
(3) Expense Constant Premium as a Percentage of Standard Premium Excluding the Expense Constant ¹	0.1%	0.1%
(4) Servicing Carrier Allowance and Plan Administrative and Other Expense Provisions as a Percent of Standard Premium Excluding Expense Constant $= [(1) + (2)] \times [1 + (3)] - (3)$	18.7%	19.1%
(5) Average Commission	1.0%	1.0%
(6) Profit and Contingency Provision	0.5%	-0.5%
(7) Expense Provision: Excl DCCE and Excl Premium from Expense Constant $(4) + (5) + (6)$	20.2%	19.6%
(8) DCCE as a % of Losses (Exhibit II)	8.7%	9.0%
(9) Uncollectible Premium Provision (Appendix E)	1.030	1.028
(10) Coal Mine O.D. Expense Loading = $[1 + (8)] / [1 - (7)] * (9)$	1.403	1.394

¹ Based on coal mine premium and policy counts



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



Appendix E – Determination of Assigned Risk Rates

Overall Proposed Change to Assigned Risk Rate Level

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

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

The proposed changes to assigned risk rates, as well as the detailed calculations, can be found on the following pages.

Assigned Risk Differential

The primary purpose of the loss cost differential is to ensure equity between the assigned risk and voluntary markets. To help ensure a self-funded assigned risk market—one that does not require subsidization by participants in the voluntary market—the adequacy of the loss cost differential is reviewed.

In Virginia, as is usually the case, the combined experience for those employers in the assigned risk market is worse than the combined experience for those in the voluntary market. Therefore, during the assigned risk ratemaking process, a surcharge is applied to those in the assigned risk market to recognize this disparity. This surcharge is called the assigned risk differential. Based on this year's review, a decrease of 3.1% to the current assigned risk-to-voluntary loss cost differential is being proposed.

The data underlying this calculation is shown in Appendix E's section – Assigned Risk Loss Cost Differential



Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

Appendix E – Determination of Assigned Risk Rates

Assigned Risk Expenses

Provisions for expense items related to the writing of workers compensation insurance not already contemplated in the loss costs must be included in the final assigned risk rates. These may include:

- Servicing Carrier Allowance (SCA): This is the market-based cost paid to the assigned risk market servicing carriers as a percentage of final net collected premium that is intended to compensate for expenses incurred in handling the assigned risk business. The average SCA is determined through a competitive bid process and typically includes provisions for such items as general (overhead), production, and loss-based expenses.
- Assigned Risk Administration Expense: Reflects NCCI Plan Administration Expenses, NWCRA Pool Administration Expenses, and Servicing Carrier Other Expenses. It is selected based on a review of expenses as a percentage of premium over the past ten years.
- Average Commission: based on a weighted average of the most recently available two policy years.
- Profit and Contingency Provision: Insurers should have an opportunity to earn a fair rate of return on the capital supporting all of their workers compensation business, including the funds supplied to the assigned risk market. Therefore, assigned risk rate filings should contemplate the inclusion of a fair and reasonable profit and contingency (P&C) provision. A reasonable return helps to ensure equity in the residual market and continued participation in the voluntary market, particularly in light of the long-tail nature of the workers compensation line. The proposed P&C provision in this year's filing was selected based on the results of NCCI's Internal Rate of Return (IRR) model, which estimates the time series of expected future cash flows including premium, losses, expenses, investment income and taxes, for a representative insurer underwriting workers compensation coverage. In determining the P&C provision, NCCI reviews both a static and a dynamic P&C estimate as indicated by the IRR model. The static estimate holds interest rates fixed over time, while the dynamic estimate incorporates projections of future interest rate levels. The P&C selection is based on a review of both of these estimates, while also considering stability in this filing component.

Starting with this filing season, NCCI has renamed the previous static estimate as the "static-spot" estimate and incorporated a second static estimate, the "static-average" estimate. The static-average estimate emphasizes the stability of the results from year-to-year. To achieve this, the new static-average estimate utilizes longer-term averages for various inputs of the IRR model. The following differences in methodology between the two static estimates are noted below:



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025



Appendix E – Determination of Assigned Risk Rates

	Static-spot	Static-average
US Treasury Rates	Latest observed rate	5-year average
Equity Market Risk Premium	30-year average	All-year average

Additionally, NCCI has updated the number of years included in calculating the beta utilized in the weighted average cost of capital (WACC) calculation from 3-years to 10-years for all three estimates to promote stability in this value.

This filing proposes a decrease to the P&C provision from +0.5% to a -0.5%. This selection considers the three P&C estimates indicated by the IRR model, the changes in these estimates from year to year and the current and projected interest rate environment, while maintaining stability in this filing component.

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

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

The calculation of assigned risk expenses can be found in Appendix E – Determination of Assigned Risk Rate.

Uncollectible Premium Provision

The purpose of the uncollectible premium provision is to make available sufficient funds in the rate structure to offset the policy premium ultimately determined to be uncollectible. Based on a review of historical ratios of ultimate gross premium to ultimate collected premium in Virginia's assigned risk market, the proposed uncollectible premium provision factor in this filing was selected based on an average of the latest five years excluding the highest and lowest factors for stability.

The data underlying this provision is shown in Appendix E's section – Calculation of Ultimate Uncollectible Premium Provision (UPP) Factor.



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APPENDIX E

Determination of Assigned Risk Rates

Section A - Calculation of Assigned Risk Rate Level Change

(A) Application of the Change in the Loss Cost Differential

(1)	Indicated Change Based on Experience, Trend and Benefits (Exhibit I)	0.873
(2)	Effect of the Change in the Assigned Risk Loss Cost Differential (Section C)	0.971
(3)	Indicated Change Modified to Reflect the Change in the Loss Cost Differential = (1) x (2)	0.848

(B) Application of the Change in Assigned Risk Expenses

(1)	Indicated Rate Level Change	0.848
(2)	Effect of the Change in Assigned Risk Expenses (Section E)	1.008
(3)	Indicated Change Modified to Reflect the Change in Assigned Risk Expenses = (1) x (2)	0.855

(C) Application of the Change in the Profit and Contingency Provision

(1)	Indicated Rate Level Change	0.855
(2)	Effect of the Change in the Profit and Contingency Provision (Section E)	0.987
(3)	Indicated Change Modified to Reflect the Change in the Profit and Contingency Provision = (1) x (2)	0.844

(D) Application of the Change in the Uncollectible Premium Provision

(1)	Indicated Rate Level Change	0.844
(2)	Effect of the Change in the Uncollectible Premium Provision (Section H)	0.998
(3)	Final Indicated Overall Average Assigned Risk Rate Level Change = (1) x (2)	0.842



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APPENDIX E

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Determination of Assigned Risk Rates

Section B - Derivation of the Assigned Risk Loss Cost Multiplier

This filing proposes a -15.8% overall average change to the current assigned risk rate level. For all classifications, an assigned risk multiplier is applied to the voluntary loss costs proposed effective April 1, 2025 in order to convert to assigned risk rates.

(1) Proposed Assigned Risk Loss Cost Differential (Section C)	1.427
(2) Proposed Voluntary Loss-based Expense Provision (Exhibit II)	18.8%
(3) Indicated Assigned Risk Permissible Loss Ratio (Section D)	78.5%
(4) Proposed Uncollectible Premium Provision Factor (Section H)	1.028
(5) Indicated Assigned Risk Loss Cost Multiplier = $\{[(1) / [1.0 + (2)]] / (3)\} \times (4)\}$	1.573

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APPENDIX E**Determination of Assigned Risk Rates****Section C - Assigned Risk Loss Cost Differential****I. Assigned Risk Experience Valued as of 12/31/2023**

Policy Year	(1) Standard Pure Premiums Including A/R Pricing Premium	(2) Limited Developed Paid+Case Losses*	(3) Ratio of Losses to Premiums (2)/(1)
2013	23,097,019	34,467,164	1.492
2014	25,211,782	38,544,636	1.529
2015	26,965,320	39,494,188	1.465
2016	26,327,840	42,730,994	1.623
2017	28,448,548	42,904,822	1.508
2018	28,651,695	36,991,979	1.291
2019	26,173,409	28,448,069	1.087
2020	25,941,826	30,479,660	1.175
2021	28,442,881	24,498,482	0.861
2022	30,350,845	26,213,074	0.864

II. Statewide Experience Valued as of 12/31/2023

Policy Year	(4) Standard Pure Premiums**	(5) Limited Developed Paid+Case Losses*	(6) Ratio of Losses to Premiums (5)/(4)	(7) Indicated Change in the A/R-to-Statewide Loss Cost Differential (3)/(6)
2013	258,441,021	446,821,721	1.729	0.863
2014	268,130,199	428,301,793	1.597	0.957
2015	281,386,846	427,674,794	1.520	0.964
2016	299,978,042	446,882,326	1.490	1.089
2017	311,483,625	439,864,833	1.412	1.068
2018	324,479,473	407,901,334	1.257	1.027
2019	335,685,304	388,114,387	1.156	0.940
2020	344,504,975	382,390,498	1.110	1.059
2021	388,978,853	392,527,299	1.009	0.853
2022	421,247,030	407,966,048	0.968	0.893

Ten-year average 0.971

(a) Indicated change in the assigned risk-to-statewide loss cost differential 0.971
(b) Indicated change in the voluntary-to-statewide loss cost differential (i.e., voluntary market offset) 1.002

(c) Indicated change in the assigned risk-to-voluntary loss cost differential = (a) / (b) 0.969

(d) Current assigned risk-to-voluntary loss cost differential 1.473
(e) Proposed assigned risk-to-voluntary loss cost differential = (c) x (d) 1.427

* Reflects a base-year large loss threshold of \$3,000,000

** Includes the impact of assigned risk pricing programs (Appendix A-I)



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APPENDIX E

Determination of Assigned Risk Rates

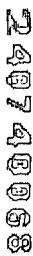
Section D - Determination of the Permissible Loss Ratio

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

		Provisions Underlying <u>Current Rates</u>	Provisions Underlying <u>Proposed Rates</u>
(1)	Expense constant	\$160	\$160
(2)	Weighted-average of servicing carrier allowance bids	14.3%	14.6%
(3)	Assigned risk administration and other expense provision (Section G)	5.9%	6.1%
(4)	Expense constant premium as a percentage of standard premium excluding the expense constant (Section F)	4.5%	4.6%
(5)	Servicing carrier allowance, taxes, and administrative expense converted to a standard premium excluding expense constant basis $= [(2) + (3)] \times [1 + (4)] - (4)$	16.6%	17.1%
(6)	Average commission (Section F)	4.8%	4.9%
(7)	Profit and contingency provision	0.5%	-0.5%
(8)	Total expense provision in the rate $= (5) + (6) + (7)$	21.9%	21.5%
(9)	Permissible loss ratio in the rate $= 1 - (8)$	78.1%	78.5%



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APPENDIX E

Determination of Assigned Risk Rates

Section E - Calculation of the Change in Expense Provisions

		(A) <u>Current Expenses</u>	(B) <u>Proposed Expenses</u>	(C) Col (B) with Proposed P&C
(1)	Total expenses excluding the profit and contingency provision (Section D)	21.4%	22.0%	22.0%
(2)	Profit and contingency provision (Section D)	0.5%	0.5%	-0.5%
(3)	Total expense provision = (1) + (2)	21.9%	22.5%	21.5%
(4)	Permissible Loss Ratio = [100% - (3)]	78.1%	77.5%	78.5%
(5)	Effect of the change in expenses = (4A) / (4B)		1.008	(+0.8%)
(6)	Effect of the change in the profit and contingency provision = (4B) / (4C)		0.987	(-1.3%)



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APPENDIX E

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Determination of Assigned Risk Rates

Section F - Derivation of Expense Constant and Commission as a Percentage of Premium

Premium Distribution by Layer for Assigned Risk Policies for Policy Years 2022 & 2023

(1)	(2)	(3) ¹
Portion of Total Standard Premium	Distribution of Standard Premium Excluding Expense Constant Premium	Commission Scale ²
First 1,000	24.0%	8.0%
Next 4,000	35.1%	5.0%
Next 95,000	38.3%	3.0%
<u>Over 100,000</u>	<u>2.6%</u>	<u>2.0%</u>
Total	100.0%	4.9%

(4) Expense Constant Premium as % of Standard Premium Excluding Expense Constant³ = 4.6%

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

² Commissions paid in Virginia are based on standard premium excluding expense constant premium.
Source of the commission scale is Virginia's Residual Market Manual, Producer Fees.

³ Based on assigned risk policy and premium totals for policy years 2022 & 2023 using the dominant state method for the classification of multistate policies.



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APPENDIX E

Determination of Assigned Risk Rates

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

Calendar Year	Written Premium ¹	Net Administrative Expenses	(4) Expenses as % of NWP		Servicing Carrier Other Expenses	(6) Expenses as % of NWP
			= (3)/(2)			
2014	55,169,859	1,583,431	2.9%		1,741,938	3.2%
2015	60,845,950	1,178,596	1.9%		1,175,634	1.9%
2016	43,396,497	993,302	2.3%		2,133,133	4.9%
2017	45,232,581	995,453	2.2%		707,932	1.6%
2018	44,306,422	1,067,253	2.4%		2,474,423	5.6%
2019	41,117,006	1,045,646	2.5%		649,484	1.6%
2020	35,073,156	1,084,450	3.1%		1,168,634	3.3%
2021	35,845,866	1,005,088	2.8%		1,071,128	3.0%
2022	35,080,146	914,481	2.6%		2,107,809	6.0%
2023	29,890,204	999,698	3.3%		1,144,284	3.8%
(7) Selected			2.4%			3.4%
(8) Total Assigned Risk Administrative and Other Expenses Provision = Sum of Selected Values in (7)						5.8%
(9) Virginia Neurological Injury Compensation Program and Insurance Guaranty Association Assessments						0.25%
(10) Total Expenses on a Net Basis, Including Expense Constant = (8)+(9)						6.1%

¹ Gross of uncollectible premium.



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APPENDIX E

Determination of Assigned Risk Rates

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Section H - Calculation of Ultimate Uncollectible Premium Provision (UPP) Factor

Section 1 - Gross Premium as of 12/31/2023 - Traumatic Only (000s)

Policy Year	1st	2nd	3rd	4th	5th	6th	7th	8th	Ultimate Gross
2008									36,332
2009									36,332
2010									25,810
2011									25,810
2012									24,109
2013									24,109
2014									24,109
2015									24,513
2016									24,513
2017									24,513
2018									24,513
2019									24,513
2020									24,513
2021									24,513
2022									24,513
Policy Year	1 / 2	2 / 3	3 / 4	4 / 5	5 / 6	6 / 7	7 / 8	8 / Ult	
2012						1.000			
2013						1.002			
2014						1.000			
2015						1.000			
2016						1.000			
2017	1.012	0.997	1.000	1.000	1.000	1.000			
2018	1.006	1.002	1.002	1.000					
2019	1.010	1.011	1.000						
2020	1.038	1.005							
2021	1.011								
5-Yr Avg	1.015	1.004	1.001	1.000	1.000	1.000	1.000		
5-Yr Avg x H/L	1.011	1.005	1.001	1.000	1.000	1.000	1.000		
Selected	1.011	1.005	1.001	1.000	1.000	1.000	1.000	1.000	
Ultimate	1.017	1.006	1.001	1.000	1.000	1.000	1.000	1.000	

Section 2 - Collected Premium as of 12/31/2023 - Traumatic Only (000s)

Policy Year	1st	2nd	3rd	4th	5th	6th	7th	8th	Ultimate Collected	Gross / Collected
2008									34,511	34,511
2009									24,900	24,900
2010									23,323	23,323
2011									23,805	23,805
2012									36,679	36,679
2013									50,394	50,394
2014									54,611	54,611
2015	55,664	54,011	54,527	54,685	54,740	54,610	54,611	54,611	54,753	54,753
2016	44,401	44,051	44,009	44,143	44,430	44,500	44,500	44,500	44,549	44,549
2017	43,798	43,447	43,785	43,839	43,948	43,996				43,996
2018	42,210	41,859	41,972	42,055	42,094					42,179
2019	39,502	39,360	39,899	39,953						40,073
2020	34,853	35,597	35,825							36,004
2021	35,293	35,279								35,667
2022	31,744									31,967
Policy Year	1 / 2	2 / 3	3 / 4	4 / 5	5 / 6	6 / 7	7 / 8	8 / Ult		
2012						1.000				
2013						1.003				
2014						1.001				
2015						1.003				
2016						0.999				
2017	0.992	1.008	1.001	1.002	1.001					
2018	0.992	1.003	1.002	1.001						
2019	0.996	1.014	1.001							
2020	1.021	1.006								
2021	1.000									
5-Yr Avg	1.000	1.006	1.002	1.002	1.002	1.000	1.000			
5-Yr Avg x H/L	0.996	1.006	1.002	1.001	1.002	1.000	1.000			
Selected	0.996	1.006	1.002	1.001	1.002	1.000	1.000	1.000		
Ultimate	1.007	1.011	1.005	1.003	1.002	1.000	1.000	1.000		
									Impact of Change in UPP Factor	0.998



Virginia

Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



Virginia

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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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):

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

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

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

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

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

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

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

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

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

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

Policy Year:

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

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



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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Definitions

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

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

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

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



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Voluntary Loss Cost and Assigned Risk Rate Filing – April 1, 2025

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NCCI Affiliate List

1842 INSURANCE COMPANY	AUTO OWNERS INS CO
1ST CHOICE ADVANTAGE INSURANCE COMPANY INC	BANKERS STANDARD INS CO
A M C O INSURANCE COMPANY	BEARING MIDWEST CASUALTY COMPANY
ACADIA INSURANCE COMPANY	BENCHMARK INSURANCE COMPANY
ACCIDENT FUND GENERAL INS CO	BERKLEY CASUALTY COMPANY
ACCIDENT FUND INS CO OF AMERICA	BERKLEY INSURANCE COMPANY
ACCIDENT FUND NATIONAL INS CO	BERKLEY NATIONAL INSURANCE COMPANY
ACCIDENT INSURANCE COMPANY INC	BERKLEY REGIONAL INS CO
ACCREDITED SURETY & CASUALTY COMPANY INC	BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
ACE AMERICAN INSURANCE COMPANY	BERKSHIRE HATHAWAY HOMESTATE INS CO
ACE FIRE UNDERWRITERS INSURANCE COMPANY	BITCO GENERAL INSURANCE CORPORATION
ACE PROPERTY & CASUALTY INSURANCE COMPANY	BITCO NATIONAL INSURANCE COMPANY
ACIG INS CO	BLACKBOARD INSURANCE COMPANY
ACUTY A MUTUAL INS COMPANY	BLOOMINGTON COMPENSATION INS CO
ADMIRAL INDEMNITY COMPANY	BRICKSTREET MUTUAL INS CO
AIG ASSURANCE COMPANY	BRIDGEFIELD CASUALTY INS CO
AIG PROPERTY CASUALTY COMPANY	BRIDGEFIELD EMPLOYERS INS CO
AIU INSURANCE CO	BRIDGEFIELD INDEMNITY INS CO
ALL AMERICA INS CO	BROTHERHOOD MUTUAL INS CO
ALLEGHENYPOINT INSURANCE COMPANY	BUILDERS ALLIANCE INSURANCE COMPANY
ALLIED EASTERN IND CO	BUILDERS MUTUAL INS CO
ALLIED INSURANCE COMPANY OF AMERICA	BUILDERS PREMIER INS CO
ALLIED PROPERTY AND CASUALTY INS CO	BUSINESSFIRST INS COMPANY
ALLMERICA FINANCIAL ALLIANCE INS CO	CALIFORNIA INSURANCE COMPANY
ALLMERICA FINANCIAL BENEFIT INS CO	CAROLINA CASUALTY INS CO
AMERICAN ALTERNATIVE INSURANCE CORPORATION	CAROLINA MUTUAL INSURANCE INC
AMERICAN AUTOMOBILE INSURANCE CO	CEDAR INSURANCE COMPANY
AMERICAN BUILDERS INSURANCE COMPANY	CENTRAL MUTUAL INS CO
AMERICAN CASUALTY COMPANY OF READING PA	CHARTER OAK FIRE INS CO
AMERICAN COMPENSATION INS CO	CHEROKEE INS CO
AMERICAN ECONOMY INS CO	CHIRON INSURANCE COMPANY
AMERICAN FAMILY HOME INS CO	CHUBB INDEMNITY INS CO
AMERICAN FIRE AND CASUALTY CO	CHUBB NATIONAL INS CO
AMERICAN GUARANTEE AND LIABILITY INS CO	CHURCH MUTUAL INS CO, S.I.
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT	CIMARRON INSURANCE COMPANY INC
AMERICAN INTERSTATE INS CO	CINCINNATI CASUALTY COMPANY
AMERICAN INTERSTATE INS CO OF TX	CINCINNATI INDEMNITY COMPANY
AMERICAN MODERN HOME INS CO	CINCINNATI INS CO
AMERICAN NATIONAL PROPERTY AND CASUALTY CO	CITIZENS INS CO OF AMERICA
AMERICAN SELECT INS CO	CLEAR SPRING AMERICAN INSURANCE COMPANY
AMERICAN STATES INS CO A SAFECO COMPANY	CLEAR SPRING CASUALTY INSURANCE COMPANY
AMERICAN ZURICH INS CO	CLEAR SPRING NATIONAL INSURANCE COMPANY
AMERISURE INS CO	CLEAR SPRING PROPERTY AND CASUALTY COMPANY
AMERISURE MUTUAL INS CO	CLEARPATH INSURANCE CO DBA CLEARPATH SPECIALTY
AMERISURE PARTNERS INS CO	COLONIAL AMERICAN CASUALTY & SURETY CO
AMFED ADVANTAGE INSURANCE COMPANY	COLONIAL SURETY COMPANY
AMFED CASUALTY INS CO	COLONY INS CO
AMFED NATIONAL INSURANCE COMPANY	COMMERCE AND INDUSTRY INS CO
AMGUARD INS CO	CONTINENTAL CASUALTY CO
AMTRUST INSURANCE CO	CONTINENTAL INDEMNITY CO
ANSUR AMERICA	CONTINENTAL INS CO
ARCH INDEMNITY INSURANCE COMPANY	CONTINENTAL WESTERN INSURANCE COMPANY
ARCH INSURANCE COMPANY	COREPOINTE INSURANCE COMPANY
ARCH PROPERTY CASUALTY INS CO	CRESTBROOK INS CO
ARGONAUT GREAT CENTRAL INS CO	CRUM AND FORSTER INDEMNITY CO
ARGONAUT INS CO	CYPRESS INSURANCE COMPANY
ARGONAUT MIDWEST INS CO	DAKOTA TRUCK UNDERWRITERS
ASCOT INSURANCE COMPANY	DEPOSITORS INS CO
ATLANTIC SPECIALTY INS CO	DIAMOND INS CO
ATLANTIC STATES INS CO	DONEGAL MUTUAL INS CO



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NCCI Affiliate List

EASTERN ADVANTAGE ASSURANCE COMPANY	GENERAL INS CO OF AMERICA
EASTERN ALLIANCE INSURANCE COMPANY	GENESIS INS CO
EASTGUARD INS CO	GOODVILLE MUTUAL CASUALTY CO
EMC PROPERTY & CASUALTY COMPANY	GRAIN DEALERS MUTUAL INS CO
EMCASCO INS CO	GRANGE INDEMNITY INSURANCE COMPANY
EMPLOYERS ASSURANCE COMPANY	GRANGE INSURANCE COMPANY
EMPLOYERS COMPENSATION INS CO	GRANITE STATE INSURANCE COMPANY
EMPLOYERS INS CO OF WAUSAU	GRAPHIC ARTS MUTUAL INS CO
EMPLOYERS INSURANCE COMPANY OF NEVADA	GRAY INSURANCE COMPANY
EMPLOYERS MUTUAL CASUALTY CO	GREAT AMERICAN ALLIANCE INS CO
EMPLOYERS PREFERRED INS CO	GREAT AMERICAN ASSURANCE COMPANY
ENDURANCE AMERICAN INS CO	GREAT AMERICAN INS CO OF NY
ENDURANCE ASSURANCE CORPORATION	GREAT AMERICAN INSURANCE COMPANY
ERIE INS CO	GREAT AMERICAN SPIRIT INS CO
ERIE INS CO OF NY	GREAT DIVIDE INSURANCE COMPANY
ERIE INS EXCHANGE	GREAT MIDWEST INS CO
ERIE INS PROPERTY AND CASUALTY CO	GREAT NORTHERN INS CO
EVEREST DENALI INSURANCE COMPANY	GREAT WEST CASUALTY COMPANY
EVEREST NATIONAL INS CO	GREATER NY MUTUAL INS CO
EVEREST PREMIER INSURANCE COMPANY	GREENWICH INS CO
EVEREST REINSURANCE CO DIRECT	GUIDEONE INSURANCE COMPANY
EVERETT CASH MUTUAL INSURANCE CO	GUIDEONE SPECIALTY INSURANCE COMPANY
EXCELSIOR INSURANCE COMPANY	HANOVER AMERICAN INS CO
EXECUTIVE RISK INDEMNITY INC	HANOVER INS CO
EXPLORER INS CO	HARFORD MUTUAL INS CO
FARM FAMILY CASUALTY INS CO	HARLEYSVILLE INSURANCE COMPANY
FARMERS INSURANCE EXCHANGE	HARLEYSVILLE PREFERRED INSURANCE CO
FARMINGTON CASUALTY COMPANY	HARLEYSVILLE WORCESTER INSURANCE CO
FCCI INSURANCE COMPANY	HARTFORD ACCIDENT AND INDEMNITY CO
FEDERAL INSURANCE COMPANY	HARTFORD CASUALTY INS CO
FEDERATED MUTUAL INS CO	HARTFORD FIRE INSURANCE CO
FEDERATED RESERVE INSURANCE CO	HARTFORD INS CO OF IL
FEDERATED RURAL ELECTRIC INS EXCHANGE	HARTFORD INS CO OF MIDWEST
FEDERATED SERVICE INS CO	HARTFORD INS CO OF THE SOUTHEAST
FFVA MUTUAL INSURANCE COMPANY	HARTFORD UNDERWRITERS INS CO
FFVA SELECT INSURANCE CO	HDI GLOBAL INSURANCE COMPANY
FHM INSURANCE COMPANY	HIGHVIEW NATIONAL INSURANCE COMPANY
FIDELITY & DEPOSIT COMPANY OF MARYLAND	HOME OWNERS INS CO
FIDELITY & GUARANTY INS UNDERWRITERS	HORIZON MIDWEST CASUALTY COMPANY
FIDELITY & GUARANTY INSURANCE CO	ILLINOIS INSURANCE COMPANY
FIRE INS EXCHANGE	ILLINOIS NATIONAL INSURANCE COMPANY
FIREMANS FUND INSURANCE CO	IMPERIUM INSURANCE COMPANY
FIREMENS INS CO OF WASHINGTON DC	INCLINE CASUALTY COMPANY
FIRST BENEFITS INSURANCE MUTUAL INC	INDEMNITY INS CO OF N AMERICA
FIRST LIBERTY INS CORP	INS CO OF GREATER NY
FIRST NATIONAL INS CO OF AMERICA	INS CO OF NORTH AMERICA
FIRSTCOMP INSURANCE CO	INS CO OF THE STATE PA
FIRSTLINE INSURANCE COMPANY	INS CO OF THE WEST
FLAGSHIP CITY INS CO	INTREPID CASUALTY COMPANY
FLORISTS INS CO	INTREPID INSURANCE COMPANY
FLORISTS MUTUAL INSURANCE CO	KEY RISK INS CO
FOREMOST INS CO GRAND RAPIDS MICHIGAN	LIBERTY INS CORP
FOREMOST PROPERTY & CAS INS	LIBERTY INSURANCE UNDERWRITERS INC
FOREMOST SIGNATURE INS CO	LIBERTY MUTUAL FIRE INS CO
FORESTRY MUTUAL INS CO	LIBERTY MUTUAL INS CO
FORTITUDE CASUALTY INS CO	LION INSURANCE COMPANY
FRANK WINSTON CRUM INSURANCE CO	LM INS CORP
FRANKENMUTH INS COMPANY	LUBA CASUALTY INS CO
FREEDOM SPECIALTY INSURANCE COMPANY	LUBA INDEMNITY INSURANCE COMPANY
GENERAL CASUALTY COMPANY OF WISCONSIN	MA BAY INS CO



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NCCI Affiliate List

MAG MUTUAL INS CO
MAIN STREET AMERICA ASSURANCE CO
MANUFACTURERS ALLIANCE INS CO
MARKEL AMERICAN INSURANCE CO
MARKEL INSURANCE CO
ME EMPLOYERS MUTUAL INS CO
MEMIC CASUALTY COMPANY
MEMIC INDEMNITY CO
MERIDIAN SECURITY INSURANCE COMPANY
MID CENTURY INS CO
MIDDLESEX INS CO
MIDSOUTH MUTUAL INSURANCE COMPANY
MIDVALE INDEMNITY COMPANY
MIDWEST EMPLOYERS CASUALTY CO
MILBANK INSURANCE COMPANY
MILFORD CASUALTY INSURANCE CO
MITSUI SUMITOMO INS CO OF AMERICA
MITSUI SUMITOMO INS USA INC
MONROE GUARANTY INS CO
MONTGOMERY MUTUAL INSURANCE COMPANY
MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY
NATIONAL AMERICAN INS CO
NATIONAL BUILDERS INSURANCE COMPANY
NATIONAL CASUALTY CO
NATIONAL FIRE INS CO OF HARTFORD
NATIONAL INTERSTATE INS CO
NATIONAL LIABILITY & FIRE INSURANCE CO
NATIONAL SPECIALTY INS CO
NATIONAL SURETY CORP
NATIONAL TRUST INS CO
NATIONAL UNION FIRE INS CO OF PITTSBURGH PA
NATIONWIDE AGIBUSINESS INS CO
NATIONWIDE ASSURANCE CO
NATIONWIDE GENERAL INSURANCE CO
NATIONWIDE INS CO OF AMERICA
NATIONWIDE MUTUAL INS CO
NATIONWIDE PROPERTY AND CASUALTY INS CO
NETHERLANDS INSURANCE COMPANY
NEW HAMPSHIRE INSURANCE COMPANY
NEW YORK MARINE AND GENERAL INSURANCE CO
NGM INSURANCE COMPANY
NORGUARD INS CO
NORMANDY INSURANCE COMPANY
NORTH POINTE INS CO
NORTH RIVER INS CO
NORTHSTONE INSURANCE COMPANY
NOVA CASUALTY COMPANY
NUTMEG INS CO
OAK RIVER INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY
OBI NATIONAL INSURANCE COMPANY
OH CASUALTY INS CO
OH FARMERS INS CO
OHIO SECURITY INS CO
OLD DOMINION INS CO
OLD GUARD INSURANCE COMPANY
OLD REPUBLIC GENERAL INSURANCE CORPORATION
OLD REPUBLIC INS CO
OWNERS INSURANCE COMPANY
PA MANUFACTURERS ASSN INS CO
PA MANUFACTURERS INDEMNITY CO
PA NATIONAL MUTUAL CAS INS CO
PACIFIC EMPLOYERS INS CO
PACIFIC INDEMNITY CO
PARK NATIONAL INS COMPANY
PATRIOT GENERAL INS CO
PATRONS MUTUAL INS CO OF CT
PEERLESS INDEMNITY INS CO
PEERLESS INSURANCE COMPANY
PELEUS INSURANCE COMPANY
PENINSULA INDEMNITY CO
PENINSULA INS CO
PENN MILLERS INS CO
PENN NATIONAL SECURITY INS CO
PENNSYLVANIA INSURANCE COMPANY
PETROLEUM CASUALTY CO
PHARMACISTS MUTUAL INS CO
PHOENIX INS CO
PIE INSURANCE COMPANY
PINNACLE NATIONAL INSURANCE COMPANY
PINNACLEPOINT INSURANCE COMPANY
PLAZA INSURANCE CO
PRAETORIAN INSURANCE COMPANY
PREFERRED EMPLOYERS INS CO
PREFERRED PROFESSIONAL INSURANCE COMPANY
PREMIER GROUP INS CO
PRESCIENT NATIONAL INSURANCE COMPANY
PROPERTY AND CASUALTY INS CO OF HARTFORD
PROTECTIVE INS CO
QBE INSURANCE CORPORATION
REDWOOD FIRE & CASUALTY INS CO
REGENT INSURANCE COMPANY
REPUBLIC FIRE AND CASUALTY INS CO
REPUBLIC FRANKLIN INS CO
REPUBLIC INDEMNITY CO OF CA
REPUBLIC INDEMNITY COMPANY OF AMERICA
RIVERPORT INSURANCE COMPANY
RLI INSURANCE COMPANY
ROCHDALE INSURANCE COMPANY
ROCKWOOD CASUALTY INS CO
SAFECO INS CO OF AMERICA
SAFETY FIRST INS CO
SAFETY NATIONAL CASUALTY CORP
SAGAMORE INSURANCE CO
SAMSUNG FIRE AND MARINE INS CO LTD USB
SCOTTSDALE INDEMNITY CO
SECURITY NATIONAL INS CO
SELECT INS CO
SELECTIVE INS CO OF SC
SELECTIVE INS CO OF THE SOUTHEAST
SELECTIVE INSURANCE COMPANY OF AMERICA
SELECTIVE WAY INS CO
SENECA INSURANCE CO
SENTINEL INS CO
SENTRY CASUALTY CO
SENTRY INS CO
SENTRY SELECT INSURANCE COMPANY
SEQUOIA INSURANCE CO
SERVICE AMERICAN INDEMNITY COMPANY
SERVICE LLOYDS INSURANCE CO, A STOCK COMPANY



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NCCI Affiliate List

SFM MUTUAL INS CO
SILVER OAK CASUALTY INC
SIRIUSPOINT AMERICA INSURANCE COMPANY
SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
SOMPO AMERICA INSURANCE COMPANY
SOUTHERN INS CO
SOUTHERN INS CO OF VA
SOUTHERN MUTUAL CHURCH INSURANCE CO
SOUTHERN PILOT INSURANCE COMPANY
SOUTHERN STATES INS EXCHANGE
ST PAUL FIRE AND MARINE INS CO
ST PAUL GUARDIAN INS CO
STANDARD FIRE INSURANCE COMPANY
STAR INS CO
STARNET INSURANCE COMPANY
STARR INDEMNITY AND LIABILITY CO
STARR SPECIALTY INSURANCE COMPANY
STARSTONE NATIONAL INSURANCE COMPANY
STATE AUTO PROPERTY AND CASUALTY INS CO
STATE AUTOMOBILE MUTUAL INS CO
STATE FARM FIRE AND CASUALTY CO
STATE NATIONAL INSURANCE COMPANY
STONINGTON INS CO
STRATHMORE INS CO
SUMMITPOINT INSURANCE COMPANY
SUNZ INSURANCE COMPANY
SUTTON NATIONAL INSURANCE COMPANY
SWISS RE CORPORATE SOLUTIONS AMERICA INS CORP
SWISS RE CORPORATE SOLUTIONS ELITE INS CORP
SWISS RE CORPORATE SOLUTIONS PREMIER INS CORP
SYNERGY COMP INSURANCE COMPANY
T H E INSURANCE COMPANY
TECHNOLOGY INSURANCE CO
THE TRAVELERS CASUALTY COMPANY
TNUS INSURANCE CO
TOKIO MARINE AMERICA INSURANCE CO
TRANS PACIFIC INS CO
TRANSGUARD INS CO OF AMERICA INC
TRANSPORTATION INS CO
TRAVCO PERSONAL INSURANCE COMPANY
TRAVELERS CASUALTY & SURETY CO OF AMERICA
TRAVELERS CASUALTY AND SURETY CO
TRAVELERS CASUALTY CO OF CONNECTICUT
TRAVELERS CASUALTY INS CO OF AMERICA
TRAVELERS INDEMNITY CO
TRAVELERS INDEMNITY CO OF AMERICA
TRAVELERS INDEMNITY CO OF CT
TRAVELERS INSURANCE CO
TRAVELERS PROPERTY CASUALTY CO OF AMERICA
TRI STATE INSURANCE COMPANY OF MINNESOTA
TRIUMPH CASUALTY COMPANY
TRUCK INSURANCE EXCHANGE
TRUMBULL INS CO
TRUSTGARD INSURANCE COMPANY
TWIN CITY FIRE INS CO
UNION INS CO OF PROVIDENCE
UNION INSURANCE COMPANY
UNITED STATES FIDELITY AND GUARANTY CO
UNITED WI INS CO
UPMC HEALTH BENEFITS INC
UPMC WORK ALLIANCE INC
US FIRE INS CO
UTICA MUTUAL INS CO
UTICA NATIONAL ASSURANCE CO
VA FARM BUREAU FIRE AND CASUALTY INS CO
VA FARM BUREAU MUTUAL INS CO
VA FARM BUREAU TOWN AND COUNTRY INS CO
VALLEY FORGE INS CO
VANLINER INS CO
VANTAPRO SPECIALTY INS CO
VICTORIA FIRE & CASUALTY COMPANY
VIGILANT INS CO
VIRGINIA BUILDERS INSURANCE COMPANY
WAUSAU BUSINESS INSURANCE COMPANY
WAUSAU UNDERWRITERS INSURANCE COMPANY
WAYPOINT MUTUAL
WCF NATIONAL INSURANCE COMPANY
WCF SELECT INSURANCE COMPANY
WELLFLEET INSURANCE COMPANY
WELLFLEET NEW YORK INSURANCE COMPANY
WESCO INSURANCE COMPANY
WEST AMERICAN INS CO
WEST BEND INSURANCE COMPANY
WESTCHESTER FIRE INSURANCE COMPANY
WESTFIELD CHAMPION INSURANCE COMPANY
WESTFIELD INS CO
WESTFIELD NATIONAL INS CO
WESTFIELD PREMIER INSURANCE COMPANY
WESTFIELD SUPERIOR INSURANCE COMPANY
WESTFIELD TOUCHSTONE INSURANCE COMPANY
WESTPORT INSURANCE CORPORATION
WILLIAMSBURG NATIONAL INS CO
WORK FIRST CASUALTY CO
XL INS CO OF NY INC
XL INSURANCE AMERICA INC
XL SPECIALTY INS CO
ZENITH INS CO
ZNAT INS CO
ZURICH AMERICAN INS CO
ZURICH AMERICAN INS CO OF IL



Virginia

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