



Iowa

Advisory Rates,
Assigned Risk Rates,
and Rating Values Filing

Proposed Effective January 1, 2024



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August 23, 2023

Honorable Doug Ommen
Insurance Commissioner
Iowa Department of Insurance and Financial Services
Iowa Insurance Division
1963 Bell Avenue
Des Moines, IA 50315

**Re: Iowa Advisory Rates, Assigned Risk Rates, and Rating Values Filing
Proposed Effective January 1, 2024**

Dear Commissioner Ommen:

In accordance with the applicable statutes and regulations of the state of Iowa, we are filing for your consideration and approval of prospective rates and rating values for the Iowa voluntary and assigned risk markets to become effective January 1, 2024 for new and renewal policies.

This filing proposes an overall average change of -12.0% to the voluntary rate level and an overall average change of -12.0% to assigned risk rate level. The advisory prospective rates of the voluntary market are used as a basis for the rates in the assigned risk market.

Reported COVID-19-related claims have been excluded from the data on which this filing is based to better reflect the conditions likely to prevail during the proposed effective period.

This filing is made exclusively on behalf of the companies that have given valid consideration for the express purpose of fulfilling regulatory rate 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 state, or has licensed this information as a nonaffiliate, and is not intended to indicate whether the company is currently writing business or is even licensed to write business in this state.

As always, if you should have any questions or need additional information, please do not hesitate to contact Dan Benzshawel at (561) 893-3093 or me at (561) 893-3784.

Sincerely,

A handwritten signature in blue ink that reads "Dan Nelson". The signature is written in a cursive, flowing style.

Dan Nelson, MCM, WCP
State Relations Executive



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Actuarial Certification

I, Dan Benzshawel, am an Executive Director and Actuary for the National Council on Compensation Insurance, Inc. I am a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

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

A handwritten signature in black ink, appearing to read "Dan Benzshawel".

Dan Benzshawel, FCAS, MAAA
Executive Director and Actuary
Actuarial and Economic Services



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Workers Compensation Rate Filing – January 1, 2024

Disclosures

Purpose of the Report

The purpose of this report is to provide the proposed voluntary and assigned risk rates for workers compensation policies in Iowa, proposed to be effective January 1, 2024.

The intended users of this report are:

- The Iowa Insurance Division
- Affiliated carriers, for their reference in determining workers compensation rates

Scope

The prospective advisory rates for the voluntary market are intended to cover the indemnity and medical benefits provided under the system, the expenses associated with providing these benefits (loss-based expenses), and any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Each insurance company offering workers compensation insurance in Iowa may:

- a) adopt the advisory rates which include provisions for expenses based on NCCI's compilation of industry expense data, or
- b) deviate from the advisory rates.

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

NCCI utilizes widely accepted general ratemaking methodologies in the calculation of voluntary and assigned risk rates, including (i) experience base determination, (ii) chain ladder development method, (iii) trending procedure, (iv) expense calculation, and (v) application of indemnity and medical benefit changes. Since the onset of the COVID-19 pandemic, NCCI has conducted in-depth reviews and analyses and has determined that the continued use of data from the pandemic-impacted time-period remains appropriate for use in its ratemaking methodologies.



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Disclosures

Data Sources

Key Dates

Financial Data Valuation Date	December 31, 2022
Financial Call Data Cutoff Date	May 30, 2023
Unit Statistical Plan Data Cutoff Date	June 9, 2023
Filing Preparation Date	July 11, 2023

The overall average advisory rate level change is based on a review of Financial Call Data, which is an aggregation of workers compensation data annually reported to NCCI. In this filing, Financial Call Data submissions received after the Financial Data Cutoff Date were not considered for inclusion in the analysis.

Advisory rate level changes at the classification code level are based on Unit Statistical Plan Data, which is the audited exposure, premium, and loss information reported to NCCI on a policy level. In this filing, Unit Statistical Data submissions received after the Unit Statistical Plan Data Cutoff Date were not considered for inclusion in the analysis.

In some areas, NCCI's analysis also relies on other data sources, which are reviewed for reasonableness and are referenced in the filing where applicable. Events that have occurred after the Filing Preparation Date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.

Data Exclusions

NCCI maintains several data reporting initiatives and programs to assist carriers to report data and to ensure that the data that is reported to NCCI is complete, accurate, and reported in a timely fashion. Occasionally, a carrier's data submission is not available for use in an NCCI filing either because the data was not reported prior to the filing, had quality issues, or NCCI determined that the data that was reported should not be included in the filing based on NCCI's actuarial judgment.

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



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NCCI categorizes catastrophic events as those that incur aggregate workers compensation losses in excess of \$50 million per occurrence. Pandemics have the potential to be catastrophic in terms of the costs they impose on the workers compensation system. NCCI's standard ratemaking methodology excludes catastrophe-related losses from the calculation of rates since these events are not considered to be predictive of future experience. Consistent with this methodology, NCCI is proposing to treat COVID-19 claims with accident dates between December 1, 2019 through December 31, 2022 as a catastrophe in this filing. These reported claims have been excluded from Financial Call Data and Unit Statistical Plan Data for use in ratemaking to better reflect the conditions expected to prevail in the filing's proposed effective period.

Below is a summary of COVID-19-related lost-time claim counts and indemnity and medical combined paid plus case losses, as reported in NCCI's Financial Call 31–Large Loss and Catastrophe as of year-end 2022.

<u>Year</u>	<u>COVID-19 Lost-Time Claim Counts</u>	<u>COVID-19 Paid+Case Losses</u>
PY 2019	100	\$2,058,179
PY 2020	260	\$2,828,357
PY 2021	35	\$816,531
AY 2020	340	\$4,839,546
AY 2021	40	\$844,004
AY 2022	17	\$20,964

Excludes large deductible and expense-only claims.

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

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



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Disclosures

Risks and Uncertainty

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

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

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

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



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Part 1 Filing Overview

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- Additional Proposed Changes



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Workers Compensation Rate Filing – January 1, 2024

Executive Summary

Based on its review of the most recently available data, NCCI has proposed the following overall average workers compensation voluntary rate and assigned risk rate changes in Iowa to become effective January 1, 2024.

Key Components	Percentage Change
Experience, Trend, and Benefit Change	– 10.0%
Production and General Expense Change	+ 0.1%
Taxes & Fees Change	+ 0.3%
Profit & Contingency Change	– 2.7%
<u>Loss-based Expense Change</u>	<u>0.0%</u>
Proposed Change in Overall Voluntary Rate Level	– 12.0%*
 <u>Assigned Risk Multiplier Change</u>	 <u>0.0%</u>
Proposed Change in Overall Assigned Risk Rate Level	– 12.0%

* The rate change varies by classification code, each of which belongs to one of five industry groups.

Items of Note:

Experience and Development:

- The filing is based on financial premium and loss experience for Policy Years 2020 and 2021 evaluated as of December 31, 2022. The experience period evaluated as of December 31, 2022 shows continued improvement when compared to the data evaluated as of December 31, 2021. Refer to Exhibit I for the considerations underlying the Experience Period and Loss Base selections.
 - A combination of both paid and paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period.
 - Both the latest policy years demonstrate favorable experience. The experience observed in Policy Year 2021 shows improvement from prior policy years. The use of the two most recently available full policy years appropriately balances stability and responsiveness. This methodology is consistent with prior filings in Iowa.
 - Reported COVID-19-related claims have been excluded from the data on which this filing is based.
- Similar to previous Iowa filings, the reported loss amounts are projected to an ultimate basis using a 3-year average for paid losses and a 5-year average for paid plus case losses. The most recent valuation of development factors shows no clear deviation from historical values. Refer to Appendix A-II for considerations underlying the Development selection.



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Executive Summary

Trend:

- Generally, the selected annual loss ratio trends in this year's filing are more heavily based on the observed longer-term patterns which exhibit more of a decreasing pattern than the prior filing. Refer to Appendix A-III for considerations underlying the Trend selection.
 - The selected annual indemnity loss ratio trend factor is –4.5% and the selected medical loss ratio trend factor is –3.0%. Both represent a half-point decrease from the current approved trend factors.
 - After adjusting to a common wage level, Iowa's lost-time claim frequency exhibits a long-term pattern of decline.
 - After adjusting to a common wage level, both the average indemnity and medical cost per lost-time claim figures decreased in the most recent two policy years. Long-term average cost per case figures for indemnity demonstrate a declining trend, while the long-term medical costs per case figures show a slight upward trend.

Other Items of Note:

- The primary driver of the proposed change is attributable to improved experience. The decrease in the experience, trend, and benefit component includes changes in loss experience, as well as changes in development and trend factor selections. There are no benefit changes proposed in this filing.
- This filing proposes a decrease in the profit and contingency provision from 2.0% to 0.0%, which considers the notable shift in interest rates from previous years.
- The assigned risk rate change is identical to the voluntary rate change as this filing proposes to maintain the current approved assigned risk multiplier.
- Additional proposed methodology changes in this filing include changes to experience rating values, occupational disease provisions, and calendar year wage adjustments. Please refer to the Additional Proposed Changes section for additional information.



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Overview of Methodology

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

Aggregate Ratemaking

NCCI's approach to determining the proposed overall average advisory rate 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 an Iowa-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 rate effective period
- Ultimate, trended, limited losses are adjusted to an unlimited basis via a non-catastrophe excess ratio (with excess ratios at limits beyond \$50 million set equal to zero)
- Proposed benefit level and expense changes are applied to the projected cost ratios

The indicated average advisory rate 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 rate level is indicated.

Class Ratemaking

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

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

Assigned Risk Rates

The proposed assigned risk rates are then determined for each job classification as the product of the classification's advisory voluntary rate and an assigned risk differential.



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Workers Compensation Rate Filing – January 1, 2024

Summary of Selections

The following is a summary of selections underlying the voluntary rates and assigned risk rates proposed to be effective January 1, 2024, along with the selections underlying the currently approved filing effective January 1, 2023.

<u>Voluntary Market Advisory Rates</u>	<u>Currently Approved January 1, 2023</u>	<u>Proposed Effective January 1, 2024</u>
Experience Period	Policy Years 2019 and 2020	Policy Years 2020 and 2021
Premium Development	3-yr avg	3-yr avg
Loss Experience Base	Avg Paid and P+C	Avg Paid and P+C
Loss Development - Paid	3-yr avg	3-yr avg
Loss Development - Paid+Case	5-yr avg	5-yr avg
Tail Factor – Indemnity	1.010	1.010
Tail Factor – Medical	1.020	1.020
Trend Factor – Indemnity Loss Ratio	0.960	0.955
Trend Factor – Medical Loss Ratio	0.975	0.970
Base Threshold for Limiting Losses	\$7,396,293	\$6,901,988
Excess Ratio	3.1%	3.2%
Loss-based Expense Provision	17.8%	17.8%
Production and General Expenses	24.3%	24.4%
Premium Taxes and Assessments	2.5%	2.7%
Profit and Contingencies Provision	2.0%	0.0%
Classification Swing Limits (applied by Industry Group)	+/-25%	+/-25%
<u>Assigned Risk Rates</u>	<u>Currently Approved January 1, 2023</u>	<u>Proposed Effective January 1, 2024</u>
Assigned Risk Differential	1.250	1.250



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Additional Proposed Changes

Experience Rating Values

The experience rating values in this filing reflect the updates approved in Item E-1409— Enhancement to NCCI's Experience Rating Plan Methodology, which revised certain underlying components of the methodology used in NCCI's Experience Rating Plan (Plan):

- The primary/excess loss split point (split point) now differs by jurisdiction to better reflect state cost differences.
- The State per claim accident limitation (SAL) and United States Longshore and Harbor Workers' Compensation (USL&HW) per claim accident limitation are now based on the 95th percentile of lost time claims and is generally lower in magnitude than the limitations under the prior methodology.
- The credibility parameters underlying the calculation of the weight (W) and ballast (B) values have been recalibrated with more recently available data to improve equity within the Experience Rating Plan.
- The G value has been adjusted to enhance consistency with other Plan parameters.
- The Discount ratios (D-ratios) no longer differ for class codes in the same hazard group.

The benefits of these updates include:

- A more accurate and predictive experience rating modification.
- More comparable Plan performance in states with claim costs that vary significantly from the countrywide average.
- Reduced sensitivity to large outlier claims without sacrificing predictive accuracy.
- The elimination of complex calculations where no value is added.

As described above, the split point is now a state-specific value reflecting Iowa costs; because D-ratios are a measure of the expected proportion of losses below the split point, the average D-ratio in Iowa has increased.

No statewide premium impact is anticipated from these experience rating plan updates.

Occupational Disease Provisions

NCCI recently completed a comprehensive review of Occupational Diseases (OD), excluding coal worker's pneumoconiosis. The review found that the vast majority of loss experience for OD-related conditions is reported within 10 years of policy expiration and thus captured by our Unit Statistical Plan Data. As this data is included in our ratemaking analysis each year, it was determined that there is no need for separate ratemaking handling. Based on this research,



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Additional Proposed Changes

NCCI is proposing to remove all disease loadings specific to any classification that is not related to coal mining. This includes supplementary disease rates, where applicable.

The premium generated from disease provisions is negligible, accounting for less than 0.1% of the total premium in the state. Therefore, no offset is being proposed due to the removal of OD provisions. The losses associated with OD claims will continue to be included in the ratemaking data underlying the annual rate filings.

As stated in the *Basic Manual* (Rule ID: BM-SUPD-S1257), carriers will continue to have the option to include a load for supplemental OD exposure. The supplemental disease loading proposed must be based on the carrier's judgment after an evaluation of the operation.

Calendar Year Wage Adjustments

NCCI's standard methodology is to adjust frequency and severity values included in its rate filings to a common wage level before analyzing trends that may be present in those values. This practice allows NCCI to analyze trends over and above changes that may be due solely to wage inflation. In this year's filing, the frequency and severity values have been adjusted to the Policy Year 2021 average weekly wage (AWW) level using data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW).

In addition to the traditional growth in wages/salaries that may be expected to occur each year, the observed 2019-to-2020 and 2020-to-2021 AWW changes were also impacted by COVID-19 pandemic-related shifts in employment across industry sectors. While a change in industry-sector mix occurs to a small degree each year, its impact on the 2020 and 2021 AWW changes was unusually large, due to pandemic-related job losses, followed by wage growth in relatively low-wage industries. Therefore, the 2020 and 2021 AWW values were adjusted to exclude the estimated impact of the pandemic-related, industry-sector mix change.

The impact of industry-sector mix changes on the 2022 AWW change was less atypical than what was observed in 2020 and 2021. As such, the 2022 AWW value has not been modified to exclude the impact of industry-sector mix changes.

The adjustment made to the 2020 and 2021 AWW is reflected in the frequency and severity values shown in Appendix A-III Trend Factors. The overall impact of the 2020 and 2021 AWW adjustment, and the return to an unadjusted 2022 AWW, is expected to be immaterial.



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Part 2 Proposed Values

- Proposed Voluntary Market Advisory Rates for Inclusion in the Basic Manual
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Please note the following in connection with this filing:

- As a result of Item B-1397, effective January 1, 2008, a single combined rate is still calculated for Class Codes 7710 and 7711 via a payroll-weighted average of the separately indicated rates for these two class codes.
- The updated experience rating plan parameters reflect the methodology enhancements from Item E-1409.
- As a result of Item E-1410, claims attributable to COVID-19 with accident dates on or after July 1, 2023 will be included in experience rating calculations. Experience modifications calculated using the values on the following pages which are effective beginning July 1, 2024* and subsequent have the potential to be affected by COVID-19 claim experience.

* In certain rare circumstances, a few experience modifications effective as early as March 16, 2024 may be affected.



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Proposed Voluntary Market Advisory Rates for Inclusion in the Basic Manual

The following pages include proposed:

- Voluntary market advisory rates and minimum premiums by class code, along with associated footnotes
- Miscellaneous values, such as:
 - Catastrophe and Terrorism provisions
 - Expense Constant and Minimum Premium parameters
 - Maximum and minimum weekly payroll applicable for select class codes
 - Premium determination for Partners and Sole Proprietors
 - United States Longshore and Harbor Workers' Compensation Coverage Percentage

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective January 1, 2024

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	3.42	536	2081	3.37	531	2802	3.94	593	3372	3.21	513	4206	2.93	482
0008	2.35	419	2089	4.03	603	2835	3.32	525	3373	4.51	656	4207	2.57	443
0016	4.10	500	2095	3.21	513	2836	2.82	470	3383	1.42	316	4239	2.57	443
0034	3.57	553	2105	3.88	587	2841	3.63	559	3385	0.95	265	4240	2.61	447
0035	2.02	382	2110	2.67	454	2881	2.72	459	3400	1.96	376	4243	1.84	362
0036	3.17	500	2111	2.64	450	2883	2.82	470	3507	3.01	491	4244	2.46	431
0037	3.38	500	2112	3.91	590	2915	2.69	456	3515	1.92	371	4250	1.83	361
0042	4.63	650	2114	2.28	411	2916	3.08	499	3548	1.39	313	4251	3.23	515
0050	6.50	875	2121	1.37	311	2923	1.84	362	3559	3.59	555	4263	3.59	555
0059D	-	-	2130	1.87	366	2960	4.27	630	3574	0.96	266	4273	2.28	411
0065D	-	-	2131	1.69	346	3004	1.52	327	3581	1.47	322	4279	2.31	414
0066D	-	-	2143	2.25	408	3018	2.43	427	3612	1.94	373	4283	1.74	351
0067D	-	-	2157	3.42	536	3022	3.34	527	3620	2.77	465	4299	1.79	357
0079	2.47	432	2172	1.61	337	3027	1.97	377	3629	2.05	386	4304	4.40	644
0083	4.22	500	2174	3.00	490	3028	2.74	461	3632	2.69	456	4307	1.58	334
0106	7.50	985	2211	6.53	878	3030	4.81	689	3634	1.40	314	4351	1.03	273
0113	3.81	579	2220	2.59	445	3040	4.55	661	3635	1.71	348	4352	1.37	311
0170	3.38	532	2286	-	-	3041	3.65	562	3638	1.79	357	4360	-	-
0251	3.24	516	2288	4.11	612	3042	3.89	588	3642	1.83	361	4361	0.85	254
0401	9.24	A	2302	1.83	361	3064	3.32	525	3643	1.81	359	4410	2.80	468
0771N	0.40	-	2305	2.30	413	3076	2.93	482	3647	2.74	461	4420	4.76	684
0908P	151.00	311	2361	1.89	368	3081D	5.38	752	3648	1.12	283	4431	1.21	293
0913P	424.00	584	2362	2.33	416	3082D	3.57	553	3681	0.64	230	4432	1.12	283
0917	3.05	496	2380	1.83	361	3085D	5.05	716	3685	1.21	293	4452	2.36	420
1005	4.86	695	2388	1.42	316	3110	4.91	700	3719	0.87	256	4459	2.75	463
1016	13.41	1000	2402	2.51	436	3111	3.01	491	3724	3.90	589	4470	2.28	411
1164D	2.55	441	2413	2.00	380	3113	1.99	379	3726	3.96	596	4484	2.93	482
1165D	3.03	493	2416	2.46	431	3114	2.71	458	3803	2.43	427	4493	2.18	400
1320	1.48	323	2417	1.34	307	3118	1.50	325	3807	2.36	420	4511	0.54	219
1322	6.62	888	2501	2.22	404	3119	0.80	248	3808	3.36	530	4557	2.15	397
1430	3.72	569	2503	0.96	266	3122	1.69	346	3821	4.71	678	4558	1.65	342
1438	4.32	635	2534	-	-	3126	2.17	399	3822	3.85	584	4568	2.20	402
1452	2.18	400	2570	3.08	499	3131	1.55	331	3824	3.55	551	4581	0.96	266
1463	8.36	1000	2585	3.47	542	3132	2.38	422	3826	0.75	243	4583	3.11	502
1472	3.00	490	2586	4.01	601	3145	1.92	371	3827	1.76	354	4611	1.16	288
1624D	3.09	500	2587	2.18	400	3146	1.97	377	3830	1.19	291	4635	2.74	461
1642	3.23	515	2589	2.25	408	3169	2.53	438	3851	3.01	491	4653	2.29	412
1654	3.72	569	2600	4.06	607	3179	2.09	390	3865	2.77	465	4665	7.06	937
1699	2.71	458	2623	5.59	775	3180	2.18	400	3881	4.03	603	4670	-	-
1701	2.49	434	2651	1.83	361	3188	2.09	390	4000	3.66	563	4683	3.37	531
1710D	2.97	487	2660	2.13	394	3220	1.55	331	4021	4.47	652	4686	2.00	380
1747	2.64	450	2670	-	-	3224	3.32	525	4024D	4.38	642	4692	0.59	225
1748	5.04	714	2683	-	-	3227	3.42	536	4034	5.48	763	4693	1.08	279
1803D	5.83	801	2688	2.28	411	3240	-	-	4036	2.51	436	4703	1.24	296
1924	2.44	428	2701	13.27	1000	3241	2.79	467	4038	2.18	400	4717	1.56	332
1925	3.81	579	2702	16.75	1000	3255	2.36	420	4062	2.40	424	4720	1.96	376
2002	3.00	490	2709	7.00	930	3257	2.35	419	4101	2.53	438	4740	1.32	305
2003	4.12	613	2710	7.22	954	3270	1.97	377	4109	0.42	206	4741	3.31	524
2014	4.35	639	2714	3.99	599	3300	4.51	656	4110	0.70	237	4751	3.21	513
2016	2.57	443	2731	3.55	551	3303	2.49	434	4111	1.81	359	4771N	2.25	452
2021	3.26	519	2735	6.13	834	3307	2.35	419	4114	2.31	414	4777	3.01	491
2039	2.85	474	2759	5.59	775	3315	2.82	470	4130	2.84	472	4825	0.81	249
2041	3.54	549	2790	1.71	348	3334	2.25	408	4131	5.04	714	4828	1.99	379
2065	2.00	380	2797	3.42	536	3336	2.43	427	4133	2.44	428	4829	0.96	266
2070	4.74	681	2799	5.05	716	3365	4.10	611	4149	0.80	248	4902	2.15	397

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4923	1.11	282	6217	4.10	611	7337M	7.44	978	8058	2.48	433	8814M	0.21	183
5020	4.54	659	6229	4.13	614	7350F	5.34	747	8072	0.58	224	8815M	0.28	191
5022	5.95	815	6233	2.24	406	7360	3.61	557	8102	1.39	313	8820	0.14	175
5037	9.39	1000	6235	4.49	654	7370	4.01	601	8103	2.44	428	8824	1.76	354
5040	5.52	767	6236	4.69	676	7380	4.47	652	8106	4.59	665	8825	-	-
5057	3.51	546	6237	1.32	305	7382	4.61	667	8107	2.62	448	8826	1.67	344
5059	12.93	1000	6251D	5.10	721	7390	3.27	520	8111	2.21	403	8829	-	-
5102	5.33	746	6252D	2.50	435	7394M	5.10	721	8116	2.09	390	8831	1.11	282
5146	3.70	567	6306	4.51	656	7395M	5.67	784	8203	8.33	1000	8832	0.28	191
5160	2.75	463	6319	2.66	453	7398M	6.96	926	8204	4.16	618	8833	0.59	225
5183	2.44	428	6325	3.54	549	7402	0.22	184	8209	3.32	525	8835	1.78	356
5188	3.11	502	6400	4.20	622	7403	2.89	478	8215	3.02	492	8842	2.12	393
5190	1.83	361	6503	2.04	384	7405N	0.92	316	8227	3.17	509	8855	0.12	173
5191	0.94	263	6504	2.48	433	7420	4.47	652	8232	4.01	601	8856	0.54	219
5192	2.83	471	6702M*	3.33	526	7421	0.72	239	8233	2.45	430	8864	1.24	296
5213	6.28	851	6703M*	4.54	659	7422	1.57	333	8235	3.92	591	8868	0.40	204
5215	4.34	637	6704M*	3.70	567	7425	1.89	368	8263	5.94	813	8869	0.93	262
5221	3.99	599	6801F	4.91	700	7431N	0.95	321	8264	4.84	692	8871	0.05	166
5222	9.19	1000	6811	4.98	708	7445N	0.50	-	8265	5.07	718	8901	0.15	177
5223	4.24	626	6824F	5.81	799	7453N	0.51	-	8279	6.50	875	9012	0.93	262
5348	3.47	542	6826F	3.69	566	7502	1.43	317	8288	6.47	872	9014	2.32	415
5402	5.00	710	6834	2.29	412	7515	0.94	263	8291	3.80	578	9015	2.39	423
5403	6.05	826	6836	2.78	466	7520	2.31	414	8292	3.33	526	9016	2.17	399
5437	4.13	614	6843F	6.97	927	7538	2.18	400	8293	5.97	817	9019	2.68	455
5443	2.95	485	6845F	3.58	554	7539	1.65	342	8304	5.32	745	9033	1.67	344
5445	3.89	588	6854	4.92	701	7540	2.31	414	8350	4.56	662	9040	2.84	472
5462	4.49	654	6872F	6.23	845	7580	2.11	392	8380	2.38	422	9044	1.15	287
5472	6.11	832	6874F	10.32	1000	7590	3.68	565	8381	1.42	316	9052	1.47	322
5473	6.54	879	6882	6.18	840	7600	3.08	499	8385	2.18	400	9058	1.41	315
5474	5.55	771	6884	4.94	703	7605	1.80	358	8392	2.00	380	9060	1.23	295
5478	3.17	509	7016M	4.35	639	7610	0.59	225	8393	1.58	334	9061	1.00	270
5479	5.25	738	7024M	4.83	691	7705	4.12	613	8500	5.22	734	9062	1.08	279
5480	5.33	746	7038M	4.81	689	7710	42.51	1000	8601	0.29	192	9063	0.72	239
5491	1.87	366	7046M	9.78	1000	7711	42.51	1000	8602	1.60	336	9077F	4.95	705
5506	5.60	776	7047M	5.93	812	7720	2.55	441	8603	0.09	170	9082	1.03	273
5507	3.42	536	7050M	6.56	882	7855	2.74	461	8606	1.47	322	9083	1.09	280
5508	-	-	7090M	5.34	747	8001	2.14	395	8709F	3.15	507	9084	1.02	272
5535	5.38	752	7098M	10.87	1000	8002	1.73	350	8719	1.69	346	9088a	a	a
5537	3.62	558	7099M	13.35	1000	8006	1.87	366	8720	0.91	260	9089	0.99	269
5551	11.63	1000	7133	2.88	477	8008	0.96	266	8721	0.28	191	9093	1.21	293
5606	1.10	281	7151M	3.50	545	8010	1.66	343	8723	0.11	172	9101	3.90	589
5610	3.99	599	7152M	4.78	686	8013	0.30	193	8725	2.32	415	9102	2.60	446
5645	7.30	963	7153M	3.89	588	8015	0.66	233	8726F	1.46	321	9154	1.52	327
5703	9.87	1000	7219	6.15	837	8017	1.33	306	8734M	0.43	207	9156	2.35	419
5705	11.73	1000	7222	6.00	820	8018	2.69	456	8737M	0.39	203	9170	8.79	1000
5951	0.62	228	7225	7.09	940	8021	1.97	377	8738M	0.53	218	9178	4.87	696
6003	4.40	644	7230	6.57	883	8031	1.79	357	8742	0.32	195	9179	12.59	1000
6005	3.31	524	7231	6.21	843	8032	1.61	337	8745	3.32	525	9180	4.84	692
6018	2.38	422	7232	8.67	1000	8033	1.17	289	8748	0.49	214	9182	2.38	422
6045	4.80	688	7309F	6.10	831	8037	1.63	339	8755	0.45	210	9186	8.66	1000
6204	6.47	872	7313F	2.45	430	8039	1.57	333	8799	0.65	232	9220	4.44	648
6206	2.16	398	7317F	4.64	670	8044	2.14	395	8800	1.64	340	9402	3.63	559
6213	1.76	354	7327F	12.66	1000	8045	0.60	226	8803	0.05	166	9403	7.52	987
6214	1.40	314	7333M	5.45	760	8046	2.32	415	8805M	0.23	185	9410	1.97	377
6216	4.31	634	7335M	6.06	827	8047	0.78	246	8810	0.17	179	9501	3.62	558

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective January 1, 2024

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9505	2.98	488												
9516	2.18	400												
9519	3.12	503												
9521	3.08	499												
9522	2.57	443												
9534	3.12	503												
9554	6.42	866												
9586	0.42	206												
9600	2.30	413												
9620	1.09	280												

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Effective January 1, 2024

FOOTNOTES

- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Rate for classification no longer includes disease loading. A supplemental disease loading may be added, as described in the **Basic Manual** rule, Supplemental disease exposure.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. 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 rate are applied in addition to the basic classification when determining premium.

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

- P Classification is computed on a per capita basis.

*** Class Codes with Specific Footnotes**

- 6702 Rate 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 rate and elr each x 1.215.
- 6703 Rate 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 rate x 1.658 and elr x 1.607.
- 6704 Rate 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 rate and elr each x 1.35.

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

Effective January 1, 2024

MISCELLANEOUS VALUES

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

Employee operated vehicle.....	\$85,800
Leased or rented vehicle.....	\$57,200

Catastrophe (other than Certified Acts of Terrorism) - (Voluntary) 0.01

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

Maximum Minimum Premium..... \$1,000
 Note: Maximum Minimum Premium varies for farming and agricultural class codes

Maximum Weekly Payroll applicable in accordance with the *Basic Manual* notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports" \$4,400

Maximum Weekly Payroll for executive officers including members of limited liability companies and partners or sole proprietors in accordance with the *Basic Manual* rules, Rule for premium determination of executive officers, Rule for premium determination of members of LLCs, and Rule for premium determination for partners or sole proprietors \$4,400

Minimum Premium Multiplier..... 110

Minimum Weekly Payroll for executive officers including members of limited liability companies and partners or sole proprietors in accordance with the *Basic Manual* rules, Rule for premium determination of executive officers, Rule for premium determination of members of LLCs, and Rule for premium determination for partners or sole proprietors \$550

Premium Discount Percentages - (See the *Basic Manual* rule, Premium discount.) The following premium discounts are applicable to Standard Premiums:

		Type A	Type B
First	\$10,000	-	-
Next	190,000	9.1%	5.1%
Next	1,550,000	11.3%	6.5%
Over	1,750,000	12.3%	7.5%

Terrorism (Voluntary) 0.01

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

(Multiply a Non-F classification rate by a factor of 1.30 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.25) and the adjustment for differences in loss-based expenses (1.041).)

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.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Proposed Assigned Risk Rates for Inclusion in the Residual Market Manual

The following pages include proposed:

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

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective January 1, 2024

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	4.28	631	2081	4.21	623	2802	4.93	702	3372	4.01	601	4206	3.66	563
0008	2.94	483	2089	5.04	714	2835	4.15	617	3373	5.64	780	4207	3.21	513
0016	5.13	500	2095	4.01	601	2836	3.53	548	3383	1.78	356	4239	3.21	513
0034	4.46	650	2105	4.85	694	2841	4.54	659	3385	1.19	291	4240	3.26	519
0035	2.53	438	2110	3.34	527	2881	3.40	534	3400	2.45	430	4243	2.30	413
0036	3.96	500	2111	3.30	523	2883	3.53	548	3507	3.76	574	4244	3.08	499
0037	4.23	500	2112	4.89	698	2915	3.36	530	3515	2.40	424	4250	2.29	412
0042	5.79	650	2114	2.85	474	2916	3.85	584	3548	1.74	351	4251	4.04	604
0050	8.13	1000	2121	1.71	348	2923	2.30	413	3559	4.49	654	4263	4.49	654
0059D	-	-	2130	2.34	417	2960	5.34	747	3574	1.20	292	4273	2.85	474
0065D	-	-	2131	2.11	392	3004	1.90	369	3581	1.84	362	4279	2.89	478
0066D	-	-	2143	2.81	469	3018	3.04	494	3612	2.43	427	4283	2.18	400
0067D	-	-	2157	4.28	631	3022	4.18	620	3620	3.46	541	4299	2.24	406
0079	3.09	500	2172	2.01	381	3027	2.46	431	3629	2.56	442	4304	5.50	765
0083	5.28	500	2174	3.75	573	3028	3.43	537	3632	3.36	530	4307	1.98	378
0106	9.38	1000	2211	8.16	1000	3030	6.01	821	3634	1.75	353	4351	1.29	302
0113	4.76	684	2220	3.24	516	3040	5.69	786	3635	2.14	395	4352	1.71	348
0170	4.23	625	2286	-	-	3041	4.56	662	3638	2.24	406	4360	-	-
0251	4.05	606	2288	5.14	725	3042	4.86	695	3642	2.29	412	4361	1.06	277
0401	11.55	A	2302	2.29	412	3064	4.15	617	3643	2.26	409	4410	3.50	545
0771N	0.50	-	2305	2.88	477	3076	3.66	563	3647	3.43	537	4420	5.95	815
0908P	189.00	349	2361	2.36	420	3081D	6.73	900	3648	1.40	314	4431	1.51	326
0913P	530.00	690	2362	2.91	480	3082D	4.46	651	3681	0.80	248	4432	1.40	314
0917	3.81	579	2380	2.29	412	3085D	6.31	854	3685	1.51	326	4452	2.95	485
1005	6.08	829	2388	1.78	356	3110	6.14	835	3719	1.09	280	4459	3.44	538
1016	16.76	1000	2402	3.14	505	3111	3.76	574	3724	4.88	697	4470	2.85	474
1164D	3.19	511	2413	2.50	435	3113	2.49	434	3726	4.95	705	4484	3.66	563
1165D	3.79	577	2416	3.08	499	3114	3.39	533	3803	3.04	494	4493	2.73	460
1320	1.85	364	2417	1.68	345	3118	1.88	367	3807	2.95	485	4511	0.68	235
1322	8.28	1000	2501	2.78	466	3119	1.00	270	3808	4.20	622	4557	2.69	456
1430	4.65	672	2503	1.20	292	3122	2.11	392	3821	5.89	808	4558	2.06	387
1438	5.40	754	2534	-	-	3126	2.71	458	3822	4.81	689	4568	2.75	463
1452	2.73	460	2570	3.85	584	3131	1.94	373	3824	4.44	648	4581	1.20	292
1463	10.45	1000	2585	4.34	637	3132	2.98	488	3826	0.94	263	4583	3.89	588
1472	3.75	573	2586	5.01	711	3145	2.40	424	3827	2.20	402	4611	1.45	320
1624D	3.86	585	2587	2.73	460	3146	2.46	431	3830	1.49	324	4635	3.43	537
1642	4.04	604	2589	2.81	469	3169	3.16	508	3851	3.76	574	4653	2.86	475
1654	4.65	672	2600	5.08	719	3179	2.61	447	3865	3.46	541	4665	8.83	1000
1699	3.39	533	2623	6.99	929	3180	2.73	460	3881	5.04	714	4670	-	-
1701	3.11	502	2651	2.29	412	3188	2.61	447	4000	4.58	664	4683	4.21	623
1710D	3.71	568	2660	2.66	453	3220	1.94	373	4021	5.59	775	4686	2.50	435
1747	3.30	523	2670	-	-	3224	4.15	617	4024D	5.48	763	4692	0.74	241
1748	6.30	853	2683	-	-	3227	4.28	631	4034	6.85	914	4693	1.35	309
1803D	7.29	962	2688	2.85	474	3240	-	-	4036	3.14	505	4703	1.55	331
1924	3.05	496	2701	16.59	1000	3241	3.49	544	4038	2.73	460	4717	1.95	375
1925	4.76	684	2702	20.94	1000	3255	2.95	485	4062	3.00	490	4720	2.45	430
2002	3.75	573	2709	8.75	1000	3257	2.94	483	4101	3.16	508	4740	1.65	342
2003	5.15	727	2710	9.03	1000	3270	2.46	431	4109	0.53	218	4741	4.14	615
2014	5.44	758	2714	4.99	709	3300	5.64	780	4110	0.88	257	4751	4.01	601
2016	3.21	513	2731	4.44	648	3303	3.11	502	4111	2.26	409	4771N	2.81	524
2021	4.08	609	2735	7.66	1000	3307	2.94	483	4114	2.89	478	4777	3.76	574
2039	3.56	552	2759	6.99	929	3315	3.53	548	4130	3.55	551	4825	1.01	271
2041	4.43	647	2790	2.14	395	3334	2.81	469	4131	6.30	853	4828	2.49	434
2065	2.50	435	2797	4.28	631	3336	3.04	494	4133	3.05	496	4829	1.20	292
2070	5.93	812	2799	6.31	854	3365	5.13	724	4149	1.00	270	4902	2.69	456

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective January 1, 2024

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4923	1.39	313	6217	5.13	724	7337M	9.30	1000	8058	3.10	501	8814M	0.26	189
5020	5.68	785	6229	5.16	728	7350F	6.68	895	8072	0.73	240	8815M	0.35	199
5022	7.44	978	6233	2.80	468	7360	4.51	656	8102	1.74	351	8820	0.18	180
5037	11.74	1000	6235	5.61	777	7370	5.01	711	8103	3.05	496	8824	2.20	402
5040	6.90	919	6236	5.86	805	7380	5.59	775	8106	5.74	791	8825	-	-
5057	4.39	643	6237	1.65	342	7382	5.76	794	8107	3.28	521	8826	2.09	390
5059	16.16	1000	6251D	6.38	862	7390	4.09	610	8111	2.76	464	8829	-	-
5102	6.66	893	6252D	3.13	504	7394M	6.38	862	8116	2.61	447	8831	1.39	313
5146	4.63	669	6306	5.64	780	7395M	7.09	940	8203	10.41	1000	8832	0.35	199
5160	3.44	538	6319	3.33	526	7398M	8.70	1000	8204	5.20	732	8833	0.74	241
5183	3.05	496	6325	4.43	647	7402	0.28	191	8209	4.15	617	8835	2.23	405
5188	3.89	588	6400	5.25	738	7403	3.61	557	8215	3.78	576	8842	2.65	452
5190	2.29	412	6503	2.55	441	7405N	1.15	356	8227	3.96	596	8855	0.15	177
5191	1.18	290	6504	3.10	501	7420	5.59	775	8232	5.01	711	8856	0.68	235
5192	3.54	549	6702M*	4.16	618	7421	0.90	259	8233	3.06	497	8864	1.55	331
5213	7.85	1000	6703M*	5.68	785	7422	1.96	376	8235	4.90	699	8868	0.50	215
5215	5.43	757	6704M*	4.63	669	7425	2.36	420	8263	7.43	977	8869	1.16	288
5221	4.99	709	6801F	6.14	835	7431N	1.19	361	8264	6.05	826	8871	0.06	167
5222	11.49	1000	6811	6.23	845	7445N	0.63	-	8265	6.34	857	8901	0.19	181
5223	5.30	743	6824F	7.26	959	7453N	0.64	-	8279	8.13	1000	9012	1.16	288
5348	4.34	637	6826F	4.61	667	7502	1.79	357	8288	8.09	1000	9014	2.90	479
5402	6.25	848	6834	2.86	475	7515	1.18	290	8291	4.75	683	9015	2.99	489
5403	7.56	992	6836	3.48	543	7520	2.89	478	8292	4.16	618	9016	2.71	458
5437	5.16	728	6843F	8.71	1000	7538	2.73	460	8293	7.46	981	9019	3.35	529
5443	3.69	566	6845F	4.48	653	7539	2.06	387	8304	6.65	892	9033	2.09	390
5445	4.86	695	6854	6.15	837	7540	2.89	478	8350	5.70	787	9040	3.55	551
5462	5.61	777	6872F	7.79	1000	7580	2.64	450	8380	2.98	488	9044	1.44	318
5472	7.64	1000	6874F	12.90	1000	7590	4.60	666	8381	1.78	356	9052	1.84	362
5473	8.18	1000	6882	7.73	1000	7600	3.85	584	8385	2.73	460	9058	1.76	354
5474	6.94	923	6884	6.18	840	7605	2.25	408	8392	2.50	435	9060	1.54	329
5478	3.96	596	7016M	5.44	758	7610	0.74	241	8393	1.98	378	9061	1.25	298
5479	6.56	882	7024M	6.04	824	7705	5.15	727	8500	6.53	878	9062	1.35	309
5480	6.66	893	7038M	6.01	821	7710	53.14	1000	8601	0.36	200	9063	0.90	259
5491	2.34	417	7046M	12.23	1000	7711	53.14	1000	8602	2.00	380	9077F	6.19	841
5506	7.00	930	7047M	7.41	975	7720	3.19	511	8603	0.11	172	9082	1.29	302
5507	4.28	631	7050M	8.20	1000	7855	3.43	537	8606	1.84	362	9083	1.36	310
5508	-	-	7090M	6.68	895	8001	2.68	455	8709F	3.94	593	9084	1.28	301
5535	6.73	900	7098M	13.59	1000	8002	2.16	398	8719	2.11	392	9088a	a	a
5537	4.53	658	7099M	16.69	1000	8006	2.34	417	8720	1.14	285	9089	1.24	296
5551	14.54	1000	7133	3.60	556	8008	1.20	292	8721	0.35	199	9093	1.51	326
5606	1.38	312	7151M	4.38	642	8010	2.08	389	8723	0.14	175	9101	4.88	697
5610	4.99	709	7152M	5.98	818	8013	0.38	202	8725	2.90	479	9102	3.25	518
5645	9.13	1000	7153M	4.86	695	8015	0.83	251	8726F	1.83	361	9154	1.90	369
5703	12.34	1000	7219	7.69	1000	8017	1.66	343	8734M	0.54	219	9156	2.94	483
5705	14.66	1000	7222	7.50	985	8018	3.36	530	8737M	0.49	214	9170	10.99	1000
5951	0.78	246	7225	8.86	1000	8021	2.46	431	8738M	0.66	233	9178	6.09	830
6003	5.50	765	7230	8.21	1000	8031	2.24	406	8742	0.40	204	9179	15.74	1000
6005	4.14	615	7231	7.76	1000	8032	2.01	381	8745	4.15	617	9180	6.05	826
6018	2.98	488	7232	10.84	1000	8033	1.46	321	8748	0.61	227	9182	2.98	488
6045	6.00	820	7309F	7.63	999	8037	2.04	384	8755	0.56	222	9186	10.83	1000
6204	8.09	1000	7313F	3.06	497	8039	1.96	376	8799	0.81	249	9220	5.55	771
6206	2.70	457	7317F	5.80	798	8044	2.68	455	8800	2.05	386	9402	4.54	659
6213	2.20	402	7327F	15.83	1000	8045	0.75	243	8803	0.06	167	9403	9.40	1000
6214	1.75	353	7333M	6.81	909	8046	2.90	479	8805M	0.29	192	9410	2.46	431
6216	5.39	753	7335M	7.58	994	8047	0.98	268	8810	0.21	183	9501	4.53	658

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

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

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

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective January 1, 2024

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9505	3.73	570												
9516	2.73	460												
9519	3.90	589												
9521	3.85	584												
9522	3.21	513												
9534	3.90	589												
9554	8.03	1000												
9586	0.53	218												
9600	2.88	477												
9620	1.36	310												

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

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

Effective January 1, 2024

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

FOOTNOTES

- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Rate for classification no longer includes disease loading. A supplemental disease loading may be added, as described in the **Basic Manual** rule, Supplemental disease exposure.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act. For the residual market, coverage under the Federal Employers' Liability Act (FELA) for employees of interstate railroads is not available for codes 6702, 6703, 6704, 7151, 7152, 7153, 8734, 8737, 8738, 8805, 8814, and 8815.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

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

- P Classification is computed on a per capita basis.

*** Class Codes with Specific Footnotes**

- 6702 Rate 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 rate and elr each x 1.215.
- 6703 Rate 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 rate x 1.658 and elr x 1.607.
- 6704 Rate 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 rate and elr each x 1.35.

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

Effective January 1, 2024
APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES

Basis of premium applicable in accordance with the <i>Basic Manual</i> notes for Code 7370 -- "Taxicab Co.":	
Employee operated vehicle.....	\$85,800
Leased or rented vehicle.....	\$57,200
Catastrophe (other than Certified Acts of Terrorism) - (Assigned Risk).....	0.01
Expense Constant applicable in accordance with the <i>Basic Manual</i> rule.....	\$160
Maximum Minimum Premium	\$1,000
Note: Maximum Minimum Premium varies for farming and agricultural class codes	
Maximum Weekly Payroll applicable in accordance with the <i>Basic Manual</i> notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"	\$4,400
Maximum Weekly Payroll for executive officers including members of limited liability companies and partners or sole proprietors in accordance with the <i>Basic Manual</i> rules, Rule for premium determination of executive officers, Rule for premium determination of members of LLCs, and Rule for premium determination for partners or sole proprietors	\$4,400
Minimum Premium Multiplier	110
Minimum Weekly Payroll for executive officers including members of limited liability companies and partners or sole proprietors in accordance with the <i>Basic Manual</i> rules, Rule for premium determination of executive officers, Rule for premium determination of members of LLCs, and Rule for premium determination for partners or sole proprietors	\$550
Terrorism - (Assigned Risk).....	0.01
United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the <i>Basic Manual</i> rule, Federal coverages.....	30%

(Multiply a Non-F classification rate by a factor of 1.30 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.25) and the adjustment for differences in loss-based expenses (1.041).)

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.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Proposed Values for Inclusion in the Experience Rating Plan Manual

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

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



Iowa

Workers Compensation Rate Filing – January 1, 2024

Proposed Rating Values

Description of Expected Loss Rates and D-ratios

An expected loss rate for a classification is used to estimate the expected losses per \$100 of payroll during the experience rating period for risks within that classification. These expected losses are then compared with the actual losses of a risk during the experience rating period to determine the experience modification (mod).

The actual losses reflect the loss data during the experience rating period. Expected losses and actual losses must be at the same level to enable an appropriate comparison for purposes of the experience mod calculation. As such, the proposed rates are adjusted to reflect the average loss levels of the experience rating period. This is accomplished through the application of ELR factors to the proposed underlying pure premiums. These ELR factors, calculated by hazard group (HG), remove the effects of the following: loss development, expected losses in excess of the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and assigned risk programs.

In experience rating, losses are divided into primary and excess portions. For each claim, losses below the split point are primary losses, while losses above the split point are excess losses. The D-ratio represents the estimated ratio of expected primary losses to expected total losses for a classification. The D-ratio is used to determine the expected excess losses to be used in the experience mod calculation.

D-ratios are calculated by hazard group and are based on the latest three years of Unit Statistical Data trended to the midpoint of the proposed experience rating period. A comparison of the resulting D-ratios across hazard groups is done to ensure that they monotonically decrease from hazard group A to hazard group G. If they do not, an adjustment is made by averaging the D-ratios over adjacent hazard groups. The final D-ratio for each classification is the hazard group D-ratio.

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



Iowa

Workers Compensation Rate Filing – January 1, 2024

Proposed Rating Values

The final ELR for each classification is calculated as follows:

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

Description of the Weighting and Ballast Values

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

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

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

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

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

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

Effective January 1, 2024
TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
0005	1.95	0.49	2081	2.06	0.52	2802	2.14	0.47	3372	1.74	0.47	4206	1.67	0.49
0008	1.34	0.49	2089	2.29	0.49	2835	2.03	0.52	3373	2.57	0.49	4207	1.14	0.40
0016	1.97	0.42	2095	1.74	0.47	2836	1.73	0.52	3383	0.81	0.49	4239	1.14	0.40
0034	1.94	0.47	2105	2.38	0.52	2841	2.07	0.49	3385	0.54	0.49	4240	1.60	0.52
0035	1.09	0.47	2110	1.52	0.49	2881	1.67	0.52	3400	1.11	0.49	4243	1.00	0.47
0036	1.81	0.49	2111	1.50	0.49	2883	1.61	0.49	3507	1.64	0.47	4244	1.19	0.42
0037	1.63	0.42	2112	2.23	0.49	2915	1.30	0.42	3515	1.04	0.47	4250	0.99	0.47
0042	2.51	0.47	2114	1.40	0.52	2916	1.48	0.42	3548	0.79	0.49	4251	1.84	0.49
0050	3.13	0.42	2121	0.84	0.52	2923	1.13	0.52	3559	1.95	0.47	4263	1.95	0.47
0059	-	-	2130	1.02	0.47	2960	2.32	0.47	3574	0.55	0.49	4273	1.24	0.47
0065	-	-	2131	0.97	0.49	3004	0.67	0.40	3581	0.84	0.49	4279	1.12	0.42
0066	-	-	2143	1.38	0.52	3018	1.07	0.40	3612	1.05	0.47	4283	0.99	0.49
0067	-	-	2157	1.95	0.49	3022	1.90	0.49	3620	1.34	0.42	4299	0.97	0.47
0079	1.34	0.47	2172	0.78	0.42	3027	0.95	0.42	3629	1.11	0.47	4304	2.39	0.47
0083	2.29	0.47	2174	1.71	0.49	3028	1.32	0.42	3632	1.46	0.47	4307	0.97	0.52
0106	3.31	0.40	2211	3.15	0.42	3030	2.32	0.42	3634	0.76	0.47	4351	0.59	0.49
0113	2.17	0.49	2220	1.41	0.47	3040	2.47	0.47	3635	0.93	0.47	4352	0.78	0.49
0170	1.93	0.49	2286	1.41	0.47	3041	1.98	0.47	3638	1.02	0.49	4360	0.28	0.42
0251	1.76	0.47	2288	2.34	0.49	3042	2.12	0.47	3642	1.04	0.49	4361	0.48	0.49
0401	4.07	0.40	2302	0.99	0.47	3064	1.80	0.47	3643	0.87	0.42	4410	1.60	0.49
0771	-	-	2305	1.11	0.42	3076	1.67	0.49	3647	1.49	0.47	4420	2.10	0.40
0908	82.11	0.47	2361	1.03	0.47	3081	2.92	0.47	3648	0.69	0.52	4431	0.74	0.52
0913	229.92	0.47	2362	1.33	0.49	3082	1.72	0.42	3681	0.36	0.49	4432	0.69	0.52
0917	1.87	0.52	2380	1.04	0.49	3085	2.74	0.47	3685	0.69	0.49	4452	1.28	0.47
1005	1.97	0.38	2388	0.87	0.52	3110	2.66	0.47	3719	0.35	0.38	4459	1.33	0.42
1016	5.42	0.38	2402	1.21	0.42	3111	1.72	0.49	3724	1.57	0.38	4470	1.24	0.47
1164	1.03	0.38	2413	1.09	0.47	3113	1.08	0.47	3726	1.60	0.38	4484	1.67	0.49
1165	1.22	0.38	2416	1.40	0.49	3114	1.47	0.47	3803	1.38	0.49	4493	1.19	0.47
1320	0.65	0.40	2417	0.76	0.49	3118	0.92	0.52	3807	1.35	0.49	4511	0.29	0.47
1322	2.68	0.38	2501	1.26	0.49	3119	0.51	0.56	3808	1.82	0.47	4557	1.04	0.42
1430	1.79	0.42	2503	0.55	0.49	3122	1.04	0.52	3821	2.27	0.42	4558	0.89	0.47
1438	2.08	0.42	2534	1.26	0.49	3126	1.18	0.47	3822	2.19	0.49	4568	1.06	0.42
1452	1.06	0.42	2570	1.76	0.49	3131	0.84	0.47	3824	2.02	0.49	4581	0.42	0.40
1463	3.38	0.38	2585	1.88	0.47	3132	1.36	0.49	3826	0.41	0.47	4583	1.37	0.40
1472	1.45	0.42	2586	2.28	0.49	3145	1.04	0.47	3827	1.00	0.49	4611	0.66	0.49
1624	1.36	0.40	2587	1.25	0.49	3146	1.07	0.47	3830	0.65	0.47	4635	1.21	0.40
1642	1.56	0.42	2589	1.22	0.47	3169	1.44	0.49	3851	1.72	0.49	4653	1.31	0.49
1654	1.80	0.42	2600	2.32	0.49	3179	1.19	0.49	3865	1.70	0.52	4665	3.40	0.42
1699	1.30	0.42	2623	2.70	0.42	3180	1.24	0.49	3881	2.18	0.47	4670	1.83	0.47
1701	1.10	0.40	2651	1.04	0.49	3188	1.13	0.47	4000	1.61	0.40	4683	1.83	0.47
1710	1.43	0.42	2660	1.31	0.52	3220	0.84	0.47	4021	2.42	0.47	4686	0.97	0.42
1747	1.28	0.42	2670	1.30	0.49	3224	2.04	0.52	4024	2.11	0.42	4692	0.33	0.49
1748	2.43	0.42	2683	1.26	0.49	3227	1.95	0.49	4034	2.64	0.42	4693	0.61	0.49
1803	2.81	0.42	2688	1.30	0.49	3240	1.34	0.49	4036	1.21	0.42	4703	0.67	0.47
1924	1.39	0.49	2701	5.87	0.40	3241	1.59	0.49	4038	1.34	0.52	4717	0.96	0.52
1925	2.07	0.47	2702	6.76	0.38	3255	1.45	0.52	4062	1.30	0.47	4720	1.06	0.47
2002	1.71	0.49	2709	3.09	0.40	3257	1.34	0.49	4101	1.37	0.47	4740	0.53	0.38
2003	2.24	0.47	2710	3.48	0.42	3270	1.12	0.49	4109	0.24	0.49	4741	1.80	0.47
2014	2.10	0.42	2714	2.27	0.49	3300	2.76	0.52	4110	0.40	0.49	4751	1.55	0.42
2016	1.47	0.49	2731	2.02	0.49	3303	1.42	0.49	4111	1.03	0.49	4771	0.99	0.40
2021	1.77	0.47	2735	3.49	0.49	3307	1.27	0.47	4114	1.26	0.47	4777	1.33	0.40
2039	1.63	0.49	2759	3.18	0.49	3315	1.61	0.49	4130	1.62	0.49	4825	0.39	0.42
2041	2.02	0.49	2790	1.05	0.52	3334	1.22	0.47	4131	2.87	0.49	4828	0.88	0.40
2065	1.09	0.47	2797	2.09	0.52	3336	1.32	0.47	4133	1.50	0.52	4829	0.42	0.40
2070	2.58	0.47	2799	2.74	0.47	3365	1.81	0.40	4149	0.49	0.52	4902	1.22	0.49

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

Effective January 1, 2024

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

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
4923	0.60	0.47	6217	1.66	0.38	7337	2.92	0.38	8058	1.41	0.49	8814	0.12	0.49
5020	2.00	0.40	6229	1.99	0.42	7350F	1.86	0.36	8072	0.36	0.52	8815	0.16	0.49
5022	2.40	0.38	6233	0.90	0.38	7360	1.74	0.42	8102	0.79	0.49	8820	0.07	0.42
5037	3.79	0.38	6235	1.81	0.38	7370	2.29	0.49	8103	1.32	0.47	8824	1.14	0.56
5040	2.23	0.38	6236	2.27	0.42	7380	2.16	0.42	8106	2.21	0.42	8825	1.02	0.52
5057	1.42	0.38	6237	0.58	0.40	7382	2.50	0.47	8107	1.15	0.40	8826	1.02	0.52
5059	5.22	0.38	6251	2.25	0.40	7390	1.87	0.49	8111	1.20	0.47	8829	1.14	0.56
5102	2.35	0.40	6252	1.01	0.38	7394	2.06	0.38	8116	1.14	0.47	8831	0.71	0.56
5146	1.79	0.42	6306	1.99	0.40	7395	2.28	0.38	8203	4.52	0.47	8832	0.16	0.49
5160	1.11	0.38	6319	1.07	0.38	7398	2.71	0.38	8204	2.26	0.47	8833	0.33	0.49
5183	1.08	0.40	6325	1.43	0.38	7402	0.12	0.49	8209	1.89	0.49	8835	1.01	0.49
5188	1.37	0.40	6400	2.02	0.42	7403	1.65	0.49	8215	1.46	0.42	8842	1.37	0.56
5190	0.81	0.40	6503	1.16	0.49	7405	0.53	0.49	8227	1.40	0.40	8855	0.07	0.49
5191	0.45	0.42	6504	1.41	0.49	7420	1.81	0.38	8232	1.93	0.42	8856	0.31	0.49
5192	1.53	0.47	6702	1.61	0.42	7421	0.35	0.42	8233	1.19	0.42	8864	0.76	0.52
5213	2.53	0.38	6703	2.12	0.42	7422	0.69	0.40	8235	2.13	0.47	8868	0.25	0.52
5215	2.09	0.42	6704	1.79	0.42	7425	0.84	0.40	8263	3.22	0.47	8869	0.57	0.52
5221	1.76	0.40	6801F	1.82	0.38	7431	0.42	0.40	8264	2.34	0.42	8871	0.03	0.49
5222	3.71	0.38	6811	2.40	0.42	7445	-	-	8265	2.23	0.40	8901	0.07	0.42
5223	2.05	0.42	6824F	2.16	0.38	7453	-	-	8279	2.86	0.40	9012	0.45	0.42
5348	1.67	0.42	6826F	1.37	0.38	7502	0.69	0.42	8288	3.51	0.47	9014	1.32	0.49
5402	2.85	0.49	6834	1.31	0.49	7515	0.38	0.38	8291	2.06	0.47	9015	1.30	0.47
5403	2.67	0.40	6836	1.51	0.47	7520	1.25	0.47	8292	1.90	0.49	9016	1.23	0.49
5437	1.82	0.40	6843F	2.28	0.34	7538	0.88	0.38	8293	3.40	0.49	9019	1.29	0.42
5443	1.60	0.47	6845F	1.17	0.34	7539	0.73	0.40	8304	2.35	0.40	9033	0.91	0.47
5445	1.57	0.38	6854	2.17	0.40	7540	0.93	0.38	8350	2.01	0.40	9040	1.74	0.52
5462	2.17	0.42	6872F	2.04	0.34	7580	1.02	0.42	8380	1.29	0.47	9044	0.70	0.52
5472	2.47	0.38	6874F	3.37	0.34	7590	1.77	0.42	8381	0.77	0.47	9052	0.90	0.52
5473	2.64	0.38	6882	2.72	0.40	7600	1.48	0.42	8385	1.19	0.47	9058	0.91	0.56
5474	2.24	0.38	6884	2.18	0.40	7605	0.79	0.40	8392	1.23	0.52	9060	0.75	0.52
5478	1.40	0.40	7016	1.76	0.38	7610	0.28	0.42	8393	0.77	0.42	9061	0.61	0.52
5479	2.53	0.42	7024	1.95	0.38	7705	2.24	0.47	8500	2.52	0.42	9062	0.66	0.52
5480	2.35	0.40	7038	1.94	0.38	7710	18.75	0.40	8601	0.13	0.40	9063	0.44	0.52
5491	0.82	0.40	7046	3.95	0.38	7711	18.75	0.40	8602	0.77	0.42	9077F	2.04	0.46
5506	2.47	0.40	7047	2.32	0.38	7720	1.23	0.42	8603	0.05	0.49	9082	0.66	0.56
5507	1.51	0.40	7050	2.56	0.38	7855	1.32	0.42	8606	0.65	0.40	9083	0.70	0.56
5508	1.51	0.40	7090	2.15	0.38	8001	1.22	0.49	8709F	1.03	0.34	9084	0.62	0.52
5535	2.17	0.38	7098	4.39	0.38	8002	0.99	0.49	8719	0.75	0.40	9088	a	a
5537	1.75	0.42	7099	5.22	0.38	8006	1.14	0.52	8720	0.40	0.40	9089	0.60	0.52
5551	4.69	0.38	7133	1.27	0.40	8008	0.59	0.52	8721	0.13	0.42	9093	0.74	0.52
5606	0.45	0.38	7151	1.55	0.40	8010	0.95	0.49	8723	0.06	0.47	9101	2.39	0.52
5610	1.93	0.42	7152	2.04	0.40	8013	0.16	0.47	8725	1.12	0.42	9102	1.41	0.47
5645	2.95	0.38	7153	1.71	0.40	8015	0.36	0.47	8726F	0.54	0.38	9154	0.87	0.49
5703	4.76	0.42	7219	2.72	0.40	8017	0.81	0.52	8734	0.21	0.42	9156	1.44	0.52
5705	5.66	0.42	7222	2.65	0.40	8018	1.53	0.49	8737	0.19	0.42	9170	3.88	0.40
5951	0.35	0.49	7225	3.42	0.42	8021	1.13	0.49	8738	0.26	0.42	9178	3.13	0.56
6003	1.94	0.40	7230	3.57	0.47	8031	1.02	0.49	8742	0.16	0.42	9179	8.11	0.56
6005	1.60	0.42	7231	3.38	0.47	8032	0.92	0.49	8745	1.80	0.47	9180	2.63	0.47
6018	1.15	0.42	7232	3.83	0.40	8033	0.71	0.52	8748	0.22	0.40	9182	1.36	0.49
6045	2.32	0.42	7309F	2.00	0.34	8037	1.05	0.56	8755	0.22	0.42	9186	3.81	0.40
6204	2.85	0.40	7313F	0.80	0.34	8039	0.96	0.52	8799	0.37	0.49	9220	2.41	0.47
6206	0.87	0.38	7317F	1.52	0.34	8044	1.22	0.49	8800	0.93	0.49	9402	1.60	0.40
6213	0.71	0.38	7327F	4.14	0.34	8045	0.34	0.49	8803	0.02	0.42	9403	3.32	0.40
6214	0.62	0.40	7333	2.20	0.38	8046	1.32	0.49	8805	0.13	0.49	9410	1.13	0.49
6216	1.74	0.38	7335	2.45	0.38	8047	0.44	0.49	8810	0.10	0.49	9501	1.74	0.42

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

Effective January 1, 2024
TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
9505	1.62	0.47												
9516	1.19	0.47												
9519	1.51	0.42												
9521	1.49	0.42												
9522	1.58	0.52												
9534	1.26	0.38												
9554	2.83	0.40												
9586	0.26	0.52												
9600	1.31	0.49												
9620	0.53	0.42												

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

Effective January 1, 2024
TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES

Expected Losses		Weighting Values	Expected Losses		Weighting Values
0 --	2,271	0.14	1,280,564 --	1,344,976	0.49
2,272 --	6,399	0.15	1,344,977 --	1,412,853	0.50
6,400 --	10,625	0.16	1,412,854 --	1,484,483	0.51
10,626 --	14,954	0.17	1,484,484 --	1,560,185	0.52
14,955 --	16,465	0.18	1,560,186 --	1,640,320	0.53
16,466 --	18,622	0.17	1,640,321 --	1,725,287	0.54
18,623 --	21,568	0.16	1,725,288 --	1,815,537	0.55
21,569 --	26,002	0.15	1,815,538 --	1,911,583	0.56
26,003 --	34,439	0.14	1,911,584 --	2,013,999	0.57
34,440 --	79,141	0.13	2,014,000 --	2,123,441	0.58
79,142 --	106,348	0.14	2,123,442 --	2,240,660	0.59
106,349 --	130,109	0.15	2,240,661 --	2,366,516	0.60
130,110 --	152,964	0.16	2,366,517 --	2,502,000	0.61
152,965 --	175,637	0.17	2,502,001 --	2,648,261	0.62
175,638 --	198,457	0.18	2,648,262 --	2,806,639	0.63
198,458 --	221,614	0.19	2,806,640 --	2,978,705	0.64
221,615 --	245,234	0.20	2,978,706 --	3,166,316	0.65
245,235 --	269,410	0.21	3,166,317 --	3,371,677	0.66
269,411 --	294,220	0.22	3,371,678 --	3,597,433	0.67
294,221 --	319,730	0.23	3,597,434 --	3,846,783	0.68
319,731 --	344,886	0.24	3,846,784 --	4,123,628	0.69
344,887 --	369,608	0.25	4,123,629 --	4,432,785	0.70
369,609 --	395,109	0.26	4,432,786 --	4,780,261	0.71
395,110 --	421,430	0.27	4,780,262 --	5,173,649	0.72
421,431 --	448,618	0.28	5,173,650 --	5,622,697	0.73
448,619 --	476,721	0.29	5,622,698 --	6,140,116	0.74
476,722 --	505,788	0.30	6,140,117 --	6,742,809	0.75
505,789 --	535,875	0.31	6,742,810 --	7,453,753	0.76
535,876 --	567,038	0.32	7,453,754 --	8,304,989	0.77
567,039 --	599,338	0.33	8,304,990 --	9,342,591	0.78
599,339 --	632,841	0.34	9,342,592 --	10,635,289	0.79
632,842 --	667,619	0.35	10,635,290 --	12,290,346	0.80
667,620 --	703,747	0.36	12,290,347 --	14,484,954	0.81
703,748 --	741,305	0.37	14,484,955 --	17,534,344	0.82
741,306 --	780,383	0.38	17,534,345 --	22,058,695	0.83
780,384 --	821,077	0.39	22,058,696 --	29,469,518	0.84
821,078 --	863,491	0.40	29,469,519 --	43,823,025	0.85
863,492 --	907,735	0.41	43,823,026 --	83,472,265	0.86
907,736 --	953,932	0.42	83,472,266 --	711,150,037	0.87
953,933 --	1,002,217	0.43	711,150,038 --	AND OVER	0.88
1,002,218 --	1,052,734	0.44			
1,052,735 --	1,105,644	0.45			
1,105,645 --	1,161,121	0.46			
1,161,122 --	1,219,357	0.47			
1,219,358 --	1,280,563	0.48			

(a) G	10.50
(b) State Per Claim Accident Limitation	\$181,500
(c) State Multiple Claim Accident Limitation	\$363,000
(d) USL&HW Per Claim Accident Limitation	\$286,500
(e) USL&HW Multiple Claim Accident Limitation	\$573,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$29,500
(h) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.25
<i>(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.25.)</i>	

Effective January 1, 2024
**TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES**

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 378,871	48,300	3,558,504 -- 3,652,228	232,050	6,839,297 -- 6,933,039	415,800
378,872 -- 470,919	53,550	3,652,229 -- 3,745,955	237,300	6,933,040 -- 7,026,783	421,050
470,920 -- 563,512	58,800	3,745,956 -- 3,839,683	242,550	7,026,784 -- 7,120,526	426,300
563,513 -- 656,426	64,050	3,839,684 -- 3,933,412	247,800	7,120,527 -- 7,214,270	431,550
656,427 -- 749,545	69,300	3,933,413 -- 4,027,142	253,050	7,214,271 -- 7,308,014	436,800
749,546 -- 842,801	74,550	4,027,143 -- 4,120,873	258,300	7,308,015 -- 7,401,758	442,050
842,802 -- 936,155	79,800	4,120,874 -- 4,214,604	263,550	7,401,759 -- 7,495,502	447,300
936,156 -- 1,029,580	85,050	4,214,605 -- 4,308,337	268,800	7,495,503 -- 7,589,247	452,550
1,029,581 -- 1,123,058	90,300	4,308,338 -- 4,402,070	274,050	7,589,248 -- 7,682,991	457,800
1,123,059 -- 1,216,578	95,550	4,402,071 -- 4,495,804	279,300	7,682,992 -- 7,776,736	463,050
1,216,579 -- 1,310,131	100,800	4,495,805 -- 4,589,539	284,550	7,776,737 -- 7,870,481	468,300
1,310,132 -- 1,403,709	106,050	4,589,540 -- 4,683,274	289,800	7,870,482 -- 7,964,226	473,550
1,403,710 -- 1,497,309	111,300	4,683,275 -- 4,777,010	295,050	7,964,227 -- 8,057,971	478,800
1,497,310 -- 1,590,927	116,550	4,777,011 -- 4,870,746	300,300	8,057,972 -- 8,151,716	484,050
1,590,928 -- 1,684,559	121,800	4,870,747 -- 4,964,483	305,550	8,151,717 -- 8,245,461	489,300
1,684,560 -- 1,778,204	127,050	4,964,484 -- 5,058,220	310,800	8,245,462 -- 8,339,207	494,550
1,778,205 -- 1,871,859	132,300	5,058,221 -- 5,151,958	316,050	8,339,208 -- 8,432,952	499,800
1,871,860 -- 1,965,523	137,550	5,151,959 -- 5,245,696	321,300	8,432,953 -- 8,526,698	505,050
1,965,524 -- 2,059,195	142,800	5,245,697 -- 5,339,435	326,550	8,526,699 -- 8,620,443	510,300
2,059,196 -- 2,152,873	148,050	5,339,436 -- 5,433,174	331,800	8,620,444 -- 8,714,189	515,550
2,152,874 -- 2,246,558	153,300	5,433,175 -- 5,526,914	337,050	8,714,190 -- 8,807,935	520,800
2,246,559 -- 2,340,247	158,550	5,526,915 -- 5,620,653	342,300	8,807,936 -- 8,901,681	526,050
2,340,248 -- 2,433,942	163,800	5,620,654 -- 5,714,393	347,550	8,901,682 -- 8,995,427	531,300
2,433,943 -- 2,527,640	169,050	5,714,394 -- 5,808,134	352,800	8,995,428 -- 9,089,173	536,550
2,527,641 -- 2,621,343	174,300	5,808,135 -- 5,901,875	358,050	9,089,174 -- 9,182,919	541,800
2,621,344 -- 2,715,048	179,550	5,901,876 -- 5,995,616	363,300	9,182,920 -- 9,276,665	547,050
2,715,049 -- 2,808,756	184,800	5,995,617 -- 6,089,357	368,550		
2,808,757 -- 2,902,468	190,050	6,089,358 -- 6,183,098	373,800		
2,902,469 -- 2,996,181	195,300	6,183,099 -- 6,276,840	379,050		
2,996,182 -- 3,089,897	200,550	6,276,841 -- 6,370,582	384,300		
3,089,898 -- 3,183,615	205,800	6,370,583 -- 6,464,325	389,550		
3,183,616 -- 3,277,334	211,050	6,464,326 -- 6,558,067	394,800		
3,277,335 -- 3,371,056	216,300	6,558,068 -- 6,651,810	400,050		
3,371,057 -- 3,464,778	221,550	6,651,811 -- 6,745,553	405,300		
3,464,779 -- 3,558,503	226,800	6,745,554 -- 6,839,296	410,550		

For Expected Losses greater than \$9,275,700, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.056)(\text{Expected Losses}) + 2876.4(\text{Expected Losses})(10.50) / (\text{Expected Losses} + (600)(10.50))$$

$$G = 10.50$$

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS.

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

IOWA—UPDATE TO EXPERIENCE RATING PREMIUM ELIGIBILITY AMOUNTS

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

2. State Subject Premium Eligibility Amounts

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

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

State Table of Subject Premium Eligibility Amounts

State	Rating Effective Date	Column A (\$)	Column B (\$)
IA	<u>7/1/24 and after</u>	<u>10,000</u>	<u>5,000</u>
	<u>7/1/23 - 6/30/24</u>	9,500	4,750
	<u>7/1/22 - 6/30/23</u>	9,000	4,500

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



Iowa

Workers Compensation Rate Filing – January 1, 2024

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

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

- Average Cost per Case
- Excess Loss Factors
- Expected Loss Ratios
- Retrospective Development Factors
- Tables of Expense Ratios
- Tax Multipliers

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

**IOWA
RR 1**

Effective January 1, 2024

Original Printing

1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
7,775	10,088	15,470	18,570	27,392	42,069	49,542

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
8,490	11,002	16,851	20,212	29,751	45,643	53,734

2. Tax Multipliers

- a. State (non-F Classes) 1.028
- b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage 1.053

3. Countrywide Expected Loss Ratio
0.585

Countrywide Expected Loss and Allocated Expense Ratio
0.649

4. Table of Expense Ratios
Type A: 2023-01
Type B: 2023-01

5. Excess Loss Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.434	0.466	0.494	0.512	0.535	0.553	0.562
\$15,000	0.400	0.435	0.465	0.485	0.513	0.533	0.544
\$20,000	0.374	0.410	0.442	0.463	0.493	0.516	0.529
\$25,000	0.352	0.388	0.422	0.444	0.477	0.501	0.515
\$30,000	0.334	0.370	0.404	0.427	0.461	0.487	0.503
\$35,000	0.317	0.353	0.388	0.411	0.448	0.474	0.492
\$40,000	0.303	0.338	0.374	0.397	0.435	0.463	0.481
\$50,000	0.278	0.313	0.349	0.373	0.413	0.441	0.462
\$75,000	0.234	0.266	0.303	0.326	0.369	0.399	0.422
\$100,000	0.203	0.234	0.270	0.292	0.336	0.367	0.391
\$125,000	0.180	0.210	0.245	0.266	0.310	0.341	0.366
\$150,000	0.162	0.190	0.225	0.245	0.290	0.320	0.345
\$175,000	0.148	0.175	0.208	0.228	0.273	0.303	0.328
\$200,000	0.136	0.162	0.194	0.213	0.258	0.288	0.312
\$225,000	0.126	0.151	0.182	0.201	0.245	0.275	0.299
\$250,000	0.117	0.141	0.172	0.190	0.234	0.263	0.287
\$275,000	0.110	0.133	0.163	0.180	0.224	0.252	0.276
\$300,000	0.103	0.126	0.155	0.172	0.215	0.243	0.267
\$325,000	0.098	0.119	0.148	0.164	0.207	0.234	0.258
\$350,000	0.092	0.113	0.142	0.157	0.200	0.227	0.250
\$375,000	0.088	0.108	0.136	0.151	0.193	0.219	0.242
\$400,000	0.084	0.103	0.131	0.145	0.187	0.213	0.235
\$425,000	0.080	0.099	0.126	0.140	0.181	0.207	0.229
\$450,000	0.076	0.095	0.121	0.135	0.176	0.201	0.223
\$475,000	0.073	0.091	0.117	0.131	0.171	0.196	0.217
\$500,000	0.070	0.088	0.113	0.127	0.166	0.191	0.212
\$600,000	0.061	0.077	0.101	0.113	0.151	0.174	0.193
\$700,000	0.054	0.069	0.091	0.102	0.138	0.160	0.178
\$800,000	0.048	0.062	0.083	0.093	0.128	0.149	0.166
\$900,000	0.044	0.057	0.077	0.086	0.120	0.140	0.156
\$1,000,000	0.040	0.052	0.071	0.080	0.113	0.131	0.147
\$2,000,000	0.022	0.030	0.044	0.049	0.074	0.087	0.097
\$3,000,000	0.015	0.022	0.032	0.036	0.056	0.067	0.075
\$4,000,000	0.012	0.017	0.026	0.029	0.046	0.055	0.062
\$5,000,000	0.009	0.014	0.021	0.024	0.039	0.047	0.052
\$6,000,000	0.008	0.012	0.018	0.020	0.033	0.040	0.046
\$7,000,000	0.007	0.010	0.016	0.018	0.029	0.035	0.040
\$8,000,000	0.006	0.009	0.014	0.015	0.026	0.031	0.036
\$9,000,000	0.005	0.007	0.012	0.014	0.023	0.028	0.032
\$10,000,000	0.004	0.007	0.010	0.012	0.020	0.025	0.029

Effective January 1, 2024

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

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.478	0.513	0.542	0.561	0.585	0.604	0.612
\$15,000	0.443	0.480	0.512	0.533	0.562	0.583	0.594
\$20,000	0.416	0.453	0.487	0.510	0.541	0.565	0.579
\$25,000	0.392	0.431	0.466	0.490	0.524	0.549	0.565
\$30,000	0.372	0.411	0.448	0.472	0.508	0.535	0.552
\$35,000	0.355	0.393	0.431	0.455	0.493	0.521	0.540
\$40,000	0.340	0.378	0.416	0.441	0.480	0.509	0.528
\$50,000	0.313	0.351	0.389	0.415	0.456	0.487	0.508
\$75,000	0.265	0.301	0.340	0.365	0.409	0.442	0.466
\$100,000	0.232	0.265	0.304	0.328	0.374	0.408	0.433
\$125,000	0.207	0.239	0.277	0.300	0.347	0.380	0.407
\$150,000	0.188	0.218	0.255	0.277	0.325	0.358	0.384
\$175,000	0.172	0.201	0.237	0.259	0.306	0.338	0.365
\$200,000	0.159	0.187	0.222	0.243	0.290	0.322	0.349
\$225,000	0.148	0.174	0.209	0.229	0.276	0.308	0.334
\$250,000	0.138	0.164	0.198	0.217	0.264	0.295	0.321
\$275,000	0.130	0.155	0.188	0.207	0.253	0.284	0.310
\$300,000	0.122	0.147	0.179	0.197	0.243	0.273	0.299
\$325,000	0.116	0.139	0.171	0.189	0.234	0.264	0.289
\$350,000	0.110	0.133	0.164	0.181	0.226	0.256	0.280
\$375,000	0.105	0.127	0.157	0.174	0.219	0.248	0.272
\$400,000	0.100	0.122	0.151	0.168	0.212	0.241	0.265
\$425,000	0.096	0.117	0.146	0.162	0.206	0.234	0.258
\$450,000	0.092	0.112	0.141	0.156	0.200	0.228	0.251
\$475,000	0.088	0.108	0.136	0.151	0.195	0.222	0.245
\$500,000	0.085	0.104	0.132	0.147	0.189	0.216	0.239
\$600,000	0.074	0.092	0.118	0.131	0.172	0.197	0.219
\$700,000	0.065	0.082	0.107	0.119	0.158	0.182	0.203
\$800,000	0.059	0.074	0.098	0.109	0.147	0.170	0.189
\$900,000	0.053	0.068	0.090	0.101	0.137	0.159	0.178
\$1,000,000	0.049	0.063	0.084	0.094	0.129	0.150	0.168
\$2,000,000	0.027	0.036	0.051	0.057	0.084	0.100	0.112
\$3,000,000	0.019	0.026	0.038	0.042	0.064	0.077	0.086
\$4,000,000	0.014	0.020	0.030	0.033	0.052	0.063	0.070
\$5,000,000	0.011	0.016	0.025	0.028	0.044	0.053	0.060
\$6,000,000	0.009	0.014	0.021	0.023	0.038	0.046	0.052
\$7,000,000	0.008	0.012	0.018	0.020	0.033	0.040	0.046
\$8,000,000	0.007	0.010	0.016	0.018	0.029	0.036	0.041
\$9,000,000	0.006	0.009	0.014	0.016	0.026	0.032	0.037
\$10,000,000	0.005	0.008	0.012	0.014	0.023	0.029	0.033

6.

Retrospective Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.04	0.02	0.01	0.13	0.08	0.05	0.00



Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type A: 2023-01

WC Premium Range		Expense Ratio	WC Premium Range		Expense Ratio	WC Premium Range		Expense Ratio
From	To		From	To		From	To	
0	- 10,055	0.381	21,928	- 22,469	0.333	393,334	- 424,799	0.285
10,056	- 10,167	0.380	22,470	- 23,037	0.332	424,800	- 461,739	0.284
10,168	- 10,282	0.379	23,038	- 23,636	0.331	461,740	- 505,714	0.283
10,283	- 10,399	0.379	23,637	- 24,266	0.330	505,715	- 558,947	0.282
10,400	- 10,520	0.378	24,267	- 24,931	0.329	558,948	- 624,705	0.281
10,521	- 10,643	0.377	24,932	- 25,633	0.328	624,706	- 707,999	0.280
10,644	- 10,769	0.376	25,634	- 26,376	0.327	708,000	- 816,923	0.279
10,770	- 10,898	0.375	26,377	- 27,164	0.326	816,924	- 965,454	0.278
10,899	- 11,030	0.374	27,165	- 27,999	0.325	965,455	- 1,179,999	0.277
11,031	- 11,165	0.373	28,000	- 28,888	0.324	1,180,000	- 1,517,142	0.276
11,166	- 11,304	0.372	28,889	- 29,836	0.323	1,517,143	- 1,824,799	0.275
11,305	- 11,446	0.371	29,837	- 30,847	0.322	1,824,800	- 1,983,478	0.274
11,447	- 11,592	0.370	30,848	- 31,929	0.321	1,983,479	- 2,172,380	0.273
11,593	- 11,741	0.369	31,930	- 33,090	0.321	2,172,381	- 2,401,052	0.272
11,742	- 11,895	0.368	33,091	- 34,339	0.320	2,401,053	- 2,683,529	0.271
11,896	- 12,052	0.367	34,340	- 35,686	0.319	2,683,530	- 3,041,333	0.270
12,053	- 12,214	0.366	35,687	- 37,142	0.318	3,041,334	- 3,509,230	0.269
12,215	- 12,380	0.365	37,143	- 38,723	0.317	3,509,231	- 4,147,272	0.268
12,381	- 12,551	0.364	38,724	- 40,444	0.316	4,147,273	- 5,068,888	0.267
12,552	- 12,727	0.363	40,445	- 42,325	0.315	5,068,889	- 6,517,142	0.266
12,728	- 12,907	0.362	42,326	- 44,390	0.314	6,517,143	- 9,123,999	0.265
12,908	- 13,093	0.361	44,391	- 46,666	0.313	9,124,000	- 15,206,666	0.264
13,094	- 13,284	0.360	46,667	- 49,189	0.312	15,206,667	- 45,619,999	0.264
13,285	- 13,481	0.359	49,190	- 51,999	0.311	45,620,000	- And Above	0.263
13,482	- 13,684	0.358	52,000	- 55,151	0.310			
13,685	- 13,893	0.357	55,152	- 58,709	0.309			
13,894	- 14,108	0.356	58,710	- 62,758	0.308			
14,109	- 14,330	0.355	62,759	- 67,407	0.307			
14,331	- 14,559	0.354	67,408	- 72,799	0.306			
14,560	- 14,796	0.353	72,800	- 79,130	0.305			
14,797	- 15,041	0.352	79,131	- 86,666	0.304			
15,042	- 15,294	0.351	86,667	- 95,789	0.303			
15,295	- 15,555	0.350	95,790	- 107,058	0.302			
15,556	- 15,826	0.350	107,059	- 121,333	0.301			
15,827	- 16,106	0.349	121,334	- 139,999	0.300			
16,107	- 16,396	0.348	140,000	- 165,454	0.299			
16,397	- 16,697	0.347	165,455	- 200,377	0.298			
16,698	- 17,009	0.346	200,378	- 208,235	0.297			
17,010	- 17,333	0.345	208,236	- 216,734	0.296			
17,334	- 17,669	0.344	216,735	- 225,957	0.295			
17,670	- 18,019	0.343	225,958	- 235,999	0.294			
18,020	- 18,383	0.342	236,000	- 246,976	0.293			
18,384	- 18,762	0.341	246,977	- 259,024	0.293			
18,763	- 19,157	0.340	259,025	- 272,307	0.292			
19,158	- 19,569	0.339	272,308	- 287,027	0.291			
19,570	- 19,999	0.338	287,028	- 303,428	0.290			
20,000	- 20,449	0.337	303,429	- 321,818	0.289	First	- 10,000	0.0%
20,450	- 20,919	0.336	321,819	- 342,580	0.288	Next	- 190,000	9.1%
20,920	- 21,411	0.335	342,581	- 366,206	0.287	Next	- 1,550,000	11.3%
21,412	- 21,927	0.334	366,207	- 393,333	0.286	Over	- 1,750,000	12.3%
						Expected Loss Ratio:		0.585
						Tax Multiplier:		1.035



Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.381
10,100	- 10,303	0.380
10,304	- 10,515	0.379
10,516	- 10,736	0.379
10,737	- 10,967	0.378
10,968	- 11,208	0.377
11,209	- 11,460	0.376
11,461	- 11,724	0.375
11,725	- 11,999	0.374
12,000	- 12,289	0.373
12,290	- 12,592	0.372
12,593	- 12,911	0.371
12,912	- 13,246	0.370
13,247	- 13,599	0.369
13,600	- 13,972	0.368
13,973	- 14,366	0.367
14,367	- 14,782	0.366
14,783	- 15,223	0.365
15,224	- 15,692	0.364
15,693	- 16,190	0.363
16,191	- 16,721	0.362
16,722	- 17,288	0.361
17,289	- 17,894	0.360
17,895	- 18,545	0.359
18,546	- 19,245	0.358

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.357
20,000	- 20,816	0.356
20,817	- 21,702	0.355
21,703	- 22,666	0.354
22,667	- 23,720	0.353
23,721	- 24,878	0.352
24,879	- 26,153	0.351
26,154	- 27,567	0.350
27,568	- 29,142	0.350
29,143	- 30,909	0.349
30,910	- 32,903	0.348
32,904	- 35,172	0.347
35,173	- 37,777	0.346
37,778	- 40,799	0.345
40,800	- 44,347	0.344
44,348	- 48,571	0.343
48,572	- 53,684	0.342
53,685	- 59,999	0.341
60,000	- 67,999	0.340
68,000	- 78,461	0.339
78,462	- 92,727	0.338
92,728	- 113,333	0.337
113,334	- 145,714	0.336
145,715	- 200,606	0.335
200,607	- 213,548	0.334

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.333
228,276	- 245,185	0.332
245,186	- 264,799	0.331
264,800	- 287,826	0.330
287,827	- 315,238	0.329
315,239	- 348,421	0.328
348,422	- 389,411	0.327
389,412	- 441,333	0.326
441,334	- 509,230	0.325
509,231	- 601,818	0.324
601,819	- 735,555	0.323
735,556	- 945,714	0.322
945,715	- 1,323,999	0.321
1,324,000	- 1,809,565	0.321
1,809,566	- 1,981,904	0.320
1,981,905	- 2,190,526	0.319
2,190,527	- 2,448,235	0.318
2,448,236	- 2,774,666	0.317
2,774,667	- 3,201,538	0.316
3,201,539	- 3,783,636	0.315
3,783,637	- 4,624,444	0.314
4,624,445	- 5,945,714	0.313
5,945,715	- 8,323,999	0.312
8,324,000	- 13,873,333	0.311
13,873,334	- 41,619,999	0.310
41,620,000	- And Above	0.309
First	- 10,000	0.0%
Next	- 190,000	5.1%
Next	- 1,550,000	6.5%
Over	- 1,750,000	7.5%
Expected Loss Ratio:		0.585
Tax Multiplier:		1.035



**Table of Expense Ratios - Excluding Allocated Loss Adjustment
Expense and Taxes and Including Profit and Contingencies**

Type A: 2023-01

WC Premium Range		Expense	WC Premium Range		Expense	WC Premium Range		Expense
From	To	Ratio	From	To	Ratio	From	To	Ratio
0	- 10,055	0.318	21,928	- 22,469	0.269	393,334	- 424,799	0.221
10,056	- 10,167	0.317	22,470	- 23,037	0.268	424,800	- 461,739	0.220
10,168	- 10,282	0.316	23,038	- 23,636	0.267	461,740	- 505,714	0.219
10,283	- 10,399	0.315	23,637	- 24,266	0.266	505,715	- 558,947	0.218
10,400	- 10,520	0.314	24,267	- 24,931	0.265	558,948	- 624,705	0.217
10,521	- 10,643	0.313	24,932	- 25,633	0.265	624,706	- 707,999	0.216
10,644	- 10,769	0.312	25,634	- 26,376	0.264	708,000	- 816,923	0.215
10,770	- 10,898	0.311	26,377	- 27,164	0.263	816,924	- 965,454	0.214
10,899	- 11,030	0.310	27,165	- 27,999	0.262	965,455	- 1,179,999	0.213
11,031	- 11,165	0.309	28,000	- 28,888	0.261	1,180,000	- 1,517,142	0.212
11,166	- 11,304	0.308	28,889	- 29,836	0.260	1,517,143	- 1,824,799	0.211
11,305	- 11,446	0.307	29,837	- 30,847	0.259	1,824,800	- 1,983,478	0.210
11,447	- 11,592	0.306	30,848	- 31,929	0.258	1,983,479	- 2,172,380	0.209
11,593	- 11,741	0.305	31,930	- 33,090	0.257	2,172,381	- 2,401,052	0.208
11,742	- 11,895	0.304	33,091	- 34,339	0.256	2,401,053	- 2,683,529	0.208
11,896	- 12,052	0.303	34,340	- 35,686	0.255	2,683,530	- 3,041,333	0.207
12,053	- 12,214	0.302	35,687	- 37,142	0.254	3,041,334	- 3,509,230	0.206
12,215	- 12,380	0.301	37,143	- 38,723	0.253	3,509,231	- 4,147,272	0.205
12,381	- 12,551	0.300	38,724	- 40,444	0.252	4,147,273	- 5,068,888	0.204
12,552	- 12,727	0.299	40,445	- 42,325	0.251	5,068,889	- 6,517,142	0.203
12,728	- 12,907	0.298	42,326	- 44,390	0.250	6,517,143	- 9,123,999	0.202
12,908	- 13,093	0.297	44,391	- 46,666	0.249	9,124,000	- 15,206,666	0.201
13,094	- 13,284	0.296	46,667	- 49,189	0.248	15,206,667	- 45,619,999	0.200
13,285	- 13,481	0.295	49,190	- 51,999	0.247	45,620,000	- And Above	0.199
13,482	- 13,684	0.294	52,000	- 55,151	0.246			
13,685	- 13,893	0.294	55,152	- 58,709	0.245			
13,894	- 14,108	0.293	58,710	- 62,758	0.244			
14,109	- 14,330	0.292	62,759	- 67,407	0.243			
14,331	- 14,559	0.291	67,408	- 72,799	0.242			
14,560	- 14,796	0.290	72,800	- 79,130	0.241			
14,797	- 15,041	0.289	79,131	- 86,666	0.240			
15,042	- 15,294	0.288	86,667	- 95,789	0.239			
15,295	- 15,555	0.287	95,790	- 107,058	0.238			
15,556	- 15,826	0.286	107,059	- 121,333	0.237			
15,827	- 16,106	0.285	121,334	- 139,999	0.237			
16,107	- 16,396	0.284	140,000	- 165,454	0.236			
16,397	- 16,697	0.283	165,455	- 200,377	0.235			
16,698	- 17,009	0.282	200,378	- 208,235	0.234			
17,010	- 17,333	0.281	208,236	- 216,734	0.233			
17,334	- 17,669	0.280	216,735	- 225,957	0.232			
17,670	- 18,019	0.279	225,958	- 235,999	0.231			
18,020	- 18,383	0.278	236,000	- 246,976	0.230			
18,384	- 18,762	0.277	246,977	- 259,024	0.229			
18,763	- 19,157	0.276	259,025	- 272,307	0.228			
19,158	- 19,569	0.275	272,308	- 287,027	0.227			
19,570	- 19,999	0.274	287,028	- 303,428	0.226			
20,000	- 20,449	0.273	303,429	- 321,818	0.225	First	- 10,000	0.0%
20,450	- 20,919	0.272	321,819	- 342,580	0.224	Next	- 190,000	9.1%
20,920	- 21,411	0.271	342,581	- 366,206	0.223	Next	- 1,550,000	11.3%
21,412	- 21,927	0.270	366,207	- 393,333	0.222	Over	- 1,750,000	12.3%
						Expected Loss and ALAE Ratio:		0.649
						Tax Multiplier:		1.035



**Table of Expense Ratios - Excluding Allocated Loss Adjustment
Expense and Taxes and Including Profit and Contingencies**

Type B: 2023-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.318
10,100	- 10,303	0.317
10,304	- 10,515	0.316
10,516	- 10,736	0.315
10,737	- 10,967	0.314
10,968	- 11,208	0.313
11,209	- 11,460	0.312
11,461	- 11,724	0.311
11,725	- 11,999	0.310
12,000	- 12,289	0.309
12,290	- 12,592	0.308
12,593	- 12,911	0.307
12,912	- 13,246	0.306
13,247	- 13,599	0.305
13,600	- 13,972	0.304
13,973	- 14,366	0.303
14,367	- 14,782	0.302
14,783	- 15,223	0.301
15,224	- 15,692	0.300
15,693	- 16,190	0.299
16,191	- 16,721	0.298
16,722	- 17,288	0.297
17,289	- 17,894	0.296
17,895	- 18,545	0.295
18,546	- 19,245	0.294

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.294
20,000	- 20,816	0.293
20,817	- 21,702	0.292
21,703	- 22,666	0.291
22,667	- 23,720	0.290
23,721	- 24,878	0.289
24,879	- 26,153	0.288
26,154	- 27,567	0.287
27,568	- 29,142	0.286
29,143	- 30,909	0.285
30,910	- 32,903	0.284
32,904	- 35,172	0.283
35,173	- 37,777	0.282
37,778	- 40,799	0.281
40,800	- 44,347	0.280
44,348	- 48,571	0.279
48,572	- 53,684	0.278
53,685	- 59,999	0.277
60,000	- 67,999	0.276
68,000	- 78,461	0.275
78,462	- 92,727	0.274
92,728	- 113,333	0.273
113,334	- 145,714	0.272
145,715	- 200,606	0.271
200,607	- 213,548	0.270

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.269
228,276	- 245,185	0.268
245,186	- 264,799	0.267
264,800	- 287,826	0.266
287,827	- 315,238	0.265
315,239	- 348,421	0.265
348,422	- 389,411	0.264
389,412	- 441,333	0.263
441,334	- 509,230	0.262
509,231	- 601,818	0.261
601,819	- 735,555	0.260
735,556	- 945,714	0.259
945,715	- 1,323,999	0.258
1,324,000	- 1,809,565	0.257
1,809,566	- 1,981,904	0.256
1,981,905	- 2,190,526	0.255
2,190,527	- 2,448,235	0.254
2,448,236	- 2,774,666	0.253
2,774,667	- 3,201,538	0.252
3,201,539	- 3,783,636	0.251
3,783,637	- 4,624,444	0.250
4,624,445	- 5,945,714	0.249
5,945,715	- 8,323,999	0.248
8,324,000	- 13,873,333	0.247
13,873,334	- 41,619,999	0.246
41,620,000	- And Above	0.245
First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%
Expected Loss and ALAE Ratio:		0.649
Tax Multiplier:		1.035



Iowa

Workers Compensation Rate Filing – January 1, 2024

Part 3 Supporting Exhibits

- Exhibit I: Determination of the Indicated Advisory Rate Level Change
- Exhibit II: Workers Compensation Expense Program
- Appendix A: Factors Underlying the Proposed Rate Level Change
- Appendix B: Calculations Underlying the Advisory Rate Change by Classification
- Appendix C: Memoranda for Laws and Assessments
- Appendix D: Determination of Assigned Risk Rates



Iowa

Workers Compensation Rate Filing – January 1, 2024

Exhibit I – Determination of Indicated Advisory Rate Level Change

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

Determination of the Loss Base

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

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

Determination of the Experience Period

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

<u>Policy Year</u>	<u>Loss Ratio</u>	<u>Calendar-Accident Year</u>	<u>Loss Ratio</u>
2017	0.930	2018	0.900
2018	0.938	2019	1.013
2019	0.945	2020	0.867
2020	0.929	2021	0.938
2021	0.871	2022	0.829

Note the following regarding the projected loss ratios:

- Based on NCCI’s Financial Call data reported through 12/31/2022, on-leveled, developed to an ultimate report, and trended to the prospective period. Projected losses do not include the change in expenses and standard earned premium at Designated Statistical Reporting (DSR) level is adjusted to a pure premium level.
- The Calendar-Accident Year analysis was not conducted separately; the displayed loss ratios are trended using the policy year loss ratio selections underlying this filing.
- Calendar-Accident Year 2019–2022 loss ratios include a premium audit adjustment due to changes in audit activity primarily attributable to the COVID-19 pandemic-related recession.

The policy year loss ratios in this period are consistent and favorable. While certain temporary effects stemming from the pandemic, like social distancing and decreased medical treatments for minor injuries, could be playing a role in the favorable loss ratio trends observed in Policy Years



Iowa

Workers Compensation Rate Filing – January 1, 2024

Exhibit I – Determination of Indicated Advisory Rate Level Change

2019 and 2020, these influences have had a minor and limited impact in Iowa and appear to be isolated to Calendar-Accident Year 2020. Iowa was one of seven states that did not issue a stay-at-home order during the pandemic. Additionally, employment in manufacturing and agriculture benefited from a surge in consumer demand for Iowa-produced corn, soy, wheat, and agricultural equipment, and by early 2021, Iowa's unemployment rate was one of the lowest in the nation (Source: Moody's Analytics).

The loss trends observed in the most recent Policy Year, 2021, and the Calendar-Accident Year, 2022, which are further removed from the peak of the pandemic and are likely indicative of future experience, demonstrate ongoing loss experience improvement in Iowa. Some pandemic effects have increased safety and resulted in lasting changes in the workplace landscape. For example, the shift to remote work and reduced business travel are likely contributing to the improved loss ratio experience. There has also been a long-term pattern of improved workplace safety as well as an increase in the use of automation, both of which continue to put downward pressure on lost-time claim frequency.

Medical-only claim count volumes continue to be reviewed in Iowa. In Policy Year 2020, there was a substantial drop of around 25% in medical-only claim counts from Policy Year 2018. While medical-only claim counts experienced a recovery in Policy Year 2021, they didn't reach the levels observed in Policy Year 2018 and prior years. Despite the decline in claim counts, the medical-only paid+case loss volume for Policy Year 2021 remains similar to the levels observed before the pandemic. The degree to which the reduction in medical-only claim count volume will persist in the future remains uncertain.

An analysis was conducted to evaluate the influence of shifting volumes of large losses on the loss experience of the most recent policy years. The loss ratios for Calendar-Accident Years 2020 and 2022 demonstrate favorable experience, attributed in part to a decrease in the volume of large loss claims. However, Policy Years 2020 and 2021 exhibit a similar level of initial large claim activity by first report compared to prior policy years. While the calendar-accident years in Iowa display fluctuations from year to year, the policy year activity remains more consistently robust.

Call 31 Claims with Paid+Case Losses over 500K

<u>Policy Year</u>	<u>Claim Counts</u>	<u>Limited Paid+Case</u>	<u>Accident Year</u>	<u>Claim Counts</u>	<u>Limited Paid+Case</u>
2017	44	58.8M	2018	30	30.7M
2018	34	40.9M	2019	34	46.6M
2019	42	63.4M	2020	32	38.5M
2020	39	58.1M	2021	36	51.0M
2021	47	46.9M	2022	31	25.4M

Based on NCCI's Financial Call data reported through 12/31/2022, Call 31 claims valued at first report



Iowa

Workers Compensation Rate Filing – January 1, 2024

Exhibit I – Determination of Indicated Advisory Rate Level Change

In this filing, the data for the two most recently available full policy years, 2020 and 2021, was selected as the most appropriate experience period on which to base this year's filing. This selection provides a balance between stability and responsiveness and best reflects the conditions likely to prevail in the proposed effective period. This method is consistent with prior filings in Iowa.

Determination of the Indicated Change

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

1. Standard earned premium at Designated Statistical Reporting (DSR) level is developed to ultimate, on-leveled to the current approved advisory rate level, and adjusted to a pure premium level.
2. Reported indemnity and medical losses are limited by a large loss threshold, developed to ultimate using limited development factors, and on-leveled to a common benefit level to yield adjusted limited losses.
3. Limited indemnity and medical cost ratios excluding trend and benefits changes are calculated as adjusted losses (step 2) divided by premium available for benefit costs (step 1).
4. Trend factors are applied to the indemnity and medical cost ratios to reflect expected differences between the historical experience years and the effective period of the proposed filing.
5. Limited losses are adjusted to an unlimited basis via a non-catastrophe excess ratio (with excess ratios at limits beyond \$50 million set equal to zero).
6. A factor is applied to reflect the impact of proposed indemnity and medical benefit changes.
7. The projected unlimited indemnity and medical cost ratios including benefit changes are added to yield the indicated change based on experience, trend, and benefits.

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, change in production and general expenses, change in premium taxes and assessments, and change in the profit and contingency provision is applied to determine the indicated overall average advisory rate level change.

The detailed calculations can be found on the following pages.



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EXHIBIT I

Determination of Indicated Rate Level Change

Section A - Policy Year 2021 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$654,387,186
(2) Premium On-level Factor (Appendix A-I)	0.528
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$345,516,434

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$135,202,397
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$135,202,397
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.391
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.871
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.341
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.033
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.352
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.352

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$189,923,805
(15) Medical Loss On-level Factor (Appendix A-I)	1.000
(16) Adjusted Limited Medical Losses = (14) x (15)	\$189,923,805
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.550
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.913
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.502
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.033
(21) Projected Medical Cost Ratio = (19) x (20)	0.519
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.519

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.871
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EXHIBIT I

Determination of Indicated Rate Level Change

Section B - Policy Year 2020 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$620,665,071
(2) Premium On-level Factor (Appendix A-I)	0.519
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$322,125,172

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$133,713,985
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$133,713,985
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.415
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.832
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.345
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.033
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.356
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.356

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$202,006,465
(15) Medical Loss On-level Factor (Appendix A-I)	1.000
(16) Adjusted Limited Medical Losses = (14) x (15)	\$202,006,465
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.627
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.885
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.555
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.033
(21) Projected Medical Cost Ratio = (19) x (20)	0.573
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.573

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.929
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EXHIBIT I

Determination of Indicated Rate Level Change

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

(1) Policy Year 2021 Indicated Change Based on Experience, Trend, and Benefits	0.871
(2) Policy Year 2020 Indicated Change Based on Experience, Trend, and Benefits	0.929
(3) Indicated Change Based on Experience, Trend, and Benefits* = (1) x 50.0% + (2) x 50.0%	0.900

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

Section D - Application of the Change in Production and General Expenses

(1) Indicated Rate Level Change	0.900
(2) Effect of the Change in Production and General Expenses (Exhibit II)	1.001
(3) Indicated Change Modified to Reflect the Change in Production and General Expenses = (1) x (2)	0.901

Section E - Application of the Change in Taxes

(1) Indicated Rate Level Change	0.901
(2) Effect of the Change in Taxes (Exhibit II)	1.003
(3) Indicated Change Modified to Reflect the Change in Taxes = (1) x (2)	0.904

Section F - Application of the Change in the Profit and Contingency Provision

(1) Indicated Rate Level Change	0.904
(2) Effect of the Change in the Profit and Contingency Provision (Exhibit II)	0.973
(3) Indicated Change Modified to Reflect the Change in the Profit and Contingency Provision = (1) x (2)	0.880



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EXHIBIT I

Determination of Indicated Rate Level Change

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

(1) Indicated Rate Level Change	0.880
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.000
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.880

Section H - Distribution of Overall Rate Level Change to Industry Groups

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.004
Contracting	0.974
Office & Clerical	0.983
Goods & Services	1.013
Miscellaneous	1.010

Applying these industry group differentials to the final overall rate level change produces the changes in rate level proposed for each group as shown:

Industry Group	(1) Final Overall Rate Level Change	(2) Industry Group Differential	(3) = (1) x (2) Final Rate Level Change by Industry Group	
Manufacturing	0.880	1.004	0.884	(-11.6%)
Contracting	0.880	0.974	0.857	(-14.3%)
Office & Clerical	0.880	0.983	0.865	(-13.5%)
Goods & Services	0.880	1.013	0.891	(-10.9%)
Miscellaneous	0.880	1.010	0.889	(-11.1%)
Overall	0.880	1.000	0.880	(-12.0%)



Iowa

Workers Compensation Rate Filing – January 1, 2024

Exhibit II – Workers Compensation Expense Program

The proposed rates include several expense-related provisions as described below. The expense provisions described below are assumed to be the same for both the voluntary and assigned risk market.

Production and General Expenses: Production costs include commissions, costs of preparing the policy, verifying the correct application of rates and rating plans, billing and collecting premium and the costs of maintaining company branch offices. General expenses are commonly classified into four categories: general administration, audit, boards and bureaus, and inspection expenses.

The Production and General Expense provisions are reviewed on an annual basis using countrywide NAIC data. Countrywide data is reviewed because insurance carriers cannot easily attribute portions of their Production and General expenses to any specific state. The analysis of the Production and General expenses involves creating expense to premium ratios. Since the premium comes from a non-NCCI data source, adjustments are made to the premium to convert the premium to a Designated Statistical Reporting (DSR) level. In addition, the fixed expenses are removed from the numerator and denominator of the ratio to arrive at a purely variable expense ratio. These expense ratios are reviewed over time and a selection is made to balance stability and responsiveness. A selection for both Production and General expenses is made after a review of the expense to premium ratios and the underlying data.

Note: In this year's filing, the rounding methodology used in the analysis and selection of the production and general expense provisions was altered to match that of the other standard NCCI methodologies outlined in the filing.

Premium Taxes and Assessments: The proposed rates have a provision for taxes, licenses, and fees (other than Federal Income Tax) including a Premium Tax provision, a miscellaneous tax provision, and a provision for the Second Injury Fund. Where published by the state, the published value is selected. When no value is published by the state, historical values are reviewed, and a selection is made.

Profit and Contingency Provision: Insurers should have an opportunity to earn a fair rate of return on the capital supporting all of their workers compensation business. Therefore, voluntary rate filings should contemplate the inclusion of a fair and reasonable profit and contingency (P&C) provision.

The proposed P&C provision in this year's filing was selected based on the results of NCCI's Internal Rate of Return (IRR) model, which estimates the time series of expected future cash flows including premium, losses, expenses, investment income and taxes, for a representative insurer underwriting workers compensation coverage. In determining the P&C provision, NCCI reviews both a static and a dynamic P&C estimate as indicated by IRR model. The static estimate takes into account current interest rates, while the dynamic estimate incorporates projections of future interest rate levels. The P&C selection is based on a review of both of these estimates, while also considering stability in this filing component. This filing proposes a decrease to the P&C provision from 2.0% to 0.0%, which



Iowa

Workers Compensation Rate Filing – January 1, 2024

Exhibit II – Workers Compensation Expense Program

considers the notable and rapid shift in interest rates from the prior year.

Loss-based Expense Provision: The only component of the loss-based expense provision included in the proposed rates is the provision for loss adjustment expenses (LAE).

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

Given the nature of AOE, it cannot be allocated to a specific claim, and hence cannot be accurately attributed to specific states. Therefore, the state-specific AOE ratio reflects the latest selected countrywide provision. The countrywide provision was calculated using data obtained from the NCCI Call for Loss Adjustment Expense. The accident year developed AOE ratios are calculated on a countrywide basis using private carrier-only data after removing the reported COVID-19-related losses.

The reported DCCE and losses from COVID-19-related claims have been excluded from the underlying data in this year's analysis to better reflect the conditions likely to prevail in the proposed effective period. NCCI used the following general methodology to determine the proposed DCCE provision based on Iowa-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.

Expense Constant: Insurer expenses as a proportion of premium vary by size of risk. As risk size increases, marginal expenses tend to diminish. An expense constant helps address fixed expense differences by size of risk. The expense constant together with the expense provision included in the manual rate provide the necessary funding for insurer expenses.



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EXHIBIT II

Section A - Comparison of Proposed and Current Expense Provisions

Overhead expense provisions are itemized below. These figures are expressed as percentages of standard premium (excluding expense constant) and are indicative of the expenses of the first \$10,000 of policy premium. Taken together these allowances represent that portion of the standard premium dollar necessary to operate the benefit system. The complementary portion corresponds to the portion of the premium dollar available to finance benefits, loss adjustment expenses and loss-based assessments, if applicable. It is referred to as the "target cost ratio".

	<u>Expense Provisions Underlying Current Rates</u>	<u>Expense Provisions Underlying Proposed Rates</u>
(1) Expense Constant	\$160	\$160
(2) Production Expense	18.2%	18.3%
(3) General Expense	6.1%	6.1%
(4) Taxes, Licenses and Fees (other than Federal Income Tax)		
Premium Tax	1.0%	1.0%
Miscellaneous	0.3%	0.3%
Second Injury Fund	1.2%	1.4%
Total	2.5%	2.7%
(5) Profit and Contingency Provision	2.0%	0.0%
(6) Total Overhead Provisions (2)+(3)+(4)+(5)	28.8%	27.1%
(7) Target Cost Ratio [100% - (6)]	71.2%	72.9%
(8) Loss Adjustment Expense	17.8%	17.8%
(9) Loss-based Assessment	0.0%	0.0%
(10) Permissible Loss Ratio (7) / [1+(8)+(9)]	60.4%	61.9%



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EXHIBIT II

Section B - Calculation of Change in Expense Provisions

	A Current Expenses	B Col. A with Proposed Prod & Gen Exp	C Col. B with Proposed Taxes	D Col. C with Proposed Profit and Contingency
(1) Production Expense	18.2%	18.3%	18.3%	18.3%
(2) General Expense	6.1%	6.1%	6.1%	6.1%
(3) Taxes	2.5%	2.5%	2.7%	2.7%
(4) Profit and Contingency Provision	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>0.0%</u>
(5) Total Provisions (1)+(2)+(3)+(4)	28.8%	28.9%	29.1%	27.1%
(6) TCR (100%-(5))	71.2%	71.1%	70.9%	72.9%
(7) Loss Based Expenses	17.8%	17.8%	17.8%	17.8%
(8) Change in Production and General Expense (6A) / (6B)			1.001	+0.1%
(9) Change in Taxes and Assessments (6B) / (6C)			1.003	+0.3%
(10) Change in Profit and Contingency Provision (6C) / (6D)			0.973	-2.7%
(11) Change in Loss Based Expenses [1.0 + (7B)] / [1.0 + (7A)]			1.000	0.0%



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EXHIBIT II

Section C - Countrywide Expense Program

NCCI annually reviews expense provisions underlying workers compensation rates.

This review procedure is based on countrywide expense data. Since a significant portion of workers compensation insurance is interstate business, it is not practical to allocate expenses (especially general, other acquisition, and adjusting and other loss adjustment expenses) to particular states.

The NCCI expense program is designed to ensure equity among employers through a percentage provision in manual rates, a schedule of premium discounts for risks with standard premium in excess of \$10,000, and the application of an expense constant.

The majority of expenses incurred in workers compensation vary directly by layer of premium and are accordingly termed variable expenses. An equitable apportionment of variable expense is achieved through the application of premium discounts. As the premium for a policy increases, some expenses incurred in handling the insurance coverage become proportionately less in terms of premium. A fair expense program must, therefore, provide that the larger premium policies be charged a lower percentage of premium for these expenses than the smaller policies.

Other expenses such as issuing, recording and auditing are common to all policies regardless of size. These common expenses are called fixed expenses and are addressed by incorporating an expense constant in the program.



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EXHIBIT II

Section D - Derivation of General Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 6.1% general expense provision in the manual rates, a \$160 expense constant, and the premium discount schedule generates general expense premium dollars that are consistent with historical actual general expenses as reported in the Insurance Expense Exhibit. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Direct Earned Premium <i>(NAIC Insurance Expense Exhibit Data)</i>	44,697,279	44,738,409	49,079,544
(1a) Effect of Premium Discounts	0.930	0.930	0.930
(1b) Effect of Schedule Rating	0.957	0.960	0.961
(1c) Effect of Carrier Deviations	1.076	1.079	1.077
(1d) Effect of Deductibles	0.742	0.739	0.739
(1e) Expense Constant Offset	0.990	0.989	0.989
(2) Gross Adjusted Premium <i>(STD Premium @ NCCI Level Excl. Expense Constant)</i> $\{(1) / [(1a) \times (1b) \times (1c) \times (1d)]\} \times (1e)$	62,273,778	62,152,237	68,238,635
(3) Direct General Expenses Incurred <i>(NAIC Insurance Expense Exhibit Data)</i>	3,321,770	3,346,906	3,599,629
(3a) Proportion of Expense Constant Attributable to General Expenses	0.406	0.406	0.406
(4) General Expenses Incurred <i>(Excluding Expense Constant Revenue)</i> $(3) - (2) \times [1 - (1e)] / (1e) \times (3a)$	3,066,385	3,066,247	3,291,486
(5) Ratio of General Expense to Premium <i>(Excluding Expense Constant Revenue)</i> $(4) / (2)$	4.9%	4.9%	4.8%
(6) General Expense Gradations <i>(General Expenses in Average Premium Discount)</i>	1.2%	1.2%	1.2%
(7) General Expense Provision $(5) + (6)$	6.1%	6.1%	6.0%
(8) Selected General Expense Provision			6.1%



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EXHIBIT II

Section E - Derivation of Production Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 18.3% production expense provision in the manual rates, a \$160 expense constant, and the premium discount schedule generates production expense premium dollars that are consistent with historical actual production expenses as reported for combined stock and mutual companies' voluntary business. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Direct Written Premium <i>(NAIC Insurance Expense Exhibit Data)</i>	44,395,749	45,045,328	49,871,770
(1a) Effect of Premium Discounts	0.931	0.930	0.930
(1b) Effect of Schedule Rating	0.959	0.961	0.961
(1c) Effect of Carrier Deviations	1.080	1.078	1.075
(1d) Effect of Deductibles	0.740	0.739	0.739
(1e) Expense Constant Offset	0.989	0.989	0.989
(2) Pool Written Premium <i>(Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)</i>	900,966	857,108	921,787
(3) Adjusted Direct Written Premium <i>(STD Premium Excl. Pool Written Premium)</i> [(1)-(2)] / (1a) x (1e)	46,204,447	46,991,559	52,055,412
(4) Gross Direct Written Premium <i>(STD Premium @ NCCI Level Incl. Pool Written Premium)</i> {(1) / [(1a) x (1b) x (1c) x (1d)]} x (1e)	61,533,825	62,571,492	69,469,126
(5) Direct Commission & Brokerage Incurred <i>(NAIC Insurance Expense Exhibit Data)</i>	3,982,263	4,279,676	4,675,886
(6) Pool Producer Fees <i>(Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)</i>	29,463	28,272	31,610
(7) Direct Other Acquisition Expenses Incurred <i>(NAIC Insurance Expense Exhibit Data)</i>	2,128,770	2,101,949	2,401,715
(7a) Proportion of Expense Constant Attributable to Production Expenses	0.531	0.531	0.531
(8) Other Acquisition Expenses Incurred <i>(Excluding Expense Constant Revenue)</i> (7) - (4) x [1-(1e)]/(1e) x (7a)	1,765,353	1,732,404	1,991,433
(9) Ratio of Other Acq. Expenses to Premium <i>(Excluding Expense Constant Revenue)</i> (8)/(4)	2.9%	2.8%	2.9%
(10) Direct Commission & Brokerage Provision [(5)-(6)]/(3)	8.6%	9.0%	8.9%
(11) Production Expense Gradations <i>(Production Expenses in Average Premium Discount)</i>	6.6%	6.6%	6.6%
(12) Production Expense Provision (9)+(10)+(11)	18.1%	18.4%	18.4%
(13) Selected Production Expense Provision			18.3%



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Workers Compensation Loss-based Expense Provision

Section F (a) - Determination of Loss Adjustment Expense Provision

In this filing, NCCI proposes a 17.8% loss adjustment expense allowance as a percentage of losses. The DCCE provision is based on Iowa-specific data reported to NCCI on the Policy Year Call for Experience. The AOE provision is based on countrywide data reported to NCCI on the Call for Loss Adjustment Expense.

<u>Policy Year</u>	<u>Developed DCCE Ratio</u>	<u>Accident Year</u>	<u>Developed AOE Ratio</u>	
2017	8.2%	2018	9.1%	
2018	8.9%	2019	9.6%	
2019	8.1%	2020	10.2%	
2020	8.0%	2021	9.6%	
2021	<u>9.0%</u>	2022	<u>9.3%</u>	
Countrywide selected:			9.4%	
Iowa selected:	8.4%	+	9.4%	= 17.8%

Section F (b) - Defense and Cost Containment Expense (DCCE) Ratio

(1) <u>Policy Year</u>	(2) <u>Reported Ratio of Paid DCCE to Paid Losses</u>	(3) <u>Age-to-Ultimate Development Factor</u>	(4) = (2) x (3) <u>Ultimate DCCE Ratio</u>
2017	8.4%	0.979	8.2%
2018	9.0%	0.987	8.9%
2019	8.0%	1.016	8.1%
2020	7.2%	1.107	8.0%
2021	7.1%	1.271	<u>9.0%</u>
		Iowa selected:	8.4%

Section F (c) - Proposed Change in the Iowa Loss Adjustment Expense (LAE) Provision

	(5) <u>Current</u>	(6) <u>Proposed</u>
Iowa LAE Provision	17.8%	17.8%
Proposed Change in LAE Provision = [1.000 + (6)] / [1.000 + (5)] - 1		1.000 (0.0%)



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Section G - Derivation of the Indicated Profit and Contingency Provision

Overview

According to actuarial principles, insurance rates should provide for the cost of capital through an underwriting profit and contingency (P&C) provision, after accounting for investment and other income. NCCI considered Actuarial Standard of Practice #30 *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking* in choosing to employ an Internal Rate of Return (IRR) model to estimate a P&C provision. The cost of capital and investment income assumptions used in the model are estimated using market-based financial methods for investors of securities with a similar risk profile to workers compensation insurance companies. Note that the assumptions used in this IRR model, including the cost of capital and investment income assumptions, may or may not be applicable to any individual insurance company in this state.

The IRR model is based on the principle that the internal rate of return from an investment opportunity equals the investor's cost of capital if the sum of all cash flows from that investment, discounted at the cost of capital, equals zero. In the case of workers compensation insurance, cash flows to the capital providers are comprised of insurance cash flows, investment income, and commitment and release of capital in support of the insurance transaction.

- The insurance cash flows are estimated based on premiums earned less payments for losses and expenses, as included in this rate filing, after recognizing the impact of federal income taxes.
- Investment income on reserves and surplus depends on an after-tax return on investment (RoI), which is estimated using a combination of current financial market data and forecasts.
- The cost of capital used is a weighted average cost of capital (WACC), expressed as a percentage of capital, which takes into account both debt and equity components of a representative insurer's capital structure.

IRR Model Inputs and Results

The model estimates the P&C provision necessary in order for the proposed rates to cover the cost of capital. The P&C provision is estimated using two different assumptions regarding the return on investment and cost of capital:

- The "Static" estimate of the P&C provision assumes that the return on investment and the WACC do not change over time. Static estimates of the return on investment and the WACC are derived using data through the first quarter of 2023.
- The "Dynamic" estimate assumes that the return on investment and WACC vary over time. Dynamic estimates are derived using data through the first quarter of 2023, with forecasts from May of that year. The starting point for the Dynamic estimates is January 1, 2024.

The following table summarizes the inputs and results of the model under these two scenarios.

TABLE 1: IRR MODEL INPUTS AND RESULTS

<u>Inputs:</u>			
(1)	Expenses and Taxes as a Percentage of Net Premium at NCCI Level		21.70%
(2)	Reserve-to-Surplus Ratio		1.89
(3)	Cash Flow Patterns		See Table 2
		<u>Static</u>	<u>Dynamic*</u>
(4)	Return on Investments	4.51%	4.61% - 3.91%
(5)	Weighted Average Cost of Capital	9.82%	10.06% - 9.51%
<u>Results</u>			
		<u>Static</u>	<u>Dynamic</u>
(6)	Indicated Profit and Contingency Provision	-1.86%	-1.04%
(7)	Loss and Loss Adjustment Expense Provision [100% - (6) - (1)]	80.16%	79.34%

Table Notes:

It is assumed that no policyholders dividends are paid and that there are no rate departures (deviations or schedule rating).

(1) Expense provisions and taxes derived from the filing.

(2) Calculated from Best's 2022 Aggregates & Averages, for Commercial Casualty Composite, as the weighted average of Loss, LAE, and Unearned Premium Reserves to Policyholder Surplus, for years 2017 - 2021.

* See Table 3 for details by time period.



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TABLE 2: CASH FLOW PATTERNS (CUMULATIVE)

Time	(1) Policy-Year Collected Premium	(2) Earned Premium	(3) Written Premium	(4) Expenses and Taxes	(5) Paid Losses and LAE
0.00	-	-	-	-	-
0.25	12.24%	3.50%	28.00%	12.18%	0.92%
0.50	28.89%	13.61%	52.90%	28.13%	3.57%
0.75	52.15%	30.15%	79.40%	50.04%	7.91%
1.00	75.64%	52.58%	100.00%	71.88%	13.80%
1.25	89.22%	74.08%		83.96%	23.35%
1.50	97.06%	88.96%		90.93%	32.90%
1.75	100.00%	97.43%		100.00%	42.45%
2.00		100.00%			52.00%
2.25					56.80%
2.50					61.60%
2.75					66.40%
3.00					71.20%
3.25					73.75%
3.50					76.30%
3.75					78.85%
4.00					81.40%
4.25					82.78%
4.50					84.15%
4.75					85.53%
5.00					86.90%
6.00					89.40%
7.00					90.80%
8.00					91.80%
9.00					92.30%
10.00					92.80%
11.00					93.20%
12.00					93.60%
13.00					94.00%
14.00					94.40%
15.00					94.70%
16.00					94.90%
17.00					95.30%
18.00					95.70%
19.00					95.90%
20.00					96.10%
21.00					96.20%
22.00					96.40%
23.00					96.90%
24.00					97.10%
25.00					97.40%
26.00					97.80%
27.00					97.90%
28.00					98.00%
29.00					98.10%
30.00					98.30%
31.00					98.30%
32.00					98.76%
33.00					99.20%
34.00					99.61%
35.00					100.00%

TABLE 3: DYNAMIC ESTIMATE
INPUTS

Time	(1) Return on Investments	(2) Weighted Average Cost of Capital
0.00	-	-
0.25	4.61%	10.06%
0.50	4.59%	10.05%
0.75	4.49%	9.93%
1.00	4.47%	9.85%
1.25	4.41%	9.79%
1.50	4.39%	9.74%
1.75	4.34%	9.70%
2.00	4.32%	9.67%
2.25	4.27%	9.67%
2.50	4.27%	9.72%
2.75	4.03%	9.72%
3.00	4.03%	9.70%
3.25	4.03%	9.71%
3.50	4.03%	9.72%
3.75	4.03%	9.72%
4.00	4.03%	9.73%
4.25	4.03%	9.73%
4.50	4.03%	9.71%
4.75	4.03%	9.71%
5.00	4.02%	9.70%
6.00	4.00%	9.67%
7.00	3.99%	9.62%
8.00	3.95%	9.59%
9.00	3.92%	9.58%
10.00	3.93%	9.57%
11.00	3.94%	9.55%
12.00	3.94%	9.54%
13.00	3.95%	9.54%
14.00	3.95%	9.53%
15.00	3.95%	9.52%
16.00	3.91%	9.52%
17.00	3.92%	9.53%
18.00	3.93%	9.54%
19.00	3.94%	9.55%
20.00	3.93%	9.54%
21.00	3.93%	9.53%
22.00	3.92%	9.53%
23.00	3.92%	9.52%
24.00	3.92%	9.52%
25.00	3.92%	9.51%
26.00	3.91%	9.51%
27.00	3.91%	9.51%
28.00	3.91%	9.51%
29.00	3.91%	9.51%
30.00	3.91%	9.51%
31.00	3.91%	9.51%
32.00	3.91%	9.51%
33.00	3.91%	9.51%
34.00	3.91%	9.51%
35.00	3.91%	9.51%

Table 2 Notes:

Table 2 shows cumulative cash flows. For ease of reading no additional numbers are shown after a column reaches 100% cumulative cash flow.

- (1) Derived from estimates of premium distribution and payment terms by size of policy.
- (2) Based on written premium pattern assuming uniform writings within quarters and standard quarterly earning pattern.
- (3) Based on this jurisdiction's premium writings by quarter.
- (4) Expenses assumed paid as premium is collected; timing of taxes based on NCCI's Tax and Assessment Directory.
- (5) Derived from loss development data underlying this rate filing. Payouts for the first 31 years are based upon the ratio of paid losses to incurred losses from the most recent 31 policy years for which data is available. For the following years, loss payouts are assumed to trail off geometrically, with an adjustment so that the payout will be complete at 35 years.



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Calculation Details

The tables in the following pages show the detailed calculations of the IRR model.

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Note: Although values are displayed to 4 decimal places in the following tables, the calculations themselves are carried to the full precision of the computer.



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Calculation Details - Static Estimate

TABLE 4: DERIVATION OF INSURANCE CASH FLOW (STATIC ESTIMATE)

Time	(1) Collected Premium Factor	(2) Expense and Taxes Factor	(3) Paid Losses and LAE Factor	(4) Federal Income Tax Factor	(5) Insurance Cash flow Factor
0.00	-	-	-	-	-
0.25	0.1224	0.0264	0.0074	0.0049	0.0837
0.50	0.2889	0.0610	0.0286	0.0098	0.1894
0.75	0.5215	0.1086	0.0634	0.0147	0.3347
1.00	0.7564	0.1560	0.1106	0.0197	0.4701
1.25	0.8922	0.1822	0.1872	0.0159	0.5069
1.50	0.9706	0.1973	0.2637	0.0122	0.4973
1.75	1.0000	0.2170	0.3403	0.0085	0.4342
2.00	1.0000	0.2170	0.4168	0.0048	0.3614
2.25	1.0000	0.2170	0.4553	0.0041	0.3236
2.50	1.0000	0.2170	0.4938	0.0033	0.2859
2.75	1.0000	0.2170	0.5323	0.0026	0.2481
3.00	1.0000	0.2170	0.5707	0.0019	0.2104
3.25	1.0000	0.2170	0.5912	0.0014	0.1904
3.50	1.0000	0.2170	0.6116	0.0009	0.1705
3.75	1.0000	0.2170	0.6321	0.0004	0.1505
4.00	1.0000	0.2170	0.6525	(0.0000)	0.1305
4.25	1.0000	0.2170	0.6635	(0.0003)	0.1198
4.50	1.0000	0.2170	0.6745	(0.0006)	0.1090
4.75	1.0000	0.2170	0.6856	(0.0009)	0.0983
5.00	1.0000	0.2170	0.6966	(0.0012)	0.0876
6.00	1.0000	0.2170	0.7166	(0.0017)	0.0680
7.00	1.0000	0.2170	0.7279	(0.0020)	0.0571
8.00	1.0000	0.2170	0.7359	(0.0023)	0.0494
9.00	1.0000	0.2170	0.7399	(0.0026)	0.0457
10.00	1.0000	0.2170	0.7439	(0.0028)	0.0419
11.00	1.0000	0.2170	0.7471	(0.0030)	0.0389
12.00	1.0000	0.2170	0.7503	(0.0031)	0.0359
13.00	1.0000	0.2170	0.7535	(0.0033)	0.0328
14.00	1.0000	0.2170	0.7567	(0.0035)	0.0298
15.00	1.0000	0.2170	0.7591	(0.0036)	0.0275
16.00	1.0000	0.2170	0.7607	(0.0037)	0.0260
17.00	1.0000	0.2170	0.7639	(0.0038)	0.0229
18.00	1.0000	0.2170	0.7671	(0.0038)	0.0197
19.00	1.0000	0.2170	0.7687	(0.0038)	0.0181
20.00	1.0000	0.2170	0.7703	(0.0038)	0.0165
21.00	1.0000	0.2170	0.7711	(0.0038)	0.0157
22.00	1.0000	0.2170	0.7727	(0.0038)	0.0141
23.00	1.0000	0.2170	0.7768	(0.0038)	0.0101
24.00	1.0000	0.2170	0.7784	(0.0038)	0.0085
25.00	1.0000	0.2170	0.7808	(0.0038)	0.0061
26.00	1.0000	0.2170	0.7840	(0.0039)	0.0029
27.00	1.0000	0.2170	0.7848	(0.0039)	0.0021
28.00	1.0000	0.2170	0.7856	(0.0039)	0.0013
29.00	1.0000	0.2170	0.7864	(0.0039)	0.0005
30.00	1.0000	0.2170	0.7880	(0.0039)	(0.0011)
31.00	1.0000	0.2170	0.7880	(0.0039)	(0.0011)
32.00	1.0000	0.2170	0.7917	(0.0039)	(0.0048)
33.00	1.0000	0.2170	0.7951	(0.0039)	(0.0083)
34.00	1.0000	0.2170	0.7985	(0.0039)	(0.0116)
35.00	1.0000	0.2170	0.8016	(0.0039)	(0.0147)

Column Notes:

- (1) is Collected Premium by time period, expressed as a factor, = Table 2 col (1)
- (2) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)
- (3) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static) x Table 2 col (5)
- (4) per the Tax Cuts and Jobs Act of 2017, federal income taxes are computed as the tax rate (21%) times the adjusted underwriting income calculated per IRS rules. See Appendix B for details.
- (5) is the Total Insurance Cash Flow by time period, expressed as a factor, = (1) - [(2) + (3) + (4)]



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Section G - Derivation of the Indicated Profit and Contingency Provision

Calculation Details - Static Estimate (continued)

TABLE 5: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (STATIC ESTIMATE)

Time	(1) Unearned Premium, Unpaid Loss and Unpaid LAE Reserve Factor	(2) Factor for Surplus Allocated to Reserves	(3) Total Invested Funds Factor	(4) Income from Invested Funds Factor	(5) Capital Provider Equity Factor	(6) Capital Provider Cash Flow Factor	(7) Discounted Capital Provider Cash Flow Factor
0.00	-	-	-	-	-	-	-
0.25	0.2657	0.1406	0.2487	0.0014	(0.1636)	(0.1636)	(0.1617)
0.50	0.4734	0.2505	0.4837	0.0054	(0.2889)	(0.1253)	(0.1210)
0.75	0.6707	0.3549	0.7531	0.0123	(0.4061)	(0.1172)	(0.1106)
1.00	0.7851	0.4154	0.9569	0.0218	(0.4649)	(0.0588)	(0.0542)
1.25	0.6659	0.3523	0.9104	0.0322	(0.3713)	0.0936	0.0842
1.50	0.5598	0.2962	0.8265	0.0418	(0.2874)	0.0839	0.0737
1.75	0.4664	0.2468	0.7132	0.0503	(0.2287)	0.0588	0.0505
2.00	0.3848	0.2036	0.5883	0.0576	(0.1694)	0.0593	0.0497
2.25	0.3463	0.1832	0.5295	0.0638	(0.1421)	0.0273	0.0224
2.50	0.3078	0.1629	0.4707	0.0693	(0.1155)	0.0266	0.0213
2.75	0.2693	0.1425	0.4118	0.0742	(0.0895)	0.0260	0.0203
3.00	0.2309	0.1221	0.3530	0.0785	(0.0641)	0.0253	0.0194
3.25	0.2104	0.1113	0.3218	0.0822	(0.0491)	0.0150	0.0112
3.50	0.1900	0.1005	0.2905	0.0856	(0.0344)	0.0147	0.0107
3.75	0.1695	0.0897	0.2592	0.0887	(0.0201)	0.0143	0.0102
4.00	0.1491	0.0789	0.2280	0.0914	(0.0061)	0.0140	0.0097
4.25	0.1381	0.0731	0.2111	0.0938	0.0025	0.0085	0.0058
4.50	0.1271	0.0672	0.1943	0.0961	0.0108	0.0084	0.0055
4.75	0.1160	0.0614	0.1774	0.0981	0.0190	0.0082	0.0053
5.00	0.1050	0.0556	0.1606	0.1000	0.0270	0.0080	0.0051
6.00	0.0850	0.0450	0.1299	0.1065	0.0446	0.0177	0.0106
7.00	0.0737	0.0390	0.1128	0.1120	0.0564	0.0117	0.0064
8.00	0.0657	0.0348	0.1005	0.1168	0.0658	0.0094	0.0047
9.00	0.0617	0.0327	0.0944	0.1212	0.0725	0.0068	0.0031
10.00	0.0577	0.0305	0.0883	0.1254	0.0790	0.0065	0.0027
11.00	0.0545	0.0288	0.0833	0.1292	0.0848	0.0057	0.0021
12.00	0.0513	0.0271	0.0784	0.1329	0.0903	0.0055	0.0019
13.00	0.0481	0.0254	0.0735	0.1363	0.0956	0.0053	0.0016
14.00	0.0449	0.0238	0.0686	0.1395	0.1006	0.0051	0.0014
15.00	0.0425	0.0225	0.0650	0.1425	0.1051	0.0044	0.0011
16.00	0.0409	0.0216	0.0625	0.1454	0.1089	0.0038	0.0009
17.00	0.0377	0.0199	0.0576	0.1481	0.1134	0.0045	0.0010
18.00	0.0345	0.0182	0.0527	0.1506	0.1176	0.0042	0.0008
19.00	0.0329	0.0174	0.0503	0.1529	0.1208	0.0032	0.0006
20.00	0.0313	0.0165	0.0478	0.1552	0.1238	0.0031	0.0005
21.00	0.0305	0.0161	0.0466	0.1573	0.1264	0.0026	0.0004
22.00	0.0289	0.0153	0.0441	0.1593	0.1293	0.0029	0.0004
23.00	0.0248	0.0131	0.0380	0.1612	0.1333	0.0040	0.0005
24.00	0.0232	0.0123	0.0355	0.1628	0.1358	0.0025	0.0003
25.00	0.0208	0.0110	0.0319	0.1644	0.1386	0.0028	0.0003
26.00	0.0176	0.0093	0.0270	0.1657	0.1416	0.0030	0.0003
27.00	0.0168	0.0089	0.0257	0.1669	0.1432	0.0016	0.0001
28.00	0.0160	0.0085	0.0245	0.1680	0.1448	0.0016	0.0001
29.00	0.0152	0.0081	0.0233	0.1691	0.1463	0.0015	0.0001
30.00	0.0136	0.0072	0.0208	0.1701	0.1482	0.0018	0.0001
31.00	0.0136	0.0072	0.0208	0.1710	0.1491	0.0009	0.0001
32.00	0.0099	0.0053	0.0152	0.1718	0.1519	0.0028	0.0001
33.00	0.0065	0.0034	0.0099	0.1724	0.1543	0.0024	0.0001
34.00	0.0031	0.0017	0.0048	0.1727	0.1564	0.0021	0.0001
35.00	-	-	-	0.1729	0.1582	0.0018	0.0001

Column Notes:

- (1) is Unearned Premium Reserve (equal to Written Premium minus Earned Premium, per the cashflow pattern) plus Unpaid Loss and LAE Reserve (equal to Incurred minus Paid Losses and LAE) by time period, expressed as a factor,
= [Table 2 col (3) - Table 2 col (2)] + Table 1 row (7, Static) x [Table 2 col (2) - Table 2 col (5)]
- (2) is the Surplus derived from Reserves per the Reserve-to-Surplus Ratio by time period, expressed as a factor, = (1) / Table 1 row (2)
- (3) is Reserves plus Surplus minus Agent Balances by time period, expressed as a factor, = (1) + (2) - Agent Balances. Agent Balances exist when Written Premium exceeds Collected Premium, = [Table 2 col (3) - Table 2 col (1)].
- (4) is derived by applying the Return on Investments [Table 1 row (4, Static)] to the average Invested Funds (4) from the previous and current time periods, plus previous Income from Invested Funds, by time period expressed as a factor.
- (5) is Insurance Cash Flow plus Income from Invested Funds minus Total Invested Funds by time period, expressed as a factor,
= Table 4 col (5) + (4) - (3)
- (6) is the difference between Capital Provider Equity (5) at the current and previous time periods, expressed as a factor
- (7) is the Capital Provider Cash Flow (6) discounted by the Weighted Average Cost of Capital [Table 1 row (5, Static)], expressed as a factor



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Calculation Details - Dynamic Estimate

TABLE 6: DERIVATION OF INSURANCE CASH FLOW (DYNAMIC ESTIMATE)

Time	(1) Collected Premium Factor	(2) Expense and Taxes Factor	(3) Paid Losses and LAE Factor	(4) Federal Income Tax Factor	(5) Insurance Cash flow Factor
0.00	-	-	-	-	-
0.25	0.1224	0.0264	0.0073	0.0051	0.0836
0.50	0.2889	0.0610	0.0283	0.0102	0.1893
0.75	0.5215	0.1086	0.0628	0.0153	0.3348
1.00	0.7564	0.1560	0.1095	0.0205	0.4705
1.25	0.8922	0.1822	0.1852	0.0170	0.5078
1.50	0.9706	0.1973	0.2610	0.0135	0.4988
1.75	1.0000	0.2170	0.3368	0.0100	0.4363
2.00	1.0000	0.2170	0.4125	0.0064	0.3640
2.25	1.0000	0.2170	0.4506	0.0057	0.3267
2.50	1.0000	0.2170	0.4887	0.0050	0.2893
2.75	1.0000	0.2170	0.5268	0.0043	0.2520
3.00	1.0000	0.2170	0.5649	0.0035	0.2146
3.25	1.0000	0.2170	0.5851	0.0031	0.1948
3.50	1.0000	0.2170	0.6053	0.0026	0.1751
3.75	1.0000	0.2170	0.6256	0.0021	0.1553
4.00	1.0000	0.2170	0.6458	0.0017	0.1356
4.25	1.0000	0.2170	0.6567	0.0014	0.1249
4.50	1.0000	0.2170	0.6676	0.0011	0.1143
4.75	1.0000	0.2170	0.6785	0.0008	0.1037
5.00	1.0000	0.2170	0.6894	0.0006	0.0930
6.00	1.0000	0.2170	0.7093	0.0001	0.0737
7.00	1.0000	0.2170	0.7204	(0.0002)	0.0629
8.00	1.0000	0.2170	0.7283	(0.0006)	0.0553
9.00	1.0000	0.2170	0.7323	(0.0009)	0.0516
10.00	1.0000	0.2170	0.7362	(0.0011)	0.0478
11.00	1.0000	0.2170	0.7394	(0.0012)	0.0448
12.00	1.0000	0.2170	0.7426	(0.0014)	0.0418
13.00	1.0000	0.2170	0.7458	(0.0016)	0.0388
14.00	1.0000	0.2170	0.7489	(0.0017)	0.0358
15.00	1.0000	0.2170	0.7513	(0.0019)	0.0336
16.00	1.0000	0.2170	0.7529	(0.0020)	0.0321
17.00	1.0000	0.2170	0.7561	(0.0021)	0.0290
18.00	1.0000	0.2170	0.7592	(0.0021)	0.0258
19.00	1.0000	0.2170	0.7608	(0.0021)	0.0243
20.00	1.0000	0.2170	0.7624	(0.0021)	0.0227
21.00	1.0000	0.2170	0.7632	(0.0021)	0.0219
22.00	1.0000	0.2170	0.7648	(0.0021)	0.0203
23.00	1.0000	0.2170	0.7688	(0.0021)	0.0163
24.00	1.0000	0.2170	0.7703	(0.0021)	0.0148
25.00	1.0000	0.2170	0.7727	(0.0021)	0.0124
26.00	1.0000	0.2170	0.7759	(0.0021)	0.0092
27.00	1.0000	0.2170	0.7767	(0.0021)	0.0084
28.00	1.0000	0.2170	0.7775	(0.0021)	0.0076
29.00	1.0000	0.2170	0.7783	(0.0021)	0.0069
30.00	1.0000	0.2170	0.7799	(0.0021)	0.0053
31.00	1.0000	0.2170	0.7799	(0.0021)	0.0053
32.00	1.0000	0.2170	0.7835	(0.0021)	0.0016
33.00	1.0000	0.2170	0.7870	(0.0022)	(0.0018)
34.00	1.0000	0.2170	0.7902	(0.0022)	(0.0051)
35.00	1.0000	0.2170	0.7934	(0.0022)	(0.0082)

Column Notes:

- (1) is Collected Premium by time period, expressed as a factor, = Table 2 col (1)
- (2) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)
- (3) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Dynamic) x Table 2 col (5)
- (4) per the Tax Cuts and Jobs Act of 2017, federal income taxes are computed as the tax rate (21%) times the adjusted underwriting income calculated per IRS rules. See Appendix B for details.
- (5) is the Total Insurance Cash Flow by time period, expressed as a factor, = (1) - [(2) + (3) + (4)]



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Section G - Derivation of the Indicated Profit and Contingency Provision

Calculation Details - Dynamic Estimate (continued)

TABLE 7: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (DYNAMIC ESTIMATE)

Time	(1) Unearned Premium, Unpaid Loss and Unpaid LAE Reserve Factor	(2) Factor for Surplus Allocated to Reserves	(3) Total Invested Funds Factor	(4) Income from Invested Funds Factor	(5) Capital Provider Equity Factor	(6) Capital Provider Cash Flow Factor	(7) Cumulative Discount Factor	(8) Discounted Capital Provider Cash Flow Factor
0.00	-	-	-	-	-	-	-	-
0.25	0.2655	0.1405	0.2483	0.0014	(0.1634)	(0.1634)	0.9881	(0.1614)
0.50	0.4725	0.2500	0.4824	0.0055	(0.2876)	(0.1243)	0.9647	(0.1199)
0.75	0.6689	0.3539	0.7503	0.0123	(0.4032)	(0.1156)	0.9422	(0.1089)
1.00	0.7819	0.4137	0.9520	0.0217	(0.4598)	(0.0566)	0.9203	(0.0521)
1.25	0.6617	0.3501	0.9040	0.0317	(0.3644)	0.0954	0.8991	0.0857
1.50	0.5551	0.2937	0.8195	0.0411	(0.2796)	0.0848	0.8784	0.0745
1.75	0.4619	0.2444	0.7063	0.0492	(0.2208)	0.0588	0.8583	0.0505
2.00	0.3808	0.2015	0.5823	0.0560	(0.1622)	0.0586	0.8387	0.0491
2.25	0.3427	0.1813	0.5241	0.0619	(0.1356)	0.0267	0.8196	0.0219
2.50	0.3046	0.1612	0.4658	0.0671	(0.1095)	0.0261	0.8008	0.0209
2.75	0.2666	0.1410	0.4076	0.0714	(0.0842)	0.0252	0.7825	0.0197
3.00	0.2285	0.1209	0.3494	0.0752	(0.0596)	0.0246	0.7645	0.0188
3.25	0.2083	0.1102	0.3184	0.0785	(0.0451)	0.0145	0.7470	0.0108
3.50	0.1880	0.0995	0.2875	0.0815	(0.0309)	0.0142	0.7299	0.0103
3.75	0.1678	0.0888	0.2566	0.0842	(0.0171)	0.0139	0.7132	0.0099
4.00	0.1476	0.0781	0.2256	0.0866	(0.0035)	0.0136	0.6968	0.0095
4.25	0.1367	0.0723	0.2090	0.0887	0.0047	0.0082	0.6808	0.0056
4.50	0.1257	0.0665	0.1923	0.0907	0.0127	0.0080	0.6652	0.0053
4.75	0.1148	0.0608	0.1756	0.0925	0.0206	0.0079	0.6500	0.0051
5.00	0.1039	0.0550	0.1589	0.0942	0.0283	0.0077	0.6351	0.0049
6.00	0.0841	0.0445	0.1286	0.1000	0.0451	0.0168	0.5995	0.0100
7.00	0.0730	0.0386	0.1116	0.1048	0.0560	0.0110	0.5469	0.0060
8.00	0.0651	0.0344	0.0995	0.1089	0.0647	0.0087	0.4990	0.0043
9.00	0.0611	0.0323	0.0934	0.1127	0.0709	0.0062	0.4554	0.0028
10.00	0.0571	0.0302	0.0873	0.1163	0.0767	0.0059	0.4157	0.0024
11.00	0.0539	0.0285	0.0825	0.1196	0.0819	0.0052	0.3794	0.0020
12.00	0.0508	0.0269	0.0776	0.1228	0.0870	0.0050	0.3464	0.0017
13.00	0.0476	0.0252	0.0728	0.1257	0.0918	0.0048	0.3162	0.0015
14.00	0.0444	0.0235	0.0679	0.1285	0.0964	0.0046	0.2887	0.0013
15.00	0.0420	0.0222	0.0643	0.1311	0.1004	0.0040	0.2636	0.0011
16.00	0.0405	0.0214	0.0619	0.1336	0.1038	0.0034	0.2407	0.0008
17.00	0.0373	0.0197	0.0570	0.1359	0.1079	0.0041	0.2197	0.0009
18.00	0.0341	0.0180	0.0522	0.1381	0.1117	0.0038	0.2006	0.0008
19.00	0.0325	0.0172	0.0497	0.1401	0.1146	0.0028	0.1831	0.0005
20.00	0.0309	0.0164	0.0473	0.1420	0.1173	0.0028	0.1672	0.0005
21.00	0.0301	0.0160	0.0461	0.1438	0.1196	0.0023	0.1526	0.0003
22.00	0.0286	0.0151	0.0437	0.1456	0.1222	0.0026	0.1393	0.0004
23.00	0.0246	0.0130	0.0376	0.1472	0.1259	0.0037	0.1272	0.0005
24.00	0.0230	0.0122	0.0352	0.1486	0.1282	0.0023	0.1162	0.0003
25.00	0.0206	0.0109	0.0315	0.1499	0.1307	0.0026	0.1061	0.0003
26.00	0.0175	0.0092	0.0267	0.1510	0.1336	0.0028	0.0969	0.0003
27.00	0.0167	0.0088	0.0255	0.1521	0.1350	0.0014	0.0885	0.0001
28.00	0.0159	0.0084	0.0243	0.1530	0.1364	0.0014	0.0808	0.0001
29.00	0.0151	0.0080	0.0230	0.1539	0.1377	0.0013	0.0738	0.0001
30.00	0.0135	0.0071	0.0206	0.1548	0.1394	0.0017	0.0674	0.0001
31.00	0.0135	0.0071	0.0206	0.1556	0.1403	0.0008	0.0615	0.0000
32.00	0.0098	0.0052	0.0150	0.1563	0.1429	0.0026	0.0562	0.0001
33.00	0.0064	0.0034	0.0098	0.1568	0.1452	0.0023	0.0513	0.0001
34.00	0.0031	0.0016	0.0048	0.1571	0.1472	0.0020	0.0468	0.0001
35.00	-	-	-	0.1572	0.1490	0.0017	0.0428	0.0001

Column Notes:

- (1) is Unearned Premium Reserve (equal to Written Premium minus Earned Premium, per the cashflow pattern) plus Unpaid Loss and LAE Reserve (equal to Incurred minus Paid Losses and LAE) by time period, expressed as a factor,
= [Table 2 col (3) - Table 2 col (2)] + Table 1 row (7, Dynamic) x [Table 2 col (2) - Table 2 col (5)]
- (2) is the Surplus derived from Reserves per the Reserve-to-Surplus Ratio by time period, expressed as a factor, = (1) / Table 1 row (2)
- (3) is Reserves plus Surplus minus Agent Balances by time period, expressed as a factor, = (1) + (2) - Agent Balances. Agent Balances exist when Written Premium exceeds Collected Premium, = [Table 2 col (3) - Table 2 col (1)].
- (4) is derived by applying the Return on Investments [Table 3 col (1)] to the average Invested Funds (4) from the previous and current time periods, plus previous Income from Invested Funds, by time period expressed as a factor.
- (5) is Insurance Cash Flow plus Income from Invested Funds minus Total Invested Funds by time period, expressed as a factor,
= Table 6 col (5) + (4) - (3)
- (6) is the difference between Capital Provider Equity (5) at the current and previous time periods, expressed as a factor
- (7) is derived from the respective Weighted Average Cost of Capital [Table 3 col (2)] for each time period, expressed as a factor
- (8) is the Capital Provider Cash Flow (6) discounted by the Cumulative Discount Factor (7), expressed as a factor



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Section G - Derivation of the Indicated Profit and Contingency Provision

APPENDIX A: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL AND RETURN ON INVESTMENTS

The calculation of the Weighted Average Cost of Capital (WACC) is shown in Table A.1, and the calculation of the Return on Investments (RoI) is shown in Table A.2. The calculation for the Static estimate is shown in each. Calculations of the WACC and RoI under the Dynamic estimate for time periods 1, 2, and 5 are also provided for illustrative purposes. Note that the IRR model under the Dynamic estimate includes estimates of the WACC and RoI on a quarterly basis for the first five years and annually thereafter.

TABLE A.1: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL

	Static	IRR Model Time (yrs)		
		1.00	2.00	5.00
(1) 5 year US T-note Yield	3.80%	3.81%	3.59%	3.61%
(2) US Equity Market Risk Premium	7.92%			
(3) Beta for Property/Casualty (P/C) Insurers	0.89			
(4) Equity Cost of Capital for P/C Insurers	10.85%	10.85%	10.64%	10.66%
(5) Share of Equity Capital for P/C Insurers	85%			
(6) Debt Cost of Capital for P/C Insurers	4.00%	4.15%	4.15%	4.26%
(7) Weighted Average Cost of Capital (WACC)	9.82%	9.85%	9.67%	9.70%

Column Notes:

- (1) Forward estimates of US Treasury yields are from Moody's forecasts and apply only to the Dynamic estimate of the WACC. Time periods provided are illustrative; the full model includes estimates on a quarterly basis for the first five years and annually thereafter.
- (3) & (5) P/C beta and share of equity capital are estimated from historical data for a collection of insurers with publicly traded equity and debt.
- (4) = (1) + (2) x (3)
- (6) P/C debt cost of capital is the sum of the 10-year US T-note yield plus the historical corporate spread, net of income tax.
- (7) = (4) x (5) + (6) x [1 - (5)]



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Section G - Derivation of the Indicated Profit and Contingency Provision

APPENDIX A: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL AND RETURN ON INVESTMENTS (CONTINUED)

TABLE A.2. CALCULATION OF RETURN ON INVESTMENTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Security Description	Investment Portfolio	Yield Curve, Maturity and Spread	Roll-over Period	Income Tax Rate	Post-tax Return			
					IRR Model Time (yrs)			
					Static	1.00	2.00	5.00
Bonds, of which	72.9%							
Government Direct Obligations	7.0%							
< 1yr	2.5%	6 mo US T-bill	0.50 yrs	21.00%	3.94%	3.22%	2.48%	2.06%
1 – 5 yrs	2.8%	2.5 yr US T-note	2.50 yrs	21.00%	3.33%	3.28%	3.28%	2.58%
5 – 10 yrs	1.1%	7.5 yr US T-note	7.50 yrs	21.00%	2.94%	3.16%	3.16%	3.16%
10 – 20 yrs	0.2%	15 yr US T-note	15.00 yrs	21.00%	2.98%	3.26%	3.26%	3.26%
> 20 yrs	0.3%	20 yr US T-note	20.00 yrs	21.00%	3.08%	3.42%	3.42%	3.42%
Collateralized Securities	7.6%							
< 1yr	1.2%	6 mo US T-bill + 50 basis points	0.50 yrs	21.00%	4.33%	3.62%	2.87%	2.46%
1 – 5 yrs	3.1%	2.5 yr US T-note + 50 basis points	2.50 yrs	21.00%	3.72%	3.67%	3.67%	2.98%
5 – 10 yrs	2.1%	7.5 yr US T-note + 50 basis points	7.50 yrs	21.00%	3.34%	3.55%	3.55%	3.55%
10 – 20 yrs	0.9%	15 yr US T-note + 50 basis points	15.00 yrs	21.00%	3.38%	3.65%	3.65%	3.65%
> 20 yrs	0.2%	20 yr US T-note + 50 basis points	20.00 yrs	21.00%	3.48%	3.81%	3.81%	3.81%
Tax-exempt Bonds	18.2%							
< 1yr	1.4%	6 mo US T-bill + Tax-exempt spread	0.50 yrs	5.25%	4.83%	3.97%	3.08%	2.58%
1 – 5 yrs	5.6%	2.5 yr US T-note + Tax-exempt spread	2.50 yrs	5.25%	4.15%	4.09%	4.09%	3.26%
5 – 10 yrs	4.5%	7.5 yr US T-note + Tax-exempt spread	7.50 yrs	5.25%	3.70%	3.96%	3.96%	3.96%
10 – 20 yrs	5.3%	15 yr US T-note + Tax-exempt spread	15.00 yrs	5.25%	3.86%	4.19%	4.19%	4.19%
> 20 yrs	1.5%	20 yr US T-note + Tax-exempt spread	20.00 yrs	5.25%	4.07%	4.47%	4.47%	4.47%
Industrial and Hybrid Securities (unaffiliated)	39.8%							
< 1yr	4.6%	6 mo US T-bill + Corp spread	0.50 yrs	21.00%	4.43%	3.71%	2.97%	2.55%
1 – 5 yrs	17.6%	2.5 yr US T-note + Corp spread	2.50 yrs	21.00%	4.05%	4.01%	4.01%	3.30%
5 – 10 yrs	13.6%	7.5 yr US T-note + Corp spread	7.50 yrs	21.00%	4.00%	4.21%	4.21%	4.21%
10 – 20 yrs	2.4%	15 yr US T-note + Corp spread	15.00 yrs	21.00%	4.16%	4.43%	4.43%	4.43%
> 20 yrs	1.7%	20 yr US T-note + Corp spread	20.00 yrs	21.00%	4.28%	4.59%	4.59%	4.59%
Industrial and Hybrid Securities (affiliated)	0.3%							
< 1yr	0.1%	6 mo US T-bill + Corp spread	0.50 yrs	5.25%	5.31%	4.45%	3.56%	3.06%
1 – 5 yrs	0.2%	2.5 yr US T-note + Corp spread	2.50 yrs	5.25%	4.86%	4.80%	4.80%	3.96%
5 – 10 yrs	0.0%	7.5 yr US T-note + Corp spread	7.50 yrs	5.25%	4.79%	5.05%	5.05%	5.05%
10 – 20 yrs	0.0%	15 yr US T-note + Corp spread	15.00 yrs	5.25%	4.99%	5.31%	5.31%	5.31%
> 20 yrs	0.0%	20 yr US T-note + Corp spread	20.00 yrs	5.25%	5.13%	5.51%	5.51%	5.51%
Stocks, of which	11.9%							
Preferred Stock	0.5%	5 year US T-note + 396 basis points	0.25 yrs	13.13%	6.74%	6.75%	6.56%	6.58%
Common Stock	11.4%	5 year US T-note + 792 basis points	0.25 yrs	18.40%	9.57%	9.57%	9.40%	9.41%
Mortgage Loans	2.6%							
Real Estate	0.5%							
Cash & Short-Term Investment	5.0%	3 month US T-bill	0.25 yrs	21.00%	3.84%	2.99%	2.22%	1.94%
All Other Assets*	7.1%							
Post-Tax Return on Invested Funds, pre-Expense:					4.69%	4.64%	4.49%	4.20%
Investment Expense**:					-0.17%	-0.17%	-0.17%	-0.17%
Post-Tax Return on Invested Funds:					4.51%	4.47%	4.32%	4.02%

Table Notes:

- (1) Government Direct Obligations include US Government Issuer Obligations and Non-US Government Issuer Obligations. Collateralized Securities include Mortgage Backed, Loan Backed, or Structured Securities. Tax-exempt Bonds include Issuer Obligations of US States, Territories, and Possessions, US Political Subdivisions of States, Territories, and Possessions, and US Special Revenue and Special Assessment Obligations. Industrial and Hybrid Securities (unaffiliated) include Industrial and Miscellaneous and Hybrid Securities. Industrial and Hybrid Securities (affiliated) include Parents, Subsidiaries, and Affiliates.
- (2) Bond and total portfolio distributions are 3-year averages for 2019-2021, calculated from annual editions of Best's Aggregates & Averages (Property-Casualty), Assets for Commercial Casualty Composite, page number varies by edition, Column 3, Net Admitted Assets. For each year 2019-2021, the maturity distribution pertains to all bonds owned as of December 31 at book/adjusted carrying value for Commercial Casualty Composite, Schedule D, Part 1A, Section 2.
- (3) Spread to US treasury yields are either constant or varying by maturity (tax-exempt or corporate) as applicable. The tax-exempt spread is a term structure of average historical spreads in forward rates at different maturities between US municipal bonds and US Treasuries. Data on historical yields to US municipal bonds are from Bloomberg. The corporate spread is a term structure of average historical spreads in forward rates at different maturities between US corporate bonds and US Treasuries. Historical data on yields to US corporate bonds are from the US Department of Treasury.
- (4) Applies only to the Dynamic estimate of the return on invested funds. The roll-over period is the time interval at which the estimated yield is updated for the given security in the investment portfolio. For bonds, the roll-over period is the bond's term to maturity. Forward yields for common and preferred stocks are updated quarterly.
- (5) It is assumed that investment returns, except dividends and tax exempt municipal bond income, are taxed at 21%. It is assumed that 50% of dividends received are tax exempt. In accordance with the "pro-rata" provision, it is assumed that 25% of otherwise exempt municipal bond income and dividends are taxed at 21%. For common stock, the portion of income attributable to capital appreciation is assumed to equal 66.9% while the income portion is 33.1%. The percentages are obtained from Kroll, LLC SBBi Summary Statistics of Annual Returns: large cap stocks, arithmetic mean.
- (6) Static estimates of US Treasury yields are constant maturity yields from the first quarter of 2023.
- (7)-(9) Applies only to the dynamic estimate of the return on invested funds. Forward estimates of US Treasury yields at various maturities are from Moody's.

* Yields to mortgage loans, real estate, and all other assets are not directly estimated, but are assumed to equal the weighted average portfolio yield net of these categories.

** Investment expense calculated from Annual Statement data for the Commercial Casualty Composite by dividing Total Investment Expense by Cash and Invested Assets.

Total investment expense for 2021 is from the Annual Statement, Exhibit of Net Investment Income.

Average cash and invested assets for 2020 and 2021 are from Best's Aggregates and Averages (Property-Casualty), Assets for Commercial Casualty Composite.



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Section G - Derivation of the Indicated Profit and Contingency Provision

APPENDIX B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS

Federal taxes on underwriting income, based on the Tax Cuts and Jobs Act of 2017, are calculated in the following tables on an annual basis. Columns (1) through (4) are the same under both the Static and Dynamic Estimates; the paid losses and LAE factors (col (5)) vary by Estimate. Note that investment taxes are accounted for in Appendix A. Annual tax is prorated when quarterly amounts are required.

TABLE B.1: FEDERAL INCOME TAX CALCULATION (STATIC ESTIMATE)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Time	Written Premium Factor	Unearned Premium Factor	Expense and Taxes Factor	Discount Factor	Paid Losses and LAE Factor	AY1 Paid Losses and LAE Factor	AY2 Paid Losses and LAE Factor	Discounted AY1 Unpaid Losses & LAE Factor	Discounted AY2 Unpaid Losses & LAE Factor	Federal Income Tax Factor
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4743	0.1560	0.8973	0.1106	0.1106	-	0.2604	-	0.0197
2.00	1.0000	-	0.2170	0.8836	0.4168	0.2573	0.1595	0.1268	0.2165	0.0048
3.00	1.0000	-	0.2170	0.8782	0.5707	0.2994	0.2713	0.0890	0.1144	0.0019
4.00	1.0000	-	0.2170	0.8738	0.6525	0.3397	0.3128	0.0534	0.0773	(0.0000)
5.00	1.0000	-	0.2170	0.8766	0.6966	0.3526	0.3440	0.0422	0.0496	(0.0012)
6.00	1.0000	-	0.2170	0.8711	0.7166	0.3612	0.3555	0.0345	0.0397	(0.0017)
7.00	1.0000	-	0.2170	0.8766	0.7279	0.3653	0.3625	0.0311	0.0333	(0.0020)
8.00	1.0000	-	0.2170	0.8905	0.7359	0.3692	0.3666	0.0281	0.0300	(0.0023)
9.00	1.0000	-	0.2170	0.9036	0.7399	0.3703	0.3696	0.0276	0.0278	(0.0026)
10.00	1.0000	-	0.2170	0.9121	0.7439	0.3728	0.3711	0.0256	0.0268	(0.0028)
11.00	1.0000	-	0.2170	0.9239	0.7471	0.3739	0.3732	0.0248	0.0252	(0.0030)
12.00	1.0000	-	0.2170	0.9360	0.7503	0.3758	0.3745	0.0234	0.0243	(0.0031)
13.00	1.0000	-	0.2170	0.9482	0.7535	0.3772	0.3763	0.0223	0.0230	(0.0033)
14.00	1.0000	-	0.2170	0.9606	0.7567	0.3789	0.3778	0.0210	0.0218	(0.0035)
15.00	1.0000	-	0.2170	0.9732	0.7591	0.3799	0.3792	0.0204	0.0207	(0.0036)
16.00	1.0000	-	0.2170	0.9859	0.7607	0.3806	0.3801	0.0199	0.0201	(0.0037)
17.00	1.0000	-	0.2170	0.9868	0.7639	0.3826	0.3813	0.0179	0.0192	(0.0038)
18.00	1.0000	-	0.2170	0.9868	0.7671	0.3840	0.3831	0.0166	0.0175	(0.0038)
19.00	1.0000	-	0.2170	0.9868	0.7687	0.3845	0.3842	0.0160	0.0164	(0.0038)
20.00	1.0000	-	0.2170	0.9868	0.7703	0.3855	0.3849	0.0151	0.0157	(0.0038)
21.00	1.0000	-	0.2170	0.9868	0.7711	0.3856	0.3855	0.0150	0.0151	(0.0038)
22.00	1.0000	-	0.2170	0.9868	0.7727	0.3868	0.3860	0.0139	0.0146	(0.0038)
23.00	1.0000	-	0.2170	0.9868	0.7768	0.3892	0.3876	0.0115	0.0131	(0.0038)
24.00	1.0000	-	0.2170	0.9868	0.7784	0.3892	0.3892	0.0115	0.0115	(0.0038)
25.00	1.0000	-	0.2170	0.9868	0.7808	0.3910	0.3898	0.0097	0.0109	(0.0038)
26.00	1.0000	-	0.2170	0.9868	0.7840	0.3925	0.3915	0.0082	0.0092	(0.0039)
27.00	1.0000	-	0.2170	0.9868	0.7848	0.3923	0.3924	0.0084	0.0083	(0.0039)
28.00	1.0000	-	0.2170	0.9868	0.7856	0.3930	0.3926	0.0077	0.0081	(0.0039)
29.00	1.0000	-	0.2170	0.9868	0.7864	0.3933	0.3931	0.0074	0.0076	(0.0039)
30.00	1.0000	-	0.2170	0.9868	0.7880	0.3943	0.3936	0.0064	0.0071	(0.0039)
31.00	1.0000	-	0.2170	0.9868	0.7880	0.3938	0.3942	0.0069	0.0065	(0.0039)
32.00	1.0000	-	0.2170	0.9868	0.7917	0.3968	0.3948	0.0039	0.0059	(0.0039)
33.00	1.0000	-	0.2170	0.9868	0.7951	0.3979	0.3972	0.0028	0.0035	(0.0039)
34.00	1.0000	-	0.2170	0.9868	0.7985	0.3999	0.3986	0.0009	0.0022	(0.0039)
35.00	1.0000	-	0.2170	0.9868	0.8016	0.4008	0.4008	-	-	(0.0039)

Column Notes:

- (1) is Written Premium by time period, expressed as a factor, = Table 2 col (3)
- (2) is Written Premium minus Earned Premium by time period, expressed as a factor, = Table 2 col (3) - Table 2 col (2)
- (3) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)
- (4) is from Internal Revenue Bulletin, 2023-03, Rev. Proc. 2023-10, dated January 17, 2023
- (5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static) x Table 2 col (5)
- (6) and (7) split the payments between the accident year coincident with the policy year ("AY1"), and the following accident year ("AY2"). Assuming that the payout pattern is linear between integer times, and that the average accident date for AY2 is two-thirds of a year later than the average accident date for AY1, columns (6) and (7) are determined by solving these two equations simultaneously:

$$\text{Col (6)} + \text{Col (7)} = \text{Col (5)}$$

$$\text{Col (7)} = (2/3) * \text{Col (6, previous row)} + (1/3) * \text{Col (6)}$$
 with Col (6, Time 1) = Col (5, Time 1) and Col (6, Time 35) = Col (7, Time 35)
- (8) is the discounted difference between AY1 Losses and LAE that will ultimately be paid, and the amount already paid,

$$= [\text{col (6, Time 35)} - (6)] * (4)$$
- (9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid,

$$= [\text{col (7, Time 35)} - (7)] * (4, \text{previous row})$$
- (10) Per IRS rules, federal income tax equals the tax rate (21%) times the adjusted underwriting income

$$= 21\% * \{ (1) - 0.8 * (2) - [(3) + (5) + (8) + (9)] \}$$



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Section G - Derivation of the Indicated Profit and Contingency Provision

APPENDIX B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS (CONTINUED)

TABLE B.2: FEDERAL INCOME TAX CALCULATION (DYNAMIC ESTIMATE)

Time	(1) Written Premium Factor	(2) Unearned Premium Factor	(3) Expense and Taxes Factor	(4) Discount Factor	(5) Paid Losses and LAE Factor	(6) AY1 Paid Losses and LAE Factor	(7) AY2 Paid Losses and LAE Factor	(8) Discounted AY1 Unpaid Losses & LAE Factor	(9) Discounted AY2 Unpaid Losses & LAE Factor	(10) Federal Income Tax Factor
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4743	0.1560	0.8973	0.1095	0.1095	-	0.2577	-	0.0205
2.00	1.0000	-	0.2170	0.8836	0.4125	0.2547	0.1579	0.1255	0.2143	0.0064
3.00	1.0000	-	0.2170	0.8782	0.5649	0.2963	0.2686	0.0881	0.1132	0.0035
4.00	1.0000	-	0.2170	0.8738	0.6458	0.3362	0.3096	0.0529	0.0765	0.0017
5.00	1.0000	-	0.2170	0.8766	0.6894	0.3490	0.3404	0.0418	0.0491	0.0006
6.00	1.0000	-	0.2170	0.8711	0.7093	0.3575	0.3518	0.0342	0.0393	0.0001
7.00	1.0000	-	0.2170	0.8766	0.7204	0.3615	0.3588	0.0308	0.0330	(0.0002)
8.00	1.0000	-	0.2170	0.8905	0.7283	0.3655	0.3628	0.0278	0.0297	(0.0006)
9.00	1.0000	-	0.2170	0.9036	0.7323	0.3665	0.3658	0.0273	0.0275	(0.0009)
10.00	1.0000	-	0.2170	0.9121	0.7362	0.3689	0.3673	0.0253	0.0265	(0.0011)
11.00	1.0000	-	0.2170	0.9239	0.7394	0.3701	0.3693	0.0246	0.0250	(0.0012)
12.00	1.0000	-	0.2170	0.9360	0.7426	0.3719	0.3707	0.0232	0.0240	(0.0014)
13.00	1.0000	-	0.2170	0.9482	0.7458	0.3734	0.3724	0.0221	0.0227	(0.0016)
14.00	1.0000	-	0.2170	0.9606	0.7489	0.3750	0.3739	0.0208	0.0216	(0.0017)
15.00	1.0000	-	0.2170	0.9732	0.7513	0.3760	0.3753	0.0201	0.0205	(0.0019)
16.00	1.0000	-	0.2170	0.9859	0.7529	0.3767	0.3762	0.0197	0.0199	(0.0020)
17.00	1.0000	-	0.2170	0.9868	0.7561	0.3787	0.3774	0.0177	0.0190	(0.0021)
18.00	1.0000	-	0.2170	0.9868	0.7592	0.3801	0.3792	0.0164	0.0173	(0.0021)
19.00	1.0000	-	0.2170	0.9868	0.7608	0.3806	0.3802	0.0159	0.0162	(0.0021)
20.00	1.0000	-	0.2170	0.9868	0.7624	0.3815	0.3809	0.0150	0.0156	(0.0021)
21.00	1.0000	-	0.2170	0.9868	0.7632	0.3816	0.3816	0.0148	0.0149	(0.0021)
22.00	1.0000	-	0.2170	0.9868	0.7648	0.3828	0.3820	0.0137	0.0145	(0.0021)
23.00	1.0000	-	0.2170	0.9868	0.7688	0.3852	0.3836	0.0113	0.0129	(0.0021)
24.00	1.0000	-	0.2170	0.9868	0.7703	0.3852	0.3852	0.0114	0.0113	(0.0021)
25.00	1.0000	-	0.2170	0.9868	0.7727	0.3870	0.3858	0.0096	0.0108	(0.0021)
26.00	1.0000	-	0.2170	0.9868	0.7759	0.3884	0.3875	0.0081	0.0091	(0.0021)
27.00	1.0000	-	0.2170	0.9868	0.7767	0.3883	0.3884	0.0083	0.0082	(0.0021)
28.00	1.0000	-	0.2170	0.9868	0.7775	0.3890	0.3885	0.0076	0.0080	(0.0021)
29.00	1.0000	-	0.2170	0.9868	0.7783	0.3892	0.3891	0.0074	0.0075	(0.0021)
30.00	1.0000	-	0.2170	0.9868	0.7799	0.3903	0.3896	0.0063	0.0070	(0.0021)
31.00	1.0000	-	0.2170	0.9868	0.7799	0.3898	0.3901	0.0068	0.0065	(0.0021)
32.00	1.0000	-	0.2170	0.9868	0.7835	0.3928	0.3908	0.0039	0.0058	(0.0021)
33.00	1.0000	-	0.2170	0.9868	0.7870	0.3938	0.3931	0.0028	0.0035	(0.0022)
34.00	1.0000	-	0.2170	0.9868	0.7902	0.3958	0.3945	0.0009	0.0022	(0.0022)
35.00	1.0000	-	0.2170	0.9868	0.7934	0.3967	0.3967	-	-	(0.0022)

Column Notes:

- (1) is Written Premium by time period, expressed as a factor, = Table 2 col (3)
- (2) is Written Premium minus Earned Premium by time period, expressed as a factor, = Table 2 col (3) - Table 2 col (2)
- (3) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)
- (4) is from Internal Revenue Bulletin, 2023-03, Rev. Proc. 2023-10, dated January 17, 2023
- (5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Dynamic) x Table 2 col (5)
- (6) and (7) split the payments between the accident year coincident with the policy year ("AY1"), and the following accident year ("AY2"). Assuming that the payout pattern is linear between integer times, and that the average accident date for AY2 is two-thirds of a year later than the average accident date for AY1, columns (6) and (7) are determined by solving these two equations simultaneously:

$$\text{Col (6)} + \text{Col (7)} = \text{Col (5)}$$

$$\text{Col (7)} = (2/3) * \text{Col (6, previous row)} + (1/3) * \text{Col (6)}$$
 with Col (6, Time 1) = Col (5, Time 1) and Col (6, Time 35) = Col (7, Time 35)
- (8) is the discounted difference between AY1 Losses and LAE that will ultimately be paid, and the amount already paid,

$$= [\text{col (6, Time 35)} - (6)] * (4)$$
- (9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid,

$$= [\text{col (7, Time 35)} - (7)] * \text{col (4, previous row)}$$
- (10) Per IRS rules, federal income tax equals the tax rate (21%) times the adjusted underwriting income

$$= 21\% * \{ (1) - 0.8 * (2) - [(3) + (5) + (8) + (9)] \}$$



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EXHIBIT II**

Section G - Derivation of the Indicated Profit and Contingency Provision

APPENDIX C: RESERVE-TO-SURPLUS RATIO
in 000's

Year End	(1) Unpaid Losses	(2) Unpaid Loss Adjustment Expense	(3) Unearned Premium	(4) Policyholder Surplus	(5) Ratio excl. Unearned Premium {(1)+(2)} / (4)	(6) Ratio incl. Unearned Premium {(1)+(2)+(3)} / (4)
2021	228,459,570	48,775,145	98,954,979	199,495,575	1.39	1.89
2020	213,654,262	47,148,359	91,285,583	184,607,060	1.41	1.91
2019	201,634,477	45,253,873	88,025,958	177,424,154	1.39	1.89
2018	198,071,343	43,050,172	84,424,740	169,657,802	1.42	1.92
2017	194,692,095	42,696,647	77,537,150	171,664,964	1.38	1.83
2017 - 2021	1,036,511,747	226,924,196	440,228,410	902,849,555	1.40	1.89

Selected Ratio including Unearned Premium: 1.89

Source: Columns (1) - (4) for the latest year are taken from Liabilities, Surplus and Other Funds in Best's 2022 Aggregates & Averages, for Commercial Casualty Composite.



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Section H - Table of Premium Discounts

<u>Division of Standard Premium</u>		<u>Type A Discounts</u>	<u>Type B Discounts</u>
First	\$10,000	---	---
Next	\$190,000	9.1%	5.1%
Next	\$1,550,000	11.3%	6.5%
Over	\$1,750,000	12.3%	7.5%

Application of the appropriate discount schedule to the standard premium produces a dollar discount that is subtracted from the standard premium.



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EXHIBIT II

Section I - Average Expense Provisions

Reproduced below are the graded expense provisions by policy size.

Gradation of Standard Premium

Division of Premium		Expense Gradations		
		Production*	General	Discounts
First	\$10,000	18.3%	6.1%	---
Next	\$190,000	10.8%	5.1%	9.1%
Next	\$1,550,000	9.3%	4.5%	11.3%
Over	\$1,750,000	9.3%	3.6%	12.3%
Proposed Average:		11.7%	4.9%	
Proposed Average Expense Gradation: <i>(Expense for 1st \$10,000 - Avg Expense)</i>		6.6%	1.2%	

Average Premium Discount:
 $[Avg\ Exp\ Grad] / [1 - Taxes - P\&C] = [6.6\% + 1.2\%] / [1 - 2.7\% - 0.0\%] = 8.0\%$

Composition of Standard Premium:

Benefit & Loss Adj. Cost	Production (18.3%)	General (6.1%)	Profit (0.0%)	Taxes (2.7%)		
72.9%	11.7%	4.9%	0.0%	2.5%	} -- Premium After Discounts (92.0%)	} Standard Premium -- Excluding Expense Constant (100.0%)
	6.6%	1.2%	0.0%	0.2%		
	0.6%	0.5%	0.0%	0.0%	} -- Premium from \$160 expense constant. (1.1% = 1/0.989 - 1)^	

Notes

* The production expense gradations shown are based on Type A gradations.

^ The 0.989 offset is for the \$160 expense constant.

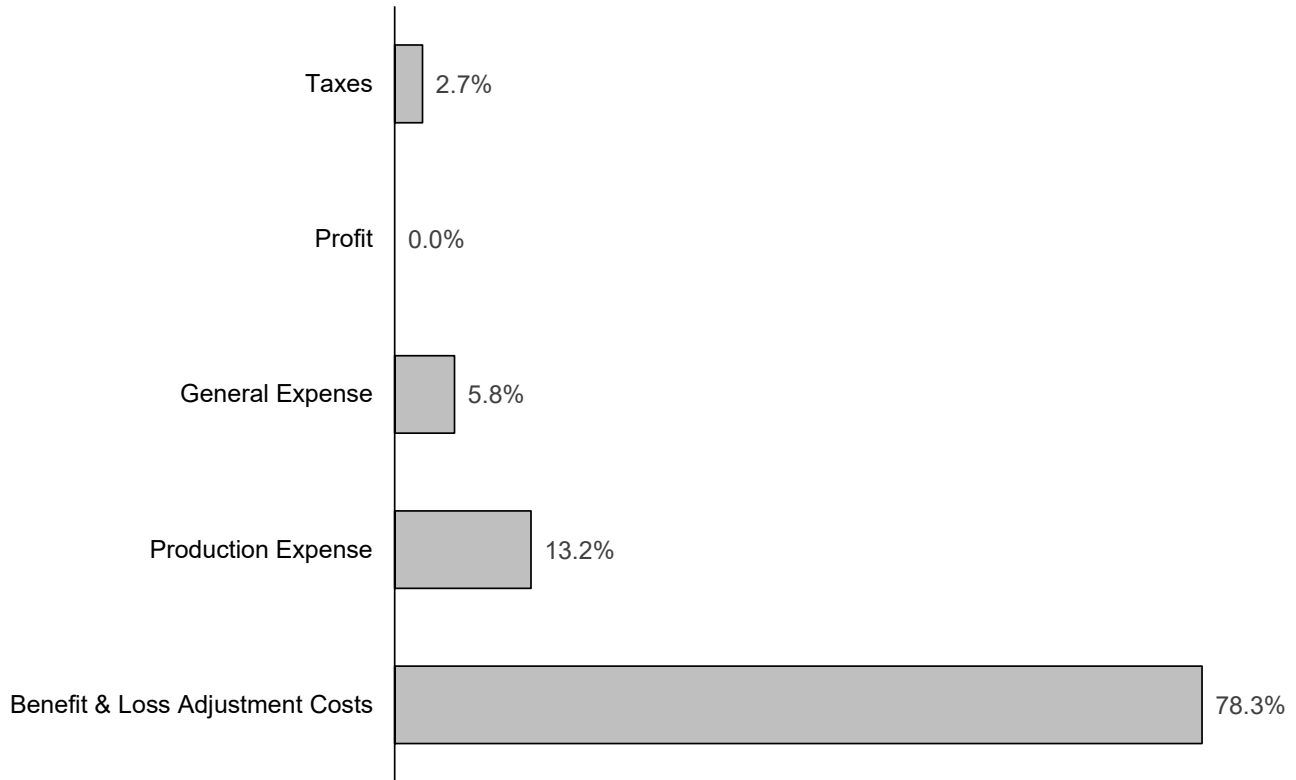


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Section J - Iowa Expense Provisions as a Percentage of Net Premium at NCCI Level

The exhibit below illustrates the allocation of the final premium dollar after the application of premium discounts and expense constants based on Iowa expense provisions.

Components of Premium



Notes

Benefit & Loss Adjustment Costs	78.3% = (72.9%) / 93.1%
Production Expense	13.2% = (11.7% + 0.6%) / 93.1%
General Expense	5.8% = (4.9% + 0.5%) / 93.1%
Profit	0.0% = (0.0% + 0.0%) / 93.1%
Taxes	<u>2.7%</u> = (2.5% + 0.0%) / 93.1%
Total	100.0%



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

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

NCCI uses premium and loss on-level factors to adjust historical policy year experience to current rate 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 Iowa based on an analysis of policies reported in the Unit Statistical Plan Data. Additional adjustments applied as part of the premium on-level factor calculation include:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported assigned risk and voluntary DSR level premium totals—serving to make the separate market premiums more comparable.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.

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

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

Experience Rating Off-Balance Adjustment Factor

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

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

NCCI reviews changes in each state’s average off-balance annually. The historical data review combined with the experience rating parameters included in the latest approved filing provide all



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

necessary information to adjust historical premiums to reflect any changes in the off-balance values over time. Specifically, the premiums in the financial data experience period are adjusted to the off-balance expected in the proposed filing period. This adjustment can be seen in the premium on-level adjustment factors provided in Appendix A-I.

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

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



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2021 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant	Expense Removal	Adjustment Factor
	Change					Removal @		(5)x(6)x(7)
NR 01/01/21	Base	1.000	1.000	1.000	0.835	0.977	0.604	0.493
NR 01/01/22	0.909	0.909						
NR 01/01/23	0.919	0.835						
				1.000				

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant	Expense Removal	Adjustment Factor
	Change					Removal @		(5)x(6)x(7)
NR 01/01/21	Base	1.000	1.000	1.000	0.868	0.986	0.604	0.517
NR 01/01/22	0.945	0.945						
NR 01/01/23	0.919	0.868						
				1.000				

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

(1) Assigned Risk Market Share PY 2021	0.042
(2) Voluntary Market Share PY 2021	0.958
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.493
(4) Voluntary Standard Premium Adjustment Factor (See Sec. B)	0.517
(5) Premium Adjustment Factor = [(1)x(3)]/1.348+(2)x(4) #	0.511
(6) Experience Rating Off-balance Adjustment Factor*	1.034
(7) Final Premium Adjustment Factor = (5)x(6)	0.528

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.348

* = 1.034 = 0.954 / 0.923 = (Targeted Off-balance) / (Off-balance for Policy Year 2021)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2021 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)
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000

Section E - Factor Adjusting 2021 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)
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section F - Factor Adjusting 2020 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant Removal @	Expense Removal	Adjustment Factor (5)x(6)x(7)
	Change							
NR 01/01/20	Base	1.000	1.000	1.000	0.838	0.977	0.604	0.495
NR 01/01/21	1.003	1.003						
NR 01/01/22	0.909	0.912						
NR 01/01/23	0.919	0.838						
				1.000				

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant Removal @	Expense Removal	Adjustment Factor (5)x(6)x(7)
	Change							
NR 01/01/20	Base	1.000	1.000	1.000	0.871	0.986	0.604	0.519
NR 01/01/21	1.003	1.003						
NR 01/01/22	0.945	0.948						
NR 01/01/23	0.919	0.871						
				1.000				

Section H - Factor Adjusting 2020 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2020	0.040
(2) Voluntary Market Share PY 2020	0.960
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.495
(4) Voluntary Standard Premium Adjustment Factor (See Sec. G)	0.519
(5) Premium Adjustment Factor = [(1)x(3)]/1.348+(2)x(4) #	0.513
(6) Experience Rating Off-balance Adjustment Factor*	1.011
(7) Final Premium Adjustment Factor = (5)x(6)	0.519

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.348

* = 1.011 = 0.954 / 0.944 = (Targeted Off-balance) / (Off-balance for Policy Year 2020)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section I - Factor Adjusting 2020 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)
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000

Section J - Factor Adjusting 2020 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)
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

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

Development factors are used to project premium and limited losses to an ultimate report. In general, the ultimate development factors are based on a chain-ladder approach that utilizes average link ratios for several maturities and the application of a tail factor, as shown on the following pages.

Limited Large Loss Methodology

In order to limit volatility on the rate indications due to the impact of extraordinary large losses, a limited large loss methodology is used in Iowa. A base threshold for the large loss limitation is determined by the volume of premium in the state as well as the number of years used in the experience period. It is calculated as one percent of the total volume of premium from the state's experience period underlying the currently approved filing. 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 Iowa average weekly wages from the Quarterly Census of Employment and Wages (QCEW). Detrended thresholds are used in the experience period, trend period, and loss development period. Indemnity and medical losses are limited at the detrended large loss threshold corresponding to their Policy Year.

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

Premium Development

Premium at an ultimate report is estimated by incorporating a review of historical patterns of premium development over time—primarily due to payroll audits. For premium development, link ratios are used from 1st report through 5th report. It is assumed that no further development occurs after the 5th report.

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

Loss Development

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



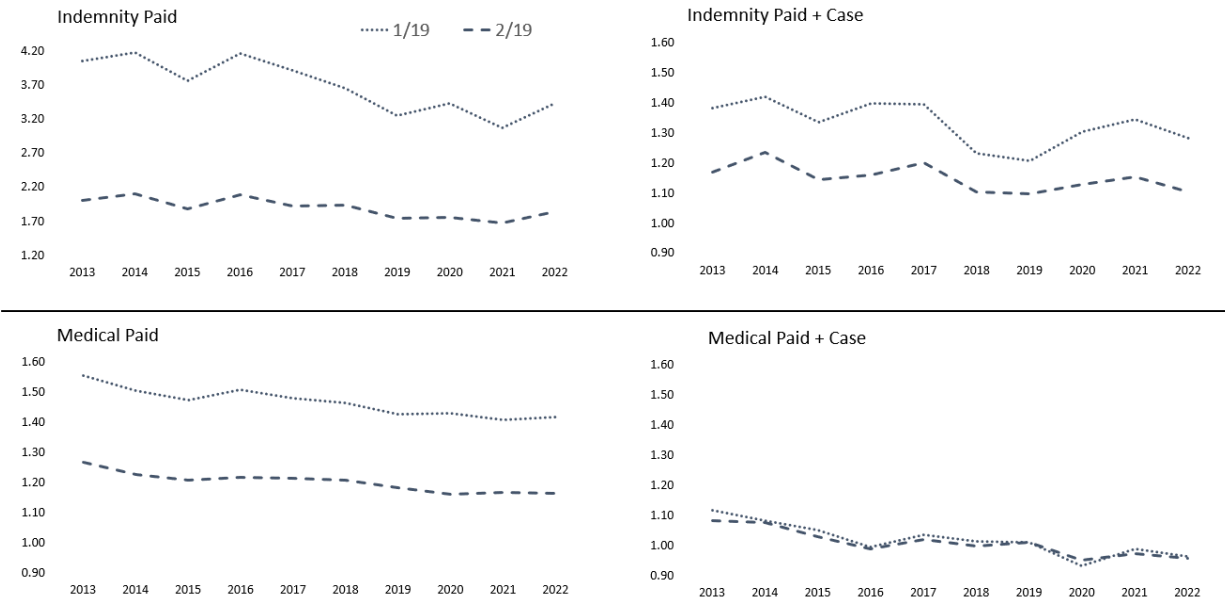
Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

development, link ratios calculated from limited losses are used from 1st report through the 19th report. For indemnity and medical loss development past the 19th report, a 19th-to-ultimate “tail” factor is used to reflect all future expected loss emergence. The loss development factors are calculated based on how paid losses and case reserve estimates change over time for claims in older years.

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



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

- A three-year average of historical paid loss development factors through a 19th report
- A five-year average of historical paid plus case loss development factors through a 19th report

The graphs provided above illustrate that the most recent valuation of development factors remain generally consistent with those observed in historical periods. This consistency applies to both indemnity and medical paid development, as well as indemnity and medical paid plus case development. While there has been some fluctuation in indemnity development, this year's filing demonstrates marginal increases in indemnity paid development, balanced by decreases in indemnity paid+case development. Medical paid+case development has converged around unity in recent valuations, while medical paid development has exhibited a slightly declining trend. The selected development averages remain unchanged in comparison to last year's filing.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

Notably, utilizing a two-year average for paid loss development factors results in no change in the overall indication.

The development factor selections were made to strike a balance between stability and responsiveness to the data. A shorter-term average was selected for paid losses to capture more recent changes in paid development patterns over time, while a longer-term average was selected for paid plus case losses to limit the amount of volatility from year to year.

19th-to-Ultimate Tail Factor

Tail factors are calculated separately for indemnity and medical unlimited losses by comparing the changes in the volume of policy year losses that occur on policy years reported after a nineteenth report to the volume of policy year losses at the nineteenth report. To adjust for these differences in the volume of losses between policy years, a growth adjustment factor is applied. The tail factors are brought from an unlimited basis to a limited basis through the application of a tail adjustment factor, which is based on countrywide data and the state specific large loss threshold.

The calculation of indemnity and medical paid plus case 19th-to-ultimate tail factors utilizes all available experience for the years prior to the tail attachment point and are calculated for the most recent ten available policy years. Loss development tail factors from a nineteenth report to ultimate were judgmentally selected in this filing based on a review of the ten most recently available factors.

Paid plus case data is used in the calculation of 19th-to-ultimate loss development factors since it is most reflective of the expected ultimate losses. Since this filing utilizes both paid and paid plus case data, the selected paid plus case loss development tail factors are converted to a paid basis using paid-to-paid plus case ratios. Both the indemnity and medical conversion ratios were selected based on a review of historical conversion ratios.



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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 12/31/2022

Policy Year 2021

(1) Standard Earned Premium	\$651,131,528
(2) Factor to Develop Premium to Ultimate	1.005
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$654,387,186
(4) Limited Indemnity Paid Losses	\$39,524,649
(5) Limited Indemnity Paid Development Factor to Ultimate	3.385
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$133,790,937
(7) Limited Indemnity Paid+Case Losses	\$106,397,085
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	1.284
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$136,613,857
(10) Policy Year 2021 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$135,202,397
(11) Limited Medical Paid Losses	\$130,199,232
(12) Limited Medical Paid Development Factor to Ultimate	1.479
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$192,564,664
(14) Limited Medical Paid+Case Losses	\$188,035,085
(15) Limited Medical Paid+Case Development Factor to Ultimate	0.996
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$187,282,945
(17) Policy Year 2021 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$189,923,805



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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 12/31/2022

Policy Year 2020

(1) Standard Earned Premium	\$620,665,071
(2) Factor to Develop Premium to Ultimate	1.000
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$620,665,071
(4) Limited Indemnity Paid Losses	\$73,174,635
(5) Limited Indemnity Paid Development Factor to Ultimate	1.793
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$131,202,121
(7) Limited Indemnity Paid+Case Losses	\$120,982,104
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	1.126
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$136,225,849
(10) Policy Year 2020 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$133,713,985
(11) Limited Medical Paid Losses	\$169,416,927
(12) Limited Medical Paid Development Factor to Ultimate	1.214
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$205,672,149
(14) Limited Medical Paid+Case Losses	\$199,940,303
(15) Limited Medical Paid+Case Development Factor to Ultimate	0.992
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$198,340,781
(17) Policy Year 2020 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$202,006,465



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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>
2018	1.006	2017	0.999	2016	1.000	2015	1.000
2019	1.001	2018	1.000	2017	1.000	2016	1.000
2020	1.007	2019	1.000	2018	1.000	2017	1.000
Average	1.005	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>
1.005	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	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2018	1.958	2017	1.350	2016	1.127	2015	1.051
2019	1.838	2018	1.281	2017	1.151	2016	1.053
2020	1.868	2019	1.368	2018	1.165	2017	1.060
Average	1.888	Average	1.333	Average	1.148	Average	1.055
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2014	1.027	2013	1.013	2012	1.010	2011	1.003
2015	1.024	2014	1.010	2013	1.011	2012	1.002
2016	1.026	2015	1.019	2014	1.013	2013	1.004
Average	1.026	Average	1.014	Average	1.011	Average	1.003
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2010	1.007	2009	1.002	2008	1.008	2007	1.002
2011	1.003	2010	1.006	2009	1.006	2008	1.004
2012	1.005	2011	1.003	2010	1.002	2009	1.001
Average	1.005	Average	1.004	Average	1.005	Average	1.002
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2006	1.005	2005	1.002	2004	1.005	2003	1.004
2007	1.002	2006	1.005	2005	1.002	2004	1.002
2008	1.003	2007	1.002	2006	1.004	2005	1.002
Average	1.003	Average	1.003	Average	1.004	Average	1.003
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
2002	1.002	2001	1.004				
2003	1.001	2002	1.002				
2004	1.001	2003	1.001				
Average	1.001	Average	1.002				



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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	<u>1st/2nd</u>	Policy Year	<u>2nd/3rd</u>	Policy Year	<u>3rd/4th</u>	Policy Year	<u>4th/5th</u>
2018	1.231	2017	1.053	2016	1.025	2015	1.014
2019	1.208	2018	1.058	2017	1.023	2016	1.014
2020	1.216	2019	1.072	2018	1.015	2017	1.013
Average	1.218	Average	1.061	Average	1.021	Average	1.014
Policy Year	<u>5th/6th</u>	Policy Year	<u>6th/7th</u>	Policy Year	<u>7th/8th</u>	Policy Year	<u>8th/9th</u>
2014	1.011	2013	1.007	2012	1.005	2011	1.004
2015	1.007	2014	1.007	2013	1.006	2012	1.004
2016	1.009	2015	1.007	2014	1.004	2013	1.004
Average	1.009	Average	1.007	Average	1.005	Average	1.004
Policy Year	<u>9th/10th</u>	Policy Year	<u>10th/11th</u>	Policy Year	<u>11th/12th</u>	Policy Year	<u>12th/13th</u>
2010	1.006	2009	1.005	2008	1.004	2007	1.002
2011	1.002	2010	1.008	2009	1.005	2008	1.007
2012	1.006	2011	1.003	2010	1.004	2009	1.003
Average	1.005	Average	1.005	Average	1.004	Average	1.004
Policy Year	<u>13th/14th</u>	Policy Year	<u>14th/15th</u>	Policy Year	<u>15th/16th</u>	Policy Year	<u>16th/17th</u>
2006	1.004	2005	1.004	2004	1.003	2003	1.002
2007	1.002	2006	1.003	2005	1.004	2004	1.001
2008	1.002	2007	1.001	2006	1.004	2005	1.005
Average	1.003	Average	1.003	Average	1.004	Average	1.003
Policy Year	<u>17th/18th</u>	Policy Year	<u>18th/19th</u>				
2002	1.002	2001	1.001				
2003	1.003	2002	1.003				
2004	1.002	2003	1.003				
Average	1.002	Average	1.002				



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section E - Limited Indemnity Paid + Case Loss Development Factors

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2016	1.118	2015	1.062	2014	1.013	2013	1.017
2017	1.100	2016	1.068	2015	1.000	2014	1.013
2018	1.156	2017	1.051	2016	1.033	2015	1.013
2019	1.166	2018	1.073	2017	1.032	2016	1.017
2020	1.162	2019	1.079	2018	1.025	2017	0.998
Average	1.140	Average	1.067	Average	1.021	Average	1.012

<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2012	1.000	2011	0.993	2010	1.002	2009	1.010
2013	0.996	2012	1.019	2011	1.002	2010	1.001
2014	1.000	2013	1.002	2012	1.002	2011	1.000
2015	1.005	2014	1.003	2013	1.011	2012	0.997
2016	1.000	2015	0.999	2014	1.006	2013	0.994
Average	1.000	Average	1.003	Average	1.005	Average	1.000

<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2008	1.005	2007	1.001	2006	1.000	2005	1.001
2009	0.997	2008	0.998	2007	0.998	2006	0.997
2010	1.001	2009	1.003	2008	1.005	2007	1.000
2011	1.000	2010	1.004	2009	1.001	2008	1.003
2012	1.002	2011	1.000	2010	0.999	2009	1.000
Average	1.001	Average	1.001	Average	1.001	Average	1.000

<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2004	0.997	2003	1.002	2002	1.001	2001	0.998
2005	1.001	2004	1.003	2003	0.999	2002	1.001
2006	1.014	2005	1.001	2004	0.997	2003	1.001
2007	1.001	2006	0.999	2005	1.001	2004	1.000
2008	0.998	2007	1.000	2006	1.000	2005	1.000
Average	1.002	Average	1.001	Average	1.000	Average	1.000

<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>
2000	0.999	1999	1.000
2001	1.001	2000	1.001
2002	1.000	2001	1.001
2003	1.000	2002	1.001
2004	1.001	2003	1.000
Average	1.000	Average	1.001



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section F - Limited Medical Paid + Case Loss Development Factors

<u>Policy Year</u>	<u>1st/2nd</u>	<u>Policy Year</u>	<u>2nd/3rd</u>	<u>Policy Year</u>	<u>3rd/4th</u>	<u>Policy Year</u>	<u>4th/5th</u>
2016	1.013	2015	0.982	2014	1.010	2013	1.004
2017	1.000	2016	0.985	2015	0.997	2014	1.004
2018	0.981	2017	0.968	2016	0.984	2015	1.003
2019	1.018	2018	0.994	2017	0.981	2016	0.997
2020	1.007	2019	0.981	2018	0.986	2017	0.997
Average	1.004	Average	0.982	Average	0.992	Average	1.001

<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2012	0.996	2011	1.008	2010	1.008	2009	1.003
2013	1.002	2012	1.012	2011	1.005	2010	1.003
2014	1.005	2013	0.999	2012	1.004	2011	1.002
2015	1.000	2014	1.007	2013	1.001	2012	1.004
2016	0.999	2015	0.995	2014	0.995	2013	0.994
Average	1.000	Average	1.004	Average	1.003	Average	1.001

<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2008	1.001	2007	0.999	2006	0.999	2005	0.998
2009	0.998	2008	0.997	2007	1.003	2006	1.001
2010	0.997	2009	0.996	2008	0.994	2007	1.000
2011	0.997	2010	0.997	2009	0.990	2008	1.005
2012	1.012	2011	0.999	2010	0.995	2009	0.999
Average	1.001	Average	0.998	Average	0.996	Average	1.001

<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2004	1.003	2003	0.998	2002	0.997	2001	1.000
2005	1.001	2004	1.001	2003	1.001	2002	1.003
2006	1.002	2005	0.999	2004	1.004	2003	0.993
2007	1.000	2006	0.998	2005	0.997	2004	0.999
2008	0.998	2007	1.005	2006	1.001	2005	1.002
Average	1.001	Average	1.000	Average	1.000	Average	0.999

<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>
2000	1.000	1999	0.995
2001	1.002	2000	0.998
2002	1.002	2001	1.001
2003	1.001	2002	1.005
2004	1.000	2003	1.000
Average	1.001	Average	1.000



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section G - 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
1993	87,319,062	87,107,611	1,406,598,225	1,406,819,743	1.030	1.000
1994	82,099,375	82,128,016	1,483,588,317	1,484,308,890	1.112	1.008
1995	85,221,368	85,310,286	1,568,473,892	1,569,599,936	1.100	1.013
1996	95,346,516	95,386,308	1,654,509,644	1,655,835,393	0.995	1.014
1997	92,843,300	92,888,304	1,748,307,509	1,749,276,465	1.035	1.011
1998	102,372,363	102,538,741	1,842,164,769	1,842,881,714	0.934	1.009
1999	105,122,707	105,137,626	1,911,291,201	1,911,609,430	0.892	1.004
2000	110,603,320	110,534,374	2,016,747,056	2,017,835,597	0.836	1.011
2001	114,357,204	114,476,792	2,128,086,225	2,128,825,128	0.806	1.009
2002	114,006,843	114,186,961	2,243,301,920	2,243,806,551	0.828	1.007
Selected Indemnity 19th-to-Ultimate Loss Development Factor						1.010

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
1993	81,422,582	81,357,885	988,792,640	987,065,646	0.834	0.974
1994	87,981,179	88,426,279	1,060,976,600	1,063,783,871	0.810	1.044
1995	84,860,040	84,924,354	1,155,011,907	1,157,821,436	0.899	1.038
1996	107,031,423	107,131,340	1,242,481,684	1,249,363,852	0.752	1.086
1997	91,737,394	91,544,484	1,353,980,947	1,347,106,215	0.938	0.918
1998	92,403,946	92,596,429	1,438,650,699	1,441,337,176	0.962	1.032
1999	100,831,692	100,541,259	1,499,121,113	1,496,394,765	0.888	0.967
2000	109,409,124	109,018,981	1,596,936,024	1,595,300,991	0.830	0.978
2001	104,010,073	103,948,788	1,703,795,061	1,709,063,179	0.885	1.057
2002	119,154,292	119,144,434	1,813,011,967	1,822,808,632	0.784	1.105
Selected Medical 19th-to-Ultimate Loss Development Factor						1.020

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

Policy Year	Indemnity Paid-to-Paid + Case Ratio <u>19th Report</u>	Medical Paid-to-Paid + Case Ratio <u>19th Report</u>
1999	0.983	0.982
2000	0.984	0.975
2001	0.989	0.985
2002	0.989	0.968
2003	0.987	0.975
Selected	0.985	0.970

	<u>Indemnity</u>	<u>Medical</u>
(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.010	1.020
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.621	0.621
(3) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = [(1) - 1] x (2) + 1	1.006	1.012
(4) Limited Paid-to-Paid+Case Ratio	0.985	0.970
(5) Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.021	1.043

Section I - Summary of Limited Paid Loss Development Factors

Report	(1) <u>Indemnity Paid Loss Development</u>		Report	(3) <u>Medical Paid Loss Development</u>	
	<u>to Next Report</u>	<u>to Ultimate</u>		<u>to Next Report</u>	<u>to Ultimate</u>
1st	1.888	3.385	1st	1.218	1.479
2nd	1.333	1.793	2nd	1.061	1.214
3rd	1.148	1.345	3rd	1.021	1.144
4th	1.055	1.172	4th	1.014	1.120
5th	1.026	1.111	5th	1.009	1.105
6th	1.014	1.083	6th	1.007	1.095
7th	1.011	1.068	7th	1.005	1.087
8th	1.003	1.056	8th	1.004	1.082
9th	1.005	1.053	9th	1.005	1.078
10th	1.004	1.048	10th	1.005	1.073
11th	1.005	1.044	11th	1.004	1.068
12th	1.002	1.039	12th	1.004	1.064
13th	1.003	1.037	13th	1.003	1.060
14th	1.003	1.034	14th	1.003	1.057
15th	1.004	1.031	15th	1.004	1.054
16th	1.003	1.027	16th	1.003	1.050
17th	1.001	1.024	17th	1.002	1.047
18th	1.002	1.023	18th	1.002	1.045
19th		1.021	19th		1.043

(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 J - Summary of Limited Paid+Case Loss Development Factors

Report	(1)	(2)	Report	(3)	(4)
	<u>Indemnity Paid+Case Loss Development</u>	<u>to Next Report</u>		<u>to Ultimate</u>	<u>Medical Paid+Case Loss Development</u>
1st	1.140	1.284	1st	1.004	0.996
2nd	1.067	1.126	2nd	0.982	0.992
3rd	1.021	1.055	3rd	0.992	1.010
4th	1.012	1.033	4th	1.001	1.018
5th	1.000	1.021	5th	1.000	1.017
6th	1.003	1.021	6th	1.004	1.017
7th	1.005	1.018	7th	1.003	1.013
8th	1.000	1.013	8th	1.001	1.010
9th	1.001	1.013	9th	1.001	1.009
10th	1.001	1.012	10th	0.998	1.008
11th	1.001	1.011	11th	0.996	1.010
12th	1.000	1.010	12th	1.001	1.014
13th	1.002	1.010	13th	1.001	1.013
14th	1.001	1.008	14th	1.000	1.012
15th	1.000	1.007	15th	1.000	1.012
16th	1.000	1.007	16th	0.999	1.012
17th	1.000	1.007	17th	1.001	1.013
18th	1.001	1.007	18th	1.000	1.012
19th		1.006	19th		1.012

(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 K - Factor to Adjust Limited Losses to an Unlimited Basis

(1) Threshold at the Midpoint of the Rate Effective Period*	6,901,988
(2) Statewide Excess Ratio for (1)	0.032
(3) Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4) Factor to Adjust Limited Losses to an Unlimited Basis = $1.0 / \{1.0 - [(2) \times (1.0 - (3))]\}$	1.033

Section L - Policy Year Large Loss Limits

Experience Year	Policy Year Detrended Limit
2021	5,878,031
2020	5,502,979
2019	5,214,662
2018	5,009,879
2017	4,861,749
2016	4,722,333
2015	4,619,102
2014	4,487,228
2013	4,329,535
2012	4,221,754
2011	4,114,382
2010	3,993,526
2009	3,874,445
2008	3,826,031
2007	3,760,174
2006	3,628,853
2005	3,493,157
2004	3,378,459
2003	3,246,121
2002	3,118,058
2001	3,024,938
2000	2,937,142
1999	2,841,296

* November 29, 2024 is the midpoint of the effective period for which the revised rates are being proposed.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

Appendix A-III Trend Factors

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

Trend factors measure anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages. For example, if benefit costs are expected to grow faster than wages, then a trend factor greater than zero is indicated. Conversely, if wages are expected to grow faster than benefit costs, then a trend factor less than zero is indicated.

Overview of Methodology

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

While claim frequency and severity are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors in Iowa. Loss ratios are relied upon as they are less impacted by shifts in the industry mix since these impacts to frequency and severity tend to offset one another. Additionally, loss ratios do not require an adjustment to a common wage level, since the wage adjustment to frequency and severities nullify.

In order to estimate the average annual percentage changes in the loss ratios, exponential curves are fit to the historical data points. Consideration in the trend factor selections include a review of loss ratio patterns observed over an extended period of time, along with other pertinent considerations including, but not limited to, changes in system benefits and administration, economic environment, credibility of state data, and prior trend approach and selection.

The trend lengths displayed on the following exhibits are calculated by comparing the average accident date, or midpoint, for the effective period of the proposed rates to each average accident date of the policy years in the experience period. The average accident dates are based on an Iowa distribution of policy writings by month and assume a uniform probability of loss over the coverage period.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

Considerations Underlying Trend Selections in this Filing

The trend factors selected in this filing are meant to recognize the impact the changes in benefits and inflation will have on loss ratios between the midpoints of the experience period years on which the filing is based and the midpoint of the proposed rate effective period. Trends using the most recent 15 policy years are typically reviewed to allow one to evaluate changes over an extended period of time, including both economic and non-economic factors, and to mitigate short-term anomalous year-to-year changes.

The indicated exponential indemnity and medical loss ratio trend fits for which the trend selections in this filing are based are displayed on the following pages.

Similar to last year’s filing, the trend selections explicitly incorporate considerations for the aspects of House File 518 (effective July 2017) that have emerged in experience but are not fully reflected in the loss on-level factors.

A significant decrease in the Policy Year 2016 indemnity loss ratio and a corresponding increase in Policy Year 2017 coincides with the enactment of House File 518. Note Policy Year 2016 experience is impacted by House File 518 provisions since the last policy underlying this policy year had an effective date of December 31, 2016, and did not expire until December 31, 2017. Among other things, this bill included some unquantified impacts such as a 90-day notice and statute of limitations defenses, use of AMA Guides for permanent impairment, determination of reduction in earning capacity for unscheduled permanent partial disability awards, and changes to an employer’s liability for successive disabilities. As a result, the 2016 and 2017 year-over-year indemnity loss ratio changes were given less reliance in our analysis of loss ratio trends. To assess the impact on the long-term exponential fits, a hypothetical scenario was considered during this year’s trend analysis. As shown below, scenario A represents the unadjusted indemnity loss ratios. In scenario B, the 2016 and 2017 year-over-year changes are judgmentally replaced by -7.7% and -1.6%—Iowa’s actual lost-time claim frequency changes for those years.

Scenario A: Unadjusted indemnity loss ratios

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Loss ratio	0.715	0.705	0.709	0.706	0.622	0.610	0.643	0.588	0.555	0.453	0.476	0.464	0.453	0.415	0.391
% Change		-1.4%	0.6%	-0.4%	-11.9%	-1.9%	5.4%	-8.6%	-5.6%	-18.4%	5.1%	-2.5%	-2.4%	-8.4%	-5.8%



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

Scenario B: Adjusted indemnity loss ratios after replacing the 2015-to-2016 and 2016-to-2017 loss ratio changes with the actual changes in lost-time claim frequency.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016~</u>	<u>2017~</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Loss ratio	0.715	0.705	0.709	0.706	0.622	0.610	0.643	0.588	0.555	0.512	0.504	0.491	0.479	0.439	0.414
% Change		-1.4%	0.6%	-0.4%	-11.9%	-1.9%	5.4%	-8.6%	-5.6%	-7.7%	-1.6%	-2.6%	-2.4%	-8.4%	-5.7%

~ The 2016 and 2017 loss ratios were reduced by the actual decline in lost-time claim frequency

* Adjusted

Displayed on the following pages, the alternative indemnity loss ratio exponential fits are based on scenario B.

In general, long-term patterns of improving loss ratios have been observed over the last 15 years. The improved loss ratio experience observed in recent years is expected to continue going forward as the COVID-19 pandemic may have permanently altered aspects of the workplace and economy. For example, remote work and reduced business travel affecting some sectors, changes in job duties and workplaces, and changes in the mix of business are likely to persist into the future. The increasingly favorable policy year and calendar-accident year experience, coupled with the strength and stability of Iowa’s labor market, suggests improvements in experience are predictive of future experience and expected to persist into the filing effective period.

The effect of the pandemic in Iowa from both an economic and workers compensation perspective, was limited. The employment levels decreased in early 2020 but Iowa’s employment has since recovered. The unemployment rate was 2.7% in year-end 2019, rising to 10.9% during 2020, and returning to 2.9% at year-end 2021 (source: Bureau of Labor Statistics). The unemployment rate for the effective period of this filing is forecasted to be similar the pre-pandemic period, approximately 3.2% (source: Moody’s Analytics). When employment levels are similar, it suggests a comparable industry composition in the historical data. Furthermore, a stronger level of employment suggests fewer return-to-work challenges.

The Great Reshuffle, characterized by significant worker mobility across jobs, sectors and occupations, led to an increase in the proportion of short-tenured workers in some industries, which NCCI studies have shown to be associated with both higher injury frequency and claim costs. However, hiring and separation rates have since fallen nearly to pre-pandemic levels. This will likely lead to the share of short-tenured workers declining in 2023 toward historical averages.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix A – Factors Underlying the Proposed Rate Level Change

The annual increase in wages has seen a consistent growth of over 5% in Iowa over the past few years, with an estimated peak in 2022 surpassing 9%. Projections indicate that wage growth in Iowa is anticipated to become more moderate, hovering around or below 4% for the year 2024 and beyond. As wages rise, premiums automatically increase along with the associated workers compensation indemnity benefits. Recent shifts in wages have significantly outpaced the rate of medical inflation within the workers compensation system, leading to a downward impact on the medical loss ratios of the most recent policy years. Although the margin is projected to be narrower, the trend of wage inflation outpacing medical inflation is expected to persist, exerting a somewhat reduced downward influence on forthcoming medical loss ratios. Medical inflation, as measured by the Chain-Weighted Personal Healthcare index, is projected to grow moderately over the next ten years, approximately 3.0% per year.

The medical loss ratio for Policy Year 2021 saw a decline of 12.3%. This decrease can be partly attributed to the wage growth in 2021 and 2022 relative to the changes in medical inflation, along with the reduced number of medical-only claim counts (outlined in Exhibit I). Therefore, a portion of the favorable medical loss ratio change observed in Policy Year 2021 from Policy Year 2020 may not accurately forecast future changes to experience. To address this concern, when analyzing trend factors for this filing, the exponential fits were reviewed both including and excluding Policy Year 2021 to gain an understanding of the impact of the most recent policy year on the trend fits. Displayed on the following pages, the alternative exponential fits for medical loss ratios exclude Policy Year 2021.

In light of the considerations above, the selected annual loss ratio trends are based heavily on mid- to longer-term adjusted exponential trend fits. These selected fits exhibit reduced volatility and effectively balance both responsiveness and stability. An annual trend factor of -4.5% was selected for the indemnity loss ratio, and an annual trend factor of -3.0% was selected for the medical loss ratio. These selections are in line with the indicated annual trends implied by both the adjusted and unadjusted fits.

Also shown on the following pages are the underlying frequency and severity components. Note that frequency and severity trends were reviewed but not selected. These figures reflect today's rate level as well as a common wage level, derived from an average of paid and paid plus case losses. Lost-time claim frequency has exhibited a long-term pattern of decline, which is not as steep in more recent policy years. After adjusting to a common wage level, both the average indemnity and medical cost per lost-time claim figures decreased in the most recent two policy years. Long-term average cost per case figures for indemnity demonstrate a declining trend, while the long-term medical costs per case figures show a slight upward trend. Together, claim frequency and severity trends suggest improving workers compensation experience



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APPENDIX A-III

Policy Year Trend Factors

Section A - Calculation of Annual Loss Ratio Trend Factors

(1) Selected Annual Loss Ratio Trends: Indemnity Medical
-4.5% -3.0%

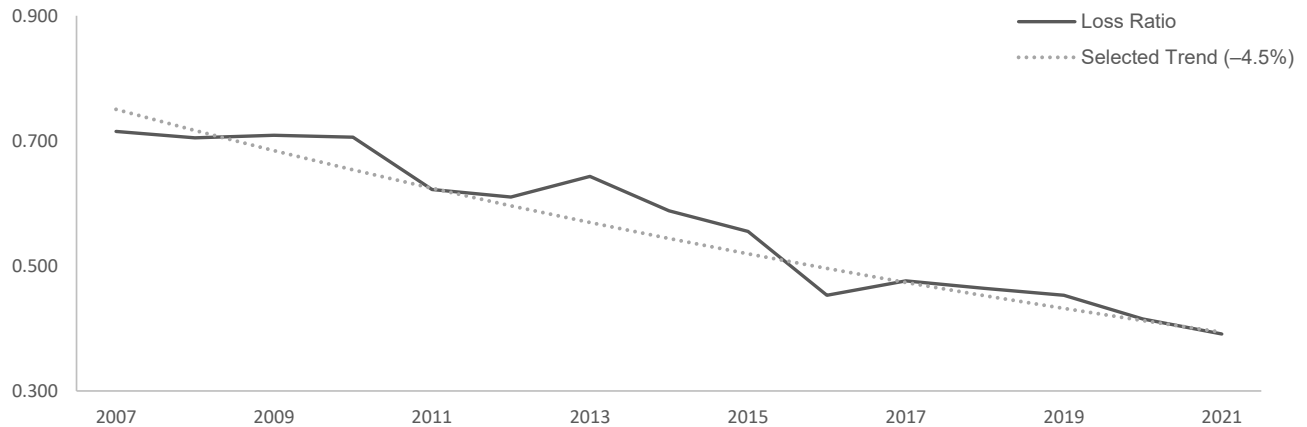
(2) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:

Trend Length: PY 2021 PY 2020
3.001 4.001

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

Indemnity: PY 2021 PY 2020
0.871 0.832
 Medical: 0.913 0.885

Section B - Indemnity Loss Ratio Trend Data



Policy Year	Indemnity Loss Ratio [^]	Annual Percent Change	# of Years in Fit	Exponential Fits	Alternate Exponential Fits*
2007	0.715				
2008	0.705	-1.4%			
2009	0.709	0.6%			
2010	0.706	-0.4%			
2011	0.622	-11.9%	15	-4.5%	-3.9%
2012	0.610	-1.9%	14	-4.7%	-4.1%
2013	0.643	5.4%	13	-4.9%	-4.3%
2014	0.588	-8.6%	12	-5.0%	-4.3%
2015	0.555	-5.6%	11	-4.9%	-4.2%
2016	0.453	-18.4%	10	-5.2%	-4.5%
2017	0.476	5.1%	9	-5.5%	-4.8%
2018	0.464	-2.5%	8	-5.0%	-4.5%
2019	0.453	-2.4%	7	-4.5%	-4.3%
2020	0.415	-8.4%	6	-3.3%	-4.2%
2021	0.391	-5.8%	5	-4.9%	-4.9%

[^]Based on an average of paid and paid+case losses

*Exponential Fits from Scenario B (as described in preceding pages)

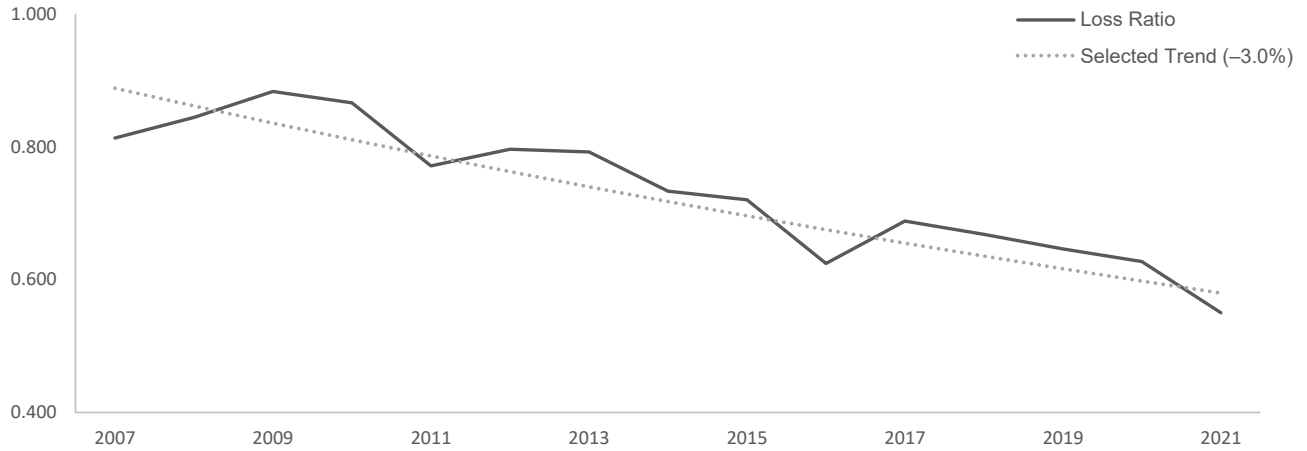


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APPENDIX A-III

Policy Year Trend Factors

Section C - Medical Loss Ratio Trend Data



Policy Year	Medical Loss Ratio [^]	Annual Percent Change	# of Years in Fit	Exponential Fits	Alternate Exponential Fits*
2007	0.813				
2008	0.844	3.8%			
2009	0.883	4.6%			
2010	0.866	-1.9%			
2011	0.771	-11.0%	15	-2.8%	
2012	0.796	3.2%	14	-3.1%	-2.6%
2013	0.792	-0.5%	13	-3.3%	-2.9%
2014	0.733	-7.4%	12	-3.3%	-3.1%
2015	0.720	-1.8%	11	-3.1%	-2.9%
2016	0.624	-13.3%	10	-3.4%	-2.7%
2017	0.688	10.3%	9	-3.4%	-3.0%
2018	0.668	-2.9%	8	-3.1%	-2.8%
2019	0.646	-3.3%	7	-3.0%	-2.2%
2020	0.627	-2.9%	6	-2.7%	-1.7%
2021	0.550	-12.3%	5	-5.0%	-0.5%

[^]Based on an average of paid and paid+case losses

*Exponential Fits excluding Policy Year 2021

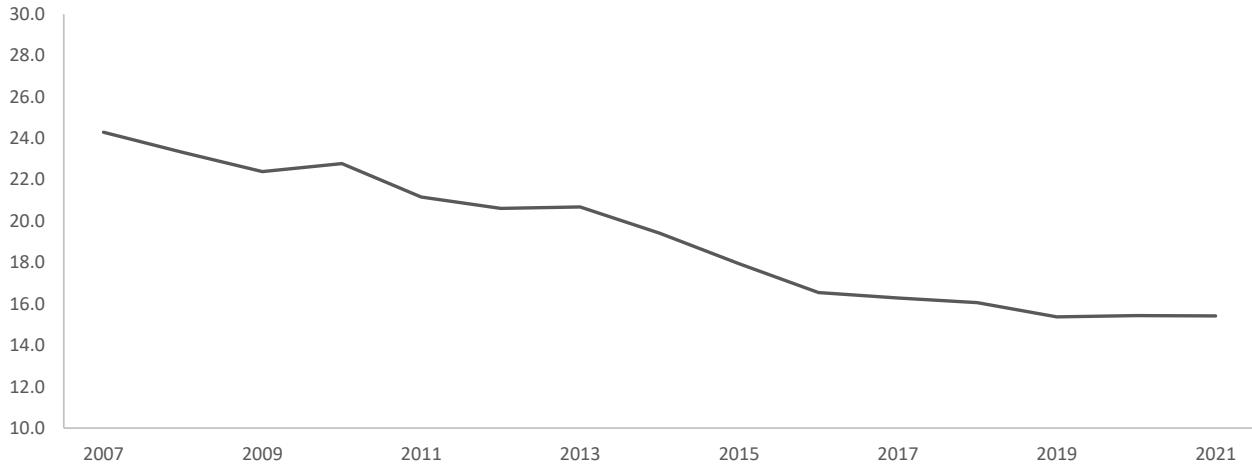


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APPENDIX A-III

Policy Year Trend Factors

Section D - Frequency Trend Data



Policy Year	Claim Frequency [^]	Annual Percent Change	# of Years in Fit	Exponential Fits
2007	24.293	-		
2008	23.317	-4.0%		
2009	22.390	-4.0%		
2010	22.773	1.7%		
2011	21.160	-7.1%	15	-3.6%
2012	20.609	-2.6%	14	-3.6%
2013	20.684	0.4%	13	-3.7%
2014	19.411	-6.2%	12	-3.8%
2015	17.938	-7.6%	11	-3.7%
2016	16.549	-7.7%	10	-3.7%
2017	16.282	-1.6%	9	-3.6%
2018	16.055	-1.4%	8	-3.0%
2019	15.368	-4.3%	7	-2.3%
2020	15.432	0.4%	6	-1.6%
2021	15.418	-0.1%	5	-1.5%

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

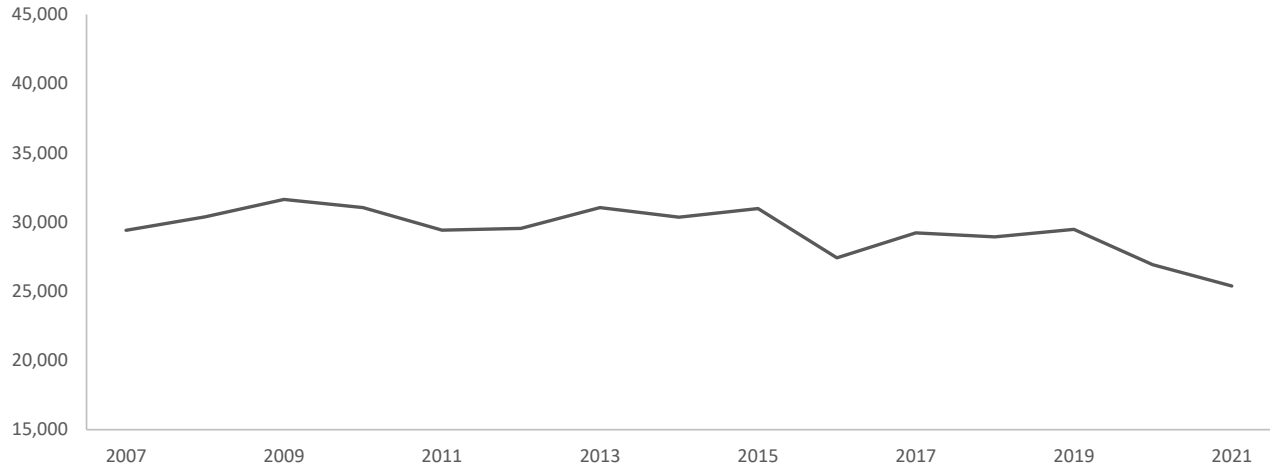


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APPENDIX A-III

Policy Year Trend Factors

Section E - Indemnity Severity Trend Data



Policy Year	Indemnity Severity [^]	Annual Percent Change	# of Years in Fit	Exponential Fits
2007	29,395	-		
2008	30,369	3.3%		
2009	31,637	4.2%		
2010	31,041	-1.9%		
2011	29,409	-5.3%	15	-0.9%
2012	29,544	0.5%	14	-1.1%
2013	31,040	5.1%	13	-1.3%
2014	30,344	-2.2%	12	-1.3%
2015	30,967	2.1%	11	-1.3%
2016	27,416	-11.5%	10	-1.6%
2017	29,214	6.6%	9	-2.0%
2018	28,929	-1.0%	8	-2.1%
2019	29,471	1.9%	7	-2.2%
2020	26,914	-8.7%	6	-1.7%
2021	25,381	-5.7%	5	-3.5%

[^]Adjusted to a common wage level, based on an average of paid and paid+case losses

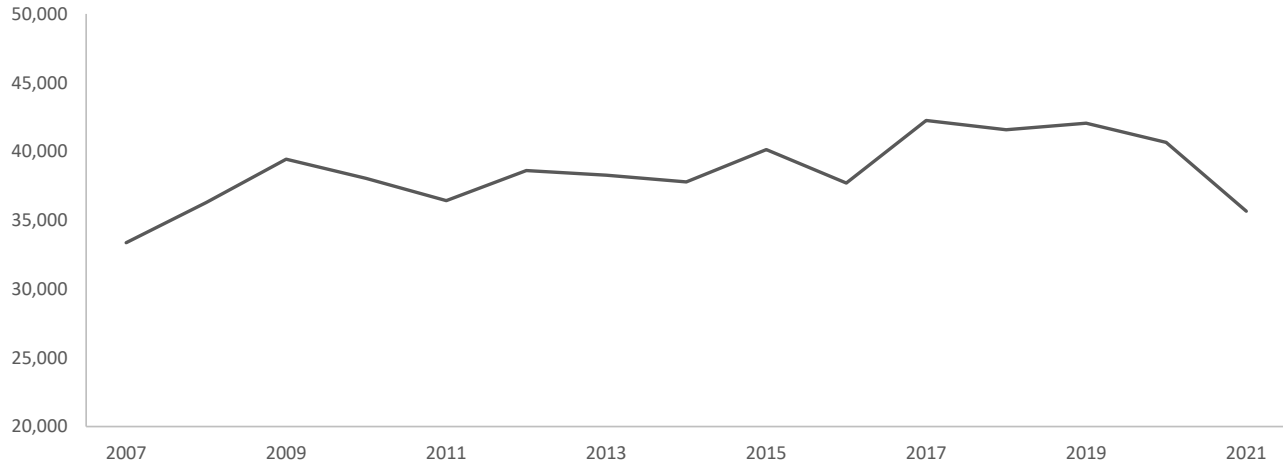


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APPENDIX A-III

Policy Year Trend Factors

Section F - Medical Severity Trend Data



Policy Year	Medical Severity [^]	Annual Percent Change	# of Years in Fit	Exponential Fits
2007	33,372	-		
2008	36,284	8.7%		
2009	39,435	8.7%		
2010	38,048	-3.5%		
2011	36,425	-4.3%	15	0.8%
2012	38,609	6.0%	14	0.5%
2013	38,274	-0.9%	13	0.4%
2014	37,792	-1.3%	12	0.5%
2015	40,142	6.2%	11	0.6%
2016	37,704	-6.1%	10	0.3%
2017	42,253	12.1%	9	0.2%
2018	41,583	-1.6%	8	0.0%
2019	42,060	1.1%	7	-0.7%
2020	40,660	-3.3%	6	-1.1%
2021	35,653	-12.3%	5	-3.6%

[^]Adjusted to a common wage level, based on an average of paid and paid+case losses



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APPENDIX A-IV

Derivation of Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall rate 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 rates. 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	133,143,714	611,086,428	549,977,785	1.186	1.188
Contracting	110,742,492	518,191,270	466,372,143	1.142	1.133
Office & Clerical	58,483,559	270,533,813	243,480,432	1.123	1.125
Goods & Services	188,315,357	881,999,157	793,799,242	1.088	1.090
Miscellaneous	97,060,711	449,310,269	404,379,242	1.124	1.121
Statewide	587,745,834	2,731,120,938	2,458,008,844		

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	132,919,567	610,057,663	549,051,897	1.111	1.000
Contracting	111,622,176	522,307,529	470,076,776	1.111	1.000
Office & Clerical	58,379,588	270,052,864	243,047,578	1.111	1.000
Goods & Services	187,969,825	880,380,810	792,342,729	1.111	1.000
Miscellaneous	97,320,463	450,512,705	405,461,435	1.111	1.000
Statewide	588,211,619	2,733,311,571	2,459,980,415	1.111	



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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 expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of \$50 million are set equal to zero. The proposed experience change, applicable loss-based expenses and any miscellaneous premium adjustments are applied to calculate the indicated losses. These indicated losses are then balanced to the expected losses using the factors shown in Appendix B-I, Section A-3.

Industry Group	(11) Converted Indicated Balanced Losses	(12) Indicated/ Expected Ratio (11)/[(8)x(10)]	(13) Indicated Differential (12)IG/(12)SW	(14) Lost-Time Claim Counts
Manufacturing	552,126,978	1.006	1.006	11,009
Contracting	454,245,419	0.966	0.966	5,889
Office & Clerical	237,048,627	0.975	0.975	4,333
Goods & Services	803,928,042	1.015	1.015	19,082
Miscellaneous	412,435,276	1.017	1.017	6,322
Statewide	2,459,784,342	1.000		

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	0.96	1.006	1.004
Contracting	12,000	0.70	0.976	0.974
Office & Clerical	12,000	0.60	0.985	0.983
Goods & Services	12,000	1.00	1.015	1.013
Miscellaneous	12,000	0.73	1.012	1.010
Statewide			1.002	1.000

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



Iowa

APPENDIX A-IV

III. Description of Industry Group Differentials

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

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

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

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

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

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



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix B – Calculations Underlying the Advisory Rate Change by Classification

NCCI separately determines rates for each workers compensation classification. The proposed change from the current rate will vary depending on the classification. The following are the general steps utilized to determine the industrial classification rates:

1. Calculate industry group differentials, which are used to more equitably distribute the proposed overall average advisory rate 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 Iowa payroll and loss experience
3. Indicated pure premiums are credibility-weighted with present on rate level pure premiums and national pure premiums to generate derived by formula pure premiums
4. Final adjustments include the application of a test correction factor, the ratio of manual-to-standard premium, swing limits, and where applicable, an expense allowance and any additional loads



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APPENDIX B-I

Distribution of Rate Level Change to Occupational Classification

After determining the required changes in the overall rate 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
3/16-2/17	1.037	1.017	1.030	1.004
3/17-2/18	1.056	1.035	1.035	1.005
3/18-2/19	1.111	1.065	1.037	1.005
3/19-2/20	1.269	1.169	1.034	1.006
3/20-2/21	1.717	1.329	1.065	1.018

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

2. Factors to Adjust to the Proposed Trend Level

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

Policy Period	Indemnity	Medical
3/16-2/17	0.698	0.788
3/17-2/18	0.731	0.813
3/18-2/19	0.765	0.838
3/19-2/20	0.801	0.864
3/20-2/21	0.839	0.891

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
3/16-2/17	1.009	1.025	0.920	1.025	1.000
3/17-2/18	1.007	1.013	1.003	1.013	1.000
3/18-2/19	1.002	1.002	1.002	1.002	1.000
3/19-2/20	1.000	1.000	1.000	1.000	1.000
3/20-2/21	1.000	1.000	1.000	1.000	1.000



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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)
3/16-2/17	0.730	0.716	0.742	0.666	0.653	0.742	0.728	0.812	0.791
3/17-2/18	0.777	0.762	0.782	0.774	0.759	0.782	0.766	0.841	0.817
3/18-2/19	0.852	0.816	0.852	0.852	0.816	0.852	0.816	0.869	0.842
3/19-2/20	1.016	0.936	1.016	1.016	0.936	1.016	0.936	0.893	0.869
3/20-2/21	1.441	1.115	1.441	1.441	1.115	1.441	1.115	0.949	0.907

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

Section A-2 – Expected Excess Provision and Redistribution

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of excess loss factors by hazard group. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of \$50 million are set equal to zero. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.107	0.136	0.176	0.198	0.262	0.302	0.336
(2) Excess Factors 1/(1-(1))	1.120	1.157	1.214	1.247	1.355	1.433	1.506

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



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APPENDIX B-I

Section A-3 – Calculation of Secondary Conversion Factors

1. Factors to Adjust for Proposed Industry Group Differentials

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

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	1.006	0.966	0.975	1.015	1.017
(2) Final Differentials**	1.004	0.974	0.983	1.013	1.010
(3) Adjustment (2)/(1)	0.998	1.008	1.008	0.998	0.993

*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 rates, 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)
3/16-2/17	0.912	1.129	1.127	1.002	0.914
3/17-2/18	0.863	1.129	1.125	1.004	0.866
3/18-2/19	0.832	1.130	1.133	0.997	0.830
3/19-2/20	0.887	1.130	1.133	0.997	0.884
3/20-2/21	0.894	1.130	1.127	1.003	0.897

3. Adjustment for Experience Change

A factor of 0.916 is applied to adjust for the experience change in the proposed rate level.

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

A factor of 1.178 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
3/16-2/17	0.984	0.994	0.994	0.984	0.979
3/17-2/18	0.933	0.942	0.942	0.933	0.928
3/18-2/19	0.894	0.903	0.903	0.894	0.889
3/19-2/20	0.952	0.962	0.962	0.952	0.947
3/20-2/21	0.966	0.976	0.976	0.966	0.961



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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 rates, adjusted to the proposed level. The data sources for the above-captioned pure premiums are the partial pure premiums underlying the current rates.

1. Adjustment for Experience Change

A factor of 0.916 is applied to adjust for the experience change in the proposed rate level.

2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current rates contain the current trend. The change in trend factors, 0.982 and 0.982, 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 rates to the proposed benefit level.

	Indemnity	Medical
Benefit Adjustment	1.000	1.000

4. Factors to Include the Proposed Loss-Based Expense Provisions

The pure premiums underlying the current rates 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	1.178	1.178	1.178	1.178
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.178	1.178	1.178	1.178
(4) Overall Change (3b)/(3a)			1.000	1.000

5. Adjustment to Obtain Expected Losses

The pure premiums underlying the current rates 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	1.186	1.188	0.998
Contracting	1.142	1.133	1.008
Office & Clerical	1.123	1.125	0.998
Goods & Services	1.088	1.090	0.998
Miscellaneous	1.124	1.121	1.003



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APPENDIX B-I

6. Factors to Adjust for Proposed Industry Group Differentials

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

Industry Group	(1) Final Differential*	(2) Adjustment to Proposed for Current Relativities**	(3) Adjusted Differential (1)x(2)
Manufacturing	1.004	1.000	1.004
Contracting	0.974	1.000	0.974
Office & Clerical	0.983	1.000	0.983
Goods & Services	1.013	1.000	1.013
Miscellaneous	1.010	1.000	1.010

*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	0.902	0.902
Contracting	0.884	0.884
Office & Clerical	0.883	0.883
Goods & Services	0.910	0.910
Miscellaneous	0.912	0.912



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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 Iowa conditions in four steps. First, statewide indicated pure premiums are determined for Iowa. Second, using Iowa payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Iowa 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 Iowa 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 rates.

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: \$34,104,169 for indemnity and \$26,092,886 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 Rates

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

1. Test Correction Factor

The payrolls are now extended by the rates presently in effect and by the indicated rates 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 rates including tentative test correction factors until the required change in manual premium level is obtained. The test correction factor is applied to the derived by formula pure premiums.

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	0.9940
Contracting	1.0024
Office & Clerical	0.9863
Goods & Services	0.9941
Miscellaneous	0.9984

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	1.188
Contracting	1.133
Office & Clerical	1.125
Goods & Services	1.090
Miscellaneous	1.121

3. Expense Allowance

The expense allowance is introduced into the rate by dividing the product of the proposed pure premium and the appropriate factors above by the proposed target cost ratio of 0.729 (see Exhibit II-A for derivation of this factor). This operation produces the proposed rate prior to the addition of a disease loading, if any.



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APPENDIX B-II

4. Swing Limits

As a further step, a test is made to make certain that the proposed rates fall within the following departures from the present rates:

Manufacturing	from 13% above to 37% below
Contracting	from 11% above to 39% below
Office & Clerical	from 12% above to 38% below
Goods & Services	from 14% above to 36% below
Miscellaneous	from 14% above to 36% below

These limits have been calculated in accordance with the following formula:

Max. Deviation = Effect of the final change in rate level by industry group plus or minus 25% rounded to the nearest 1%.

The product of the swing limits and the present rate sets bounds for the proposed rate. If the calculated rate falls outside of the bounds, the closest bound is chosen as the proposed rate. When a code is limited, the underlying pure premiums are adjusted to reflect the limited rate. 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 rate 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 rates for other classifications are calculated in the same manner.

List of Classifications Limited by the Upper Swing

List of Classifications Limited by the Lower Swing

2586 4653

7710



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APPENDIX B-III

Derivation of Proposed Rate - 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
03/01/16 - 02/28/17	0	0	0	1,104,408	2,004,426	165,341	781,061	1,127,761	5,347,988
03/01/17 - 02/28/18	0	0	0	738,515	2,266,060	403,556	772,225	864,449	7,034,719
03/01/18 - 02/28/19	0	0	0	1,088,293	3,338,250	755,071	912,801	2,490,278	7,864,645
03/01/19 - 02/29/20	0	497,330	0	848,426	1,508,144	544,039	1,249,025	1,540,847	5,998,700
03/01/20 - 02/28/21	0	0	0	607,944	1,053,478	229,820	1,103,506	1,588,436	5,264,764

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
03/01/16 - 02/28/17	0.730	0.716	0.742	0.666	0.653	0.742	0.728	0.812	0.791
03/01/17 - 02/28/18	0.777	0.762	0.782	0.774	0.759	0.782	0.766	0.841	0.817
03/01/18 - 02/28/19	0.852	0.816	0.852	0.852	0.816	0.852	0.816	0.869	0.842
03/01/19 - 02/29/20	1.016	0.936	1.016	1.016	0.936	1.016	0.936	0.893	0.869
03/01/20 - 02/28/21	1.441	1.115	1.441	1.441	1.115	1.441	1.115	0.949	0.907

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	1.214

As the excess loss factor is on a combined (indemnity and medical) basis, the following portion of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses:

Redistribution %	40%
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APPENDIX B-III

Derivation of Proposed Rate - 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
03/01/16 - 02/28/17	0	0	0	829,799	1,476,631	138,405	641,483	1,184,661	5,294,217
03/01/17 - 02/28/18	0	0	0	644,866	1,940,360	356,025	667,331	958,083	7,172,442
03/01/18 - 02/28/19	0	0	0	1,046,055	3,073,109	725,765	840,302	2,760,459	8,332,813
03/01/19 - 02/29/20	0	525,157	0	972,471	1,592,530	623,581	1,318,912	1,790,746	6,586,558
03/01/20 - 02/28/21	0	0	0	988,317	1,325,163	373,613	1,388,093	1,932,541	6,000,553

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

Policy Period	INDUSTRY GROUP: Office and Clerical
03/01/16 - 02/28/17	0.994
03/01/17 - 02/28/18	0.942
03/01/18 - 02/28/19	0.903
03/01/19 - 02/29/20	0.962
03/01/20 - 02/28/21	0.976

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
03/01/16 - 02/28/17	10,090,695,980	962,395	2,105,405	1,177,553	5,262,452	3,067,800	6,440,005	9,507,805
03/01/17 - 02/28/18	10,209,254,711	942,839	2,456,445	902,514	6,756,440	3,399,284	7,658,954	11,058,238
03/01/18 - 02/28/19	10,709,508,725	1,599,953	3,533,810	2,492,694	7,524,530	5,133,763	10,017,224	15,150,987
03/01/19 - 02/29/20	12,209,036,125	1,535,402	3,306,008	1,722,698	6,336,269	4,841,410	8,058,967	12,900,377
03/01/20 - 02/28/21	11,589,466,056	1,329,244	2,648,138	1,886,160	5,856,540	3,977,382	7,742,700	11,720,082
Total	54,807,961,597	6,369,833	14,049,806	8,181,619	31,736,231	20,419,639	39,917,850	60,337,489
INDICATED PURE PREMIUM						0.037	0.073	0.11

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

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current rate 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 Rate	0.038	0.082	0.12
Conversion Factors (App. B-I, Section B)	0.883	0.883	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.034	0.072	0.11



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APPENDIX B-III

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

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

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.037	0.073	0.11
2. Pure Premium Indicated by National Relativity	0.029	0.054	0.08
3. Pure Premium Present on Rate Level	0.034	0.072	0.11
4. State Credibilities	74%	100%	xxx
5. National Credibilities	13%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	13%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.036	0.073	0.11
8. Test Correction Factor	0.9863	0.9863	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.038	0.072	0.11
10. Ratio of Manual to Standard Premium			1.125
11. Target Cost Ratio			0.729
12. Rate = (9) x (10) / (11)			0.17
13. Rate Within Swing Limits			0.17
Current Rate x Swing Limits			
a) Lower bound = 0.19 x 0.620 = 0.12			
b) Upper bound = 0.19 x 1.120 = 0.21			
14. Pure Premiums Underlying Proposed Rate* = ((14TOT) / (9TOT)) x (9) ; (14TOT) = (13) x (11) / (10)	0.038	0.072	0.11
15. Miscellaneous Loadings			0.00
16. Final Loaded Rate			0.17

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



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APPENDIX B-IV

WCSP data is used to determine the F-Classification (F-Class) rates. The latest year of WCSP payroll is extended by both the current and proposed rates. Based on \$1,712,074 of payroll, the overall rate level change in Iowa is -23.4%.

I. Overview of Methodology

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

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



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APPENDIX B-IV

II. The F-class code countrywide relativities:

Class Code	Countrywide Relativity**
6006	1.686
6801*	1.000
6824	1.184
6825	0.351
6826	0.666
6828*	1.000
6829*	1.000
6843	1.358
6845	0.729
6872	1.268
6873*	1.000
6874	1.592
7309	1.227
7313	0.498
7317	0.946
7327	2.518
7350	1.023
8709	0.385
8726	0.264
9077*	1.000

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

**The relativities have been locked into the values from the prior filing

III. Swing Limits

The proposed rates are limited to the swing limits based on 25% above and 25% below the current rates.

Classifications Limited by the Upper Swing

NONE

Classifications Limited by the Lower Swing

6826	6843	6874	7309
7327	7350	8709	8726



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APPENDIX B-IV

Derivation of State Base Rate

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Overall Countrywide Pure Premium			2.76
2. State Act Pure Premium Relativity Factor			1.447
3. Countrywide State Act Weight			24%
4. Primary Base Pure Premium = [(1) x (2) x (3)] + [(1) x (1 - (3))]			3.06
5. Countrywide Weights	51%	49%	100%
6. Trend Factors	0.958	0.972	xx
7. Weighted Benefits	1.000	1.000	xx
8. Weighted Loss-Based Expenses	1.245	1.178	xx
9. Secondary Base Pure Premium = (4tot) x (5) x (6) x (7) x (8)	1.861	1.717	3.58
10. Additional Offsets			1.000
11. Expense Allowance			0.729
12. Final Base Rate = (9) x (10) / (11)			4.91



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APPENDIX B-IV

Derivation of Proposed Rate - Code 6872
Industry Group - F-Class, Hazard Group - G

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

1. Iowa's Final Base Rate	4.91
2. Countrywide Class Code 6872 Relativity (Section II)	1.268
3. Rate = (1) x (2)	6.23
4. Rate Within Swing Limits	6.23
Current Rate x Swing Limits	
a) Lower bound = $7.95 \times 0.75 = 5.97$	
a) Upper bound = $7.95 \times 1.25 = 9.93$	
5. Miscellaneous Loadings	0.00
6. Final Loaded Rate	6.23



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APPENDIX B-IV

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

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

1.) Assessment Rate on Indemnity Losses *	8.8%
2.) Assessment Rate on Total Losses #	4.8%

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

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



Iowa

Appendix B-V

Calculation of Coal Mine Traumatic

Coal mine experience is reflected in the following class codes:

- Surface Coal Mine – Class Code 1005
- Underground Coal Mine – Class Code 1016

The traumatic rate for Surface Coal Mine Class Code 1005 is calculated based on WCSP data as explained in Appendices B-I through B-III. Class Code 1005 is in the Miscellaneous industry group.

The traumatic rate for Underground Coal Mine Class Code 1016 is calculated using WCSP data. Pure premiums are calculated and adjusted for trend, benefits, and any applicable offsets or expense provisions. Swing limits for Class Code 1016 are applied around the currently approved rate.



Iowa

Workers Compensation Rate Filing – January 1, 2024

Appendix C – Memoranda for Laws and Assessments

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

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



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Workers Compensation Rate Filing – January 1, 2024

Appendix D – Determination of Assigned Risk Rates

Overall Proposed Change to Assigned Risk Rate Level

NCCI applies an assigned risk multiplier to convert the advisory voluntary rates to assigned risk rates. In Iowa, the only component of the assigned risk multiplier is the assigned risk rate differential. This filing proposes no change to the current assigned risk multiplier.

Assigned Risk Rate Differential

The assigned risk rate differential reflects the fact that the collective experience for employers in the assigned risk market is typically worse than that of employers in the voluntary market. Loss ratios are calculated for both the (i) assigned risk market and (ii) statewide market by individual year as follows:

$$\frac{\text{(total onleveled losses)}}{\text{(total onleveled, developed standard premium at the voluntary level)}}$$

For each individual policy year, the assigned risk loss ratio is divided by the statewide loss ratio to produce loss ratio relativities. These loss ratio relativities are reviewed for fifteen individual years so that changes in the actual differentials can be observed over a long period of time. When selecting the assigned risk rate differential, the impact of additional premium that is already expected to be generated due to other assigned risk programs (removal of premium discounts, Assigned Risk Adjustment Program) is also reflected in the calculation. In addition, estimated uncollectible premium and the expected difference between the voluntary and assigned risk expenses were considered for during the selection of the assigned risk rate differential.

Based on this year's analysis, NCCI is proposing no change to the currently approved assigned risk rate differential. NCCI believes there are several reasons that it is appropriate to maintain the current differential:

- The assigned risk differential can vary quite substantially from one year to the next. For example, the individual assigned risk differentials for the latest fifteen years range from 0.798 to 1.966. A longer-term average provides stability when dealing with such a wide range of indications from year to year.
- The differential should be sufficiently high so that an insured would not find an offer of residual market coverage to be more attractive than an offer for voluntary coverage.
- There is value in having stability in the rates; this stability can be achieved by allowing the assigned risk rate level to move in concert with the voluntary rates, while maintaining



Iowa

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Appendix D – Determination of Assigned Risk Rates

a differential that will be adequate over the long term rather than modifying it each year based on specific arithmetic calculation.

- It is important to the health of the workers compensation system to have an adequate rate level in the residual market, allowing that market to be as self-funding as possible.
- The assigned risk rate differential was lowered from 1.300 to 1.250 in the January 1, 2022 filing. NCCI believes that maintaining the differential is appropriate to encourage the process of residual market depopulation.

The data underlying this calculation is shown in Appendix D – Derivation of Assigned Risk Differential.



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APPENDIX D

Determination of Assigned Risk Rates

Section A - Derivation of Assigned Risk Differential
Experience Valued as of 12/31/2022

Policy Year	(1)	(2)	(3)	(4)
	Standard Pure Premium Assigned Risk	Standard Pure Premium Statewide	Unlimited Undeveloped Paid+Case Losses Assigned Risk	Unlimited Undeveloped Paid+Case Losses Statewide
2007	8,646,873	233,646,695	21,206,212	350,241,576
2008	8,008,205	233,984,235	21,024,399	355,579,375
2009	7,084,201	229,963,593	17,022,421	377,976,608
2010	6,186,615	242,903,139	20,692,263	368,721,526
2011	6,965,760	257,759,560	14,579,747	339,352,120
2012	9,033,483	259,097,992	24,048,162	351,884,101
2013	11,913,010	266,658,002	19,718,727	369,282,230
2014	11,776,094	272,012,380	21,341,013	356,753,131
2015	11,599,994	279,910,185	19,709,803	356,332,843
2016	9,742,497	288,632,368	10,329,095	313,203,650
2017	8,527,222	299,507,715	12,121,469	351,230,623
2018	8,437,049	304,327,075	8,715,340	351,652,785
2019	8,856,246	312,592,250	9,609,517	347,348,844
2020	9,193,377	318,278,440	13,933,728	326,899,312
2021	9,888,875	334,108,054	9,604,855	302,257,217

Policy Year	(5) = (3) / (1)	(6) = (4) / (2)	(7) = (5) / (6)	(8) = (7) / Impact of AR Programs^
	Pure Premium Ratio Assigned Risk	Pure Premium Ratio Statewide	Assigned Risk to Statewide Relativity	Indicated Assigned Risk Differential
2007	2.452	1.499	1.636	1.459
2008	2.625	1.520	1.727	1.541
2009	2.403	1.644	1.462	1.304
2010	3.345	1.518	2.204	1.966
2011	2.093	1.317	1.589	1.417
2012	2.662	1.358	1.960	1.748
2013	1.655	1.385	1.195	1.066
2014	1.812	1.312	1.381	1.232
2015	1.699	1.273	1.335	1.191
2016	1.060	1.085	0.977	0.872
2017	1.422	1.173	1.212	1.081
2018	1.033	1.156	0.894	0.798
2019	1.085	1.111	0.977	0.872
2020	1.516	1.027	1.476	1.317
2021	0.971	0.905	1.073	0.957

Current Assigned Risk Differential 1.250

Proposed Assigned Risk Differential 1.250

Proposed Change in Assigned Risk Differential 1.000 0.0%

Assigned Risk Programs in Addition to the Differential

(a) Removal of Premium Discounts	1.040
(b) ARAP	1.078
Total impact of programs	1.121
= (a) x (b)	



Iowa

Workers Compensation Rate Filing – January 1, 2024

Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



Iowa

Workers Compensation Rate Filing – January 1, 2024

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 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 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.



Iowa

Workers Compensation Rate Filing – January 1, 2024

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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Workers Compensation Rate Filing – January 1, 2024

NCCI Affiliate List

A M C O INSURANCE COMPANY
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
ACUITY A MUTUAL INS COMPANY
ADDISON INSURANCE COMPANY
AIG ASSURANCE COMPANY
AIG PROPERTY CASUALTY COMPANY
AIU INSURANCE CO (NATIONAL UNION FIRE OF PITTS PA)
AK NATIONAL INS CO
ALLIED EASTERN IND CO
ALLIED INSURANCE COMPANY OF AMERICA
ALLIED PROPERTY AND CASUALTY INS CO
ALLMERICA FINANCIAL ALLIANCE INS CO
ALLMERICA FINANCIAL BENEFIT INS CO
AMERICAN ALTERNATIVE INSURANCE CORPORATION
AMERICAN AUTOMOBILE INSURANCE CO
AMERICAN BUSINESS AND MERCANTILE INS MUTUAL INC
AMERICAN CASUALTY COMPANY OF READING P A
AMERICAN COMPENSATION INS CO
AMERICAN ECONOMY INS CO
AMERICAN FAMILY HOME INS CO
AMERICAN FAMILY INS CO
AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
AMERICAN FIRE AND CASUALTY CO
AMERICAN GUARANTEE AND LIABILITY INS CO
AMERICAN HOME ASSUR CO-NATIONAL UNION FIRE OF PIT
AMERICAN INTERSTATE INS CO
AMERICAN INTERSTATE INS CO OF TX
AMERICAN LIBERTY INSURANCE CO
AMERICAN MODERN HOME INS CO
AMERICAN NATIONAL PROPERTY AND CASUALTY CO
AMERICAN SELECT INS CO
AMERICAN STATES INS CO A SAFECO COMPANY
AMERICAN ZURICH INS CO
AMERISURE INS CO
AMERISURE MUTUAL INS CO
AMERISURE PARTNERS INS CO
AMFED ADVANTAGE INSURANCE COMPANY
AMFED CASUALTY INS CO
AMFED NATIONAL INSURANCE COMPANY
AMGUARD INS CO
AMTRUST INSURANCE CO
ARCH INDEMNITY INSURANCE COMPANY
ARCH INSURANCE COMPANY
ARCH PROPERTY CASUALTY INS CO
ARGONAUT GREAT CENTRAL INS CO
ARGONAUT INS CO
ARGONAUT MIDWEST INS CO
ASCOT INSURANCE COMPANY
ASSOCIATION CASUALTY INS CO
ATLANTIC SPECIALTY INS CO (INTACT)
ATLANTIC STATES INS CO
AUSTIN MUTUAL INSURANCE COMPANY
AUTO OWNERS INS CO
BADGER MUTUAL INS CO
BANKERS STANDARD INS CO
BEARING MIDWEST CASUALTY COMPANY
BENCHMARK INSURANCE COMPANY
BERKLEY CASUALTY COMPANY
BERKLEY INSURANCE COMPANY
BERKLEY NATIONAL INSURANCE COMPANY
BERKLEY REGIONAL INS CO
BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
BERKSHIRE HATHAWAY HOMESTATE INS CO
BITCO GENERAL INSURANCE CORPORATION
BITCO NATIONAL INSURANCE COMPANY
BLACKBOARD INSURANCE COMPANY
BRICKSTREET MUTUAL INS CO
BROTHERHOOD MUTUAL INS CO
CALIFORNIA INSURANCE COMPANY
CAROLINA CASUALTY INS CO
CELINA MUTUAL INS CO
CHARTER OAK FIRE INS CO
CHEROKEE INS CO
CHIRON INSURANCE COMPANY
CHUBB INDEMNITY INS CO
CHUBB NATIONAL INS CO
CHURCH MUTUAL INS CO, S.I.
CIMARRON INSURANCE COMPANY INC
CINCINNATI CASUALTY COMPANY
CINCINNATI INDEMNITY COMPANY
CINCINNATI INS CO
CITIZENS INS CO OF AMERICA
CLEAR SPRING PROPERTY AND CASUALTY COMPANY
CLERMONT INS CO
COLONIAL AMERICAN CASUALTY & SURETY CO
COLONIAL SURETY COMPANY
COLUMBIA MUTUAL INSURANCE CO
COLUMBIA NATIONAL INS CO
COMMERCE AND INDUSTRY INS CO
CONSOLIDATED INS CO
CONTINENTAL CASUALTY CO
CONTINENTAL INDEMNITY CO
CONTINENTAL INS CO
CONTINENTAL WESTERN INSURANCE COMPANY
COREPOINTE INSURANCE COMPANY
CRESTBROOK INS CO
CRUM AND FORSTER INDEMNITY CO
DAKOTA TRUCK UNDERWRITERS
DEPOSITORS INS CO
DIAMOND INS CO
DISCOVER PROPERTY & CASUALTY INS CO
DONEGAL MUTUAL INS CO
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 INSURANCE COMPANY OF NEVADA
EMPLOYERS MUTUAL CASUALTY CO



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Workers Compensation Rate Filing – January 1, 2024

NCCI Affiliate List

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
EXECUTIVE RISK INDEMNITY INC
EXPLORER INS CO
FALLS LAKE NATIONAL INSURANCE CO
FARM BUREAU PROPERTY & CASUALTY INS CO
FARMERS AUTOMOBILE INS ASSN
FARMERS INSURANCE EXCHANGE
FARMINGTON CASUALTY COMPANY
FEDERAL INSURANCE COMPANY
FEDERATED MUTUAL INS CO
FEDERATED RESERVE INSURANCE CO
FEDERATED RURAL ELECTRIC INS EXCHANGE
FEDERATED SERVICE INS CO
FIDELITY & DEPOSIT COMPANY OF MARYLAND
FIDELITY & GUARANTY INS UNDERWRITERS
FIDELITY & GUARANTY INSURANCE CO
FIRE INS EXCHANGE
FIREMANS FUND INSURANCE CO
FIREMENS INS CO OF WASHINGTON DC
FIRST DAKOTA INDEMNITY CO
FIRST LIBERTY INS CORP
FIRST NATIONAL INS CO OF AMERICA
FIRSTCOMP INSURANCE CO
FLORISTS MUTUAL INSURANCE CO
FRANK WINSTON CRUM INSURANCE CO
FREEDOM SPECIALTY INSURANCE COMPANY
GENERAL CASUALTY COMPANY OF WISCONSIN
GENERAL CASUALTY INSURANCE COMPANY
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
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
GRINNELL MUTUAL REINSURANCE CO
GRINNELL SELECT INS CO
GUIDEONE ELITE INS CO
GUIDEONE INSURANCE COMPANY
GUIDEONE SPECIALTY INSURANCE COMPANY
HANOVER AMERICAN INS CO
HANOVER INS CO
HARLEYSVILLE INSURANCE COMPANY
HARLEYSVILLE LAKE STATES 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
HASTINGS MUTUAL INS CO
HAWKEYE-SECURITY INS CO
HDI GLOBAL INSURANCE COMPANY
HORIZON MIDWEST CASUALTY COMPANY
IA AMERICAN INS CO
IA LONG TERM CARE RISK MGMT ASSN
IA MUTUAL INS CO
IL EMCASCO INS CO
ILLINOIS CASUALTY COMPANY
ILLINOIS INSURANCE COMPANY
ILLINOIS NATIONAL INSURANCE COMPANY
IMPERIUM INSURANCE COMPANY
IMT INS CO
INCLINE CASUALTY COMPANY
INDEMNITY INS CO OF N AMERICA (INA INS) (CT GEN)
INDIANA INSURANCE COMPANY
INS CO OF NORTH AMERICA
INS CO OF THE STATE PA
INS CO OF THE WEST
INTEGRITY INSURANCE COMPANY
INTEGRITY PROPERTY & CASUALTY INS CO
INTEGRITY SELECT INSURANCE COMPANY
INTREPID CASUALTY COMPANY
INTREPID INSURANCE COMPANY
KEY RISK INS CO
LACKAWANNA AMERICAN INS CO
LACKAWANNA CASUALTY CO
LACKAWANNA NATIONAL INS CO
LAFAYETTE 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
MANUFACTURERS ALLIANCE INS CO
MARKEL AMERICAN INSURANCE CO
MARKEL INSURANCE CO
MEMIC INDEMNITY CO
MERIDIAN SECURITY INSURANCE COMPANY
MID CENTURY INS CO
MIDDLESEX INS CO
MIDVALE INDEMNITY COMPANY
MIDWEST BUILDERS CASUALTY MUTUAL COMPANY
MIDWEST EMPLOYERS CASUALTY CO
MIDWEST FAMILY ADVANTAGE INSURANCE CO
MIDWEST FAMILY MUTUAL INS CO
MIDWEST INS CO
MIDWESTERN INDEMNITY CO
MILBANK INSURANCE COMPANY
MILFORD CASUALTY INSURANCE CO



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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 INS CO
NATIONWIDE PROPERTY AND CASUALTY INS CO
NETHERLANDS INSURANCE COMPANY
NEW HAMPSHIRE INSURANCE COMPANY
NEW YORK MARINE AND GENERAL INSURANCE CO
NEXT INSURANCE US COMPANY
NHRMA MUTUAL INSURANCE COMPANY
NORGUARD INS CO
NORTH POINTE INS CO
NORTH RIVER INS CO
NORTHSTONE INSURANCE COMPANY
NOVA CASUALTY COMPANY
OAK RIVER INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY
OBI NATIONAL INSURANCE COMPANY
OH CASUALTY INS CO
OH FARMERS INS CO
OHIO SECURITY INS CO
OLD GUARD INSURANCE COMPANY
OLD REPUBLIC GENERAL INSURANCE CORPORATION
OLD REPUBLIC INS CO
OMAHA NATIONAL INS CO
OWNERS INSURANCE COMPANY
PA MANUFACTURERS ASSN INS CO
PA MANUFACTURERS INDEMNITY CO
PACIFIC EMPLOYERS INS CO
PACIFIC INDEMNITY CO
PACIFIC INS CO LTD
PARK NATIONAL INS COMPANY
PARTNERS MUTUAL INS CO
PATRONS MUTUAL INS CO OF CT
PEERLESS INDEMNITY INS CO
PEERLESS INSURANCE COMPANY
PEKIN INS CO
PEKIN SELECT INS CO
PENN MILLERS INS CO
PENNSYLVANIA INSURANCE COMPANY
PETROLEUM CASUALTY CO
PHARMACISTS MUTUAL INS CO
PHOENIX INS CO
PIE CASUALTY INS CO
PIE INSURANCE COMPANY
PINNACLE NATIONAL INSURANCE COMPANY
PINNACLEPOINT INSURANCE COMPANY
PIONEER SPECIALTY INSURANCE COMPANY
PLAZA INSURANCE CO
PRAETORIAN INSURANCE COMPANY
PREFERRED EMPLOYERS INS CO
PREFERRED PROFESSIONAL INSURANCE COMPANY
PRESCIENT NATIONAL INSURANCE COMPANY
PREVISOR INSURANCE COMPANY
PROPERTY AND CASUALTY INS CO OF HARTFORD
PROSELECT INSURANCE COMPANY
PROTECTIVE INS CO
QBE INSURANCE CORPORATION
REDWOOD FIRE & CASUALTY INS CO
REGENT INSURANCE COMPANY
REPUBLIC INDEMNITY COMPANY OF AMERICA
RIVERPORT INSURANCE COMPANY
RLI INSURANCE COMPANY
ROCKWOOD CASUALTY INS CO
RURAL TRUST INSURANCE COMPANY
SAFECO INS CO OF AMERICA
SAFETY FIRST INS CO
SAFETY NATIONAL CASUALTY CORP
SAGAMORE INSURANCE CO
SAMSUNG FIRE AND MARINE INS CO LTD USB
SCOTTSDALE INDEMNITY CO
SECURA INSURANCE COMPANY
SECURA SUPREME INS CO
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
SENTINEL INS CO
SENTRY CASUALTY CO
SENTRY INS CO
SENTRY SELECT INSURANCE COMPANY
SEQUOIA INSURANCE CO
SERVICE AMERICAN INDEMNITY COMPANY
SERVICE LLOYDS INSURANCE CO, A STOCK COMPANY
SFM MUTUAL INS CO
SFM SAFE INSURANCE COMPANY
SFM SELECT INSURANCE COMPANY
SILVER OAK CASUALTY INC
SIRIUSPOINT AMERICA INSURANCE COMPANY
SOCIETY INSURANCE A MUTUAL COMPANY
SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
SOMPO AMERICA INSURANCE COMPANY
SOUTHERN INS CO
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 FARM FIRE AND CASUALTY CO
STATE NATIONAL INSURANCE COMPANY



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NCCI Affiliate List

STONETRUST COMMERCIAL INS CO
STONINGTON INS CO
SUMMITPOINT INSURANCE COMPANY
SUNZ INSURANCE COMPANY
SUTTON NATIONAL INSURANCE COMPANY
SWISS RE CORPORATE SOLUTIONS AMERICA INS CORP
SWISS RE CORPORATE SOLUTIONS ELITE INS CORP
SWISS RE CORPORATE SOLUTIONS PREMIER INS CORP
THE 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
TRIANGLE INSURANCE COMPANY INC
TRIUMPH CASUALTY COMPANY
TRUCK INSURANCE EXCHANGE
TRUMBULL INS CO
TWIN CITY FIRE INS CO
UNION INS CO OF PROVIDENCE
UNION INSURANCE COMPANY
UNITED FIRE AND CASUALTY CO
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
WADENA INSURANCE COMPANY
WAUSAU BUSINESS INSURANCE COMPANY
WAUSAU UNDERWRITERS INSURANCE COMPANY
WCF NATIONAL INSURANCE COMPANY
WCF SELECT 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
WESTERN AGRICULTURAL INS CO
WESTERN NATIONAL ASSURANCE CO
WESTERN NATIONAL MUTUAL INS CO
WESTFIELD CHAMPION INSURANCE COMPANY
WESTFIELD INS CO
WESTFIELD NATIONAL INS CO
WESTFIELD PREMIER INSURANCE COMPANY
WESTFIELD SUPERIOR INSURANCE COMPANY
WESTFIELD TOUCHSTONE INSURANCE COMPANY
WESTPORT INSURANCE CORPORATION
WILLIAMSBURG NATIONAL INS CO
WORK FIRST CASUALTY CO
XL INS CO OF NY INC
XL INSURANCE AMERICA INC
XL SPECIALTY INS CO
ZENITH INS CO
ZNAT INS CO
ZURICH AMERICAN INS CO
ZURICH AMERICAN INS CO OF IL



Iowa

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