



Rhode Island

Advisory Loss Costs and
Rating Values Filing

Proposed Effective August 1, 2020



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Regulatory Division

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November 18, 2019

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

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

Re: Rhode Island Advisory Loss Costs and Rating Values Filing Proposed to Be Effective August 1, 2020

Dear Superintendent Dwyer:

In accordance with the applicable statutes and regulations of the state of Rhode Island, we are filing for your consideration and approval advisory loss costs changes for Rhode Island.

The advisory loss costs, which are proposed to be effective August 1, 2020, reflect a decrease of 13.0% from the current advisory loss costs which became effective August 1, 2019.

Please note the following in connection with this filing:

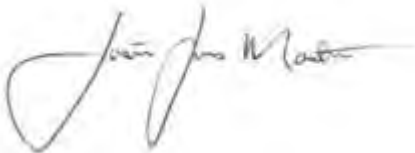
1. As a result of Item B-1436, effective August 1, 2019:
 - a. Class Codes 8825 and 8826 are combined to reflect the final year of a two-year transition program, and Class Code 8825 is discontinued.
2. As a result of Item B-1437, effective August 1, 2020:
 - a. Class Codes 2286 and 2220 are combined to reflect the first year of a two-year transition program. In the second year of the transition, Class Code 2286 will be discontinued.
 - b. Class Codes 2670 and 2688 are combined to reflect the first year of a two-year transition program. In the second year of the transition, Class Code 2670 will be discontinued.
 - c. Class Code 4360 is discontinued and the loss cost for Class Code 7610 is payroll weighted to reflect the combined experience of Class Codes 4360 and 7610.
 - d. Class Code 4670 is discontinued and the loss cost for Class Code 4683 is payroll weighted to reflect the combined experience of Class Codes 4670 and 4683.
 - e. Class Code 5508 is discontinued and the loss cost for Class Code 5507 is payroll weighted to reflect the combined experience of Class Codes 5508 and 5507.
3. As a result of Item R-1417, the retrospective rating plan parameters were updated.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate or pure premium filing requirements and other private use of this information.

In the enclosed appendix is a list of companies, 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 jurisdiction, 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 jurisdiction.

As always, if you should have any questions or need additional information, please do not hesitate to contact me at (860) 969-7903 or Brett Foster at (561) 893-3121.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Justin Moulton", with a long horizontal flourish extending to the right.

Justin Moulton, CPCU

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Actuarial Certification

I, Brett Foster, am a Manager and Associate Actuary for the National Council on Compensation Insurance, Inc. I am a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

The information contained in this report has been prepared under my direction in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

A handwritten signature in black ink, appearing to read "Brett Foster".

Brett Foster, FCAS, MAAA
Manager and Associate Actuary
Actuarial and Economic Services



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Disclosures

Purpose of the Report

The purpose of this report is to provide the proposed advisory loss costs for workers compensation policies in Rhode Island, proposed to be effective August 1, 2020. The intended users of this report are:

- The Rhode Island Department of Business Regulation, Insurance Division
- Affiliated carriers, for their reference in determining workers compensation rates

Scope

The prospective loss costs are intended to cover the indemnity and medical benefits provided under the system, as well as some of the expenses associated with providing these benefits (loss adjustment expenses). They do not, however, contemplate any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Each insurance company offering workers compensation insurance in Rhode Island that uses NCCI loss costs may file a loss cost multiplier to be applied to the approved advisory prospective loss costs in order to compute the final workers compensation rates they intend to charge. This multiplier is intended to cover the other costs associated with providing workers compensation insurance that are not already part of the advisory prospective loss costs.

Data Sources and Dates

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 September 4, 2019 were not considered for inclusion in the analysis.

Loss cost level changes at the classification code level are based on Unit Statistical Data, which is the audited exposure, premium and loss information reported to NCCI on a policy level. In this filing, Unit Statistical Data submissions received after September 27, 2019 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.

This filing was prepared as of October 14, 2019. Therefore, events that occurred after this date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.



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Disclosures

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.

All carriers writing at least one-tenth of one percent of the Rhode Island workers compensation written premium volume and whose data is not included in the experience period are listed below:

- Policy Year 2015 – Public Service Insurance (0.3% of state premium)
- Policy Year 2016 – Public Service Insurance (0.1% of state premium)

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
- 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.



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Executive Summary

Based on its review of the most recently available data, NCCI has proposed an overall average workers compensation voluntary market loss cost level change of -13.0% to become effective August 1, 2020.

<u>Key Components</u>	<u>Percentage Change</u>
Impact of change in Experience and Development	- 9.7%
Impact of change in Trend	- 4.6%
Impact of change in Benefits	- 0.9%
<u>Impact of change in Loss-based Expenses</u>	<u>+ 1.9%</u>
Proposed Change in Overall Voluntary Loss Cost Level	- 13.0%

Key observations:

- The filing is based on premium and loss experience for policy years 2015, 2016, and 2017. While all three years indicate a decrease, 2016 and 2017 are particularly favorable.
- Lost-time claim frequency continues to decline in Rhode Island with a decrease of more than 6% in Policy Year 2017.
- Rhode Island's indemnity and medical cost per case figures have both remained fairly stable over time, however the medical average cost per case has declined somewhat in recent years.

Proposed Changes in Voluntary Loss Cost Level by Industry Group:

<u>Industry Group</u>	<u>Average Change</u>	<u>Maximum Increase</u>	<u>Maximum Decrease</u>
Manufacturing	- 13.9%	+ 1.0%	- 29.0%
Contracting	- 14.2%	+ 1.0%	- 29.0%
Office and Clerical	- 12.1%	+ 3.0%	- 27.0%
Goods and Services	- 12.9%	+ 2.0%	- 28.0%
Miscellaneous	- 12.0%	+ 3.0%	- 27.0%

Additional Notable Change(s) Proposed in the Filing:

- Reflection of Annual Changes to Maximum and/or Minimum Indemnity Benefits in Ratemaking
- Proposed Change to the Defense and Cost Containment Expense Provision Calculation
- Swing Limit Bound Calculation Modification
- Update to the United States Longshore and Harbor Workers' (USL&HW) Coverage Percentage Factor



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Overview of Methodology

Aggregate Ratemaking

NCCI's approach to determining the proposed overall average loss cost level change utilizes widely accepted ratemaking methodologies. The approach employed in this filing includes the following steps:

- The reported historical premium totals are projected to an ultimate basis and adjusted to the current pure premium level
- The excess loss portion of individual large claims are removed from reported aggregate losses, based on a Rhode Island-specific large loss threshold
- The reported historical limited indemnity and medical loss totals are projected to an ultimate basis and adjusted to the current benefit level
- Ratios of losses to pure premium are projected to the cost levels expected in the loss cost effective period
- Ultimate, trended, limited losses are adjusted to an unlimited basis with an excess ratio
- Proposed benefit level and expense changes are applied to the projected cost ratios

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

Class Ratemaking

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

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

Note: 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.



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Summary of Selections

The following is a summary of selections underlying the voluntary loss proposed to be effective August 1, 2020, along with the selections underlying the currently-approved loss costs.

Voluntary Loss Costs	Currently Approved August 1, 2019	Proposed Effective August 1, 2020
Experience Period	Policy Years 2014–2016	Policy Years 2015–2017
Premium Development	3-year average	3-year average
Basis of Loss Experience	Paid Losses	Paid Losses
Loss Development Factors	5-year Xhilo average	5-year Xhilo average
Tail Factors	Selected	Selected
Indemnity Annual Loss Ratio Trend Factor	0.980	0.970
Medical Annual Loss Ratio Trend Factor	0.970	0.960
Loss Adjustment Expense Provision	20.1%	22.4%
Base Threshold for Limiting Losses	\$3,514,479	\$3,403,956
Large Loss Excess Ratio	2.2%	1.7%*
Classification Swing Limits (applied by Industry Group)	+/-15%	+/-15%

*The proposed value reflects the updated excess loss pure premium factor parameters and methodology as detailed in the approved item filing R-1417



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Selections Underlying the Proposed Changes

Experience and Development

NCCI analyzed the emerging experience of Rhode Island workers compensation policies in recent years. The primary focus of our analysis was on premiums and losses from policy years 2015, 2016, and 2017 evaluated as of December 31, 2018. The most recently available full policy year is 2017 since the last policy had an effective date of December 31, 2017 and did not expire until December 31, 2018. During this year's analysis, after reviewing various possible experience periods, the use of the three most recently available full policy years of data was selected as most appropriate in terms of providing balance between stability and responsiveness.

The specific loss experience used by NCCI in this filing is based on paid losses, which are the benefit amounts already paid by insurers on reported claims. This is consistent with NCCI filings made in the past several years in Rhode Island. Loss development factors are needed since paid losses on a given claim change over time until the claim is finally closed. The loss development factors are based on how paid losses changed over time for claims from older years. The specific development link ratio selections underlying this filing are shown below:

- A three-year average of historical premium development factors
- A five-year excluding highest and lowest average of historical paid loss development factors through a 19th report
- Loss development tail factors from a 19th report to ultimate were selected

Trend

This filing relies primarily on the experience from policy years 2015, 2016, and 2017. However, the proposed loss costs are intended for use with policies with effective dates starting on August 1, 2020. It is necessary to use trend factors that forecast how much the future Rhode Island workers compensation experience will differ from the past. These trend factors measure anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages. For example, if benefit costs are expected to grow faster than wages, then a trend factor greater than zero is indicated. Conversely, if wages are expected to grow faster than benefit costs, then a trend factor less than zero is indicated. While historical changes in claim frequency and average cost per case were also reviewed, NCCI applies loss ratio trend factors in the determination of the proposed overall average loss cost level change.

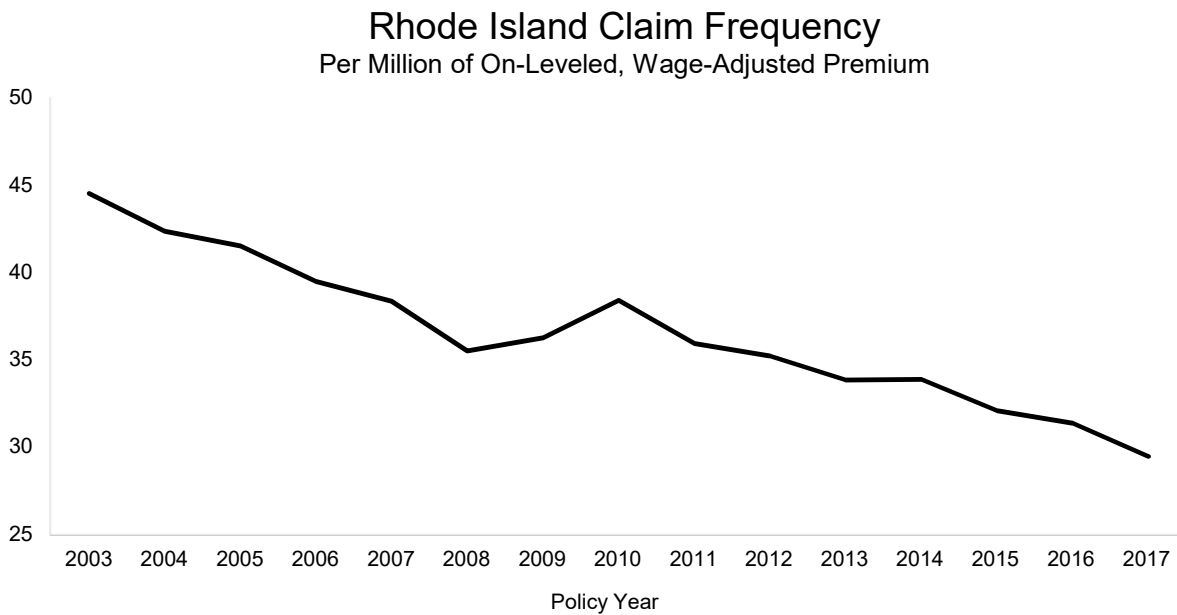


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Selections Underlying the Proposed Changes

The following few charts show a measure of the number of workplace injuries (claim frequency) and the average cost of each of these injuries (claim severity).



Rhode Island's lost-time claim frequency has declined since 2010, as shown immediately above. The data in this chart reflects premiums at today's loss cost and wage levels.



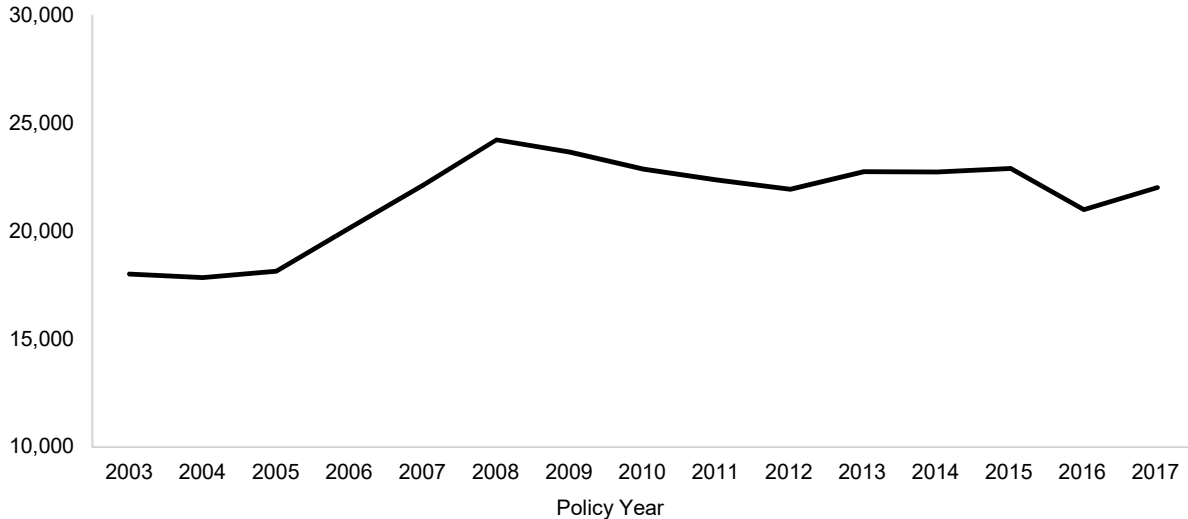
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Selections Underlying the Proposed Changes

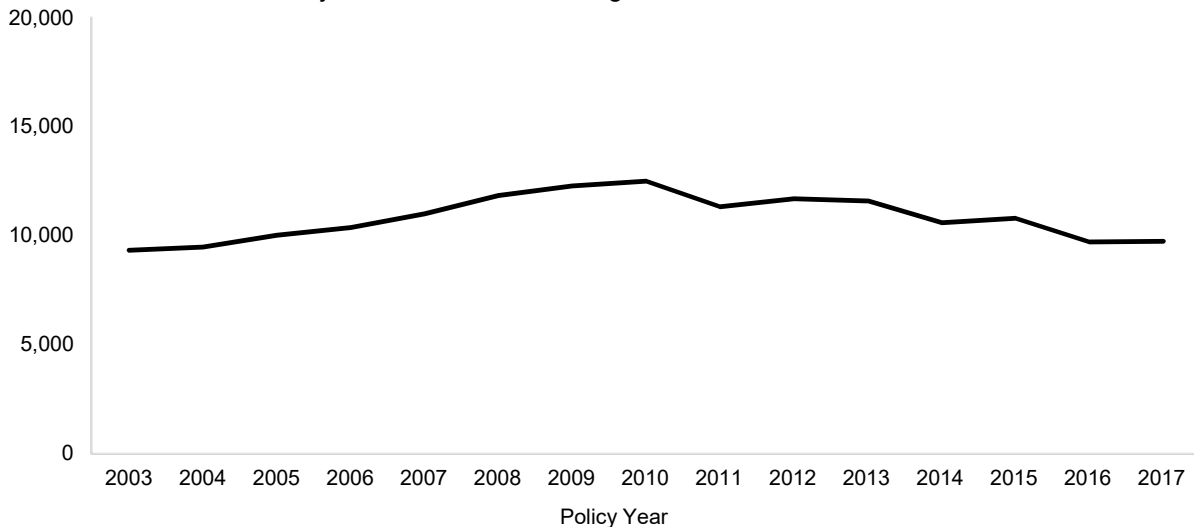
Rhode Island Indemnity Average Cost Per Case

Adjusted to a Common Wage Level, Based on Paid Losses



Rhode Island Medical Average Cost Per Case

Adjusted to a Common Wage Level, Based on Paid Losses



As these two charts illustrate, Rhode Island's indemnity and medical cost per case figures have both remained fairly stable over time, however the medical average cost per case has declined somewhat in recent years.



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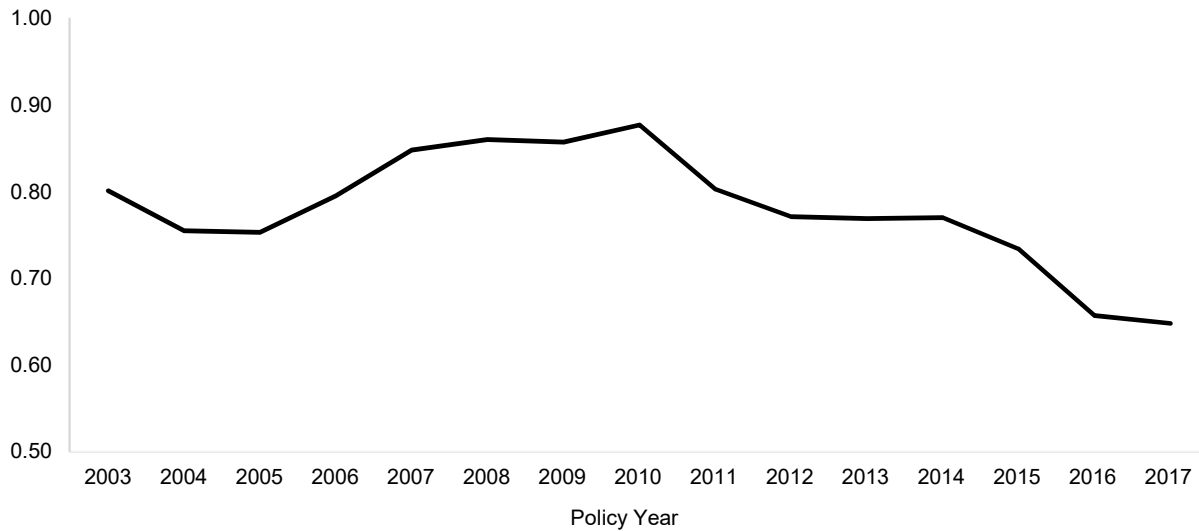
Advisory Loss Costs and Rating Values Filing – August 1, 2020

Selections Underlying the Proposed Changes

Loss ratios result after combining observed changes in Rhode Island's average claim frequency with corresponding changes in Rhode Island's average cost per case.

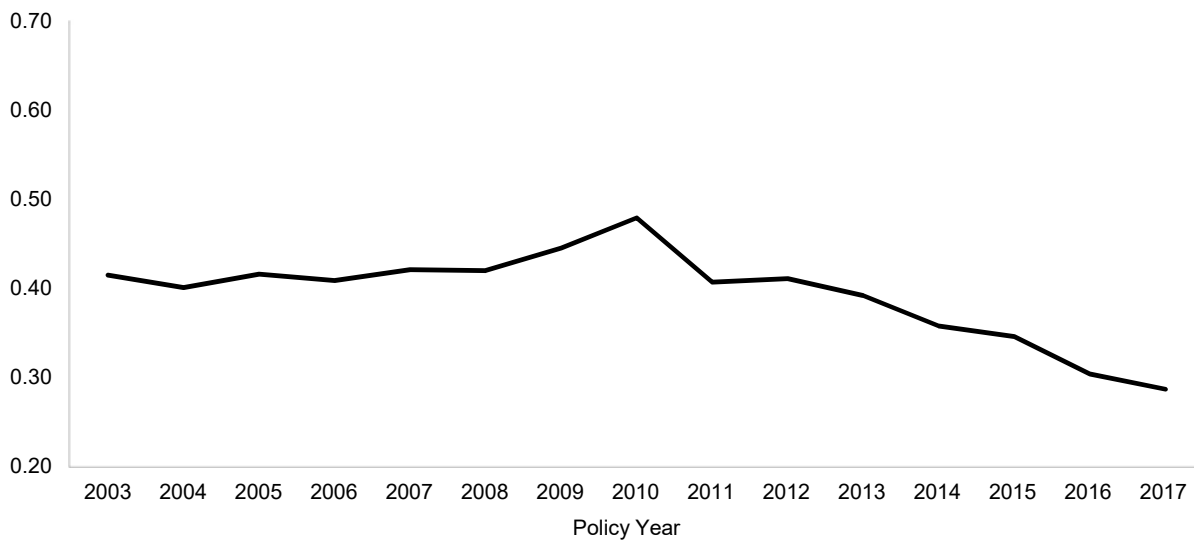
Rhode Island Indemnity Loss Ratio History

Based on Paid Losses



Rhode Island Medical Loss Ratio History

Based on Paid Losses



Based on our analysis this year, we are proposing a decrease in the annual indemnity loss ratio trend of -2.0% to -3.0% and a decrease in annual medical loss ratio trend from -3.0% to -4.0% .



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Selections Underlying the Proposed Changes

Benefit Changes

NCCI estimates that the change to the spendable wage calculation effective May 10, 2019 will impact indemnity costs by -1.5%. Please see Appendix C-I for additional detail.

NCCI has included the impact of the most recent Medical Fee Schedule updates effective January 1, 2020. These changes are estimated to impact medical costs by +0.4%. Please see Appendix C-II for additional detail.

Loss-Based Expenses

The proposed loss costs include a provision for loss adjustment expenses (LAE). These are expenses associated with the handling of workers compensation claims. LAE is included in the loss costs by using a ratio of private carrier loss adjustment expense dollars to loss dollars (called the LAE provision). In this filing, NCCI is proposing to increase the current LAE provision from 20.1% to 22.4% of losses. Please see Exhibit II for additional detail.



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Additional Proposed Changes

Reflection of Annual Changes to Maximum and/or Minimum Indemnity Benefits in Ratemaking

Summary

This filing proposes a change in the handling of benefit changes that result from annual revisions in maximum and/or minimum weekly indemnity benefits. These benefit changes are tied to annual statutory changes in the State Average Weekly Wage (SAWW). The proposal is to capture these benefit changes through the indemnity trend factor rather than through explicit benefit changes.

Background

NCCI has historically recognized annual SAWW-related changes to maximum and/or minimum weekly benefits via complex calculations relying on wage distributions, which vary the impacted inflation-sensitive parameters while holding all other values constant. The resulting impact becomes a benefit component of the loss cost indication and is used to bring historical indemnity losses to the proposed benefit level.

During a review of current procedures, NCCI determined that this adjustment unnecessarily increases the complexity of the calculation of expected benefit levels in the ratemaking process. As such, NCCI is simplifying the way this type of annual benefit change is reflected.

Proposed Procedure

Annual changes in maximum and/or minimum indemnity benefits reflect inflationary changes in premium/payroll; they do not result in changes to injured worker benefit levels over and above changes in wage inflation. Therefore, it is preferable to not explicitly adjust historical losses to account for these types of indemnity changes.

Going forward, the impact on indemnity benefit costs due to annual adjustments to maximum and/or minimum weekly benefits because of changes in the SAWW will not be calculated. Further, historical changes of this type will no longer be included in loss on-level factors.

Impact

Removal of explicit recognition of annual SAWW-related changes will likely impact the loss cost filing in three ways (assuming positive SAWW changes):

1. The estimated impact of the latest change in the SAWW will not be explicitly included (historically in Appendix C). Everything else being equal, this will tend to decrease the indication.



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Additional Proposed Changes

2. The experience-period indemnity losses will not be on-leveled for previously filed annual SAWW-related changes (Exhibit I, Appendix A-I). Everything else being equal, this will tend to decrease the indication.
3. The indemnity losses used in the determination of the loss ratio trend factor will not be on-leveled for historical annual SAWW-related changes (Appendix A-III). Everything else being equal, this will tend to increase the fitted trend factors and, potentially, the indication.

NCCI researched the impact of the implicit recognition of these changes across states and years and concluded that the three components noted above should offset each other over time. Accordingly, there is no expected overall loss cost level impact due to this change.



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Additional Proposed Changes

Proposed Change to the Defense and Cost Containment Expense Provision Calculation

Background

The Loss Adjustment Expense (LAE) provision in the loss costs is comprised of Defense and Cost Containment Expense (DCCE) and Adjusting and Other Expense (AOE) provisions.

Previously in Rhode Island, the DCCE portion of the LAE provision has been calculated based on a selected countrywide DCCE provision calculated from the NCCI Call for Loss Adjustment Expenses (Financial Call #19). This countrywide DCCE provision was adjusted by applying a state-specific relativity derived using NAIC Annual Statement payment data.

Proposed Procedure

This filing proposes to calculate the DCCE provision more directly by utilizing Rhode Island-specific paid DCCE and losses, reported on the NCCI Call for Policy Year Data (Financial Call #3). Under the proposed methodology, the 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 the 19th report. The proposed DCCE provision is selected based on the ultimate projected DCCE ratios by policy year.

Utilizing policy year data for the DCCE calculation is consistent with the basis for the losses and premium underlying the filing's loss cost level change (Exhibit I). By using policy year data, the proposed methodology minimizes the potential impact that claim activity occurring in older time periods (e.g., more than 20 years ago) may have on the prospective DCCE provision. When compared with the previous DCCE approach, the use of state-specific policy year data may allow the proposed methodology to be more responsive to state-specific changes.

The determination of the AOE provision is unaffected by this change to the DCCE methodology.



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Additional Proposed Changes

Swing Limit Bound Calculation Modification

As part of NCCI's class ratemaking procedure, proposed loss costs by classification are subject to upper and lower bounds. As detailed in Appendix B-II, the bounds are determined as the product of the swing limits by industry group and the classification's present loss cost.

NCCI recently evaluated the bound calculations to determine if they are performing optimally, particularly for classifications with significantly low loss costs. In these cases, the current multiplicative bound calculation can result in an upper and lower bound equal to the current loss cost for a classification. For example, a classification with a loss cost or rate of \$0.03 in a state with 15% swing limits and an indication of -10% would have upper and lower bounds both equal to \$0.03. This restricts a classification's proposed loss cost to its present loss cost, eliminating any possible responsiveness to change indicated by the underlying data.

To enhance responsiveness to the data in these scenarios, NCCI is proposing a modification to the calculation of loss cost bounds by classification when both the upper and lower bounds are equal to the current loss cost. In these cases, NCCI will review the change indicated by the classification and the corresponding industry group. If the direction of these two indications are aligned, NCCI will adjust the upper or lower bound so that the proposed loss cost may change by one cent from the present loss cost in the direction of the change indicated for the classification.

This updated swing limit bound calculation can only impact classifications with loss costs of six cents or less given the current swing limit of 15%. In future instances where the proposed calculation applies, the classification will exceed the traditional swing of 15% by less than one cent.

In this filing, no adjustments have been made as a result of the proposed methodology. In future filings, if a class code is adjusted per this methodology change, the affected class codes would be listed in Appendix B-II.



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Additional Proposed Changes

Update to the USL&HW Coverage Percentage Factor

This filing proposes a revision to the United States Longshore and Harbor Workers' (USL&HW) Coverage Percentage factor found on the Miscellaneous Values page in this filing.

USL&HW Factor – Benefits Only

<u>Current Approved</u>	<u>Proposed</u>
1.50	1.75

Background

The USL&HW Act is a federal law that extends federal benefits to employees such as harbor workers and others for disability or death resulting from an injury occurring upon the navigable waters of the United States. Separate class codes (“F-classes”) were created to account for those occupations that tend to have considerable USL&HW Act exposure. For all industrial classes that have USL&HW Act exposure but no relevant F-class code, the potentially higher federal benefits payable needs to be contemplated when calculating an insured’s premium. For USL&HW Act exposure that does not correspond to an F-class code, the USL&HW factor is applied to the industrial class loss cost for the portion of payroll that the USL&HW Act exposure represents.

NCCI’s prior full study of the USL&HW factors was completed in 2003. Since that time, the revised factor has been updated annually with each NCCI loss cost filing to account for how federal benefits have changed relative to Rhode Island benefits, as calculated and displayed in those filings.

Methodology

NCCI recently completed a full study of the USL&HW factors using Unit Statistical Data to determine the indicated USL&HW factor. The average cost of claims subject to Rhode Island’s workers compensation (WC) Act was compared to the average cost of claims subject to the USL&HW Act and a ratio, or “relativity,” was calculated. Due to the limited number of claims subject to the USL&HW Act within a given state, the average cost for these claims was calculated on a countrywide basis to increase the predictive accuracy. Two adjustments were independently made to the federal severity calculation to reflect additional attributes of the state under review: an injury type (IT) adjustment and a hazard group (HG) adjustment. Prior to calculating the indicated relativity, these adjustments modified the countrywide federal claim cost and the state’s industrial claim cost to have matching IT or matching HG distributions. These adjustments were done two ways: by weighting the federal severity to match the state severity IT or HG distribution, and vice versa. These calculations were done separately for indemnity and medical severities before being combined. The resulting values from the four



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adjustment combinations were considered in the analysis. Note for medical, the indicated relativity was credibility weighted with the medical relativity assumption of unity underlying the previous (i.e., 2003) review prior to determining the combined indemnity and medical relativity.

Based on this review, each jurisdiction was placed into one of four USL&HW factor groups. These placements were validated by analyzing each jurisdiction's benefit structure. The USL&HW factor found on the Miscellaneous Values page is the USL&HW factor assigned to Rhode Island, adjusted for the difference between state and federal expenses, if applicable.

The USL&HW factor will not be automatically adjusted annually for filed benefit changes as has been current practice. Instead, unless a significant change to the state's benefit system occurs, NCCI will periodically review the current approved USL&HW factor to determine if an update to the USL&HW factor is warranted.

Impact

NCCI's recent study indicated that the current approved USL&HW factor in Rhode Island adequately covers the higher benefits applicable when a claim is subject to the USL&HW Act instead of Rhode Island's WC Act. Therefore, the USL&HW factor being proposed in this filing is not materially different than what is currently approved. The update to the USL&HW factor is expected to have a negligible impact on the proposed overall average loss cost level change in this filing.

Note that in NCCI Unit Statistical Data for the latest 5 policy years, the amount of USL&HW payroll reported outside of F-Classes has been approximately \$6,310,000 on average per year in Rhode Island.



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Part 2 Proposed Values

- Proposed Voluntary Loss Costs and Rating Values
- Proposed Values for Inclusion in the Experience Rating Plan Manual
- Proposed Values for Inclusion in the Retrospective Rating Plan Manual



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Proposed Voluntary Loss Costs and Rating Values

The following pages include proposed advisory loss costs and rating values:

- Advisory loss costs, expected loss rates, and d-ratios by class code, along with associated footnotes

- Advisory miscellaneous values, such as:
 - Advisory loss elimination ratios
 - Maximum weekly payroll applicable for select class codes
 - Premium determination for Executive Officers and Athletic Sports or Park
 - Terrorism advisory loss cost
 - United States Longshore and Harbor Workers' Compensation Coverage Percentage

ADVISORY LOSS COSTS - NOT RATES

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

Effective August 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
0005	2.88	2.39	0.38	2016	2.79	2.34	0.39	2709	8.65	6.59	0.33
0008	2.33	1.87	0.34	2021	2.43	1.94	0.34	2710	6.83	4.96	0.29
0016	5.10	3.91	0.32	2039	2.42	2.04	0.39	2714	4.25	3.60	0.40
0034	3.75	3.10	0.38	2041	2.49	2.09	0.39	2731	3.70	2.83	0.32
0035	2.58	2.18	0.40	2065	1.94	1.60	0.38	2735	6.22	5.31	0.40
0036	4.20	3.47	0.38	2070	4.87	4.02	0.38	2759	6.41	5.43	0.40
0037	4.07	3.26	0.34	2081	2.74	2.27	0.38	2790	1.26	1.07	0.40
0042	4.35	3.48	0.34	2089	2.99	2.47	0.38	2797	3.39	2.81	0.38
0050	3.54	2.93	0.38	2095	4.17	3.45	0.38	2799	3.65	2.91	0.34
0059D	0.19	0.07	0.32	2105	3.07	2.60	0.40	2802	3.85	3.07	0.34
0065D	0.04	0.02	0.32	2110	1.90	1.61	0.40	2835	2.16	1.89	0.45
0066D	0.04	0.02	0.32	2111	2.58	2.19	0.40	2836	2.34	2.06	0.45
0067D	0.04	0.02	0.32	2112	3.24	2.74	0.40	2841	3.92	3.34	0.40
0079	2.76	2.12	0.32	2114	2.25	1.91	0.40	2881	2.34	2.05	0.45
0083	4.52	3.74	0.38	2121	1.17	0.97	0.38	2883	2.89	2.40	0.38
0106	10.98	7.98	0.29	2130	1.73	1.44	0.38	2913	-	2.40	0.38
0113	3.56	2.96	0.38	2131	2.01	1.65	0.38	2915	3.27	2.60	0.34
0170	2.76	2.30	0.38	2143	2.32	1.97	0.40	2916	2.99	2.17	0.29
0251	3.51	2.91	0.38	2157	4.63	3.81	0.38	2923	1.93	1.63	0.40
0400	-	1.93	0.34	2172	1.68	1.32	0.34	2942	-	1.09	0.45
0401	10.53	7.65	0.29	2174	2.52	2.13	0.40	2960	6.23	5.20	0.38
0771N	0.46	-	-	2211	5.17	3.95	0.32	3004	1.53	1.16	0.33
0908P	125.00	104.06	0.38	2220	1.57	1.30	0.38	3018	2.62	2.00	0.33
0913P	442.00	364.39	0.38	2260	-	3.95	0.32	3022	3.24	2.73	0.39
0917	4.64	3.92	0.40	2286	1.57	1.30	0.38	3027	2.99	2.28	0.33
0918X	1.05	0.87	0.38	2288	3.17	2.69	0.40	3028	2.64	2.18	0.38
1005	6.13	4.14	0.29	2300	-	1.45	0.38	3030	6.45	4.94	0.32
1164D	3.83	2.59	0.29	2302	1.58	1.31	0.38	3040	5.08	3.88	0.32
1165D	2.75	1.97	0.29	2305	2.25	1.79	0.34	3041	3.51	2.92	0.38
1320	1.54	1.11	0.29	2361	1.69	1.41	0.38	3042	3.87	3.09	0.34
1322	5.57	4.01	0.29	2362	1.82	1.52	0.38	3064	4.09	3.39	0.38
1430	4.39	3.37	0.32	2380	1.87	1.56	0.38	3069	-	2.70	0.38
1438	4.04	2.92	0.29	2386	-	1.45	0.38	3076	3.27	2.70	0.38
1452	2.37	1.79	0.33	2388	1.81	1.55	0.40	3081D	5.94	4.52	0.32
1463	11.06	8.04	0.29	2402	2.65	2.03	0.32	3082D	3.90	2.95	0.32
1472	2.75	2.00	0.29	2413	2.59	2.16	0.38	3085D	3.72	2.81	0.32
1624D	2.52	1.81	0.29	2416	1.42	1.17	0.38	3110	3.53	2.92	0.38
1642	2.28	1.73	0.33	2417	1.96	1.61	0.38	3111	1.92	1.59	0.38
1654	5.51	4.19	0.33	2501	1.74	1.45	0.38	3113	1.42	1.17	0.38
1655	-	1.73	0.33	2503	1.67	1.40	0.39	3114	2.58	2.14	0.38
1699	2.91	2.22	0.33	2534	-	1.45	0.38	3118	1.79	1.51	0.39
1701	2.58	1.97	0.32	2570	3.30	2.78	0.39	3119	0.61	0.54	0.45
1710D	3.39	2.55	0.33	2585	3.46	2.91	0.39	3122	1.84	1.56	0.40
1741	-	1.97	0.32	2586	2.39	1.98	0.38	3126	1.47	1.22	0.38
1747	2.39	1.81	0.33	2587	2.47	2.07	0.39	3131	1.60	1.33	0.38
1748	3.96	3.04	0.32	2589	1.71	1.42	0.38	3132	2.56	2.13	0.38
1803D	7.14	4.99	0.29	2600	3.80	3.20	0.39	3145	1.72	1.43	0.38
1852	-	1.38	0.28	2623	6.18	4.94	0.34	3146	2.38	1.98	0.38
1853	-	1.97	0.32	2651	1.66	1.40	0.40	3169	2.31	1.91	0.38
1860	-	1.86	0.38	2660	2.11	1.79	0.40	3175	-	1.91	0.38
1924	2.40	2.02	0.39	2670	1.90	1.66	0.45	3179	1.97	1.66	0.39
1925	3.32	2.66	0.34	2683	1.74	1.49	0.40	3180	2.34	1.98	0.40
2002	4.63	3.95	0.40	2688	2.01	1.69	0.39	3188	2.03	1.72	0.40
2003	3.85	3.19	0.38	2701	12.35	9.35	0.33	3220	1.72	1.42	0.38
2014	4.64	3.54	0.33	2702	21.91	15.00	0.29	3223	-	1.98	0.40

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ADVISORY LOSS COSTS - NOT RATES

RHODE ISLAND

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Effective August 1, 2020

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
3224	2.55	2.14	0.39	4000	3.72	2.68	0.29	4583	4.65	3.36	0.29
3227	2.47	2.09	0.39	4021	4.12	3.15	0.32	4611	0.85	0.72	0.40
3240	2.57	2.18	0.40	4024D	3.20	2.43	0.33	4635	2.45	1.67	0.29
3241	2.68	2.22	0.38	4034	4.95	3.77	0.33	4653	2.06	1.75	0.40
3255	2.08	1.83	0.45	4036	1.94	1.49	0.32	4665	6.07	4.64	0.32
3257	2.80	2.33	0.38	4038	2.19	1.91	0.45	4670	-	3.78	0.38
3270	2.31	1.92	0.38	4053	-	1.90	0.38	4683	4.56	3.78	0.38
3300	3.42	2.86	0.38	4061	-	1.90	0.38	4686	2.45	1.87	0.32
3303	2.14	1.81	0.40	4062	2.30	1.90	0.38	4692	0.77	0.65	0.39
3307	3.52	2.92	0.38	4101	2.31	1.84	0.34	4693	0.86	0.71	0.38
3315	3.15	2.65	0.39	4109	0.50	0.42	0.39	4703	1.81	1.49	0.38
3334	2.43	1.99	0.38	4110	0.87	0.72	0.38	4717	1.69	1.48	0.45
3336	4.71	3.59	0.33	4111	1.34	1.13	0.39	4720	3.14	2.61	0.38
3365	3.50	2.65	0.33	4113	-	1.13	0.39	4740	1.23	0.94	0.33
3372	2.59	2.07	0.34	4114	2.22	1.83	0.38	4741	2.71	2.24	0.38
3373	3.68	3.05	0.38	4130	3.00	2.49	0.38	4751	1.56	1.20	0.32
3383X	1.52	1.28	0.39	4131	4.51	3.83	0.40	4771N	2.58	1.77	0.29
3385	0.71	0.60	0.40	4133	1.66	1.41	0.40	4777	3.24	2.23	0.28
3400	2.62	2.09	0.34	4149	0.88	0.77	0.45	4825	0.63	0.48	0.33
3507	2.80	2.31	0.38	4206	2.71	2.24	0.38	4828	1.26	1.01	0.34
3515	1.81	1.51	0.38	4207	1.79	1.35	0.33	4829	1.07	0.77	0.29
3516	-	1.51	0.38	4239	2.20	1.67	0.33	4902	2.58	2.19	0.40
3548	1.69	1.41	0.38	4240	2.69	2.28	0.40	4923	1.37	1.13	0.38
3559	2.18	1.81	0.38	4243	2.13	1.76	0.38	5020	4.14	3.15	0.33
3561	-	0.79	0.39	4244	3.32	2.76	0.38	5022	4.58	3.30	0.29
3574	0.94	0.79	0.39	4250	1.61	1.34	0.38	5037	11.97	8.14	0.29
3581	1.01	0.86	0.40	4251	2.22	1.84	0.38	5040	8.55	5.81	0.29
3612	2.18	1.73	0.34	4263	2.22	1.84	0.38	5057	3.90	2.65	0.29
3620	2.56	1.95	0.33	4273	2.27	1.88	0.38	5059	12.06	8.26	0.29
3629	1.25	1.06	0.40	4279	2.25	1.86	0.38	5069	-	8.26	0.29
3632	1.96	1.56	0.34	4282	-	1.86	0.38	5102	4.16	3.01	0.29
3634	1.59	1.34	0.39	4283	1.52	1.26	0.38	5146	5.27	4.00	0.33
3635	1.91	1.58	0.38	4299	1.58	1.34	0.40	5160	1.86	1.33	0.29
3638	1.40	1.18	0.39	4301	-	1.86	0.38	5183	2.54	1.93	0.33
3642	1.09	0.91	0.38	4304	3.48	2.78	0.34	5188	2.11	1.60	0.33
3643	1.65	1.36	0.38	4307	1.54	1.35	0.45	5190	1.97	1.50	0.33
3647	2.21	1.77	0.34	4351	0.83	0.69	0.38	5191	0.83	0.69	0.38
3648	1.35	1.14	0.40	4352	1.30	1.10	0.40	5192	2.91	2.40	0.38
3681	0.78	0.67	0.40	4360	-	0.44	0.34	5213	4.28	3.09	0.29
3685	1.01	0.86	0.40	4361	0.77	0.66	0.40	5215	5.03	4.01	0.34
3719	0.90	0.61	0.29	4410	2.67	2.21	0.38	5221	4.39	3.34	0.33
3724	2.60	1.87	0.29	4420	3.80	2.73	0.29	5222	5.65	4.07	0.29
3726	2.42	1.65	0.29	4431	1.33	1.17	0.45	5223	4.54	3.45	0.33
3803	2.16	1.78	0.38	4432	1.23	1.09	0.45	5348	4.66	3.55	0.33
3807	2.20	1.86	0.39	4439	-	1.18	0.38	5402	3.79	3.20	0.39
3808	3.24	2.57	0.34	4452	2.40	1.99	0.38	5403	4.67	3.37	0.29
3821	4.75	3.79	0.34	4459	2.33	1.93	0.38	5437	5.21	3.97	0.33
3822	3.13	2.52	0.34	4470	2.30	1.90	0.38	5443	2.78	2.29	0.38
3824	3.42	2.74	0.34	4484	2.66	2.20	0.38	5445	5.18	3.74	0.29
3826	0.87	0.72	0.38	4493	2.76	2.28	0.38	5462	5.45	4.16	0.33
3827	1.99	1.59	0.34	4511	0.76	0.61	0.34	5472	9.99	6.82	0.29
3830	1.06	0.84	0.34	4557	2.28	1.92	0.39	5473	6.30	4.30	0.29
3851	2.37	1.99	0.39	4558	1.43	1.18	0.38	5474	5.14	3.72	0.29
3865	1.74	1.54	0.45	4568	2.06	1.57	0.33	5478	3.24	2.45	0.33
3881	3.49	2.88	0.38	4581	0.84	0.61	0.29	5479	4.49	3.59	0.34

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ADVISORY LOSS COSTS - NOT RATES

RHODE ISLAND

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5480	5.27	3.79	0.29	7038M	3.86	2.71	0.28	7610	0.56	0.44	0.34
5491	1.41	1.02	0.29	7046M	5.21	3.55	0.29	7705	4.21	3.35	0.34
5506	5.73	3.92	0.29	7047M	4.20	2.71	0.29	7710	3.40	2.46	0.29
5507	3.30	2.40	0.29	7050M	7.03	4.70	0.28	7711	3.40	2.46	0.29
5508	-	2.40	0.29	7090M	4.29	3.01	0.28	7720	2.13	1.63	0.32
5535	5.10	3.90	0.32	7098M	5.79	3.94	0.29	7855	2.70	2.06	0.33
5537	3.27	2.49	0.33	7099M	9.55	6.20	0.29	8001	1.74	1.48	0.40
5551	10.89	7.47	0.29	7133	2.39	1.73	0.29	8002	1.85	1.54	0.38
5606	0.66	0.47	0.29	7151M	2.90	2.11	0.29	8006	1.86	1.54	0.38
5610	4.19	3.44	0.38	7152M	5.32	3.67	0.29	8008	0.96	0.81	0.40
5645	6.16	4.45	0.29	7153M	3.23	2.34	0.29	8010	1.38	1.17	0.40
5703	12.71	9.68	0.33	7219	5.96	4.31	0.29	8013	0.59	0.49	0.38
5705	9.66	7.41	0.32	7222	6.10	4.61	0.33	8015	0.78	0.65	0.38
5951	0.23	0.19	0.40	7225	5.43	4.14	0.33	8017	1.43	1.21	0.40
6003	6.77	5.14	0.33	7228	-	4.31	0.29	8018	2.18	1.84	0.39
6005	3.21	2.46	0.32	7229	-	4.31	0.29	8021	2.18	1.81	0.38
6045	3.72	2.80	0.33	7230	6.25	4.96	0.34	8031	2.63	2.18	0.38
6204	6.57	4.75	0.29	7231	9.45	7.50	0.34	8032	1.83	1.55	0.40
6206	2.01	1.37	0.29	7232	7.82	5.59	0.29	8033	1.48	1.23	0.38
6213	1.18	0.85	0.29	7309F	9.45	4.79	0.27	8037	1.78	1.52	0.40
6214	1.46	1.00	0.29	7313F	3.83	1.95	0.27	8039	1.40	1.19	0.40
6216	4.08	2.77	0.29	7317F	6.70	3.37	0.27	8044X	3.69	2.95	0.34
6217	2.75	1.98	0.29	7327F	15.65	8.08	0.27	8045	0.63	0.53	0.39
6229	2.79	2.02	0.29	7333M	2.90	1.96	0.29	8046	2.94	2.45	0.38
6233	1.85	1.33	0.29	7335M	3.22	2.17	0.29	8047	0.82	0.70	0.39
6235	4.03	2.74	0.29	7337M	5.31	3.41	0.29	8058	2.84	2.37	0.38
6236	5.33	4.04	0.33	7350F	11.31	5.91	0.28	8072	0.65	0.56	0.40
6237	1.17	0.88	0.33	7360	3.24	2.47	0.33	8102	1.92	1.63	0.40
6251D	5.42	3.86	0.29	7370	4.69	3.88	0.38	8103	2.39	1.93	0.34
6252D	6.56	4.43	0.29	7380	4.80	3.82	0.34	8105	-	1.84	0.39
6260	-	3.86	0.29	7382	2.93	2.43	0.38	8106	3.61	2.76	0.32
6306	3.08	2.23	0.29	7390	7.10	5.87	0.38	8107	2.77	2.11	0.33
6319	2.82	2.02	0.29	7394M	3.51	2.37	0.29	8111	1.81	1.50	0.38
6325	2.56	1.85	0.29	7395M	3.90	2.63	0.29	8116	2.24	1.86	0.38
6400	4.69	3.73	0.34	7398M	6.43	4.14	0.29	8203	7.49	6.21	0.38
6503	1.95	1.64	0.39	7402	0.13	0.11	0.38	8204	4.50	3.47	0.32
6504	2.67	2.26	0.40	7403	4.67	3.57	0.32	8209	3.55	2.95	0.38
6702M*	3.28	2.50	0.33	7405N	1.15	0.87	0.33	8215	3.43	2.62	0.32
6703M*	6.01	4.38	0.33	7420	10.04	6.73	0.29	8227	3.25	2.22	0.29
6704M*	3.65	2.78	0.33	7421	1.23	0.88	0.29	8232	4.28	3.27	0.32
6801F	3.80	2.07	0.31	7422	1.37	0.93	0.29	8233	3.33	2.50	0.33
6811	3.90	2.96	0.33	7425	2.30	1.55	0.29	8235	4.46	3.69	0.38
6824F	7.25	3.85	0.28	7431N	0.93	0.63	0.29	8263	4.77	3.84	0.34
6826F	3.36	1.84	0.31	7445N	0.62	-	-	8264	5.33	4.09	0.32
6834	3.44	2.75	0.34	7453N	0.50	-	-	8265	5.68	4.11	0.29
6836	3.07	2.35	0.32	7502	1.46	1.11	0.33	8279	7.29	5.43	0.29
6843F	7.51	3.83	0.27	7515	0.89	0.61	0.29	8288	5.88	4.53	0.32
6845F	4.88	2.48	0.27	7520	3.39	2.80	0.38	8291	3.18	2.53	0.34
6854	4.82	3.29	0.29	7538	3.34	2.29	0.29	8292	3.74	3.10	0.38
6872F	7.69	3.91	0.27	7539	1.14	0.82	0.29	8293	8.31	6.36	0.32
6874F	10.61	5.36	0.27	7540	2.46	1.70	0.28	8304	4.58	3.50	0.32
6882	5.30	3.67	0.28	7580	2.14	1.64	0.32	8350X	5.74	4.15	0.29
6884	2.27	1.55	0.29	7590	2.77	2.20	0.34	8381X	1.88	1.51	0.34
7016M	2.66	1.79	0.29	7600	4.17	3.18	0.33	8385	2.22	1.70	0.32
7024M	2.96	2.00	0.29	7605	1.64	1.25	0.33	8387X	2.98	2.37	0.34

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8391X	2.38	1.90	0.34	9052	1.86	1.57	0.40				
8392	2.01	1.68	0.38	9058	1.39	1.22	0.45				
8393X	1.60	1.32	0.38	9060	1.30	1.10	0.40				
8500	5.40	4.11	0.33	9061	1.10	0.96	0.45				
8601	0.24	0.19	0.34	9063	0.71	0.61	0.40				
8602	0.67	0.53	0.34	9077F	2.24	1.27	0.37				
8603	0.07	0.05	0.38	9082	1.20	1.05	0.45				
8606	2.27	1.64	0.29	9083	1.15	1.01	0.45				
8709F	4.06	2.06	0.27	9084	1.19	0.99	0.38				
8719	2.28	1.57	0.29	9088a	a	a	a				
8720	0.81	0.62	0.33	9089	1.04	0.89	0.40				
8721	0.25	0.19	0.33	9093	1.26	1.07	0.40				
8723	0.11	0.09	0.38	9101	3.07	2.59	0.40				
8725	2.20	1.68	0.33	9102	2.70	2.24	0.38				
8726F	1.62	0.89	0.31	9154	1.32	1.10	0.38				
8734M	0.31	0.24	0.32	9156	2.05	1.65	0.34				
8737M	0.28	0.21	0.32	9170	8.22	5.66	0.28				
8738M	0.51	0.36	0.32	9178	3.12	2.80	0.45				
8742	0.23	0.17	0.32	9179	5.28	4.46	0.39				
8745	3.18	2.53	0.34	9180	4.42	3.42	0.32				
8748	0.56	0.44	0.34	9182	1.79	1.49	0.38				
8754X	0.80	0.67	0.38	9186	11.29	8.31	0.29				
8755	0.21	0.16	0.32	9220	3.87	3.09	0.34				
8799	0.44	0.36	0.38	9402	4.35	3.31	0.33				
8800	1.25	1.10	0.45	9403	6.28	4.53	0.29				
8803	0.05	0.04	0.33	9410	2.44	2.02	0.38				
8805M	0.15	0.12	0.38	9501	2.40	1.91	0.34				
8810	0.11	0.09	0.38	9505	3.44	2.75	0.34				
8814M	0.13	0.11	0.38	9516	3.50	2.66	0.33				
8815M	0.24	0.19	0.38	9519	3.52	2.67	0.33				
8820	0.11	0.09	0.34	9521	3.16	2.42	0.32				
8824	2.95	2.50	0.40	9522	1.69	1.40	0.38				
8825	-	1.69	0.38	9534	2.63	1.89	0.29				
8826	2.03	1.69	0.38	9554	5.93	4.30	0.29				
8831	0.99	0.83	0.38	9586	0.50	0.44	0.45				
8832	0.24	0.20	0.38	9600	2.40	2.02	0.39				
8833	1.08	0.89	0.38	9620	1.23	0.98	0.34				
8835	2.24	1.85	0.38								
8841X	1.73	1.38	0.34								
8842	2.52	2.09	0.38								
8855	0.12	0.10	0.38								
8856	0.25	0.21	0.38								
8864	1.32	1.10	0.38								
8868	0.25	0.21	0.40								
8869	0.75	0.64	0.40								
8871	0.07	0.05	0.39								
8901	0.15	0.12	0.34								
9012	0.91	0.72	0.34								
9014	2.67	2.21	0.38								
9015	2.98	2.46	0.38								
9016	3.35	2.79	0.38								
9019	2.51	1.93	0.32								
9033X	2.98	2.46	0.38								
9040	3.36	2.85	0.40								
9047X	2.29	1.90	0.38								

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

Effective August 1, 2020

FOOTNOTES

- a Advisory loss cost for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- D Advisory loss cost for classification already includes the specific disease loading shown in the table below. See **Basic Manual** Rule 3-A-7.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.19	S	1165D	0.01	S	3082D	0.05	S
0065D	0.04	S	1624D	0.01	S	3085D	0.05	S
0066D	0.04	S	1710D	0.02	S	4024D	0.02	S
0067D	0.04	S	1803D	0.24	S	6251D	0.02	S
1164D	0.02	S	3081D	0.05	S	6252D	0.03	S

S=Silica

- F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Loss cost contains a provision for the USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published loss cost is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding advisory loss cost are applied in addition to the basic classification when determining premium.

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

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

- 6702 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code loss cost and elr each x 1.215.
- 6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.226 and elr x 2.124.
- 6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.

Effective August 1, 2020

ADVISORY MISCELLANEOUS VALUES

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

Advisory Loss Elimination Ratios							
Deductible Amount	HAZARD GROUP						
	A	B	C	D	E	F	G
\$250	2.6%	1.9%	1.7%	1.4%	1.1%	0.8%	0.8%
\$500	4.6%	3.4%	3.0%	2.5%	2.0%	1.5%	1.4%
\$1,000	7.5%	5.7%	5.1%	4.2%	3.5%	2.7%	2.5%
\$2,500	13.2%	10.4%	9.5%	8.0%	6.7%	5.4%	4.9%
\$5,000	19.6%	16.1%	14.7%	12.6%	10.8%	8.9%	8.0%

Note: These percentages do not include a safety factor and do not reflect the premium reductions to be applied to policy premium.

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

Employee operated vehicle.....	\$79,500
Leased or rented vehicle.....	\$53,000

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

Maximum Weekly Payroll applicable in accordance with *Basic Manual* Rule 2-E-1 -- "Executive Officers" and *Basic Manual* footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... \$4,100

Minimum Weekly Payroll applicable in accordance with *Basic Manual* Rule 2-E-1 -- "Executive Officers" .. \$1,000

Terrorism - (Advisory Loss Cost) 0.005

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with *Basic Manual* Rule 3-A-4..... 85%

(Multiply a Non-F classification loss cost by a factor of 1.85 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.75) and the adjustment for differences in loss-based expenses (1.056).)

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state and by effective date.



RHODE ISLAND

Advisory Loss Costs and Rating Values Filing – August 1, 2020

Proposed Values for Inclusion in the Experience Rating Plan Manual

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

- Table of Weighting Values
- Table of Ballast Values
- Experience rating premium eligibility amounts

Effective August 1, 2020
TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES
Experience Rating Program - ERA

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	2,230	0.04	1,257,648	--	1,327,019	0.44
2,231	--	9,015	0.05	1,327,020	--	1,400,407	0.45
9,016	--	15,946	0.06	1,400,408	--	1,478,171	0.46
15,947	--	23,027	0.07	1,478,172	--	1,560,716	0.47
23,028	--	30,262	0.08	1,560,717	--	1,648,497	0.48
30,263	--	50,616	0.09	1,648,498	--	1,742,029	0.49
50,617	--	75,344	0.10	1,742,030	--	1,841,899	0.50
75,345	--	97,339	0.11	1,841,900	--	1,948,773	0.51
97,340	--	118,755	0.12	1,948,774	--	2,063,415	0.52
118,756	--	140,174	0.13	2,063,416	--	2,186,705	0.53
140,175	--	161,857	0.14	2,186,706	--	2,319,662	0.54
161,858	--	183,950	0.15	2,319,663	--	2,463,468	0.55
183,951	--	206,554	0.16	2,463,469	--	2,619,509	0.56
206,555	--	229,743	0.17	2,619,510	--	2,789,417	0.57
229,744	--	253,581	0.18	2,789,418	--	2,975,127	0.58
253,582	--	278,123	0.19	2,975,128	--	3,178,951	0.59
278,124	--	303,422	0.20	3,178,952	--	3,403,676	0.60
303,423	--	329,530	0.21	3,403,677	--	3,652,693	0.61
329,531	--	356,501	0.22	3,652,694	--	3,930,165	0.62
356,502	--	384,387	0.23	3,930,166	--	4,241,266	0.63
384,388	--	413,244	0.24	4,241,267	--	4,592,506	0.64
413,245	--	443,132	0.25	4,592,507	--	4,992,189	0.65
443,133	--	474,112	0.26	4,992,190	--	5,451,080	0.66
474,113	--	506,249	0.27	5,451,081	--	5,983,391	0.67
506,250	--	539,615	0.28	5,983,392	--	6,608,273	0.68
539,616	--	574,285	0.29	6,608,274	--	7,352,175	0.69
574,286	--	610,339	0.30	7,352,176	--	8,252,685	0.70
610,340	--	647,867	0.31	8,252,686	--	9,365,074	0.71
647,868	--	686,961	0.32	9,365,075	--	10,774,096	0.72
686,962	--	727,725	0.33	10,774,097	--	12,616,656	0.73
727,726	--	770,270	0.34	12,616,657	--	15,129,233	0.74
770,271	--	814,717	0.35	15,129,234	--	18,758,502	0.75
814,718	--	861,199	0.36	18,758,503	--	24,461,630	0.76
861,200	--	909,859	0.37	24,461,631	--	34,727,249	0.77
909,860	--	960,856	0.38	34,727,250	--	58,680,340	0.78
960,857	--	1,014,364	0.39	58,680,341	--	178,445,735	0.79
1,014,365	--	1,070,575	0.40	178,445,736	AND OVER	0.80	
1,070,576	--	1,129,699	0.41				
1,129,700	--	1,191,970	0.42				
1,191,971	--	1,257,647	0.43				

- (a) G 10.65
 - (b) State Per Claim Accident Limitation \$266,500
 - (c) State Multiple Claim Accident Limitation \$533,000
 - (d) USL&HW Per Claim Accident Limitation \$875,500
 - (e) USL&HW Multiple Claim Accident Limitation \$1,751,000
 - (f) Employers Liability Accident Limitation \$55,000
 - (g) Primary/Excess Loss Split Point \$17,500
 - (h) USL&HW Act -- Expected Loss Factor -- Non-F Classes 1.75
- (Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.75.)*

Effective August 1, 2020

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES
Experience Rating Plan - ERA

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 57,284	26,625	1,838,201 -- 1,891,420	213,000	3,701,411 -- 3,754,652	399,375
57,285 -- 98,592	31,950	1,891,421 -- 1,944,641	218,325	3,754,653 -- 3,807,895	404,700
98,593 -- 146,055	37,275	1,944,642 -- 1,997,864	223,650	3,807,896 -- 3,861,138	410,025
146,056 -- 196,124	42,600	1,997,865 -- 2,051,089	228,975	3,861,139 -- 3,914,381	415,350
196,125 -- 247,412	47,925	2,051,090 -- 2,104,314	234,300	3,914,382 -- 3,967,624	420,675
247,413 -- 299,344	53,250	2,104,315 -- 2,157,541	239,625	3,967,625 -- 4,020,867	426,000
299,345 -- 351,652	58,575	2,157,542 -- 2,210,769	244,950	4,020,868 -- 4,074,111	431,325
351,653 -- 404,196	63,900	2,210,770 -- 2,263,998	250,275	4,074,112 -- 4,127,355	436,650
404,197 -- 456,899	69,225	2,263,999 -- 2,317,228	255,600	4,127,356 -- 4,180,598	441,975
456,900 -- 509,713	74,550	2,317,229 -- 2,370,459	260,925	4,180,599 -- 4,233,842	447,300
509,714 -- 562,606	79,875	2,370,460 -- 2,423,691	266,250	4,233,843 -- 4,287,087	452,625
562,607 -- 615,560	85,200	2,423,692 -- 2,476,923	271,575	4,287,088 -- 4,340,331	457,950
615,561 -- 668,561	90,525	2,476,924 -- 2,530,157	276,900	4,340,332 -- 4,393,576	463,275
668,562 -- 721,597	95,850	2,530,158 -- 2,583,391	282,225	4,393,577 -- 4,446,820	468,600
721,598 -- 774,662	101,175	2,583,392 -- 2,636,625	287,550	4,446,821 -- 4,500,065	473,925
774,663 -- 827,751	106,500	2,636,626 -- 2,689,860	292,875	4,500,066 -- 4,553,310	479,250
827,752 -- 880,859	111,825	2,689,861 -- 2,743,096	298,200	4,553,311 -- 4,606,555	484,575
880,860 -- 933,983	117,150	2,743,097 -- 2,796,332	303,525	4,606,556 -- 4,659,800	489,900
933,984 -- 987,120	122,475	2,796,333 -- 2,849,569	308,850	4,659,801 -- 4,713,045	495,225
987,121 -- 1,040,269	127,800	2,849,570 -- 2,902,807	314,175	4,713,046 -- 4,766,290	500,550
1,040,270 -- 1,093,428	133,125	2,902,808 -- 2,956,044	319,500	4,766,291 -- 4,819,536	505,875
1,093,429 -- 1,146,594	138,450	2,956,045 -- 3,009,282	324,825	4,819,537 -- 4,872,781	511,200
1,146,595 -- 1,199,769	143,775	3,009,283 -- 3,062,521	330,150	4,872,782 -- 4,926,027	516,525
1,199,770 -- 1,252,949	149,100	3,062,522 -- 3,115,760	335,475	4,926,028 -- 4,979,273	521,850
1,252,950 -- 1,306,136	154,425	3,115,761 -- 3,168,999	340,800	4,979,274 -- 5,032,518	527,175
1,306,137 -- 1,359,327	159,750	3,169,000 -- 3,222,239	346,125	5,032,519 -- 5,085,375	532,500
1,359,328 -- 1,412,522	165,075	3,222,240 -- 3,275,479	351,450		
1,412,523 -- 1,465,722	170,400	3,275,480 -- 3,328,719	356,775		
1,465,723 -- 1,518,925	175,725	3,328,720 -- 3,381,960	362,100		
1,518,926 -- 1,572,131	181,050	3,381,961 -- 3,435,201	367,425		
1,572,132 -- 1,625,340	186,375	3,435,202 -- 3,488,442	372,750		
1,625,341 -- 1,678,552	191,700	3,488,443 -- 3,541,684	378,075		
1,678,553 -- 1,731,766	197,025	3,541,685 -- 3,594,925	383,400		
1,731,767 -- 1,784,982	202,350	3,594,926 -- 3,648,167	388,725		
1,784,983 -- 1,838,200	207,675	3,648,168 -- 3,701,410	394,050		

For Expected Losses greater than \$5,085,375, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(10.65) / (\text{Expected Losses} + (700)(10.65))$$

G = 10.65

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

RHODE ISLAND—UPDATE TO EXPERIENCE RATING PREMIUM ELIGIBILITY

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 (\$)
RI	<u>2/1/21 and after</u>	<u>11,000</u>	<u>5,500</u>
	<u>2/1/20 - 1/31/21</u>	11,000	5,500
	<u>2/1/19 - 1/31/20</u>	10,500	5,250

NOTE: This exhibit revises the Rhode Island 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. 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.



RHODE ISLAND

Advisory Loss Costs and Rating Values Filing – August 1, 2020

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

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

- Hazard group average cost per Case
- Hazard group average cost per case including ALAE
- Excess loss pure premium factors
- Excess loss and allocated expense pure premium factors
- Retrospective pure premium development factors

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

RHODE ISLAND

Effective August 1, 2020

1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
8,789	12,520	13,989	17,343	22,346	29,736	31,602

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
10,012	14,253	15,915	19,718	25,384	33,753	35,807

2.

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

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.593	0.631	0.646	0.670	0.690	0.712	0.724
\$15,000	0.537	0.579	0.596	0.623	0.648	0.674	0.690
\$20,000	0.492	0.537	0.555	0.585	0.613	0.642	0.661
\$25,000	0.455	0.501	0.520	0.552	0.583	0.614	0.635
\$30,000	0.424	0.471	0.491	0.524	0.556	0.589	0.612
\$35,000	0.399	0.446	0.466	0.499	0.532	0.567	0.591
\$40,000	0.376	0.423	0.443	0.478	0.511	0.547	0.572
\$50,000	0.339	0.386	0.406	0.441	0.475	0.512	0.539
\$75,000	0.275	0.319	0.339	0.374	0.409	0.446	0.476
\$100,000	0.233	0.274	0.294	0.327	0.362	0.399	0.431
\$125,000	0.202	0.241	0.261	0.293	0.327	0.364	0.396
\$150,000	0.179	0.216	0.235	0.266	0.299	0.335	0.368
\$175,000	0.160	0.195	0.214	0.244	0.276	0.311	0.344
\$200,000	0.145	0.178	0.196	0.225	0.257	0.291	0.324
\$225,000	0.132	0.164	0.181	0.209	0.241	0.274	0.307
\$250,000	0.121	0.152	0.169	0.196	0.226	0.259	0.292
\$275,000	0.112	0.142	0.158	0.184	0.214	0.245	0.278
\$300,000	0.104	0.132	0.148	0.174	0.203	0.234	0.266
\$325,000	0.097	0.124	0.140	0.164	0.193	0.223	0.255
\$350,000	0.091	0.117	0.132	0.156	0.184	0.213	0.245
\$375,000	0.086	0.111	0.125	0.148	0.175	0.204	0.236
\$400,000	0.081	0.105	0.119	0.142	0.168	0.196	0.227
\$425,000	0.077	0.100	0.113	0.135	0.161	0.189	0.220
\$450,000	0.073	0.095	0.108	0.130	0.155	0.182	0.212
\$475,000	0.069	0.091	0.104	0.124	0.149	0.175	0.206
\$500,000	0.066	0.087	0.099	0.120	0.144	0.170	0.199
\$600,000	0.055	0.074	0.085	0.103	0.126	0.149	0.178
\$700,000	0.047	0.064	0.074	0.091	0.112	0.134	0.161
\$800,000	0.041	0.056	0.066	0.081	0.100	0.121	0.147
\$900,000	0.036	0.050	0.059	0.073	0.091	0.110	0.135
\$1,000,000	0.032	0.045	0.053	0.066	0.083	0.101	0.125
\$2,000,000	0.014	0.021	0.026	0.033	0.044	0.055	0.070
\$3,000,000	0.008	0.013	0.016	0.021	0.028	0.036	0.048
\$4,000,000	0.006	0.009	0.011	0.015	0.020	0.026	0.035
\$5,000,000	0.004	0.006	0.008	0.011	0.015	0.019	0.027
\$6,000,000	0.003	0.005	0.006	0.008	0.011	0.015	0.021
\$7,000,000	0.002	0.004	0.004	0.006	0.009	0.012	0.017
\$8,000,000	0.002	0.003	0.004	0.005	0.007	0.010	0.014
\$9,000,000	0.001	0.002	0.003	0.004	0.006	0.008	0.011
\$10,000,000	0.001	0.002	0.002	0.003	0.005	0.007	0.010

Effective August 1, 2020

**Excess Loss and Allocated
Expense Pure Premium Factors**
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.688	0.729	0.745	0.770	0.793	0.816	0.828
\$15,000	0.627	0.674	0.691	0.721	0.748	0.776	0.792
\$20,000	0.578	0.628	0.647	0.680	0.710	0.742	0.761
\$25,000	0.538	0.589	0.610	0.645	0.677	0.711	0.733
\$30,000	0.505	0.557	0.578	0.614	0.648	0.684	0.708
\$35,000	0.476	0.528	0.550	0.587	0.623	0.660	0.686
\$40,000	0.451	0.504	0.525	0.563	0.600	0.638	0.665
\$50,000	0.410	0.462	0.484	0.522	0.560	0.600	0.629
\$75,000	0.338	0.388	0.410	0.448	0.486	0.528	0.560
\$100,000	0.290	0.337	0.359	0.396	0.434	0.476	0.510
\$125,000	0.255	0.300	0.321	0.357	0.395	0.436	0.471
\$150,000	0.228	0.270	0.291	0.326	0.364	0.404	0.439
\$175,000	0.206	0.247	0.267	0.301	0.338	0.377	0.413
\$200,000	0.188	0.227	0.247	0.280	0.316	0.354	0.390
\$225,000	0.173	0.211	0.230	0.262	0.297	0.335	0.370
\$250,000	0.160	0.196	0.215	0.246	0.281	0.317	0.353
\$275,000	0.149	0.184	0.202	0.233	0.266	0.302	0.338
\$300,000	0.140	0.173	0.191	0.220	0.253	0.289	0.324
\$325,000	0.131	0.163	0.181	0.210	0.242	0.276	0.311
\$350,000	0.124	0.155	0.172	0.200	0.231	0.265	0.300
\$375,000	0.117	0.147	0.164	0.191	0.222	0.255	0.289
\$400,000	0.111	0.140	0.156	0.183	0.213	0.246	0.280
\$425,000	0.105	0.134	0.149	0.175	0.205	0.237	0.271
\$450,000	0.100	0.128	0.143	0.168	0.198	0.229	0.262
\$475,000	0.096	0.122	0.137	0.162	0.191	0.221	0.255
\$500,000	0.091	0.117	0.132	0.156	0.184	0.214	0.247
\$600,000	0.077	0.101	0.114	0.136	0.163	0.191	0.222
\$700,000	0.067	0.088	0.101	0.121	0.146	0.172	0.202
\$800,000	0.059	0.078	0.090	0.109	0.132	0.156	0.185
\$900,000	0.052	0.070	0.081	0.098	0.120	0.143	0.171
\$1,000,000	0.047	0.063	0.073	0.090	0.110	0.132	0.159
\$2,000,000	0.021	0.030	0.036	0.046	0.059	0.073	0.092
\$3,000,000	0.013	0.019	0.023	0.029	0.039	0.049	0.063
\$4,000,000	0.008	0.013	0.016	0.021	0.028	0.035	0.046
\$5,000,000	0.006	0.009	0.011	0.015	0.021	0.027	0.036
\$6,000,000	0.004	0.007	0.009	0.012	0.016	0.021	0.028
\$7,000,000	0.003	0.005	0.007	0.009	0.013	0.017	0.023
\$8,000,000	0.003	0.004	0.005	0.007	0.010	0.014	0.019
\$9,000,000	0.002	0.003	0.004	0.006	0.008	0.011	0.016
\$10,000,000	0.002	0.003	0.003	0.005	0.007	0.010	0.013

3.

Retrospective Pure Premium Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.08	0.04	0.02	0.23	0.12	0.06	0.00



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Part 3 Supporting Exhibits

- Exhibit I: Determination of the Indicated Loss Cost Level Change
- Exhibit II: Workers Compensation Loss Adjustment Expense
- Appendix A: Factors Underlying the Proposed Loss Cost Level Change
- Appendix B: Calculations Underlying the Loss Cost Change by Classification
- Appendix C: Memoranda for Laws and Assessments
- Appendix D: Derivation of Experience Rating Values



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Exhibit I – Determination of Indicated Loss Cost Level Change

NCCI uses the following general methodology to determine the indicated change based on experience, trend, and benefits for each of the policy years in the experience period:

1. Standard earned premium at Designated Statistical Reporting (DSR) level is developed to ultimate and on-leveled to the current approved loss cost level
2. Reported indemnity and medical losses are limited by a large loss threshold, developed to ultimate using limited development factors, and on-leveled to a common benefit level to yield adjusted limited losses
3. Limited indemnity and medical cost ratios excluding trend and benefits are calculated as adjusted losses (step 2) divided by premium available for benefit costs (step 1)
4. Trend factors are applied to the indemnity and medical cost ratios to reflect expected differences between the historical experience years and the effective period of the proposed filing
5. An excess provision is applied to adjust the limited cost ratios to an unlimited basis
6. A factor is applied to reflect the impact of proposed indemnity and medical benefit changes
7. The projected unlimited indemnity and medical cost ratios including benefit changes are added to yield the indicated change based on experience, trend, and benefits

The indicated change based on experience, trend, and benefits for this filing is calculated as the average of the indicated changes for each of the individual policy years in the experience period. Lastly, the impact of the change in loss-based expenses is applied. The detailed calculations can be found on the following pages.



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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section A - Policy Year 2017 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$160,067,860
(2) Premium On-level Factor (Appendix A-I)	0.709
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$113,488,113

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$72,305,236
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.017
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$73,534,425
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.648
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.895
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.580
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.590
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	0.985
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.581

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$32,218,231
(15) Medical Loss On-level Factor (Appendix A-I)	1.010
(16) Adjusted Limited Medical Losses = (14) x (15)	\$32,540,413
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.287
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.862
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.247
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(21) Projected Medical Cost Ratio = (19) x (20)	0.251
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.004
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.252

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.833
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RHODE ISLAND

EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section B - Policy Year 2016 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$163,527,094
(2) Premium On-level Factor (Appendix A-I)	0.659
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$107,764,355

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$69,144,850
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.024
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$70,804,326
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.657
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.869
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.571
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.581
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	0.985
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.572

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$32,184,207
(15) Medical Loss On-level Factor (Appendix A-I)	1.019
(16) Adjusted Limited Medical Losses = (14) x (15)	\$32,795,707
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.304
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.828
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.252
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(21) Projected Medical Cost Ratio = (19) x (20)	0.256
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.004
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.257

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.829
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EXHIBIT I

Determination of Indicated Loss Cost Level Change

Section C - Policy Year 2015 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$164,084,440
(2) Premium On-level Factor (Appendix A-I)	0.640
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$105,014,042

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$75,136,241
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.026
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$77,089,783
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.734
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.842
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.618
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.629
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	0.985
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.620

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$35,537,110
(15) Medical Loss On-level Factor (Appendix A-I)	1.023
(16) Adjusted Limited Medical Losses = (14) x (15)	\$36,354,464
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.346
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.795
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.275
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.017
(21) Projected Medical Cost Ratio = (19) x (20)	0.280
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.004
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.281

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.901
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EXHIBIT I

Determination of Indicated Loss Cost Level Change

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

(1) Policy Year 2017 Indicated Change Based on Experience, Trend, and Benefits	0.833
(2) Policy Year 2016 Indicated Change Based on Experience, Trend, and Benefits	0.829
(3) Policy Year 2015 Indicated Change Based on Experience, Trend, and Benefits	0.901
(4) Indicated Change Based on Experience, Trend, and Benefits = $[(1)+(2)+(3)] / 3$	0.854

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

(1) Indicated Loss Cost Level Change	0.854
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.019
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.870

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

Industry Group Differentials (Appendix A-IV):

Manufacturing	0.990
Contracting	0.986
Office & Clerical	1.010
Goods & Services	1.001
Miscellaneous	1.011

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	0.870	0.990	0.861	(-13.9%)
Contracting	0.870	0.986	0.858	(-14.2%)
Office & Clerical	0.870	1.010	0.879	(-12.1%)
Goods & Services	0.870	1.001	0.871	(-12.9%)
Miscellaneous	0.870	1.011	0.880	(-12.0%)
Overall	0.870	1.000	0.870	(-13.0%)



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Exhibit II – Workers Compensation Loss Adjustment Expenses

The proposed loss costs include a provision for loss adjustment expenses (LAE).

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

Given the nature of AOE, it cannot be allocated to a specific claim, and hence cannot be accurately attributed to specific states. Therefore, the state-specific AOE ratio reflects the latest selected countrywide provision. The countrywide provision was calculated using data obtained from the NCCI Call for Loss Adjustment Expense. The accident year developed AOE ratios displayed in Section B are calculated on a countrywide basis using private carrier-only data.

NCCI used the following general methodology to determine the proposed DCCE provision based on Rhode Island-specific paid DCCE and losses reported on the NCCI Call for Policy Year Data:

- Ratios of reported paid DCCE-to-paid losses by policy year are developed to a 19th report using DCCE ratio development factors.
- A 19th-to-ultimate tail factor is applied to reflect expected development beyond a 19th report.
- The proposed DCCE provision is selected based on the ultimate projected DCCE ratios by policy year.

The proposed LAE provision is based on private carrier data.

The calculation of the loss adjustment expense provision is shown on the following pages.



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section A - Proposed Change in Rhode Island Loss Adjustment Expense Provision

NCCI proposes a 22.4% loss adjustment expense allowance as a percentage of incurred losses. This represents a 1.9% increase from the currently approved loss adjustment expense provision.

Rhode Island Provisions	(1) Currently Approved	(2) Proposed
AOE	7.2%	8.0%
DCCE	12.9%	14.4%
Total LAE	20.1%	22.4%

Proposed Change in Rhode Island LAE Provision	1.019
= [1.0 + (2)] / [1.0 + (1)] - 1	1.9%

Section B - Selection of AOE Provision

The adjusting and other expense data by accident year shown below is based on countrywide data for private carriers. NCCI's countrywide selection for the AOE provision is 8.0%

<u>Accident Year</u>	<u>Ultimate AOE Ratio</u>
2014	6.9%
2015	7.2%
2016	7.7%
2017	8.1%
2018	7.9%
Countrywide Selected	8.0%
Rhode Island Selected	8.0%



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section C - Selection of DCCE Provision

<u>Policy Year</u>	(1) <u>Reported Ratio of Paid DCCE to Paid Losses</u>	(2) <u>Age to Ultimate Development Factor</u>	(3) <u>Ultimate DCCE Ratio</u>
2013	12.5%	0.969	12.1%
2014	16.4%	0.968	15.9%
2015	14.1%	0.960	13.5%
2016	15.4%	0.950	14.6%
2017	15.7%	1.002	15.7%
Rhode Island Selected			14.4%

(2) Section D

(3) = (1) x (2)

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

<u>Report</u>	(1) <u>To Next Report</u>	(2) <u>To Ultimate</u>
1st	1.055	1.002
2nd	0.990	0.950
3rd	0.992	0.960
4th	0.999	0.968
5th	0.997	0.969
6th	0.990	0.972
7th	0.993	0.982
8th	0.995	0.989
9th	1.004	0.994
10th	1.001	0.990
11th	0.999	0.989
12th	1.000	0.990
13th	1.000	0.990
14th	0.996	0.990
15th	1.000	0.994
16th	0.995	0.994
17th	1.000	0.999
18th	0.999	0.999
19th		1.000*

(1) Section E

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

*Selection



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

Section E - Paid DCCE to Paid Loss Ratio Development Factors

<u>Valuation</u>	<u>1st/2nd</u>	<u>2nd/3rd</u>	<u>3rd/4th</u>	<u>4th/5th</u>	<u>5th/6th</u>	<u>6th/7th</u>
12/31/2014	1.044	0.978	1.004	0.985	0.999	0.942
12/31/2015	1.034	1.012	1.002	0.989	0.997	1.004
12/31/2016	1.077	0.995	0.982	1.004	0.987	0.995
12/31/2017	1.069	1.004	0.969	1.013	1.010	1.010
12/31/2018	1.050	0.960	1.004	1.004	0.990	0.999
Average	1.055	0.990	0.992	0.999	0.997	0.990

<u>Valuation</u>	<u>7th/8th</u>	<u>8th/9th</u>	<u>9th/10th</u>	<u>10th/11th</u>	<u>11th/12th</u>	<u>12th/13th</u>
12/31/2014	1.009	1.005	1.017	1.001	0.998	1.000
12/31/2015	0.992	0.976	1.000	1.003	0.996	1.000
12/31/2016	1.000	0.997	1.000	0.996	1.003	1.001
12/31/2017	0.983	1.007	1.004	1.003	1.000	1.002
12/31/2018	0.981	0.990	0.997	1.002	0.998	0.998
Average	0.993	0.995	1.004	1.001	0.999	1.000

<u>Valuation</u>	<u>13th/14th</u>	<u>14th/15th</u>	<u>15th/16th</u>	<u>16th/17th</u>	<u>17th/18th</u>	<u>18th/19th</u>
12/31/2014	1.003	0.981	1.001	1.001	1.000	0.999
12/31/2015	0.999	1.000	0.998	1.000	1.001	1.000
12/31/2016	1.003	0.999	1.000	0.994	1.001	1.001
12/31/2017	1.001	1.002	0.998	1.000	0.998	1.001
12/31/2018	0.995	1.000	1.001	0.979	1.000	0.992
Average	1.000	0.996	1.000	0.995	1.000	0.999



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-I Determination of Policy Year On-level Factors

NCCI uses premium and loss on-level factors to adjust historical policy year experience to current loss cost and benefit levels, respectively.

Premium on-level factors are adjustment factors that reflect the cumulative impact of all premium level changes that have occurred during and after the individual year being on-leveled. To calculate a weighted average, NCCI utilizes a monthly premium distribution for Rhode Island based on an analysis of policies reported in the Unit Statistical Data, which was updated for this filing. Additional adjustments applied as part of the premium on-level factor calculation include:

- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported voluntary DSR level premium totals.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification targeted in the filing.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all benefit level changes that have occurred during and after the individual year of data being on-leveled.

Note: For NCCI ratemaking purposes, proposed benefit level changes that (i) do not impact the experience period of the filing and (ii) have not yet been approved are included in Exhibit I, rather than in the loss on-level calculation.



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2017 Policy Year Premium to Present Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Date	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Removal	Off-balance Adjustment Factor*	Premium Adjustment Factor (5)x(6)x(7)
NR 08/01/16	Base	1.000	0.628	0.628	0.845	0.833	1.007	0.709
NR 08/01/17	0.955	0.955	0.372	0.355				
NR 08/01/18	0.947	0.904						
NR 08/01/19	0.919	0.831						
				0.983				

Section B - Factor Adjusting 2017 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
10/01/16	Base	1.000	0.274	0.274	1.017
09/01/17	1.000	1.000	0.060	0.060	
10/01/17	1.002	1.002	0.482	0.483	
05/10/18	1.021	1.023	0.157	0.161	
10/01/18	1.000	1.023	0.027	0.028	
				1.006	

Section C - Factor Adjusting 2017 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
10/01/16	Base	1.000	0.274	0.274	1.010
09/01/17	1.010	1.010	0.060	0.061	
10/01/17	1.000	1.010	0.482	0.487	
05/10/18	1.000	1.010	0.157	0.159	
10/01/18	1.008	1.018	0.027	0.027	
				1.008	

NR New and renewal business.

* $1.007 = 0.959 / 0.952 = (\text{Targeted Off-balance}) / (\text{Off-balance for Policy Year 2017})$



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2016 Policy Year Premium to Present Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Date	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Removal	Off-balance Adjustment Factor*	Premium Adjustment Factor (5)x(6)x(7)
NR 08/01/14	Base	1.000	0.628	0.628	0.790	0.833	1.001	0.659
NR 08/01/16	0.925	0.925	0.372	0.344				
NR 08/01/17	0.955	0.883						
NR 08/01/18	0.947	0.836						
NR 08/01/19	0.919	0.768						
				0.972				

Section E - Factor Adjusting 2016 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
05/01/14	Base	1.000	0.190	0.190	1.024
07/15/16	1.000	1.000	0.144	0.144	
10/01/16	1.003	1.003	0.616	0.618	
09/01/17	1.000	1.003	0.023	0.023	
10/01/17	1.002	1.005	0.027	0.027	
05/10/18	1.021	1.026			
10/01/18	1.000	1.026			
				1.002	

Section F - Factor Adjusting 2016 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
05/01/14	Base	1.000	0.190	0.190	1.019
07/15/16	1.005	1.005	0.144	0.145	
10/01/16	1.000	1.005	0.616	0.619	
09/01/17	1.010	1.015	0.023	0.023	
10/01/17	1.000	1.015	0.027	0.027	
05/10/18	1.000	1.015			
10/01/18	1.008	1.023			
				1.004	

NR New and renewal business.

* 1.001 = 0.959 / 0.958 = (Targeted Off-balance) / (Off-balance for Policy Year 2016)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section G - Factor Adjusting 2015 Policy Year Premium to Present Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Date	Loss Cost Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Removal	Off-balance Adjustment Factor*	Premium Adjustment Factor (5)x(6)x(7)
NR 08/01/14	Base	1.000	1.000	1.000	0.768	0.833	1.000	0.640
NR 08/01/16	0.925	0.925						
NR 08/01/17	0.955	0.883						
NR 08/01/18	0.947	0.836						
NR 08/01/19	0.919	0.768						
				1.000				

Section H - Factor Adjusting 2015 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
05/01/14	Base	1.000	0.906	0.906	1.026
07/15/16	1.000	1.000	0.067	0.067	
10/01/16	1.003	1.003	0.027	0.027	
09/01/17	1.000	1.003			
10/01/17	1.002	1.005			
05/10/18	1.021	1.026			
10/01/18	1.000	1.026			
				1.000	

Section I - Factor Adjusting 2015 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
05/01/14	Base	1.000	0.906	0.906	1.023
07/15/16	1.005	1.005	0.067	0.067	
10/01/16	1.000	1.005	0.027	0.027	
09/01/17	1.010	1.015			
10/01/17	1.000	1.015			
05/10/18	1.000	1.015			
10/01/18	1.008	1.023			
				1.000	

NR New and renewal business.

* $1.000 = 0.959 / 0.959 = (\text{Targeted Off-balance}) / (\text{Off-balance for Policy Year 2015})$



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section J - Premium Adjustment to Average Expected Mod

Rating Year	(1) Average Intrastate Mod	(2) Average Interstate Mod	(3) Average Mod Combined Rated Risk	(4) Weighted Average Off-Balance	(5) Average Mod Expected	(6)= (5)/(4) Policy Year Adjustment Factor
2001	1.010	0.998	1.006	1.006	0.959	0.953
2002	1.010	1.019	1.013	1.012	0.959	0.948
2003	1.018	1.005	1.013	1.012	0.959	0.948
2004	0.991	1.008	0.997	0.997	0.959	0.962
2005	0.976	1.017	0.991	0.992	0.959	0.967
2006	0.974	0.991	0.980	0.982	0.959	0.977
2007	0.985	0.991	0.987	0.989	0.959	0.970
2008	0.985	0.997	0.989	0.991	0.959	0.968
2009	0.995	0.977	0.988	0.990	0.959	0.969
2010	0.992	0.987	0.990	0.991	0.959	0.968
2011	0.998	0.990	0.995	0.996	0.959	0.963
2012	0.996	0.987	0.992	0.993	0.959	0.966
2013	0.988	0.983	0.986	0.988	0.959	0.971
2014	0.960	0.982	0.969	0.973	0.959	0.986
2015	0.951	0.957	0.953	0.959	0.959	1.000
2016	0.949	0.955	0.951	0.958	0.959	1.001
2017	0.940	0.952	0.945	0.952	0.959	1.007
2018	0.946	0.939	0.943	0.951	0.959	1.008



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

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 limited losses to an ultimate report. In general, the ultimate development factors are based on a chain-ladder approach that utilizes average link ratios for several maturities and the application of a tail factor, as shown in Appendix A-II Sections A through G.

Limited Large Loss Methodology

In order to limit volatility on the loss cost indications due to the impact of extraordinary large losses, a limited large loss methodology is used in Rhode Island. A base threshold for the large loss limitation is determined by the volume of premium in the state as well as the number of years used in the experience period. The base threshold proposed in this filing is \$ 3,403,956, based on the volume of premium in policy years 2014, 2015, and 2016 underlying the currently approved filing that utilizes data valued as of 12/31/2017. The base threshold is detrended by policy year to reflect the inflationary impact on claim costs due to wage inflation. The wage index used as a basis for these calculations is the Rhode Island average weekly wages from the Quarterly Census of Employment and Wages (QCEW). Detrended thresholds are used in the experience period, trend period, and loss development period. Indemnity and medical losses are limited at the detrended large loss threshold corresponding to their policy year, as shown in Appendix A-II Section I.

Limited indemnity and medical losses used to calculate the ultimate losses are shown in Appendix A-II Section A. After developing limited indemnity and medical losses to an ultimate report, a statewide excess ratio at the base threshold is used to adjust the limited losses to an unlimited basis. The proposed excess ratio in this filing is 1.7%, as shown in Appendix A-II Section H.

Development Factors

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.

For indemnity and medical loss development, link ratios calculated from limited losses are used from 1st report through the 19th report.

For indemnity and medical loss development past the 19th report, a “tail” factor is used to reflect all future expected emergence. The calculation of indemnity and medical paid + case 19th-to-ultimate tail factors utilize all available experience for the years prior to the tail attachment point. Tail factors are calculated for the most recent ten available policy years, each relying on losses in older policy years as well as a factor to adjust for the differences in the volume of losses



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

between the policy years. Tail factors are calculated separately for indemnity and medical 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, along with the application of a growth adjustment factor. Due to the 1992 reform, the development from indemnity tail factors for Policy Years 1992 and prior is reduced by half.

Since unlimited losses are used for the tail factor, they are adjusted to a limited basis as shown in Appendix A-II Section F.



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section A - Premium and Loss Summary Valued as of 12/31/2018

Policy Year 2017

(1) Standard Earned Premium	\$159,430,139
(2) Factor to Develop Premium to Ultimate	1.004
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$160,067,860
(4) Limited Indemnity Paid Losses	\$26,188,061
(5) Limited Indemnity Paid Development Factor to Ultimate	2.761
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$72,305,236
(7) Limited Medical Paid Losses	\$20,073,664
(8) Limited Medical Paid Development Factor to Ultimate	1.605
(9) Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	\$32,218,231

Policy Year 2016

(1) Standard Earned Premium	\$163,527,094
(2) Factor to Develop Premium to Ultimate	1.000
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$163,527,094
(4) Limited Indemnity Paid Losses	\$42,498,371
(5) Limited Indemnity Paid Development Factor to Ultimate	1.627
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$69,144,850
(7) Limited Medical Paid Losses	\$25,163,571
(8) Limited Medical Paid Development Factor to Ultimate	1.279
(9) Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	\$32,184,207

Policy Year 2015

(1) Standard Earned Premium	\$164,084,440
(2) Factor to Develop Premium to Ultimate	1.000
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$164,084,440
(4) Limited Indemnity Paid Losses	\$58,200,032
(5) Limited Indemnity Paid Development Factor to Ultimate	1.291
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$75,136,241
(7) Limited Medical Paid Losses	\$30,218,631
(8) Limited Medical Paid Development Factor to Ultimate	1.176
(9) Limited Medical Paid Losses Developed to Ultimate = (7)x(8)	\$35,537,110



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section B - Premium 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>
2014	1.003	2013	1.000	2012	1.000	2011	1.000
2015	1.005	2014	1.000	2013	1.000	2012	1.000
2016	1.003	2015	1.000	2014	0.999	2013	1.000
Average	1.004	Average	1.000	Average	1.000	Average	1.000

Summary of Premium Development Factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.004	1.000	1.000	1.000



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section C - Limited Indemnity Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2012	1.662	2011	1.260	2010	1.106	2009	1.049
2013	1.731	2012	1.280	2011	1.118	2010	1.053
2014	1.740	2013	1.251	2012	1.098	2011	1.048
2015	1.699	2014	1.269	2013	1.116	2012	1.042
2016	1.628	2015	1.243	2014	1.118	2013	1.049
Average*	1.697	Average*	1.260	Average*	1.113	Average*	1.049

* Excludes the years with the lowest and highest factors.

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2008	1.030	2007	1.039	2006	1.022	2005	1.008
2009	1.024	2008	1.014	2007	1.020	2006	1.020
2010	1.030	2009	1.009	2008	1.008	2007	1.007
2011	1.025	2010	1.012	2009	1.016	2008	1.003
2012	1.029	2011	1.020	2010	1.015	2009	1.013
Average*	1.028	Average*	1.015	Average*	1.017	Average*	1.009

* Excludes the years with the lowest and highest factors.

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2004	1.011	2003	1.003	2002	1.004	2001	1.003
2005	1.002	2004	1.002	2003	1.004	2002	1.001
2006	1.003	2005	1.004	2004	1.002	2003	1.000
2007	1.000	2006	1.003	2005	1.001	2004	1.001
2008	1.006	2007	1.001	2006	1.002	2005	1.003
Average*	1.004	Average*	1.003	Average*	1.003	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2000	1.000	1999	1.010	1998	1.000	1997	1.001
2001	1.003	2000	1.000	1999	1.003	1998	1.000
2002	1.001	2001	1.004	2000	1.000	1999	1.005
2003	1.000	2002	1.001	2001	1.004	2000	1.000
2004	1.003	2003	1.000	2002	1.001	2001	1.009
Average*	1.001	Average*	1.002	Average*	1.001	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	17th/18th	Policy Year	18th/19th
1996	1.003	1995	1.001
1997	1.000	1996	1.006
1998	1.000	1997	1.001
1999	1.001	1998	1.000
2000	1.000	1999	1.003
Average*	1.000	Average*	1.002

* 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 D - Limited Medical Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2012	1.277	2011	1.073	2010	1.064	2009	1.028
2013	1.235	2012	1.080	2011	1.041	2010	1.028
2014	1.287	2013	1.092	2012	1.041	2011	1.016
2015	1.252	2014	1.098	2013	1.052	2012	1.034
2016	1.226	2015	1.091	2014	1.043	2013	1.030
Average*	1.255	Average*	1.088	Average*	1.045	Average*	1.029

* Excludes the years with the lowest and highest factors.

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2008	1.019	2007	1.048	2006	1.026	2005	1.010
2009	1.012	2008	1.009	2007	1.002	2006	1.008
2010	1.020	2009	1.006	2008	1.006	2007	1.003
2011	1.016	2010	1.012	2009	1.014	2008	1.004
2012	1.016	2011	1.011	2010	1.012	2009	1.006
Average*	1.017	Average*	1.011	Average*	1.011	Average*	1.006

* Excludes the years with the lowest and highest factors.

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2004	1.006	2003	1.005	2002	1.004	2001	1.004
2005	1.005	2004	1.003	2003	1.007	2002	1.002
2006	1.005	2005	1.002	2004	1.003	2003	1.001
2007	1.001	2006	1.006	2005	1.002	2004	1.002
2008	1.004	2007	1.001	2006	1.003	2005	1.003
Average*	1.005	Average*	1.003	Average*	1.003	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2000	1.000	1999	1.007	1998	1.000	1997	1.001
2001	1.003	2000	1.001	1999	1.003	1998	1.000
2002	1.002	2001	1.005	2000	1.000	1999	1.002
2003	1.002	2002	1.003	2001	1.003	2000	1.003
2004	1.002	2003	1.001	2002	1.002	2001	1.011
Average*	1.002	Average*	1.003	Average*	1.002	Average*	1.002

* Excludes the years with the lowest and highest factors.

Policy Year	17th/18th	Policy Year	18th/19th
1996	1.001	1995	1.003
1997	1.001	1996	1.002
1998	1.000	1997	1.001
1999	1.002	1998	1.000
2000	1.001	1999	1.005
Average*	1.001	Average*	1.002

* 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) Policy Year	(2) <u>Losses for Policy Year</u> 19th Report	(3) <u>Losses for Policy Year</u> 20th Report	(4) <u>Losses for All Prior Policy Years</u> Previous	(5) <u>Losses for All Prior Policy Years</u> Current	(6) Factor to Adjust Losses for Prior Policy Years	(7) Indicated 19th-to-Ult Development for Policy Year	(8) Adjusted 19th-to-Ult Development for Policy Year
1989	176,705,579	177,303,328	1,184,591,558	1,185,617,205	0.528	1.014	1.007
1990	112,503,976	112,790,727	1,298,012,630	1,298,407,655	0.899	1.006	1.003
1991	85,575,382	85,672,605	1,409,971,364	1,411,320,668	1.239	1.014	1.007
1992	48,966,747	49,116,401	1,496,937,388	1,498,561,923	2.215	1.018	1.009
1993	32,082,136	32,043,098	1,547,678,324	1,546,962,946	3.353	0.992	0.992
1994	35,573,601	35,269,771	1,578,637,388	1,579,823,995	2.916	1.003	1.003
1995	33,411,148	33,410,705	1,614,912,558	1,616,452,579	2.984	1.015	1.015
1996	32,626,595	32,676,866	1,649,852,131	1,651,170,275	2.862	1.016	1.016
1997	37,264,294	37,281,725	1,680,172,708	1,680,268,043	2.232	1.002	1.002
1998	42,045,647	42,049,278	1,717,549,768	1,718,306,561	1.732	1.010	1.010
Selected Indemnity 19th-to-Ultimate Loss Development Factor							1.005

Medical Paid+Case Data for Matching Companies

(8) Policy Year	(9) <u>Losses for Policy Year</u> 19th Report	(10) <u>Losses for Policy Year</u> 20th Report	(11) <u>Losses for All Prior Policy Years</u> Previous	(12) <u>Losses for All Prior Policy Years</u> Current	(13) Factor to Adjust Losses for Prior Policy Years	(14) Indicated 19th-to-Ult Development for Policy Year	
1989	46,187,274	45,985,799	328,777,253	331,652,954	0.516	1.116	
1990	33,727,324	33,705,992	358,959,623	359,252,356	0.754	1.011	
1991	30,866,077	31,077,089	392,573,156	395,172,097	0.884	1.102	
1992	20,595,271	20,585,164	426,208,322	426,744,400	1.391	1.018	
1993	17,249,496	17,306,436	447,329,564	445,526,340	1.691	0.941	
1994	16,124,192	15,872,178	462,688,164	462,101,525	1.809	0.964	
1995	16,651,572	16,805,511	477,901,647	477,548,025	1.741	0.997	
1996	15,376,023	15,327,703	494,319,363	493,985,876	1.834	0.985	
1997	18,699,248	18,529,109	507,694,478	507,606,147	1.409	0.988	
1998	19,459,976	19,461,327	526,135,256	525,945,236	1.275	0.992	
Selected Medical 19th-to-Ultimate Loss Development Factor							1.000

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

Policy Year	Indemnity Paid-to-Paid + Case Ratio 19th Report	Medical Paid-to-Paid + Case Ratio 19th Report
1995	0.996	0.951
1996	0.986	0.990
1997	0.990	0.963
1998	1.000	1.000
1999	0.981	0.982
Selected	0.990	0.980

	<u>Indemnity</u>	<u>Medical</u>
(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section E)	1.005	1.000
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.550	0.550
(3) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = [(1)-1]x(2)+1	1.003	1.000
(4) Limited Paid-to-Paid+Case Ratio (Section F)	0.990	0.980
(5) Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.013	1.020

Section G - Summary of Limited Paid Loss Development Factors

Report	(1) <u>Indemnity Paid Loss Development</u>		Section F	(3) <u>Medical Paid Loss Development</u>		Section F
	<u>to Next Report</u>	<u>to Ultimate</u>		<u>to Next Report</u>	<u>to Ultimate</u>	
1st	1.697	2.761		1.255	1.605	
2nd	1.260	1.627		1.088	1.279	
3rd	1.113	1.291		1.045	1.176	
4th	1.049	1.160		1.029	1.125	
5th	1.028	1.106		1.017	1.093	
6th	1.015	1.076		1.011	1.075	
7th	1.017	1.060		1.011	1.063	
8th	1.009	1.042		1.006	1.051	
9th	1.004	1.033		1.005	1.045	
10th	1.003	1.029		1.003	1.040	
11th	1.003	1.026		1.003	1.037	
12th	1.002	1.023		1.002	1.034	
13th	1.001	1.021		1.002	1.032	
14th	1.002	1.020		1.003	1.030	
15th	1.001	1.018		1.002	1.027	
16th	1.002	1.017		1.002	1.025	
17th	1.000	1.015		1.001	1.023	
18th	1.002	1.015		1.002	1.022	
19th		1.013	Section F		1.020	Section F

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



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

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

(1) Threshold at the Midpoint of the Loss Cost Effective Period*	3,403,956
(2) Statewide Excess Ratio for (1)	0.017
(3) Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4) Factor to Adjust Limited Losses to an Unlimited Basis = $1.0 / \{1.0 - [(2) \times (1.0 - (3))]\}$	1.017

Section I - Policy Year Large Loss Limits

Experience Year	Policy Year Detrended Limit
2017	3,068,709
2016	2,995,901
2015	2,932,927
2014	2,869,915
2013	2,779,382
2012	2,694,786
2011	2,627,908
2010	2,566,574
2009	2,500,804
2008	2,460,882
2007	2,413,253
2006	2,344,445
2005	2,260,177
2004	2,180,050
2003	2,113,174
2002	2,028,538
2001	1,951,149
2000	1,890,648
1999	1,821,412
1998	1,756,494
1997	1,681,650
1996	1,596,453
1995	1,532,737

* July 27, 2021 is the midpoint of the effective period for which the revised loss costs are being proposed.



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Appendix A – Factors Underlying the Proposed Loss Cost Level Change

Appendix A-III Trend Factors

NCCI separately analyzes a measure of the number of workplace injuries (claim frequency) and the average indemnity and medical costs of each of these injuries (claim severity). Premium, lost-time claim counts, and losses used in these frequency and severity calculations are developed to ultimate and adjusted for changes in the level of workers' wages over time using the United States Bureau of Labor Statistics Quarterly Census of Employment and Wages for Rhode Island. Note that medical-only claim counts are excluded from the claim frequency and severity calculations, but the losses associated with medical-only claims are included.

While claim frequency and average costs per case are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors based on an analysis of historical indemnity and medical loss ratios, 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 lost-time claim frequency, average costs per case, and loss ratios for Policy Years 2003 through 2017 are shown in Appendix A-III, along with the impact of the trend selection for each policy year in the experience period. The trend lengths displayed in Section B(3) are calculated by comparing the average accident date for the effective period of the proposed loss costs to each of the policy years in the experience period. The average accident dates are based on a Rhode Island distribution of policy writings by month and assume a uniform probability of loss over the coverage period.



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APPENDIX A-III

Policy Year Trend Factors

Section A - Summary of Policy Year Data

(1)	(2)	(3)	(4)	(5)	(6)
Policy Year	Lost-Time Claim	Indemnity		Medical	
	<u>Frequency*</u>	Avg Cost Per Case** [^]	Loss Ratio [^]	Avg Cost Per Case* [^]	Loss Ratio [^]
2003	44.487	18,010	0.801	9,325	0.415
2004	42.326	17,838	0.755	9,474	0.401
2005	41.494	18,142	0.753	10,013	0.416
2006	39.458	20,141	0.795	10,365	0.409
2007	38.327	22,126	0.848	10,989	0.421
2008	35.486	24,217	0.860	11,828	0.420
2009	36.229	23,651	0.857	12,278	0.445
2010	38.382	22,866	0.877	12,494	0.479
2011	35.904	22,363	0.803	11,320	0.407
2012	35.192	21,924	0.771	11,683	0.411
2013	33.821	22,751	0.769	11,585	0.392
2014	33.861	22,728	0.770	10,578	0.358
2015	32.064	22,893	0.734	10,797	0.346
2016	31.346	20,983	0.657	9,711	0.304
2017	29.448	22,003	0.648	9,737	0.287

* Figures have been adjusted to the common wage level.

[^] Based on paid losses.

Section B - Summary of Annual Trend Factors

	<u>Indemnity</u>	<u>Medical</u>
(1) Current Approved Annual Loss Ratio Trend Factor	0.980	0.970
(2) Selected Annual Loss Ratio Trend Factor	0.970	0.960
(3) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:		
		<u>Years</u>
	Policy Year 2015	5.628
	Policy Year 2016	4.628
	Policy Year 2017	3.628
(4) Trend Factor Applied to Experience Year = (2) [^] (3)	<u>Indemnity</u>	<u>Medical</u>
	Policy Year 2015	0.842
	Policy Year 2016	0.869
	Policy Year 2017	0.895



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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	26,131,104	119,919,190	104,410,985	1.085	1.090
Contracting	28,453,956	127,337,258	110,821,685	1.085	1.093
Office & Clerical	21,754,632	99,300,736	86,474,045	1.080	1.091
Goods & Services	74,503,137	342,852,505	298,582,819	0.999	1.006
Miscellaneous	30,554,945	141,748,905	123,387,462	1.058	1.076
Statewide	181,397,774	831,158,595	723,676,995		

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	26,011,237	119,369,102	103,932,035	1.149	1.000
Contracting	28,245,692	126,405,238	110,010,547	1.149	1.000
Office & Clerical	21,535,291	98,299,537	85,602,171	1.148	0.999
Goods & Services	73,984,725	340,466,852	296,505,205	1.148	0.999
Miscellaneous	30,043,803	139,377,641	121,323,360	1.149	1.000
Statewide	179,820,748	823,918,370	717,373,318	1.149	



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APPENDIX A-IV

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 proposed experience change, applicable loss-based expenses and any miscellaneous premium adjustments are applied to calculate the indicated losses. These indicated losses are then balanced to the expected losses using the factors shown in Appendix B-I, Section A-3.

Industry Group	(11) Converted Indicated Balanced Losses	(12) Indicated/ Expected Ratio (11)/[(8)x(10)]	(13) Indicated Differential (12)IG/(12)SW	(14) Lost-Time Claim Counts
Manufacturing	102,048,260	0.982	0.983	3,292
Contracting	106,564,169	0.969	0.970	2,313
Office & Clerical	87,389,784	1.022	1.023	2,600
Goods & Services	296,405,617	1.001	1.002	12,245
Miscellaneous	123,906,299	1.021	1.022	3,310
Statewide	716,314,129	0.999		

Industry Group	(15) Full Credibility Standard for Lost-Time Claim Counts	(16) Credibility Minimum of 1.000 and ((14)/(15))^0.5	(17) Credibility Weighted Indicated/Expected Ratio [(16)IGx(12)IG] + [1-(16)IG]x(12)SW*	(18) Final Industry Group Differential (17)IG/(17)SW
Manufacturing	12,000	0.52	0.990	0.990
Contracting	12,000	0.44	0.986	0.986
Office & Clerical	12,000	0.47	1.010	1.010
Goods & Services	12,000	1.00	1.001	1.001
Miscellaneous	12,000	0.53	1.011	1.011
Statewide			1.000	1.000

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



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Advisory Loss Costs and Rating Values Filing – August 1, 2020

Appendix B – Calculations Underlying the Loss Cost Change by Classification

NCCI separately determines voluntary 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 individual classification loss costs:

1. Calculate industry group differentials, which are used to more equitably distribute the proposed overall average loss cost level change based on the individual experience of each industry group
2. For each classification, determine the indicated pure premiums based on the most recently-available five policy periods of Rhode Island payroll and loss experience
3. Indicated pure premiums are credibility-weighted with present on rate level pure premiums and national pure premiums to generate derived by formula pure premiums
4. Final adjustments include the application of a test correction factor, the ratio of manual-to-standard premium, and swing limits.



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APPENDIX B-I

Distribution of Loss Cost Level Change to Occupational Classification

After determining the required changes in the overall loss cost level for the state and by industry group, the next step in the ratemaking procedure is to distribute these changes among the various occupational classifications. In order to do this, the pure premiums by classification must be adjusted, by policy period, industry group, or on an overall basis, to incorporate the changes proposed in the filing. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums.

Section A – Calculation of Indicated Pure Premiums

The indicated pure premiums are calculated from the payroll and loss data reported, by class code and policy period, in the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods. Various adjustments are made to these pure premiums to put them at the level proposed in this filing (Sections A-1 to A-3).

Section A-1 – Calculation of Primary Conversion Factors

1. Limited Loss Development Factors

The following factors are applied to develop the losses from first through fifth report to an ultimate basis.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
1/12-12/12	1.050	1.012	1.044	1.002
1/13-12/13	1.076	1.029	1.049	1.006
1/14-12/14	1.121	1.066	1.069	1.011
1/15-12/15	1.295	1.172	1.129	1.017
1/16-12/16	2.046	1.581	1.241	1.040

2. Factors to Adjust to the Proposed Trend Level

The proposed trend factors are applied to adjust the losses to the proposed level.

Policy Period	Indemnity	Medical
1/12-12/12	0.769	0.703
1/13-12/13	0.793	0.732
1/14-12/14	0.817	0.763
1/15-12/15	0.842	0.795
1/16-12/16	0.868	0.828

3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the losses to the proposed benefit level.

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/12-12/12	0.998	1.009	1.011	1.011	1.035
1/13-12/13	0.998	1.009	1.011	1.011	1.033
1/14-12/14	0.998	1.009	1.011	1.011	1.028
1/15-12/15	0.998	1.009	1.011	1.011	1.027
1/16-12/16	0.996	1.007	1.010	1.009	1.023



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4. Primary Conversion Factors: Indicated Pure Premiums

The factors above, contained within Section A-1, are combined multiplicatively, resulting in the following factors for the Likely-to-Develop (L) and Not-Likely-to-Develop (NL) groupings.

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/12-12/12	0.806	0.777	0.815	0.816	0.787	0.816	0.787	0.760	0.729
1/13-12/13	0.852	0.814	0.861	0.863	0.825	0.863	0.825	0.793	0.761
1/14-12/14	0.914	0.869	0.924	0.926	0.881	0.926	0.881	0.838	0.793
1/15-12/15	1.088	0.985	1.100	1.102	0.998	1.102	0.998	0.922	0.830
1/16-12/16	1.769	1.367	1.788	1.794	1.386	1.792	1.385	1.051	0.881

* 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. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.073	0.098	0.113	0.137	0.166	0.197	0.233
(2) Excess Factors 1/(1-(1))	1.079	1.109	1.127	1.159	1.199	1.245	1.304

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.



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APPENDIX B-I

Section A-3 – Calculation of Secondary Conversion Factors

1. Factors to Adjust for Proposed Industry Group Differentials

The following factors are applied to adjust the indicated industry group differentials for the effects of credibility weighting the industry group differentials and weighting the differentials by the latest year expected losses.

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	0.983	0.970	1.023	1.002	1.022
(2) Final Differentials**	0.990	0.986	1.010	1.001	1.011
(3) Adjustment (2)/(1)	1.007	1.016	0.987	0.999	0.989

*See Appendix A-IV, column (13).

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

2. Factors to Balance Indicated to Expected Losses

The expected losses are calculated as the pure premium underlying the current loss costs, adjusted to the proposed level and adjusted for the Experience Rating Plan off-balance. The indicated losses are balanced to the expected losses by applying the following factors.

Policy Period	(1) Adjustment of Indicated Losses to Pure Premium at Proposed Level	(2) Current Ratio of Manual to Standard Premium	(3) Proposed Ratio of Manual to Standard Premium	(4) Off-balance Adjustment (2)/(3)	(5) Balancing Indicated to Expected Losses (1)x(4)
1/12-12/12	0.996	1.044	1.038	1.006	1.002
1/13-12/13	0.971	1.044	1.045	0.999	0.970
1/14-12/14	0.913	1.044	1.056	0.989	0.903
1/15-12/15	0.984	1.044	1.064	0.981	0.965
1/16-12/16	0.977	1.045	1.068	0.978	0.956

3. Adjustment for Experience Change

A factor of 0.903 is applied to adjust for the experience change in the proposed loss cost level.

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

A factor of 1.224 is applied to include the proposed loss-based expense provisions.

5. Secondary Conversion Factors: Indicated Pure Premiums

The factors above, contained within section A-3, are combined multiplicatively, resulting in the following factors:

Policy Period	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
1/12-12/12	1.115	1.125	1.093	1.106	1.095
1/13-12/13	1.080	1.089	1.058	1.071	1.060
1/14-12/14	1.005	1.014	0.985	0.997	0.987
1/15-12/15	1.074	1.084	1.053	1.066	1.055
1/16-12/16	1.064	1.074	1.043	1.056	1.045



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

2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current loss costs contain the current trend. The change in trend factors, 0.954 and 0.954, 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
May 10, 2019	0.985	1.000
January 1, 2020	1.000	1.004
Combined Benefit Adjustment	0.985	1.004

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	1.201	1.201	1.224	1.224
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.201	1.201	1.224	1.224
(4) Overall Change (3b)/(3a)			1.019	1.019

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	1.085	1.090	0.995
Contracting	1.085	1.093	0.993
Office & Clerical	1.080	1.091	0.990
Goods & Services	0.999	1.006	0.993
Miscellaneous	1.058	1.076	0.983



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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	0.990	1.000	0.990
Contracting	0.986	1.000	0.986
Office & Clerical	1.010	0.999	1.009
Goods & Services	1.001	0.999	1.000
Miscellaneous	1.011	1.000	1.011

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

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

7. Combined Conversion Factors

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

Industry Group	Indemnity	Medical
Manufacturing	0.852	0.868
Contracting	0.847	0.863
Office & Clerical	0.864	0.880
Goods & Services	0.859	0.875
Miscellaneous	0.860	0.876



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APPENDIX B-I

Section C – Calculation of National Pure Premiums

Finally, there are the national pure premiums, which reflect the countrywide experience for each classification adjusted to state conditions. These pure premiums reflect the countrywide experience for each classification as indicated by the latest available individual classification experience for all states for which the National Council on Compensation Insurance compiles workers compensation data.

Countrywide data is adjusted to Rhode Island conditions in four steps. First, statewide indicated pure premiums are determined for Rhode Island. Second, using Rhode Island payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Rhode Island statewide pure premiums to those for other states are used as adjustment factors to convert losses for other states to a basis that is consistent with the Rhode Island indicated pure premiums. The quotient of the countrywide total of such adjusted losses divided by the total countrywide payroll for the classification is the initial pure premium indicated by national relativity. Finally, national pure premiums are balanced to the level of the state indicated pure premiums to ensure unbiased derived by formula pure premiums. Indemnity and medical pure premiums are computed separately.

Section D – Calculation of Derived by Formula Pure Premiums

The indicated, present on rate level and national pure premiums are credibility weighted, and the resulting derived by formula pure premiums are used to determine the final class loss costs.

As for the preceding pure premiums, separate computations are performed for each partial pure premium: indemnity and medical. Each partial formula pure premium is derived by the weighting of the indicated, present on rate level and national partial pure premiums. The weight assigned to the policy year indicated pure premium varies in one-percent intervals from zero percent to one hundred percent, depending upon the volume of expected losses (i.e. the product of the underlying pure premiums and the payroll in hundreds). To achieve full state credibility, a classification must have expected losses of at least: \$33,790,365 for indemnity and \$8,454,674 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	1.0040
Contracting	1.0108
Office & Clerical	1.0133
Goods & Services	0.9994
Miscellaneous	1.0020

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	1.090
Contracting	1.093
Office & Clerical	1.091
Goods & Services	1.006
Miscellaneous	1.076

3. Disease Loadings

The proposed manual loss costs shown in this filing include specific disease loadings for those classifications where they apply. The proposed specific disease loadings are shown on the footnotes page.



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APPENDIX B-II

4. 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 1% above to 29% below
Contracting	from 1% above to 29% below
Office & Clerical	from 3% above to 27% below
Goods & Services	from 2% above to 28% below
Miscellaneous	from 3% above to 27% 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. 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.

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.

List of Classifications Limited by the Upper Swing

1463	3114	3865	4024	4110	5402	5507	7016
7024	7047	7050	8204	8602	8725	8856	9179

List of Classifications Limited by the Lower Swing

2702	4720	5040	8264	8292	9516
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APPENDIX B-II

Determination of Rating Values on Miscellaneous Values Page

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

	Current	Proposed	Change
1) State Average Weekly Wage (SAWW)	\$1,002.20 ¹	\$1,019.75 ²	1.8%
2) Basis of premium applicable in accordance with the Basic Manual footnote instructions for Code 7370 -- "Taxicab Co.":			
Employee operated vehicle ³	\$78,200	\$79,500	1.7%
Leased or rented vehicle ⁴	\$52,100	\$53,000	1.7%
3) Maximum Weekly Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers" ⁵ and Basic Manual footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports" ⁶	\$4,000	\$4,100	2.5%
4) Minimum Weekly Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers" ⁷	\$1,000	\$1,000	0.0%

¹ State Average Weekly Wage. Effective October 1, 2018.
² State Average Weekly Wage. Effective October 1, 2019.
³ Underlying formula is: SAWW x 52 x 1.5 (Rounded to the nearest \$100), Item B-1422.
⁴ Underlying formula is: SAWW x 52 (Rounded to the nearest \$100), Item B-1422.
⁵ Underlying formula is: SAWW x 4 (Rounded to the nearest \$100), Item B-1420.
⁶ Underlying formula is: SAWW x 4 (Rounded to the nearest \$100), Item B-1422.
⁷ Underlying formula is: SAWW (Rounded to the nearest \$50), Item B-1420.

B. Loss Elimination Ratios (LERs) are defined in "Fundamentals of Individual Risk Rating" by Gillam and Snader, 1992. The latest methodology for determining Excess Loss Pure Premium Factors (ELPPFs) is described in "NCCI's 2014 Excess Loss Factors" by Corro and Tseng, 2019. As a result of Item R-1417, the excess loss curve parameters were updated, for the first time since 2014, and the methodology for the exclusion of large loss events was modified. The updated LER values reflect the experience, trend, and development consistent with the Excess Loss Pure Premium Factors (ELPPFs) filed in Item R-1417.



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APPENDIX B-III

Derivation of Proposed Loss Cost - Code 8810

As previously explained in Appendix B-I, the indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into indemnity and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above-captioned classification follows:

LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	778,474	1,244,640	123,580	808,825	420,713	1,166,817
01/01/13 - 12/31/13	0	0	0	789,952	1,056,210	165,902	1,235,769	367,290	1,398,133
01/01/14 - 12/31/14	0	0	0	437,388	834,780	581,845	796,043	294,949	1,178,024
01/01/15 - 12/31/15	0	0	29,535	180,115	770,680	641,882	948,411	754,060	1,205,222
01/01/16 - 12/31/16	0	497,812	0	85,541	208,297	405,928	899,627	247,424	1,035,631

PRIMARY CONVERSION FACTORS (Appendix B-I, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0.806	0.777	0.815	0.816	0.787	0.816	0.787	0.760	0.729
01/01/13 - 12/31/13	0.852	0.814	0.861	0.863	0.825	0.863	0.825	0.793	0.761
01/01/14 - 12/31/14	0.914	0.869	0.924	0.926	0.881	0.926	0.881	0.838	0.793
01/01/15 - 12/31/15	1.088	0.985	1.100	1.102	0.998	1.102	0.998	0.922	0.830
01/01/16 - 12/31/16	1.769	1.367	1.788	1.794	1.386	1.792	1.385	1.051	0.881

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	1.127

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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RHODE ISLAND

APPENDIX B-III

Derivation of Proposed Loss Cost - Code 8810

EXPECTED UNLIMITED LOSSES (Limited Losses x Primary Conversion Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	683,791	1,054,405	108,549	685,201	397,985	1,041,326
01/01/13 - 12/31/13	0	0	0	733,838	937,978	154,117	1,097,438	370,402	1,295,881
01/01/14 - 12/31/14	0	0	0	435,980	791,656	579,971	754,920	326,750	1,126,397
01/01/15 - 12/31/15	0	0	34,972	213,659	827,930	761,422	1,018,863	831,630	1,215,199
01/01/16 - 12/31/16	0	732,525	0	165,191	310,767	783,026	1,341,223	338,059	1,141,508

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

Policy Period	INDUSTRY GROUP: Office and Clerical
01/01/12 - 12/31/12	1.093
01/01/13 - 12/31/13	1.058
01/01/14 - 12/31/14	0.985
01/01/15 - 12/31/15	1.053
01/01/16 - 12/31/16	1.043

PAYROLL, FINAL CONVERTED LOSSES (Expected Unlimited Losses x Secondary Conversion Factors)

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
01/01/12 - 12/31/12	4,892,508,455	866,028	1,901,389	434,998	1,138,169	2,767,417	1,573,167	4,340,584
01/01/13 - 12/31/13	4,423,832,393	939,456	2,153,470	391,885	1,371,042	3,092,926	1,762,927	4,855,853
01/01/14 - 12/31/14	4,759,897,586	1,000,712	1,523,377	321,849	1,109,501	2,524,089	1,431,350	3,955,439
01/01/15 - 12/31/15	4,630,244,687	1,063,586	1,944,673	875,706	1,279,605	3,008,259	2,155,311	5,163,570
01/01/16 - 12/31/16	5,032,695,975	988,990	2,487,049	352,596	1,190,593	3,476,039	1,543,189	5,019,228
Total	23,739,179,096	4,858,772	10,009,958	2,377,034	6,088,910	14,868,730	8,465,944	23,334,674
INDICATED PURE PREMIUM						0.063	0.036	0.10

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	0.076	0.044	0.12
Conversion Factors (App. B-I, Section B)	0.864	0.880	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.066	0.039	0.11



RHODE ISLAND

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	0.063	0.036	0.10
2. Pure Premium Indicated by National Relativity	0.063	0.037	0.10
3. Pure Premium Present on Rate Level	0.066	0.039	0.11
4. State Credibilities	68%	100%	xxx
5. National Credibilities	16%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	16%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.063	0.036	0.10
8. Test Correction Factor	1.0133	1.0133	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.064	0.036	0.10
10. Ratio of Manual to Standard Premium			1.091
11. Loss Cost = (9) x (10)			0.11
12. Loss Cost Within Swing Limits			0.11
Current Loss Cost x Swing Limits			
a) Lower bound = 0.13 x 0.730 = 0.10			
b) Upper bound = 0.13 x 1.030 = 0.13			
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	0.064	0.036	0.10
14. Disease, Catastrophe and/or Miscellaneous Loadings			0.00
15. Final Loaded Loss Cost			0.11

* Indemnity pure premium is adjusted for the rounded total pure premium:
 Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium



RHODE ISLAND

APPENDIX B-IV

I. Determination and Distribution of Premium Level Change to “F” Classifications

The Workers Compensation Statistical Plan (WCSP) data is used to determine the overall “F” classifications (F-class) premium level change as well as the individual change by the various classifications. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums. All sets of pure premiums are adjusted to the common proposed level that is explained further in this exhibit. These three sets of pure premiums are credibility weighted and the results, the derived by formula pure premiums, are adjusted for additional proposed components (Section II) to determine the indicated loss costs. The payrolls are extended by the loss costs presently in effect and by the indicated loss costs. The loss costs are limited to the swing limits based on 15% above and 15% below the current loss costs. This results in the indicated loss cost level change of -9.4%.

Section A – Calculation of F-Class Indicated Pure Premiums

The payroll and loss data reported are from the WCSP data by class code for the latest available five policy periods.

Section A-1 – Calculation of Primary Conversion Factors

1. Factors to Adjust to the Proposed Benefit Levels

The state and federal losses are adjusted to the proposed state and federal benefit levels, respectively.

STATE ACT

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/12 - 12/12	0.998	1.009	1.011	1.011	1.035
1/13 - 12/13	0.998	1.009	1.011	1.011	1.033
1/14 - 12/14	0.998	1.009	1.011	1.011	1.028
1/15 - 12/15	0.998	1.009	1.011	1.011	1.027
1/16 - 12/16	0.996	1.007	1.010	1.009	1.023

FEDERAL ACT

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
1/12 - 12/12	1.000	1.000	1.000	1.000	1.000
1/13 - 12/13	1.000	1.000	1.000	1.000	1.000
1/14 - 12/14	1.000	1.000	1.000	1.000	1.000
1/15 - 12/15	1.000	1.000	1.000	1.000	1.000
1/16 - 12/16	1.000	1.000	1.000	1.000	1.000

2. Factors to Adjust to the Proposed Trend Level

The following factors are applied to trend the losses in each policy year to the proposed rating year. The selected annual trends utilized were 0.970 and 0.960 for indemnity and medical, respectively.

Policy Period	Indemnity	Medical
1/12 - 12/12	0.769	0.703
1/13 - 12/13	0.793	0.732
1/14 - 12/14	0.817	0.763
1/15 - 12/15	0.842	0.795
1/16 - 12/16	0.868	0.828



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APPENDIX B-IV

Section A-1 Calculation of Primary Conversion Factors (continued)

3. Limited Loss Development Factors

The following factors are applied to develop the losses from first through fifth report to an ultimate basis utilizing countrywide data.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
1/12 - 12/12	1.096	1.034	1.192	1.025
1/13 - 12/13	1.141	1.045	1.237	1.020
1/14 - 12/14	1.329	1.095	1.288	1.044
1/15 - 12/15	1.528	1.241	1.435	1.071
1/16 - 12/16	2.480	1.785	1.703	1.136

4. Primary Conversion Factors = (1) x (2) x (3)

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.

STATE ACT

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/12 - 12/12	0.841	0.794	0.850	0.852	0.804	0.852	0.804	0.867	0.746
1/13 - 12/13	0.903	0.827	0.913	0.915	0.838	0.915	0.838	0.935	0.771
1/14 - 12/14	1.084	0.893	1.096	1.098	0.904	1.098	0.904	1.010	0.819
1/15 - 12/15	1.284	1.043	1.298	1.301	1.056	1.301	1.056	1.172	0.874
1/16 - 12/16	2.144	1.543	2.168	2.174	1.565	2.172	1.563	1.443	0.962

FEDERAL ACT

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
1/12 - 12/12	0.843	0.795	0.843	0.843	0.795	0.843	0.795	0.838	0.721
1/13 - 12/13	0.905	0.829	0.905	0.905	0.829	0.905	0.829	0.905	0.747
1/14 - 12/14	1.086	0.895	1.086	1.086	0.895	1.086	0.895	0.983	0.797
1/15 - 12/15	1.287	1.045	1.287	1.287	1.045	1.287	1.045	1.141	0.851
1/16 - 12/16	2.153	1.549	2.153	2.153	1.549	2.153	1.549	1.410	0.941

* Permanent Total losses are always assigned to the Likely-to-Develop grouping.



RHODE ISLAND

APPENDIX B-IV

Section A-2 – Expected Excess Provision and Redistribution

To reduce distortions in individual class loss cost indications, individual claim amounts are subject to a maximum limit of \$500,000. Multiple claim accidents are limited to three times the individual claim loss limitation. 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. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.073	0.098	0.113	0.137	0.166	0.197	0.233
(2) Excess Factors 1/(1-(1))	1.079	1.109	1.127	1.159	1.199	1.245	1.304

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.

Section A-3 – Calculation of Secondary Conversion Factors

The following factors are applied to include the proposed loss-based expenses. The state losses are adjusted to reflect the proposed loss-based expenses. The federal losses are adjusted to reflect the proposed USL&HW Special Fund Assessment and loss adjustment expense. The combined** factors are based on a combined indemnity and medical loss-weighted average of the above loss-based expenses by policy period.

Policy Period	State Act	Federal Act
1/12 - 12/12	1.224	1.291
1/13 - 12/13	1.224	1.224
1/14 - 12/14	1.224	1.285
1/15 - 12/15	1.224	1.249
1/16 - 12/16	1.224	1.284

** See Section B.3 for the indemnity and medical breakdown of the proposed loss-based expenses.



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APPENDIX B-IV

Section B – Present on Rate Level

1. Benefits

The underlying pure premiums are adjusted by the weighted impact of the proposed state and federal benefit levels. The distribution of state and federal losses was used to determine the weighted effects.

State Weight (St%)	0.236
Federal Weight (Fed%)	0.764

	Indemnity	Medical	Total
(a) State Laws	0.985	1.004	0.991
(b) Federal Laws	1.000	1.000	1.000
(c) Weighted Laws = [(a)xSt%] + [(b)xFed%]	0.996	1.001	0.998

2. Trend

Since the trend in the current underlying pure premiums is adequate for the current rating year, additional trend is applied to bring the underlyings to the proposed rating year.

Indemnity	Medical
0.970	0.960



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APPENDIX B-IV

Section B – Present on Rate Level (continued)

3. Loss-Based Expenses

The current underlying pure premiums are adjusted to reflect the change in the weighted effect of the loss-based expense provisions.

Proposed:

STATE ACT			
	Indemnity	Medical	Total
(a) Loss Adjustment Expense	1.224	1.224	1.224
(b) Loss-Based Assessment	1.000	1.000	1.000
(c) Total = (a) + (b) - 1	1.224	1.224	1.224

FEDERAL ACT			
	Indemnity	Medical	Total
(d) Loss Adjustment Expense	1.224	1.224	1.224
(e) Loss-Based Assessment	1.120	1.000	1.068
(f) Total = (d) + (e) - 1	1.344	1.224	1.292

	Indemnity	Medical	Total
(g) Weighted Proposed Expenses = [(c) x St%] + [(f) x Fed%]	1.316	1.224	1.276

Current:

STATE ACT			
	Indemnity	Medical	Total
(h) Loss Adjustment Expense	1.201	1.201	1.201
(i) Loss-Based Assessment	1.000	1.000	1.000
(j) Total = (h) + (i) - 1	1.201	1.201	1.201

FEDERAL ACT			
	Indemnity	Medical	Total
(k) Loss Adjustment Expense	1.201	1.201	1.201
(l) Loss-Based Assessment	1.113	1.000	1.065
(m) Total = (k) + (l) - 1	1.314	1.201	1.266

	Indemnity	Medical	Total
(n) Weighted Current Expenses = [(j) x St%] + [(m) x Fed%]	1.287	1.201	1.251

Change:

	Indemnity	Medical	Total
Weighted Expense Change in Loss-Based Expenses = [(g) / (n)]	1.023	1.019	1.020

4. Conversion Factors = (1) x (2) x (3)

The factors have been applied multiplicatively resulting in the following factors.

Indemnity	Medical
0.988	0.979



RHODE ISLAND

APPENDIX B-IV

Section C – National Pure Premiums

The latest three years of state and federal losses for states in which NCCI compiles workers compensation data are separately adjusted to the same level as the indicated and present on rate level pure premiums.

Class Code 9077

For Code 9077, the indicated, national and present on rate level pure premiums were calculated as described previously in Sections A, B and C but using the non-appropriated benefit changes and the federal loss-based expenses.

Section D – Derived by Formula Pure Premiums

The derived by formula pure premiums are calculated by a process similar to that of the industrial codes, which is described in Appendix B-I, Section D. To achieve full state credibility, a classification must have expected losses of at least: \$128,854,900 for indemnity and \$50,896,800 for medical.

II. Calculation of Proposed Loss Costs

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

A. Test Correction Factor **1.0000**

B. Ratio of Manual Premium to Earned Premium **1.074**
(selected based on Rhode Island off-balance analysis)

C. Swing Limits
No classifications were adjusted on account of swing limits.



RHODE ISLAND

APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 6824

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:

STATE ACT - LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	19,217	0	16,568
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	776	0	2,042
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	1,738
01/01/16 - 12/31/16	0	0	0	0	0	0	19,139	0	20,202

FEDERAL ACT - LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	0	0	0
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	0
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

STATE ACT - PRIMARY CONVERSION FACTORS (Appendix B-IV, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0.841	0.794	0.850	0.852	0.804	0.852	0.804	0.867	0.746
01/01/13 - 12/31/13	0.903	0.827	0.913	0.915	0.838	0.915	0.838	0.935	0.771
01/01/14 - 12/31/14	1.084	0.893	1.096	1.098	0.904	1.098	0.904	1.010	0.819
01/01/15 - 12/31/15	1.284	1.043	1.298	1.301	1.056	1.301	1.056	1.172	0.874
01/01/16 - 12/31/16	2.144	1.543	2.168	2.174	1.565	2.172	1.563	1.443	0.962

FEDERAL ACT - PRIMARY CONVERSION FACTORS (Appendix B-IV, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0.843	0.795	0.843	0.843	0.795	0.843	0.795	0.838	0.721
01/01/13 - 12/31/13	0.905	0.829	0.905	0.905	0.829	0.905	0.829	0.905	0.747
01/01/14 - 12/31/14	1.086	0.895	1.086	1.086	0.895	1.086	0.895	0.983	0.797
01/01/15 - 12/31/15	1.287	1.045	1.287	1.287	1.045	1.287	1.045	1.141	0.851
01/01/16 - 12/31/16	2.153	1.549	2.153	2.153	1.549	2.153	1.549	1.410	0.941



RHODE ISLAND

APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 6824

EXPECTED EXCESS PROVISION AND REDISTRIBUTION (Appendix B-IV, 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: F
Excess Factor	1.245

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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STATE ACT - EXPECTED UNLIM LOSSES (Lim Losses x Primary Conv Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	17,724	0	16,908
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	805	0	2,151
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	1,892
01/01/16 - 12/31/16	0	0	0	0	0	0	34,317	0	27,138

FEDERAL ACT - EXPECTED UNLIM LOSSES (Lim Losses x Primary Conv Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
01/01/12 - 12/31/12	0	0	0	0	0	0	0	0	0
01/01/13 - 12/31/13	0	0	0	0	0	0	0	0	0
01/01/14 - 12/31/14	0	0	0	0	0	0	0	0	0
01/01/15 - 12/31/15	0	0	0	0	0	0	0	0	0
01/01/16 - 12/31/16	0	0	0	0	0	0	0	0	0

STATE ACT - SECONDARY CONVERSION FACTORS (Appendix B-IV, Section A-3)

	INDUSTRY GROUP: F-Class
Policy Period	
01/01/12 - 12/31/12	1.224
01/01/13 - 12/31/13	1.224
01/01/14 - 12/31/14	1.224
01/01/15 - 12/31/15	1.224
01/01/16 - 12/31/16	1.224

FEDERAL ACT - SECONDARY CONVERSION FACTORS (Appendix B-IV, Section A-3)

	INDUSTRY GROUP: F-Class
Policy Period	
01/01/12 - 12/31/12	1.291
01/01/13 - 12/31/13	1.224
01/01/14 - 12/31/14	1.285
01/01/15 - 12/31/15	1.249
01/01/16 - 12/31/16	1.284



RHODE ISLAND

APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 6824

TOTAL - PAYROLL, FINAL CONVERTED LOSSES

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
01/01/12 - 12/31/12	844,943	0	21,694	0	20,695	21,694	20,695	42,389
01/01/13 - 12/31/13	959,586	0	0	0	0	0	0	0
01/01/14 - 12/31/14	1,538,544	0	985	0	2,633	985	2,633	3,618
01/01/15 - 12/31/15	918,132	0	0	0	2,316	0	2,316	2,316
01/01/16 - 12/31/16	1,622,001	0	42,004	0	33,217	42,004	33,217	75,221
Total	5,883,206	0	64,683	0	58,861	64,683	58,861	123,544
INDICATED PURE PREMIUM						1.099	1.000	2.10

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current loss cost by the conversion factors. 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	4.001	3.899	7.90
Conversion Factors (Section B)	0.988	0.979	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	3.953	3.817	7.77



RHODE ISLAND

APPENDIX B-IV

Derivation of Proposed Loss Cost - Code 6824

Industry Group - F-Class, Hazard Group - F

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	1.099	1.000	2.10
2. Pure Premium Indicated by National Relativity	1.270	2.153	3.42
3. Pure Premium Present on Rate Level	3.953	3.817	7.77
4. State Credibilities	4%	7%	xxx
5. National Credibilities	16%	17%	xxx
6. Residual Credibilities = 100% - (4) - (5)	80%	76%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	3.410	3.337	6.75
8. Test Correction Factor	1.0000	1.0000	xxx
9. Underlying Pure Premiums = (7) x (8) *	3.413	3.337	6.75
10. Ratio of Manual to Standard Premium			1.074
11. Loss Cost = (9) x (10)			7.25
12. Loss Cost Within Swing Limits			7.25
Current Loss Cost x Swing Limits			
a) Lower bound = 8.52 x 0.850 = 7.25			
b) Upper bound = 8.52 x 1.150 = 9.79			
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	3.413	3.337	6.75
14. Disease, Catastrophe and/or Miscellaneous Loadings			0.00
15. Final Loaded Loss Cost			7.25

* Indemnity pure premium is adjusted for the rounded total pure premium:
Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium



RHODE ISLAND

Advisory Loss Costs and Rating Values Filing – August 1, 2020

Appendix C – Memoranda for Laws and Assessments

Appendix C provides details on changes affecting workers compensation benefit costs that are not yet reflected in the on-level factors shown in Appendix A-I. Such changes may result from annual updates in medical reimbursement levels or other changes that directly affect worker compensation benefit levels. In addition, changes to the administration of the workers compensation system, including benefit levels, may result from specific regulatory, legislative, or judicial action. The overall effect of benefit changes displayed in Appendix C is calculated as of the benefit effective date, which may differ from the overall impact on the filing as shown in the Executive Summary.

The following changes affecting Rhode Island benefit levels are detailed in this section of the filing:

- Change in Spendable Wage Calculation, Effective May 10, 2019
- Change in the Rhode Island Medical Fee Schedule Effective January 1, 2020
- Longshore and Harbor Workers' Compensation Act Annual Assessment



Rhode Island

Appendix C-I

ANALYSIS OF RHODE ISLAND SPENDABLE WAGE TABLE UPDATE Effect of After-Tax Income Changes on Workers Compensation Benefits Effective May 10, 2019

NCCI estimates that the changes to the Average Weekly Wage to Spendable Base Wage Table (the Wage Table) in Rhode Island will result in an overall impact on WC system costs of -1.0%.

In Rhode Island, the rate of compensation for indemnity benefits to be paid to injured workers under the Workers Compensation Act is a percentage of the worker's after-tax or "spendable" wages, rather than gross wages. The Rhode Island Department of Labor and Training (DLT) annually updates the Wage Table, which is used to determine spendable wages. In the May 10, 2019 update to the Wage Table, the DLT adjusted the calculation of FICA¹ taxes in two ways:

1. Inclusion of the 1.45%² Medicare payroll tax
2. Limitation of the 6.2% Social Security Old Age, Survivors, and Disability Insurance payroll tax to the first \$132,900 of wages

On average, the net effect of this change will be to lower spendable wages as calculated on the Wage Table, which will lead to lower workers compensation (WC) indemnity benefits in Rhode Island. The approach used in calculating the effect of this methodology change on WC indemnity benefits resulting from the expected decrease in spendable wages is as follows:

1. Begin with the 2019 Rhode Island Withholding Tax Tables, along with the 2019 Federal Withholding Tax Tables for Single and for Married Filing Jointly taxpayers.
2. Estimate the appropriate number of exemptions for taxpayers based on filing status (using countrywide distributions of the number of dependents in disability and fatal cases).
3. Calculate spendable wages by gross earnings bracket, accounting for federal income tax, FICA taxes excluding the FICA calculation change, and state income taxes for each of the following four situations: (1) Single, (2) Single, Head of Household, (3) Married, Single Earner, and (4) Married, Dual Earner.
4. Calculate the average weekly benefits (AWB) for the four situations using a countrywide distribution of workers and their wages³, indexed to the Rhode Island average weekly wage⁴, for each injury type (Fatal, Permanent Total, Permanent Partial, and Temporary Total).
5. Calculate the AWB for each injury type weighted across the four situations⁵.
6. Repeat steps 1 through 5, including the FICA calculation change.
7. Calculate the ratios of the 2019 AWB to the 2018 AWB for each injury type. See column (B) in the summary table below.
8. Determine the indemnity cost distribution by injury type⁶. See column (A) in the summary table below.

¹ Federal Insurance Contributions Act (FICA) taxes are payroll taxes which go towards the funding of the Social Security program and Medicare.

² An additional 0.9% Medicare tax applies to wages exceeding \$200,000 for single workers and \$250,000 for married workers. A negligible proportion of injured workers are subject to this additional tax.

³ Based on NCCI Detailed Claim Information data.

⁴ Forecasted using the Bureau of Labor Statistics Quarterly Census of Employment and Wages, for all private sector employment, and adjusted to reflect injured workers wages.

⁵ Based on countrywide distributions of average dependents by type (e.g., spouse, spouse with one child, parent, etc.) for fatal and for disability cases.

⁶ NCCI Unit Statistical Plan data for the 36-month policy period ending 12/31/2015 on the 10/01/2018 law level and developed to an ultimate basis by type of injury.



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Appendix C-I

ANALYSIS OF RHODE ISLAND SPENDABLE WAGE TABLE UPDATE Effect of After-Tax Income Changes on Workers Compensation Benefits Effective May 10, 2019

9. Using the indemnity cost distribution (Step 8) and the changes in the AWB by injury type (Step 7), calculate the effect of the Wage Table changes on total indemnity benefit costs. See line (C) in the summary table below.
10. Multiply the impact on total indemnity benefit costs (Step 9) by the percentage of losses attributed to indemnity benefits⁷ to determine the impact of the change to the Wage Table on overall benefit costs. See line (E) in the summary table below.

Based on the above calculations, **the estimated impact on overall WC system costs in Rhode Island is -1.0%. See the summary table below for impacts by injury type.**

Injury Type	(A) Share of Indemnity Costs	(B) Impact on Injury Type
Fatal	1.0%	-1.5%
Permanent Total	1.6%	-1.6%
Permanent Partial	60.8%	-1.5%
Temporary Total	36.6%	-1.6%
Impact on Indemnity Benefit Costs (C) = Sum of (A) x (B)		-1.5%
Indemnity Benefits as a Share of Total Benefit Costs (D)		69%
Impact on Overall System Costs (E) = (C) x (D)		-1.0%

⁷ NCCI Financial Call data for Rhode Island for Policy Years 2014, 2015, and 2016 projected to 5/10/2019.



Rhode Island

Appendix C-II

ANALYSIS OF RHODE ISLAND MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JANUARY 1, 2020

NCCI estimates that the changes to the fee schedule in Rhode Island, effective January 1, 2020, will result in an impact of +0.1% on overall workers compensation system costs.

SUMMARY OF CHANGES

The Medical Fee Schedule (MFS) in Rhode Island is published by the Rhode Island Department of Labor and Training (DLT). The current MFS for professional services, anesthesia, Healthcare Common Procedure Coding System (HCPCS), ambulance, and dental services in Rhode Island became effective October 1, 2018.

The changes to the Rhode Island Workers Compensation MFS include changes to the professional services, anesthesia, ambulance, HCPCS, and dental fee schedules.

ACTUARIAL ANALYSIS

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
 - Compare the prior and revised maximum reimbursements by procedure code and determine the percentage change by procedure code.
 - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights.
2. Estimate the price level change as a result of the revised fee schedule
 - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change. For non-physician fee schedule changes, a price realization factor of 80% is assumed.
3. Determine the share of costs that are subject to the fee schedule
 - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported on the NCCI Medical Data Call, to categorize payments that are subject to the fee schedule.
 - The share is calculated as the greater of the percent of observed payments with a maximum allowable reimbursement (MAR) or 75%. NCCI assumes no change for the share of costs not subject to the fee schedule.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data underlying the calculations in this analysis are based on NCCI's Medical Data Call for Rhode Island for Service Year 2017.



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Appendix C-II

ANALYSIS OF RHODE ISLAND MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JANUARY 1, 2020

- The share of benefit costs attributed to medical benefits is based on NCCI's Financial Call data for Rhode Island from Policy Years 2014, 2015, and 2016 projected to the effective date of the benefit changes.

Professional & Anesthesia Fee Schedule

In Rhode Island, payments for professional services represent 54.2% of total medical costs. The overall change in maximums for professional services is a weighted average of the percentage change in MAR by procedure code (Revised MAR/Prior MAR). The weights are based on Service Year 2017 observed payments by procedure code for Rhode Island, as reported on NCCI's Medical Data Call. The overall weighted-average percentage change in maximums for professional services is +1.0%. The impact by category is shown in the following table.

Professional Practice Category	Share of Professional Costs	Percentage Change in MAR
Anesthesia	4.3%	0.0%
Surgery	27.2%	+1.0%
Radiology	9.7%	+1.3%
Pathology & Laboratory	0.3%	+0.8%
Evaluation & Management	24.7%	+1.2%
Medicine	2.7%	0.0%
State Specific Codes	24.6%	+1.3%
Professional Payments with no specific MAR	6.5%	-
Total Professional Costs	100.0%	+1.0%

A price realization factor of 80% was applied. The impact on professional payments after applying the price realization factor is +0.8% (= +1.0% x 0.80).

The above impact of +0.8% is then multiplied by the percentage of medical costs attributed to professional payments in Rhode Island (54.2%) to arrive at an impact of +0.4% on medical costs. This is then multiplied by the percentage of benefit costs attributed to medical benefits in Rhode Island (31%) to arrive at an impact of +0.1% on overall workers compensation costs.

HCPCS Fee Schedule

In Rhode Island, payments for HCPCS services, which include Durable Medical Equipment, Prosthetics, Orthotics, and Supplies, represent 7.3% of total medical costs. The impact on HCPCS services, which is calculated in an analogous manner to the professional fee schedule change, is +0.7%. A price realization factor of 80% was applied. The impact on HCPCS payments after applying the price realization factor is +0.6% (= +0.7% x 0.80).



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Appendix C-II

ANALYSIS OF RHODE ISLAND MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JANUARY 1, 2020

The above impact of +0.6% is then multiplied by the percentage of medical costs attributed to HCPCS payments in Rhode Island (7.3%) to arrive at a negligible¹ increase on medical and overall workers compensation costs.

Ambulance Fee Schedule

In Rhode Island, payments for ambulance services represent 0.6% of total medical costs. The impact on ambulance services, which is calculated in an analogous manner to the professional fee schedule change, is +2.3%. A price realization factor of 80% was applied. The impact on ambulance payments after applying the price realization factor is +1.8% (= +2.3% x 0.80).

The above impact of +1.8% is then multiplied by the percentage of medical costs attributed to ambulance payments in Rhode Island (0.6%) to arrive at a negligible increase on medical and overall workers compensation costs.

Dental Fee Schedule

In Rhode Island, payments for dental services represent 0.3% of total medical costs. The impact on dental services, which is calculated in an analogous manner to the professional fee schedule change, is -0.3%. A price realization factor of 80% was applied. The impact on dental payments after applying the price realization factor is -0.2% (= -0.3% x 0.80).

The above impact of -0.2% is then multiplied by the percentage of medical costs attributed to dental payments in Rhode Island (0.3%) to arrive at a negligible decrease on medical and overall workers compensation costs.

¹ Negligible is defined in this document to be an impact on system costs of less than +/-0.1%.



Rhode Island

Appendix C-II

ANALYSIS OF RHODE ISLAND MEDICAL FEE SCHEDULE CHANGES EFFECTIVE JANUARY 1, 2020

SUMMARY OF IMPACTS

The impacts from the fee schedule change in Rhode Island, effective January 1, 2020, are summarized in the following table:

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs
Professional & Anesthesia	+0.8%	54.2%	+0.4%
HCPCS	+0.6%	7.3%	Negligible increase
Ambulance	+1.8%	0.6%	Negligible increase
Dental	-0.2%	0.3%	Negligible decrease
Combined Impact on Medical Costs (D) = Total of (C)			+0.4%
Medical Costs as a Share of Overall Costs (E)			31%
Combined Impact on Overall Costs (F) = (D) x (E)			+0.1%



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APPENDIX C-III

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

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

1.) Estimated Total Expense Needed for 2019 *	100,000,000
2.) Compensation Payments Reported (on indemnity only) in 2018 *	832,150,055
3.) Assessment Rate on Indemnity Losses (1) / (2)	12.0%

Breakdown of Losses Under the Longshore and Harbor Workers Act

4.) Indemnity Losses (Combination of 1st through 3rd reports) #	38,892,262
5.) Medical Losses (Combination of 1st through 3rd reports) #	30,237,088
6.) Total Losses (4) + (5)	69,129,350
7.) Assessment Rate on Total Losses { (3) x (4) } / (6)	6.8%

* Source: U.S. Department of Labor

Source: On-leveled and developed USL&HW losses - statistical plan data



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Appendix D – Derivation of Experience Rating Values

1. Expected Loss Rate (ELR) factors

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 pure premiums underlying the proposed loss costs are adjusted to reflect the average loss levels of the proposed 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, remove the effects of items such as: loss development, expected losses above the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and offsets for assigned risk programs.

An adjustment is made to the ELR factors so that the resulting ELRs produce an expected experience rating off-balance that equals the targeted experience rating off-balance used in the calculation of the overall loss cost level change for the state (Appendix A–I).

The final ELR for each classification is calculated as follows:

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

2. Discount Ratio (D-Ratio) factors

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 D-ratio is used to determine the expected primary losses to be used in the experience mod calculation.

D-ratio factors are calculated separately for indemnity and medical losses by hazard group and are based on the latest three years of Unit Statistical data. A comparison of the resulting D-ratio



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Appendix D – Derivation of Experience Rating Values

factors across hazard groups is done to ensure that the factors 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 calculated as follows:

$$\text{D-ratio} = \frac{\{(HG \text{ indemnity D-ratio factor}) \times (\text{indemnity pure premium}) + (HG \text{ medical D-ratio factor}) \times (\text{medical pure premium})\}}{\text{total pure premium}}$$

3. Additional experience rating values

Table of Weighting Values

The Weighting Value (W) determines how much actual excess and expected excess losses will enter the experience modification formula. The weighting value increases as expected losses increase with larger insureds receiving a larger weighting value. The weighting value for various levels of expected losses is provided in the Table of Weighting Values. The table is updated based on the state reference point, which is updated with Unit Statistical data each experience filing.

The state reference point is calculated as the state average cost per case for the experience rating period multiplied by 250. The state reference point serves to determine how much credibility to give to the losses of an individual risk and as an index of claim cost differences by state. The state per claim accident limitation shown on the Table of Weighting Values is 10% of the state reference point.

Table of Ballast Values

The Ballast Value (B) is a stabilizing value designed to limit the effect of any actual loss experience on the experience rating modification. It is added to both the numerator and denominator of the mod calculation and increases as expected losses increase. The ballast value for various levels of expected loss ranges is provided in the Table of Ballast Values. The table is updated based on the state reference point, which is updated with Unit Statistical data.

The G value used in the ballast formula is the state reference point / 250,000, rounded to the nearest 0.05.



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Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



RHODE ISLAND

Advisory Loss Costs and Rating Values Filing – August 1, 2020

Definitions

Accident Year (AY): A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

Calendar Year (CY):

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

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

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

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

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

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

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

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

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

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

Policy Year:

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

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



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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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NCCI Affiliate List

ACADIA INSURANCE COMPANY
ACCIDENT FUND GENERAL INS CO
ACCIDENT FUND INS CO OF AMERICA
ACCIDENT FUND NATIONAL INS CO
ACE AMERICAN INSURANCE COMPANY
ACE FIRE UNDERWRITERS INSURANCE COMPANY
ACE PROPERTY & CASUALTY INSURANCE COMPANY
ACIG INS CO
AIG ASSURANCE COMPANY
AIG PROPERTY CASUALTY COMPANY
AIU INSURANCE CO (NATIONAL UNION FIRE OF PITTS PA)
ALLIED EASTERN IND CO
ALLIED INSURANCE COMPANY OF AMERICA
ALLMERICA FINANCIAL ALLIANCE INS CO
ALLMERICA FINANCIAL BENEFIT INS CO
AMERICAN ALTERNATIVE INSURANCE CORPORATION
AMERICAN AUTOMOBILE INSURANCE CO
AMERICAN CASUALTY COMPANY OF READING P A
AMERICAN COMPENSATION INS CO
AMERICAN FAMILY HOME INS CO
AMERICAN FIRE AND CASUALTY CO
AMERICAN GUARANTEE AND LIABILITY INS CO
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT
AMERICAN INS CO
AMERICAN INTERSTATE INS CO
AMERICAN MODERN HOME INS CO
AMERICAN ZURICH INS CO
AMERISURE INS CO
AMERISURE MUTUAL INS CO
AMERISURE PARTNERS INS CO
AMGUARD INS CO
ARBELLA INDEMNITY INS CO
ARBELLA PROTECTION INS CO
ARCH INDEMNITY INSURANCE COMPANY
ARCH INSURANCE COMPANY
ARGONAUT GREAT CENTRAL INS CO
ARGONAUT INS CO
ARGONAUT MIDWEST INS CO
ARROW MUTUAL LIABILITY INS CO
ASSOCIATED INDEMNITY CORP
ATLANTIC SPECIALTY INS CO (ONEBEACON)
BANKERS STANDARD INS CO
BEACON MUTUAL INS CO
BENCHMARK INSURANCE COMPANY
BERKLEY CASUALTY COMPANY
BERKLEY INSURANCE COMPANY
BERKLEY NATIONAL INSURANCE COMPANY
BERKLEY REGIONAL INS CO
BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
BERKSHIRE HATHAWAY HOMESTATE INS CO
BITCO GENERAL INSURANCE CORPORATION
BLACKBOARD INSURANCE COMPANY
BROTHERHOOD MUTUAL INS CO
CALIFORNIA INSURANCE COMPANY
CAROLINA CASUALTY INS CO
CERITY INSURANCE COMPANY
CHARTER OAK FIRE INS CO
CHEROKEE INS CO
CHUBB INDEMNITY INS CO
CHUBB NATIONAL INS CO
CHURCH MUTUAL INS CO
CINCINNATI CASUALTY COMPANY
CINCINNATI INDEMNITY COMPANY
CINCINNATI INS CO
CITIZENS INS CO OF AMERICA
CLEAR SPRING PROPERTY AND CASUALTY COMPANY
COLONIAL AMERICAN CASUALTY & SURETY CO
COMMERCE AND INDUSTRY INS CO
CONTINENTAL CASUALTY CO
CONTINENTAL INDEMNITY CO
CONTINENTAL INS CO
CRESTBROOK INS CO
CRUM AND FORSTER INDEMNITY CO
DISCOVER PROPERTY & CASUALTY INS CO
DORCHESTER MUTUAL INSURANCE COMPANY
EASTERN ADVANTAGE ASSURANCE COMPANY
EASTERN ALLIANCE INSURANCE COMPANY
EASTGUARD INS CO
ELECTRIC INS CO
EMC PROPERTY & CASUALTY COMPANY
EMCASCO INS CO
EMPLOYERS ASSURANCE COMPANY
EMPLOYERS COMPENSATION INS CO
EMPLOYERS INS CO OF WAUSAU
EMPLOYERS MUTUAL CASUALTY CO
EMPLOYERS PREFERRED INS CO
ENDURANCE AMERICAN INS CO
ENDURANCE ASSURANCE CORPORATION
EVEREST DENALI INSURANCE COMPANY
EVEREST NATIONAL INS CO
EVEREST PREMIER INSURANCE COMPANY
EVEREST REINSURANCE CO DIRECT
EXCELSIOR INSURANCE COMPANY
EXECUTIVE RISK INDEMNITY INC
FALLS LAKE NATIONAL INSURANCE CO
FARMINGTON CASUALTY COMPANY
FEDERAL INSURANCE COMPANY
FEDERATED MUTUAL INS CO
FEDERATED RESERVE INSURANCE CO
FEDERATED SERVICE INS CO
FIDELITY & DEPOSIT COMPANY OF MARYLAND
FIDELITY & GUARANTY INS UNDERWRITERS
FIDELITY & GUARANTY INSURANCE CO
FIREMANS FUND INSURANCE CO
FIREMENS INS CO OF WASHINGTON DC
FIRST LIBERTY INS CORP
FIRSTCOMP INSURANCE CO
FITCHBURG MUTUAL INS CO
FLORISTS MUTUAL INSURANCE CO
FRANK WINSTON CRUM INSURANCE CO
GENERAL CASUALTY COMPANY OF WISCONSIN
GENERAL INS CO OF AMERICA
GENESIS INS CO
GRANITE STATE INSURANCE COMPANY
GRAPHIC ARTS MUTUAL INS CO
GRAY INSURANCE COMPANY
GREAT AMERICAN ALLIANCE INS CO
GREAT AMERICAN ASSURANCE COMPANY
GREAT AMERICAN INS CO OF NY
GREAT AMERICAN INSURANCE COMPANY



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NCCI Affiliate List

GREAT AMERICAN SPIRIT INS CO
GREAT DIVIDE INSURANCE COMPANY
GREAT MIDWEST INS CO
GREAT NORTHERN INS CO
GREAT WEST CASUALTY COMPANY
GREATER NY MUTUAL INS CO
GREENWICH INS CO
GUIDEONE MUTUAL INS CO
HANOVER AMERICAN INS CO
HANOVER INS CO
HARLEYSVILLE INSURANCE COMPANY
HARLEYSVILLE PREFERRED INSURANCE CO
HARLEYSVILLE WORCESTER INSURANCE CO
HARTFORD ACCIDENT AND INDEMNITY CO
HARTFORD CASUALTY INS CO
HARTFORD FIRE INSURANCE CO
HARTFORD INS CO OF IL
HARTFORD INS CO OF MIDWEST
HARTFORD INS CO OF THE SOUTHEAST
HARTFORD UNDERWRITERS INS CO
HDI GLOBAL INSURANCE COMPANY
ILLINOIS NATIONAL INSURANCE COMPANY
IMPERIUM INSURANCE COMPANY
INDEMNITY INS CO OF N AMERICA (INA INS) (CT GEN)
INS CO OF GREATER NY
INS CO OF NORTH AMERICA
INS CO OF THE STATE PA
INS CO OF THE WEST
INTREPID INSURANCE COMPANY
KEY RISK INS CO
LACKAWANNA AMERICAN INS CO
LACKAWANNA CASUALTY CO
LACKAWANNA NATIONAL INS CO
LIBERTY INS CORP
LIBERTY INSURANCE UNDERWRITERS INC
LIBERTY MUTUAL FIRE INS CO
LIBERTY MUTUAL INS CO
LM INS CORP
MA BAY INS CO
MAG MUTUAL INS CO
MAIN STREET AMERICA ASSURANCE CO
MANUFACTURERS ALLIANCE INS CO
MARKEL INSURANCE CO
ME EMPLOYERS MUTUAL INS CO
MEMIC CASUALTY COMPANY
MEMIC INDEMNITY CO
MERCHANTS MUTUAL INS CO
MERCHANTS PREFERRED INSURANCE COMPANY
MERIDIAN SECURITY INSURANCE COMPANY
MIDDLESEX INS CO
MIDVALE INDEMNITY COMPANY
MIDWEST EMPLOYERS CASUALTY CO
MILBANK INSURANCE COMPANY
MITSUI SUMITOMO INS CO OF AMERICA
MITSUI SUMITOMO INS USA INC
MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY
NATIONAL AMERICAN INS CO
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 UNION FIRE INS CO OF PITTSBURGH PA
NATIONWIDE AGRIBUSINESS INS CO
NATIONWIDE ASSURANCE CO
NATIONWIDE GENERAL INSURANCE CO
NATIONWIDE INS CO OF AMERICA
NATIONWIDE MUTUAL FIRE INS CO
NATIONWIDE MUTUAL INS CO
NETHERLANDS INSURANCE COMPANY
NEW HAMPSHIRE INSURANCE COMPANY
NEW YORK MARINE AND GENERAL INSURANCE CO
NGM INSURANCE COMPANY
NORFOLK AND DEDHAM MUTUAL FIRE INS CO
NORGUARD INS CO
NORTH AMERICAN ELITE INSURANCE CO
NORTH AMERICAN SPECIALTY INS CO
NORTH POINTE INS CO
NORTH RIVER INS CO
NOVA CASUALTY COMPANY
OAK RIVER INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY
OBI NATIONAL INSURANCE COMPANY
OH CASUALTY INS CO
OHIO SECURITY INS CO
OLD REPUBLIC GENERAL INSURANCE CORPORATION
OLD REPUBLIC INS CO
PA MANUFACTURERS ASSN INS CO
PA MANUFACTURERS INDEMNITY CO
PA NATIONAL MUTUAL CAS INS CO
PACIFIC EMPLOYERS INS CO
PACIFIC INDEMNITY CO
PATRONS MUTUAL INS CO OF CT
PEERLESS INDEMNITY INS CO
PEERLESS INSURANCE COMPANY
PENN MILLERS INS CO
PENNSYLVANIA INSURANCE COMPANY
PETROLEUM CASUALTY CO
PHARMACISTS MUTUAL INS CO
PHENIX MUTUAL FIRE INS CO
PHOENIX INS CO
PLAZA INSURANCE CO
PRAETORIAN INSURANCE COMPANY
PREFERRED PROFESSIONAL INSURANCE COMPANY
PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE
PROPERTY AND CASUALTY INS CO OF HARTFORD
PROTECTIVE INS CO
PUBLIC SERVICE INSURANCE COMPANY
QBE INSURANCE CORPORATION
REDWOOD FIRE & CASUALTY INS CO
REGENT INSURANCE COMPANY
REPUBLIC FRANKLIN INS CO
REPUBLIC INDEMNITY CO OF CA
REPUBLIC INDEMNITY COMPANY OF AMERICA
RIVERPORT INSURANCE COMPANY
RLI INSURANCE COMPANY
SAFECO INS CO OF AMERICA
SAFETY FIRST INS CO
SAFETY NATIONAL CASUALTY CORP



Rhode Island

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NCCI Affiliate List

SAGAMORE INSURANCE CO
SAMSUNG FIRE AND MARINE INS CO LTD USB
SECURITY NATIONAL INS CO (AMTRUST GROUP)
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 INSURANCE A MUTUAL CO
SENTRY SELECT INSURANCE COMPANY
SERVICE AMERICAN INDEMNITY COMPANY
SFM MUTUAL INS CO
SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
SOMPO AMERICA INSURANCE COMPANY
ST PAUL FIRE AND MARINE INS CO
ST PAUL GUARDIAN INS CO
ST PAUL MERCURY INS CO
ST PAUL PROTECTIVE 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 NATIONAL INSURANCE COMPANY
STONINGTON INS CO
STRATHMORE INS CO
SUNZ 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
TRAVELERS CASUALTY AND SURETY CO
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
TWIN CITY FIRE INS CO
UNION INS CO OF PROVIDENCE
UNITED STATES FIDELITY AND GUARANTY CO
UNITED WI INS CO
US FIRE INS CO
UTICA MUTUAL INS CO
VALLEY FORGE INS CO
VANLINER INS CO
VANTAPRO SPECIALTY INS CO
VICTORIA FIRE & CASUALTY COMPANY
VIGILANT INS CO
WASHINGTON INTERNATIONAL INSURANCE COMPANY
WCF NATIONAL INSURANCE COMPANY
WELLFLEET INSURANCE COMPANY
WELLFLEET NEW YORK INSURANCE COMPANY
WESCO INSURANCE COMPANY (AMTRUST GROUP)
WEST AMERICAN INS CO
WEST BEND MUTUAL INS CO
WESTCHESTER FIRE INSURANCE COMPANY
WESTPORT INSURANCE CORPORATION
WORK FIRST CASUALTY CO
XL INS CO OF NY INC
XL INSURANCE AMERICA INC
XL SPECIALTY INS CO
ZENITH INS CO
ZURICH AMERICAN INS CO
ZURICH AMERICAN INS CO OF IL



RHODE ISLAND

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