

## Workers Compensation Current Issues

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Casualty Actuarial Society  
Seminar on Reinsurance

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### Anti-Trust Notice

The Casualty Actuarial Society is committed to adhering strictly to the letter and spirit of the antitrust laws. Seminars conducted under the auspices of the CAS are designed solely to provide a forum for the expression of various points of view on topics described in the programs or agendas for such meetings.

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It is the responsibility of all seminar participants to be aware of antitrust regulations, to prevent any written or verbal discussions that appear to violate these laws, and to adhere in every respect to the CAS antitrust compliance policy.

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### Issues We'll Discuss

- Impact of the Recession
- Loss Trends
- Healthcare Reform

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## Impact of the Recession

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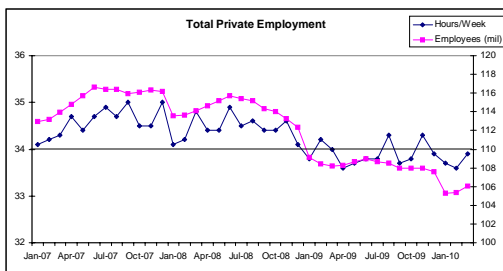
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## Aggregate Employment and Hours Worked Both Down



Source: Bureau of Labor Statistics. February and March of 2010 are still preliminary.

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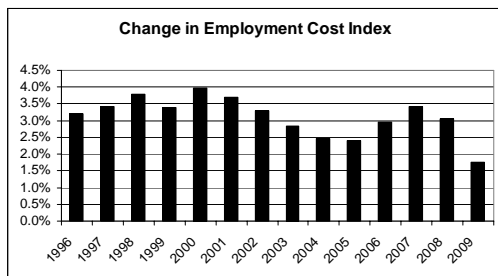
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## Employment Costs Increase Less



Source: Bureau of Labor Statistics.

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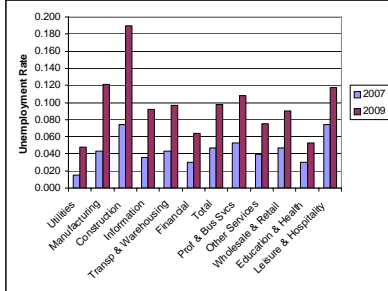
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## Recession Hit Some Industries Harder than Others



Source: Bureau of Labor Statistics.

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## Impact of the Recession

- Mix of Business
- Premium Levels
- Expenses
- Frequency
- Severity

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## Loss Trends

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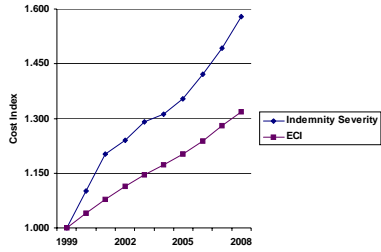
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### Indemnity Severity Outpaces ECI



Sources: NCCI and Bureau of Labor Statistics.

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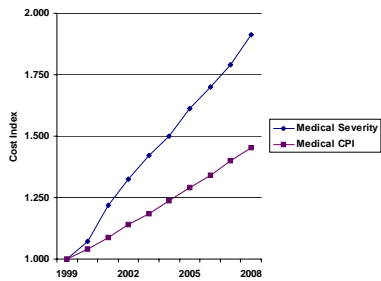
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### Medical Severity Outpaces CPI



Sources: NCCI and Bureau of Labor Statistics.

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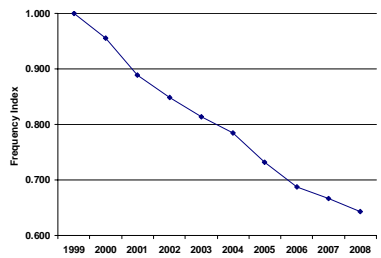
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### Frequency Continues to Drop



Source: NCCI.

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**Increasing Severity of High Cost Claims**

- Increasing frequency of Permanent Total claims
- Increase in motor vehicle accidents
- Aging workforce
- Impact on excess ratios

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**Healthcare Reform**

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**Will Healthcare Reform ...**

- ... decrease WC costs?
- ... increase WC costs?

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