

From: National Council of Self-Insurers

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Subject: Comp Claims Frequency Decreases but Severity Rises

Members of the National Council of Self-Insurers:

According to recent research of the National Council of Compensation Insurance (NCCI), which is based in Boca Raton, FL, the frequency of workers' compensation claims dropped 4% in 2009, reinforcing a downward trend that began in 1991.

"Given the continued weakness in the labor market, it is likely that claim frequency will continue to decline in 2010" because "lessened job creation" typically means more experienced workers, who are less likely to be injured, remain on the job, the NCCI said.

The frequency declines have been widespread, stretching across all industries, geographic regions and employer sizes. However, large employers that can afford safety programs saw the steepest decline in injuries.

Increasing claim costs, though, have partially offset the decline in frequency during 2009. Average indemnity costs increased about 4.5% in 2009, despite a decline in average weekly wages.

Meanwhile, average medical costs for workers' comp claims rose 5%, the smallest increase in the past fifteen years, the NCCI said.

NCCI's research brief is available at

<https://www.ncci.com/nccimain/IndustryInformation/ResearchOutlook/ResearchNewsletters/Pages/WC-Claim-Frequency-Continues-to-Decline-in-2009.aspx>.