



Iowa

Advisory Rates,
Assigned Risk Rates,
and Rating Values Filing

Proposed Effective January 1, 2027



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August 19, 2026

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, 2027**

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, 2027 for new and renewal policies.

This filing proposes an overall average change of -2.1% to the voluntary rate level and the 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.

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 fluid and cursive, with the first name "Dan" and last name "Nelson" clearly distinguishable.

Dan Nelson, MCM, WCP
Senior State Relations Executive



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Workers Compensation Rate Filing – January 1, 2027

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



Iowa

Workers Compensation Rate Filing – January 1, 2027

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, 2027.

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. These ratemaking methodologies are unchanged from the prior filing and continue to remain appropriate for use in this filing.



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Disclosures

Data Sources

Key Dates

Financial Data Valuation Date	December 31, 2025
Financial Call Data Cutoff Date	June 9, 2026
Unit Statistical Plan Data Cutoff Date	June 24, 2026
Filing Preparation Date	July 14, 2026

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 Call 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 Plan Data submissions received after the Unit Statistical Plan Data Cutoff Date were not considered for inclusion in the analysis.

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

Data Exclusions

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

In this year's filing, data for all carriers writing at least one-tenth of one percent of the 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. Terrorism, industrial accidents, natural disasters, pandemics, and other perils all have the potential to be catastrophic in terms of the costs they impose on the workers compensation system. NCCI's standard ratemaking methodology excludes losses related to catastrophes from the calculation of rates since these events are not considered to be predictive of future experience. Future catastrophic experience is contemplated through the terrorism and catastrophe provisions. In line with previous filings, NCCI continues to exclude COVID-19 claims with accident dates between December 1, 2019 through June 30, 2023 from Financial Call Data and Unit Statistical Plan Data for use in ratemaking.

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

Risks and Uncertainty

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

- Projection of future loss development
- Selection of loss ratio trends
- Unanticipated changes to wage or medical inflation
- Potential impact of changes to laws and/or regulations
- Unforeseen changes in future economic conditions, including any unexpected changes to the labor market

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.



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Part 1 Filing Overview

- Executive Summary
- Overview of Methodology
- Summary of Selections



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Workers Compensation Rate Filing – January 1, 2027

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 level changes in Iowa to become effective January 1, 2027.

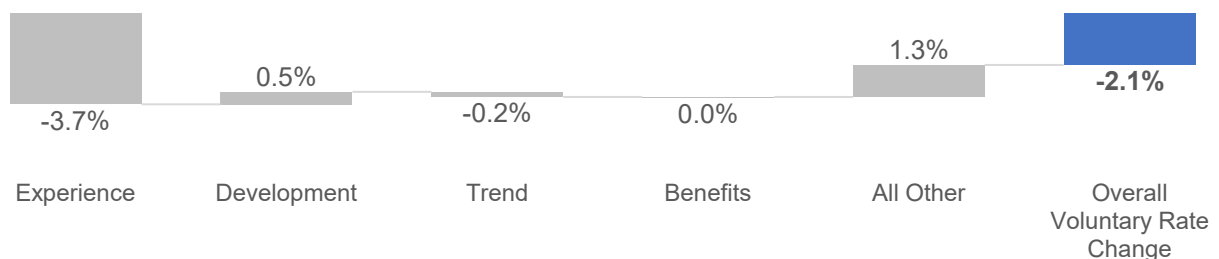
Summary of Overall Indications

Proposed Change in Overall Voluntary Rate Level	- 2.1%
Proposed Change in Overall Assigned Risk Rate Level	- 2.1%

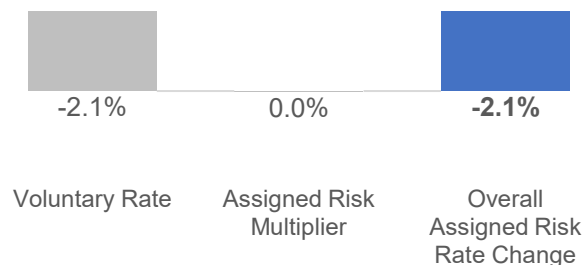
Breakdown of the Change in Key Components

Below are the changes in the key components underlying the overall voluntary rate and assigned risk rate level changes. The impact of these components are combined multiplicatively to produce the overall change. The overall change varies by classification code, each of which belongs to one of five Industry Groups.

Voluntary Rate



Assigned Risk Rate



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



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Executive Summary

Key Component Overview

Experience and Development

- The filing is based on financial premium and loss experience for Policy Years 2023 and 2024 evaluated as of December 31, 2025. The experience period evaluated as of December 31, 2025 shows continued improvement when compared to the data evaluated as of December 31, 2024. 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 Policy Years 2023 and 2024 demonstrate favorable experience. 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.
- 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.

Trend

- Generally, the selected annual loss ratio trends in this year's filing are more heavily based on the observed mid- to long-term patterns. Refer to Appendix A-III for considerations underlying the Trend selection.
 - The selected annual indemnity loss ratio trend and the selected medical loss ratio trend are both –4.0%. This represents a 0.5% increase to the currently approved indemnity trend factor and a 0.5% decrease to the currently approved medical trend factor.
 - After adjusting to a common wage level, Iowa's lost-time claim frequency continues to exhibit a long-term pattern of decline.
 - After adjusting to a common wage level, long-term indemnity and medical average cost per case figures remain relatively flat.



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Executive Summary

Other Items of Note

- Voluntary Rate items of note
 - The primary driver of the proposed change is improved experience. The changes in development and trend factor selections have partially offsetting impacts on the overall voluntary rate level change, as displayed in the visual on the first page of this section.
 - There are no benefit changes proposed in this filing.
 - The all other change includes an increase to both production and general (+1.0%) and loss adjustment expenses (+0.4%), and a slight decrease in taxes and assessments (-0.1%).
- Assigned Risk Rate items of note
 - The assigned risk rate change is identical to the voluntary rate change as this filing proposed to maintain the current approved assigned risk multiplier.



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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")



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Overview of Methodology

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 multiplier. The multiplier incorporates changes to the assigned risk differential and the proposed uncollectible premium provision.



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Summary of Selections

The following is a summary of selections underlying the voluntary rates and assigned risk rates proposed to be effective January 1, 2027, along with the selections underlying the currently approved filing effective January 1, 2026.

<u>Voluntary Market Advisory Rates</u>	<u>Currently Approved January 1, 2026</u>	<u>Proposed Effective January 1, 2027</u>
Experience Period	Policy Years 2022 and 2023	Policy Years 2023 and 2024
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	1.030	1.025
Trend Factor – Indemnity Loss Ratio	0.955	0.960
Trend Factor – Medical Loss Ratio	0.965	0.960
Base Threshold for Limiting Losses	\$6,540,212	\$6,521,991
Excess Ratio	3.5%	3.5%
Loss-based Expense Provision	19.0%	19.5%
Production and General Expenses	24.8%	25.5%
Premium Taxes and Assessments	2.7%	2.6%
Profit and Contingencies Provision	-0.5%	-0.5%
Classification Swing Limits (applied by Industry Group)	+/-25%	+/-25%

<u>Assigned Risk Rates</u>	<u>Currently Approved January 1, 2026</u>	<u>Proposed Effective January 1, 2027</u>
Assigned Risk Differential	1.200	1.200
Uncollectible Premium Provision (UPP)	1.5%	1.5%



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Part 2 Proposed Values

- Proposed Voluntary Market Advisory Rates for Inclusion in the Basic Manual
- Proposed Assigned Risk Rates for Inclusion in the Residual Market Manual
- Proposed Values for Inclusion in the Experience Rating Plan Manual
- Proposed Values for Inclusion in the Retrospective Rating Plan Manual

Please note the following in connection with this filing:

- The minimum premium value for Class Code 0401 is now the standard calculation



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Workers Compensation Rate Filing – January 1, 2027

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

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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
0005	2.381	422	2081	2.709	458	2841	2.834	472	3385	1.065	277	4240	1.985	378
0008	1.866	365	2089	2.820	470	2881	2.326	416	3400	1.762	354	4243	1.835	362
0016	3.541	500	2095	2.537	439	2883	2.652	452	3507	3.030	493	4244	2.383	422
0034	3.004	490	2105	3.426	537	2915	2.728	460	3515	1.647	341	4250	1.934	373
0035	1.664	343	2110	2.787	467	2916	3.337	527	3548	1.175	289	4251	2.250	408
0036	2.973	487	2111	2.371	421	2923	1.728	350	3559	2.326	416	4263	3.296	523
0037	2.771	465	2112	3.288	522	2960	5.572	773	3574	0.851	254	4273	2.191	401
0042	3.471	542	2114	1.922	371	3004	1.143	286	3581	0.974	267	4279	2.074	388
0050	4.203	622	2121	1.539	329	3018	3.156	507	3612	1.528	328	4283	2.526	438
0059	—	—	2130	1.732	351	3022	4.245	627	3620	2.132	395	4299	1.505	326
0065	—	—	2131	1.609	337	3027	2.066	387	3629	1.632	340	4304	3.310	524
0066	—	—	2143	1.787	357	3028	2.577	443	3632	2.145	396	4307	1.347	308
0067	—	—	2157	3.047	495	3030	4.431	647	3634	1.369	311	4351	1.070	278
0079	1.848	363	2172	1.607	337	3040	3.696	567	3635	1.796	358	4352	1.121	283
0083	3.353	500	2174	2.665	453	3041	3.033	494	3638	1.636	340	4361	0.774	245
0106	5.111	722	2211	6.816	910	3042	2.893	478	3642	1.516	327	4410	2.395	423
0113	2.648	451	2220	2.311	414	3064	2.883	477	3643	1.646	341	4420	4.020	602
0170	2.334	417	2288	3.836	582	3076	2.628	449	3647	2.576	443	4431	1.188	291
0251	2.761	464	2302	1.663	343	3081	4.355	639	3648	0.972	267	4432	1.320	305
0401	7.605	997	2305	2.277	410	3082	5.106	722	3681	0.441	209	4452	2.000	380
0771N	0.320	—	2361	1.901	369	3085	4.758	683	3685	0.883	257	4459	2.238	406
0908P	129.000	289	2362	2.139	395	3110	4.172	619	3719	1.066	277	4470	2.485	433
0913P	391.000	551	2380	1.892	368	3111	2.712	458	3724	3.325	526	4484	2.797	468
0917	2.275	410	2388	1.263	299	3113	1.494	324	3726	3.033	494	4493	1.674	344
1005	3.850	584	2402	1.939	373	3114	1.870	366	3803	2.599	446	4511	0.485	213
1016	10.733	1000	2413	1.511	326	3118	1.398	314	3807	1.870	366	4557	2.370	421
1164	2.726	460	2416	1.514	327	3119	0.865	255	3808	2.901	479	4558	1.767	354
1165	2.521	437	2417	1.172	289	3122	1.582	334	3821	3.858	584	4568	2.179	400
1320	1.312	304	2501	1.609	337	3126	2.172	399	3822	3.258	518	4581	0.819	250
1322	6.501	875	2503	0.817	250	3131	1.408	315	3824	3.187	511	4583	2.555	441
1430	3.114	503	2570	2.955	485	3132	1.879	367	3826	0.670	234	4611	1.144	286
1438	2.937	483	2585	3.089	500	3145	1.801	358	3827	2.289	412	4635	2.393	423
1452	1.769	355	2586	4.696	677	3146	2.009	381	3830	1.025	273	4653	2.797	468
1463	7.568	992	2587	2.051	386	3169	2.074	388	3851	2.262	409	4665	5.997	820
1472	2.746	462	2589	2.019	382	3179	2.113	392	3865	2.822	470	4683	3.296	523
1624	3.003	490	2600	4.197	622	3180	1.609	337	3881	2.810	469	4686	2.243	407
1642	3.671	564	2623	4.402	644	3188	1.760	354	4000	4.040	604	4692	0.577	223
1654	3.408	535	2651	1.725	350	3220	1.227	295	4021	4.415	646	4693	1.058	276
1699	2.510	436	2660	1.575	333	3224	2.628	449	4024	3.857	584	4703	1.274	300
1701	2.422	426	2683	—	—	3227	2.483	433	4034	4.827	691	4717	1.450	320
1710	3.351	529	2688	1.690	346	3240	—	—	4036	1.767	354	4720	1.988	379
1747	2.162	398	2701	11.794	1000	3241	2.910	480	4038	1.841	363	4740	0.844	253
1748	3.786	576	2702	13.499	1000	3255	2.211	403	4062	1.769	355	4741	3.482	543
1803	4.331	636	2709	5.983	818	3257	2.211	403	4101	2.692	456	4751	2.253	408
1924	2.603	446	2710	6.383	862	3270	1.652	342	4109	0.395	203	4771N	1.814	395
1925	2.949	484	2714	3.583	554	3300	3.085	499	4110	0.623	229	4777	3.874	586
2002	2.868	475	2731	3.575	553	3303	2.609	447	4111	1.874	366	4825	0.866	255
2003	4.625	669	2735	4.869	696	3307	2.140	395	4114	2.017	382	4828	1.752	353
2014	4.056	606	2759	4.399	644	3315	3.663	563	4130	2.576	443	4829	0.900	259
2016	2.338	417	2790	1.838	362	3334	1.919	371	4131	5.214	734	4902	1.874	366
2021	2.552	441	2797	2.611	447	3336	1.931	372	4133	2.599	446	4923	1.217	294
2039	2.893	478	2799	4.483	653	3365	3.359	529	4149	0.802	248	5020	3.735	571
2041	2.542	440	2802	2.604	446	3372	2.878	477	4206	2.193	401	5022	4.735	681
2065	1.934	373	2835	2.398	424	3373	4.559	661	4207	2.420	426	5037	5.536	769
2070	4.257	628	2836	2.383	422	3383	1.337	307	4239	2.196	402	5040	7.057	936

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.

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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
5057	2.563	442	6251	5.014	712	7390	3.199	512	8111	1.812	359	8832	0.255	188
5059	8.436	1000	6252	2.351	419	7394M	7.874	1000	8116	1.798	358	8833	0.664	233
5102	5.226	735	6306	3.607	557	7395M	8.749	1000	8203	6.211	843	8835	1.478	323
5146	3.086	499	6319	2.305	414	7398M	10.639	1000	8204	3.067	497	8842	1.689	346
5160	2.438	428	6325	2.620	448	7402	0.144	176	8209	3.155	507	8855	0.094	170
5183	2.121	393	6400	3.132	505	7403	2.731	460	8215	3.119	503	8856	0.401	204
5188	2.561	442	6503	1.892	368	7405N	0.864	306	8227	3.029	493	8864	1.118	283
5190	1.651	342	6504	2.527	438	7420	4.328	636	8232	3.506	546	8868	0.466	211
5191	0.971	267	6702M*	2.722	459	7421	0.542	220	8233	2.624	449	8869	0.923	262
5192	2.866	475	6703M*	3.678	565	7422	1.194	291	8235	3.524	548	8871	0.030	163
5213	5.182	730	6704M*	3.024	493	7425	1.802	358	8263	5.753	793	8901	0.121	173
5215	3.976	597	6801F	3.765	574	7431N	0.693	277	8264	3.901	589	9012	0.985	268
5221	2.962	486	6811	3.838	582	7445N	0.465	—	8265	4.548	660	9014	2.013	381
5222	6.680	895	6824F	3.930	592	7453N	0.373	—	8279	5.209	733	9015	2.364	420
5223	3.175	509	6826F	2.836	472	7502	1.682	345	8288	4.944	704	9016	2.148	396
5348	2.706	458	6834	2.219	404	7515	0.616	228	8291	2.765	464	9019	2.310	414
5402	4.325	636	6836	2.138	395	7520	2.007	381	8292	2.550	441	9033	1.464	321
5403	3.871	586	6843F	4.583	664	7538	2.015	382	8293	4.442	649	9040	2.347	418
5437	3.578	554	6845F	4.333	637	7539	1.525	328	8304	4.837	692	9044	1.066	277
5443	2.530	438	6854	4.104	611	7540	2.005	381	8350	4.303	633	9052	1.276	300
5445	3.374	531	6872F	4.721	679	7580	1.654	342	8380	2.095	390	9058	1.137	285
5462	3.976	597	6874F	4.354	639	7590	4.722	679	8381	1.469	322	9060	1.218	294
5472	5.803	798	6882	5.577	773	7600	2.627	449	8385	2.022	382	9061	0.891	258
5473	5.403	754	6884	4.263	629	7605	1.722	349	8392	1.999	380	9062	0.962	266
5474	4.050	606	7016M	3.848	583	7610	0.615	228	8393	1.286	301	9063	0.661	233
5478	2.180	400	7024M	4.275	630	7705	4.023	603	8500	3.834	582	9077F	3.773	575
5479	4.414	646	7038M	4.157	617	7710	16.279	1000	8601	0.265	189	9082	0.853	254
5480	4.587	665	7046M	9.248	1000	7711	58.065	1000	8602	1.831	361	9083	0.930	262
5491	1.734	351	7047M	5.198	732	7720	1.964	376	8603	0.089	170	9084	0.957	265
5506	4.375	641	7050M	5.617	778	7855	2.240	406	8606	1.059	276	9088a	a	a
5507	3.200	512	7090M	4.619	668	8001	1.886	367	8709F	2.222	404	9089	1.107	282
5535	4.937	703	7098M	10.275	1000	8002	1.924	372	8719	1.260	299	9093	1.208	293
5537	2.859	474	7099M	12.494	1000	8006	1.667	343	8720	0.735	241	9101	3.855	584
5551	10.047	1000	7133	3.039	494	8008	0.995	269	8721	0.232	186	9102	2.147	396
5606	0.847	253	7151M	3.692	566	8010	1.531	328	8723	0.071	168	9154	1.352	309
5610	2.917	481	7152M	4.990	709	8013	0.212	183	8725	2.096	391	9156	2.383	422
5645	6.591	885	7153M	4.103	611	8015	0.732	241	8726F	1.100	281	9170	7.600	996
5703	10.520	1000	7219	5.898	809	8017	1.127	284	8734M	0.354	199	9178	4.542	660
5705	8.624	1000	7222	5.714	789	8018	2.771	465	8737M	0.318	195	9179	10.779	1000
5951	0.599	226	7225	6.407	865	8021	1.765	354	8738M	0.430	207	9180	3.588	555
6003	3.374	531	7230	5.516	767	8031	1.366	310	8742	0.262	189	9182	1.863	365
6005	2.979	488	7231	6.119	833	8032	1.529	328	8745	3.365	530	9186	6.802	908
6018	2.781	466	7232	6.850	914	8033	1.078	279	8748	0.415	206	9220	3.507	546
6045	3.697	567	7309F	4.705	678	8037	1.856	364	8755	0.300	193	9402	3.382	532
6204	5.323	746	7313F	3.010	491	8039	1.512	326	8799	0.617	228	9403	6.022	822
6206	2.146	396	7317F	3.278	521	8044	1.889	368	8800	2.044	385	9410	1.685	345
6213	1.659	342	7327F	5.344	748	8045	0.635	230	8803	0.035	164	9501	3.055	496
6214	1.443	319	7333M	4.243	627	8046	2.311	414	8805M	0.173	179	9505	2.348	418
6216	3.376	531	7335M	4.714	679	8047	0.708	238	8810	0.128	174	9516	1.957	375
6217	3.030	493	7337M	5.732	791	8058	1.892	368	8814M	0.156	177	9519	3.339	527
6229	3.154	507	7350F	3.896	589	8072	0.492	214	8815M	0.210	183	9521	2.451	430
6233	1.480	323	7360	3.471	542	8102	1.166	288	8820	0.100	171	9522	3.060	497
6235	3.732	571	7370	4.386	642	8103	1.953	375	8824	1.475	322	9534	2.933	483
6236	3.704	567	7380	4.211	623	8106	4.545	660	8826	1.606	337	9554	5.452	760
6237	1.223	295	7382	4.391	643	8107	2.335	417	8831	0.995	269	9586	0.348	198

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.

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CLASS CODE	RATE	MIN PREM
9600	1.841	363
9620	1.202	292

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.

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FOOTNOTES

- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. 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 1.642 and elr x 1.593.
- 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

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MISCELLANEOUS VALUES

Basis of premium applicable in accordance with the Basic Manual notes for Code 7370 -- "Taxicab Co.":	
Employee operated vehicle.....	\$94,800
Leased or rented vehicle.....	\$63,200
Catastrophe (other than Certified Acts of Terrorism) - (Voluntary)	0.010
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"	\$4,900
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	\$4,900
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	\$600
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)	0.010
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 (1.043).)

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, 2027

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

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APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	2.900	479	2081	3.300	523	2841	3.452	540	3385	1.297	303	4240	2.418	426
0008	2.273	410	2089	3.435	538	2881	2.833	472	3400	2.146	396	4243	2.235	406
0016	4.313	500	2095	3.090	500	2883	3.230	515	3507	3.691	566	4244	2.902	479
0034	3.659	562	2105	4.173	619	2915	3.323	526	3515	2.006	381	4250	2.356	419
0035	2.027	383	2110	3.395	533	2916	4.064	607	3548	1.431	317	4251	2.741	462
0036	3.621	500	2111	2.888	478	2923	2.105	392	3559	2.833	472	4263	4.015	602
0037	3.375	500	2112	4.005	601	2960	6.787	907	3574	1.037	274	4273	2.669	454
0042	4.228	625	2114	2.341	418	3004	1.392	313	3581	1.186	290	4279	2.526	438
0050	5.119	723	2121	1.875	366	3018	3.844	583	3612	1.861	365	4283	3.077	498
0059	—	—	2130	2.110	392	3022	5.170	729	3620	2.597	446	4299	1.833	362
0065	—	—	2131	1.960	376	3027	2.516	437	3629	1.988	379	4304	4.032	604
0066	—	—	2143	2.177	399	3028	3.139	505	3632	2.613	447	4307	1.641	341
0067	—	—	2157	3.711	568	3030	5.397	754	3634	1.667	343	4351	1.303	303
0079	2.251	408	2172	1.957	375	3040	4.502	655	3635	2.188	401	4352	1.365	310
0083	4.084	500	2174	3.246	517	3041	3.694	566	3638	1.993	379	4361	0.943	264
0106	6.225	845	2211	8.302	1000	3042	3.524	548	3642	1.846	363	4410	2.917	481
0113	3.225	515	2220	2.815	470	3064	3.511	546	3643	2.005	381	4420	4.896	699
0170	2.843	473	2288	4.672	674	3076	3.201	512	3647	3.138	505	4431	1.447	319
0251	3.363	530	2302	2.026	383	3081	5.304	743	3648	1.184	290	4432	1.608	337
0401	9.263	1000	2305	2.773	465	3082	6.219	844	3681	0.537	219	4452	2.436	428
0771N	0.390	—	2361	2.315	415	3085	5.795	797	3685	1.075	278	4459	2.726	460
0908P	157.000	317	2362	2.605	447	3110	5.081	719	3719	1.298	303	4470	3.027	493
0913P	476.000	636	2380	2.304	413	3111	3.303	523	3724	4.050	606	4484	3.407	535
0917	2.771	465	2388	1.538	329	3113	1.820	360	3726	3.694	566	4493	2.039	384
1005	4.689	676	2402	2.362	420	3114	2.278	411	3803	3.166	508	4511	0.591	225
1016	13.073	1000	2413	1.840	362	3118	1.703	347	3807	2.278	411	4557	2.887	478
1164	3.320	525	2416	1.844	363	3119	1.054	276	3808	3.533	549	4558	2.152	397
1165	3.071	498	2417	1.427	317	3122	1.927	372	3821	4.699	677	4568	2.654	452
1320	1.598	336	2501	1.960	376	3126	2.645	451	3822	3.968	596	4581	0.998	270
1322	7.918	1000	2503	0.995	269	3131	1.715	349	3824	3.882	587	4583	3.112	502
1430	3.793	577	2570	3.599	556	3132	2.289	412	3826	0.816	250	4611	1.393	313
1438	3.577	553	2585	3.762	574	3145	2.194	401	3827	2.788	467	4635	2.915	481
1452	2.155	397	2586	5.720	789	3146	2.447	429	3830	1.248	297	4653	3.407	535
1463	9.218	1000	2587	2.498	435	3169	2.526	438	3851	2.755	463	4665	7.304	963
1472	3.345	528	2589	2.459	430	3179	2.574	443	3865	3.437	538	4683	4.015	602
1624	3.658	562	2600	5.112	722	3180	1.960	376	3881	3.423	537	4686	2.732	461
1642	4.471	652	2623	5.362	750	3188	2.144	396	4000	4.921	701	4692	0.703	237
1654	4.151	617	2651	2.101	391	3220	1.494	324	4021	5.377	751	4693	1.289	302
1699	3.057	496	2660	1.918	371	3224	3.201	512	4024	4.698	677	4703	1.552	331
1701	2.950	485	2683	—	—	3227	3.024	493	4034	5.879	807	4717	1.766	354
1710	4.082	609	2688	2.058	386	3240	—	—	4036	2.152	397	4720	2.421	426
1747	2.633	450	2701	14.365	1000	3241	3.544	550	4038	2.242	407	4740	1.028	273
1748	4.611	667	2702	16.442	1000	3255	2.693	456	4062	2.155	397	4741	4.241	627
1803	5.275	740	2709	7.287	962	3257	2.693	456	4101	3.279	521	4751	2.744	462
1924	3.170	509	2710	7.774	1000	3270	2.012	381	4109	0.481	213	4771N	2.209	446
1925	3.592	555	2714	4.364	640	3300	3.758	573	4110	0.759	243	4777	4.719	679
2002	3.493	544	2731	4.354	639	3303	3.178	510	4111	2.283	411	4825	1.055	276
2003	5.633	780	2735	5.930	812	3307	2.607	447	4114	2.457	430	4828	2.134	395
2014	4.940	703	2759	5.358	749	3315	4.462	651	4130	3.138	505	4829	1.096	281
2016	2.848	473	2790	2.239	406	3334	2.337	417	4131	6.351	859	4902	2.283	411
2021	3.108	502	2797	3.180	510	3336	2.352	419	4133	3.166	508	4923	1.482	323
2039	3.524	548	2799	5.460	761	3365	4.091	610	4149	0.977	267	5020	4.549	660
2041	3.096	501	2802	3.172	509	3372	3.505	546	4206	2.671	454	5022	5.767	794
2065	2.356	419	2835	2.921	481	3373	5.553	771	4207	2.948	484	5037	6.743	902
2070	5.185	730	2836	2.902	479	3383	1.628	339	4239	2.675	454	5040	8.595	1000

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

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

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

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
5057	3.122	503	6251	6.107	832	7390	3.896	589	8111	2.207	403	8832	0.311	194
5059	10.275	1000	6252	2.864	475	7394M	9.591	1000	8116	2.190	401	8833	0.809	249
5102	6.365	860	6306	4.393	643	7395M	10.656	1000	8203	7.565	992	8835	1.800	358
5146	3.759	573	6319	2.807	469	7398M	12.958	1000	8204	3.736	571	8842	2.057	386
5160	2.969	487	6325	3.191	511	7402	0.175	179	8209	3.843	583	8855	0.114	173
5183	2.583	444	6400	3.815	580	7403	3.326	526	8215	3.799	578	8856	0.488	214
5188	3.119	503	6503	2.304	413	7405N	1.052	338	8227	3.689	566	8864	1.362	310
5190	2.011	381	6504	3.078	499	7420	5.272	740	8232	4.270	630	8868	0.568	222
5191	1.183	290	6702M*	3.315	525	7421	0.660	233	8233	3.196	512	8869	1.124	284
5192	3.491	544	6703M*	4.480	653	7422	1.454	320	8235	4.292	632	8871	0.037	164
5213	6.312	854	6704M*	3.683	565	7425	2.195	401	8263	7.007	931	8901	0.147	176
5215	4.843	693	6801F	4.586	664	7431N	0.844	303	8264	4.751	683	9012	1.200	292
5221	3.608	557	6811	4.675	674	7445N	0.566	—	8265	5.539	769	9014	2.452	430
5222	8.136	1000	6824F	4.787	687	7453N	0.454	—	8279	6.345	858	9015	2.879	477
5223	3.867	585	6826F	3.454	540	7502	2.049	385	8288	6.022	822	9016	2.616	448
5348	3.296	523	6834	2.703	457	7515	0.750	243	8291	3.368	530	9019	2.814	470
5402	5.268	739	6836	2.604	446	7520	2.445	429	8292	3.106	502	9033	1.783	356
5403	4.715	679	6843F	5.582	774	7538	2.454	430	8293	5.410	755	9040	2.859	474
5437	4.358	639	6845F	5.278	741	7539	1.857	364	8304	5.891	808	9044	1.298	303
5443	3.082	499	6854	4.999	710	7540	2.442	429	8350	5.241	737	9052	1.554	331
5445	4.110	612	6872F	5.750	793	7580	2.015	382	8380	2.552	441	9058	1.385	312
5462	4.843	693	6874F	5.303	743	7590	5.751	793	8381	1.789	357	9060	1.484	323
5472	7.068	937	6882	6.793	907	7600	3.200	512	8385	2.463	431	9061	1.085	279
5473	6.581	884	6884	5.192	731	7605	2.097	391	8392	2.435	428	9062	1.172	289
5474	4.933	703	7016M	4.687	676	7610	0.749	242	8393	1.566	332	9063	0.805	249
5478	2.655	452	7024M	5.207	733	7705	4.900	699	8500	4.670	674	9077F	4.596	666
5479	5.376	751	7038M	5.063	717	7710	19.828	1000	8601	0.323	196	9082	1.039	274
5480	5.587	775	7046M	11.264	1000	7711	70.723	1000	8602	2.230	405	9083	1.133	285
5491	2.112	392	7047M	6.331	856	7720	2.392	423	8603	0.108	172	9084	1.166	288
5506	5.329	746	7050M	6.842	913	7855	2.728	460	8606	1.290	302	9088a	a	a
5507	3.898	589	7090M	5.626	779	8001	2.297	413	8709F	2.706	458	9089	1.348	308
5535	6.013	821	7098M	12.515	1000	8002	2.343	418	8719	1.535	329	9093	1.471	322
5537	3.482	543	7099M	15.218	1000	8006	2.030	383	8720	0.895	258	9101	4.695	676
5551	12.237	1000	7133	3.702	567	8008	1.212	293	8721	0.283	191	9102	2.615	448
5606	1.032	274	7151M	4.497	655	8010	1.865	365	8723	0.086	169	9154	1.647	341
5610	3.553	551	7152M	6.078	829	8013	0.258	188	8725	2.553	441	9156	2.902	479
5645	8.028	1000	7153M	4.997	710	8015	0.892	258	8726F	1.340	307	9170	9.257	1000
5703	12.813	1000	7219	7.184	950	8017	1.373	311	8734M	0.431	207	9178	5.532	769
5705	10.504	1000	7222	6.960	926	8018	3.375	531	8737M	0.387	203	9179	13.129	1000
5951	0.730	240	7225	7.804	1000	8021	2.150	397	8738M	0.524	218	9180	4.370	641
6003	4.110	612	7230	6.718	899	8031	1.664	343	8742	0.319	195	9182	2.269	410
6005	3.628	559	7231	7.453	980	8032	1.862	365	8745	4.099	611	9186	8.285	1000
6018	3.387	533	7232	8.343	1000	8033	1.313	304	8748	0.505	216	9220	4.272	630
6045	4.503	655	7309F	5.731	790	8037	2.261	409	8755	0.365	200	9402	4.119	613
6204	6.483	873	7313F	3.666	563	8039	1.842	363	8799	0.752	243	9403	7.335	967
6206	2.614	448	7317F	3.993	599	8044	2.301	413	8800	2.490	434	9410	2.052	386
6213	2.021	382	7327F	6.509	876	8045	0.773	245	8803	0.043	165	9501	3.721	569
6214	1.758	353	7333M	5.168	728	8046	2.815	470	8805M	0.211	183	9505	2.860	475
6216	4.112	612	7335M	5.742	792	8047	0.862	255	8810	0.156	177	9516	2.384	422
6217	3.691	566	7337M	6.982	928	8058	2.304	413	8814M	0.190	181	9519	4.067	607
6229	3.842	583	7350F	4.745	682	8072	0.599	226	8815M	0.256	188	9521	2.985	488
6233	1.803	358	7360	4.228	625	8102	1.420	316	8820	0.122	173	9522	3.727	570
6235	4.546	660	7370	5.342	748	8103	2.379	422	8824	1.797	358	9534	3.572	553
6236	4.511	656	7380	5.129	724	8106	5.536	769	8826	1.956	375	9554	6.641	891
6237	1.490	324	7382	5.348	748	8107	2.844	473	8831	1.212	293	9586	0.424	207

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.

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CLASS CODE	RATE	MIN PREM
9600	2.242	407
9620	1.464	321

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

Effective January 1, 2027

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

FOOTNOTES

- a Rate for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for USL&HW Assessment.
- M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. 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 1.642 and elr x 1.593.
- 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, 2027

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES

Basis of premium applicable in accordance with the Basic Manual notes for Code 7370 -- "Taxicab Co.":	
Employee operated vehicle.....	\$94,800
Leased or rented vehicle.....	\$63,200
Catastrophe (other than Certified Acts of Terrorism) - (Assigned Risk)	0.010
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"	\$4,900
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	\$4,900
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	\$600
Terrorism - (Assigned Risk)	0.010
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 (1.043).)	

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, 2027

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



Workers Compensation Rate Filing – January 1, 2027

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 split point is based on the average claim costs in the state, promoting an equitable determination of primary and excess losses. To reflect changes in claim costs and preserve alignment with other experience rating parameters, the split point is reviewed annually and may be adjusted to maintain an average D-ratio of approximately 40%, the average D-ratio utilized when the credibility parameters underlying the weight and ballast values were last recalibrated. Utilizing a consistent average D-ratio promotes similar experience rating plan performance across states with varying cost levels.

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, 2027

Proposed Rating Values

For the calculation of experience mods, the experience rating plan for Iowa uses actual losses net of the reported deductible reimbursement amount. As a result, the ELR adjustment mentioned above is calculated using actual losses net of the deductible reimbursement to target the average intrastate experience mod.

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, 2027

**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	1.267	0.44	2081	1.546	0.45	2841	1.508	0.44	3385	0.565	0.44	4240	1.132	0.45
0008	0.993	0.44	2089	1.499	0.44	2881	1.323	0.45	3400	0.935	0.44	4243	0.934	0.42
0016	1.607	0.40	2095	1.288	0.42	2883	1.410	0.44	3507	1.540	0.42	4244	1.078	0.40
0034	1.528	0.42	2105	1.951	0.45	2915	1.235	0.40	3515	0.839	0.42	4250	0.986	0.42
0035	0.848	0.42	2110	1.482	0.44	2916	1.516	0.40	3548	0.623	0.44	4251	1.194	0.44
0036	1.577	0.44	2111	1.256	0.44	2923	0.987	0.45	3559	1.182	0.42	4263	1.678	0.42
0037	1.255	0.40	2112	1.747	0.44	2960	2.817	0.42	3574	0.452	0.44	4273	1.114	0.42
0042	1.767	0.42	2114	1.095	0.45	3004	0.474	0.36	3581	0.516	0.44	4279	0.939	0.40
0050	1.904	0.40	2121	0.880	0.45	3018	1.318	0.36	3612	0.778	0.42	4283	1.338	0.44
0059	—	—	2130	0.881	0.42	3022	2.264	0.44	3620	0.964	0.40	4299	0.767	0.42
0065	—	—	2131	0.854	0.44	3027	0.933	0.40	3629	0.831	0.42	4304	1.687	0.42
0066	—	—	2143	1.018	0.45	3028	1.166	0.40	3632	1.093	0.42	4307	0.768	0.45
0067	—	—	2157	1.611	0.44	3030	2.007	0.40	3634	0.696	0.42	4351	0.568	0.44
0079	0.942	0.42	2172	0.725	0.40	3040	1.883	0.42	3635	0.916	0.42	4352	0.595	0.44
0083	1.707	0.42	2174	1.420	0.44	3041	1.540	0.42	3638	0.870	0.44	4361	0.411	0.44
0106	2.120	0.36	2211	3.086	0.40	3042	1.470	0.42	3642	0.806	0.44	4410	1.271	0.44
0113	1.407	0.44	2220	1.174	0.42	3064	1.469	0.42	3643	0.745	0.40	4420	1.664	0.36
0170	1.236	0.44	2288	2.041	0.44	3076	1.397	0.44	3647	1.306	0.42	4431	0.676	0.45
0251	1.405	0.42	2302	0.848	0.42	3081	2.218	0.42	3648	0.553	0.45	4432	0.751	0.45
0401	3.167	0.36	2305	1.032	0.40	3082	2.316	0.40	3681	0.234	0.44	4452	1.018	0.42
0771	—	—	2361	0.970	0.42	3085	2.420	0.42	3685	0.469	0.44	4459	1.013	0.40
0908	65.725	0.42	2362	1.137	0.44	3110	2.127	0.42	3719	0.401	0.35	4470	1.265	0.42
0913	199.009	0.42	2380	1.005	0.44	3111	1.445	0.44	3724	1.252	0.35	4484	1.486	0.44
0917	1.294	0.45	2388	0.721	0.45	3113	0.761	0.42	3726	1.139	0.35	4493	0.852	0.42
1005	1.440	0.35	2402	0.879	0.40	3114	0.953	0.42	3803	1.382	0.44	4511	0.247	0.42
1016	4.019	0.35	2413	0.769	0.42	3118	0.795	0.45	3807	0.990	0.44	4557	1.073	0.40
1164	1.026	0.35	2416	0.805	0.44	3119	0.517	0.49	3808	1.472	0.42	4558	0.898	0.42
1165	0.946	0.35	2417	0.623	0.44	3122	0.901	0.45	3821	1.748	0.40	4568	0.984	0.40
1320	0.544	0.36	2501	0.854	0.44	3126	1.105	0.42	3822	1.731	0.44	4581	0.340	0.36
1322	2.446	0.35	2503	0.434	0.44	3131	0.716	0.42	3824	1.696	0.44	4583	1.060	0.36
1430	1.411	0.40	2570	1.565	0.44	3132	1.000	0.44	3826	0.340	0.42	4611	0.609	0.44
1438	1.329	0.40	2585	1.569	0.42	3145	0.916	0.42	3827	1.211	0.44	4635	0.994	0.36
1452	0.797	0.40	2586	2.500	0.44	3146	1.025	0.42	3830	0.521	0.42	4653	1.483	0.44
1463	2.852	0.35	2587	1.085	0.44	3169	1.102	0.44	3851	1.205	0.44	4665	2.714	0.40
1472	1.243	0.40	2589	1.030	0.42	3179	1.123	0.44	3865	1.601	0.45	4683	1.676	0.42
1624	1.247	0.36	2600	2.223	0.44	3180	0.855	0.44	3881	1.429	0.42	4686	1.017	0.40
1642	1.664	0.40	2623	1.988	0.40	3188	0.897	0.42	4000	1.673	0.36	4692	0.306	0.44
1654	1.542	0.40	2651	0.918	0.44	3220	0.624	0.42	4021	2.251	0.42	4693	0.562	0.44
1699	1.136	0.40	2660	0.897	0.45	3224	1.497	0.45	4024	1.745	0.40	4703	0.647	0.42
1701	1.005	0.36	2683	0.854	0.44	3227	1.318	0.44	4034	2.185	0.40	4717	0.824	0.45
1710	1.517	0.40	2688	0.899	0.44	3240	1.175	0.44	4036	0.801	0.40	4720	1.012	0.42
1747	0.976	0.40	2701	4.854	0.36	3241	1.545	0.44	4038	1.048	0.45	4740	0.317	0.35
1748	1.720	0.40	2702	5.072	0.35	3255	1.259	0.45	4062	0.901	0.42	4741	1.764	0.42
1803	1.961	0.40	2709	2.481	0.36	3257	1.175	0.44	4101	1.370	0.42	4751	1.023	0.40
1924	1.380	0.44	2710	2.899	0.40	3270	0.877	0.44	4109	0.209	0.44	4771	0.753	0.36
1925	1.501	0.42	2714	1.908	0.44	3300	1.760	0.45	4110	0.330	0.44	4777	1.610	0.36
2002	1.521	0.44	2731	1.899	0.44	3303	1.386	0.44	4111	0.990	0.44	4825	0.391	0.40
2003	2.345	0.42	2735	2.596	0.44	3307	1.090	0.42	4114	1.025	0.42	4828	0.728	0.36
2014	1.837	0.40	2759	2.336	0.44	3315	1.941	0.44	4130	1.367	0.44	4829	0.373	0.36
2016	1.234	0.44	2790	1.048	0.45	3334	0.970	0.42	4131	2.770	0.44	4902	0.997	0.44
2021	1.298	0.42	2797	1.489	0.45	3336	0.982	0.42	4133	1.484	0.45	4923	0.621	0.42
2039	1.536	0.44	2799	2.277	0.42	3365	1.393	0.36	4149	0.457	0.45	5020	1.546	0.36
2041	1.352	0.44	2802	1.323	0.42	3372	1.464	0.42	4206	1.163	0.44	5022	1.782	0.35
2065	0.986	0.42	2835	1.370	0.45	3373	2.422	0.44	4207	1.002	0.36	5037	2.079	0.35
2070	2.160	0.42	2836	1.358	0.45	3383	0.709	0.44	4239	0.909	0.36	5040	2.656	0.35

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

EXPERIENCE RATING PLAN MANUAL

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**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
5057	0.964	0.35	6251	2.069	0.36	7390	1.695	0.44	8111	0.924	0.42	8832	0.135	0.44
5059	3.176	0.35	6252	0.883	0.35	7394	3.002	0.35	8116	0.915	0.42	8833	0.352	0.44
5102	2.169	0.36	6306	1.497	0.36	7395	3.335	0.35	8203	3.157	0.42	8835	0.783	0.44
5146	1.394	0.40	6319	0.868	0.35	7398	3.935	0.35	8204	1.563	0.42	8842	1.011	0.49
5160	0.915	0.35	6325	0.986	0.35	7402	0.077	0.44	8209	1.673	0.44	8855	0.050	0.44
5183	0.879	0.36	6400	1.418	0.40	7403	1.445	0.44	8215	1.414	0.40	8856	0.212	0.44
5188	1.060	0.36	6503	1.004	0.44	7405	0.455	0.44	8227	1.258	0.36	8864	0.637	0.45
5190	0.686	0.36	6504	1.338	0.44	7420	1.616	0.35	8232	1.585	0.40	8868	0.266	0.45
5191	0.439	0.40	6702	1.231	0.40	7421	0.244	0.40	8233	1.179	0.40	8869	0.527	0.45
5192	1.458	0.42	6703	1.614	0.40	7422	0.490	0.36	8235	1.792	0.42	8871	0.016	0.44
5213	1.951	0.35	6704	1.368	0.40	7425	0.742	0.36	8263	2.925	0.42	8901	0.054	0.40
5215	1.795	0.40	6801F	1.482	0.37	7431	0.285	0.36	8264	1.767	0.40	9012	0.446	0.40
5221	1.227	0.36	6811	1.742	0.40	7445	—	—	8265	1.890	0.36	9014	1.069	0.44
5222	2.511	0.35	6824F	1.547	0.37	7453	—	—	8279	2.170	0.36	9015	1.202	0.42
5223	1.437	0.40	6826F	1.116	0.37	7502	0.759	0.40	8288	2.524	0.42	9016	1.145	0.44
5348	1.223	0.40	6834	1.179	0.44	7515	0.232	0.35	8291	1.407	0.42	9019	1.048	0.40
5402	2.297	0.44	6836	1.089	0.42	7520	1.022	0.42	8292	1.352	0.44	9033	0.743	0.42
5403	1.607	0.36	6843F	1.565	0.33	7538	0.759	0.35	8293	2.354	0.44	9040	1.337	0.45
5437	1.485	0.36	6845F	1.480	0.33	7539	0.630	0.36	8304	2.012	0.36	9044	0.608	0.45
5443	1.284	0.42	6854	1.703	0.36	7540	0.756	0.35	8350	1.784	0.36	9052	0.726	0.45
5445	1.269	0.35	6872F	1.612	0.33	7580	0.748	0.40	8380	1.065	0.42	9058	0.680	0.49
5462	1.796	0.40	6874F	1.487	0.33	7590	2.130	0.40	8381	0.748	0.42	9060	0.694	0.45
5472	2.186	0.35	6882	2.310	0.36	7600	1.186	0.40	8385	1.028	0.42	9061	0.507	0.45
5473	2.033	0.35	6884	1.754	0.36	7605	0.715	0.36	8392	1.138	0.45	9062	0.548	0.45
5474	1.526	0.35	7016	1.443	0.35	7610	0.278	0.40	8393	0.580	0.40	9063	0.378	0.45
5478	0.902	0.36	7024	1.603	0.35	7705	2.038	0.42	8500	1.740	0.40	9077F	1.679	0.43
5479	1.998	0.40	7038	1.579	0.35	7710	6.742	0.36	8601	0.110	0.36	9082	0.511	0.49
5480	1.900	0.36	7046	3.479	0.35	7711	24.059	0.36	8602	0.831	0.40	9083	0.557	0.49
5491	0.719	0.36	7047	1.892	0.35	7720	0.888	0.40	8603	0.047	0.44	9084	0.545	0.45
5506	1.815	0.36	7050	2.071	0.35	7855	1.013	0.40	8606	0.439	0.36	9088	a	a
5507	1.324	0.36	7090	1.755	0.35	8001	1.003	0.44	8709F	0.759	0.33	9089	0.632	0.45
5535	1.864	0.35	7098	3.865	0.35	8002	1.025	0.44	8719	0.523	0.36	9093	0.690	0.45
5537	1.292	0.40	7099	4.561	0.35	8006	0.949	0.45	8720	0.305	0.36	9101	2.202	0.45
5551	3.788	0.35	7133	1.265	0.36	8008	0.568	0.45	8721	0.105	0.40	9102	1.093	0.42
5606	0.319	0.35	7151	1.537	0.36	8010	0.815	0.44	8723	0.036	0.42	9154	0.720	0.44
5610	1.320	0.40	7152	2.015	0.36	8013	0.108	0.42	8725	0.954	0.40	9156	1.359	0.45
5645	2.486	0.35	7153	1.708	0.36	8015	0.374	0.42	8726F	0.433	0.37	9170	3.157	0.36
5703	4.768	0.40	7219	2.433	0.36	8017	0.642	0.45	8734	0.160	0.40	9178	2.743	0.49
5705	3.906	0.40	7222	2.360	0.36	8018	1.471	0.44	8737	0.143	0.40	9179	6.455	0.49
5951	0.318	0.44	7225	2.885	0.40	8021	0.936	0.44	8738	0.188	0.40	9180	1.837	0.42
6003	1.399	0.36	7230	2.794	0.42	8031	0.725	0.44	8742	0.118	0.40	9182	0.996	0.44
6005	1.346	0.40	7231	3.098	0.42	8032	0.811	0.44	8745	1.710	0.42	9186	2.844	0.36
6018	1.254	0.40	7232	2.828	0.36	8033	0.615	0.45	8748	0.172	0.36	9220	1.782	0.42
6045	1.669	0.40	7309F	1.607	0.33	8037	1.111	0.49	8755	0.136	0.40	9402	1.402	0.36
6204	2.209	0.36	7313F	1.028	0.33	8039	0.862	0.45	8799	0.327	0.44	9403	2.494	0.36
6206	0.806	0.35	7317F	1.119	0.33	8044	1.002	0.44	8800	1.084	0.44	9410	0.895	0.44
6213	0.624	0.35	7327F	1.825	0.33	8045	0.337	0.44	8803	0.016	0.40	9501	1.385	0.40
6214	0.597	0.36	7333	1.583	0.35	8046	1.229	0.44	8805	0.092	0.44	9505	1.197	0.42
6216	1.267	0.35	7335	1.759	0.35	8047	0.375	0.44	8810	0.068	0.44	9516	0.993	0.42
6217	1.139	0.35	7337	2.076	0.35	8058	1.007	0.44	8814	0.083	0.44	9519	1.508	0.40
6229	1.431	0.40	7350F	1.439	0.34	8072	0.281	0.45	8815	0.108	0.44	9521	1.109	0.40
6233	0.556	0.35	7360	1.569	0.40	8102	0.619	0.44	8820	0.045	0.40	9522	1.744	0.45
6235	1.400	0.35	7370	2.323	0.44	8103	0.993	0.42	8824	0.879	0.49	9534	1.105	0.35
6236	1.670	0.40	7380	1.899	0.40	8106	2.061	0.40	8826	0.915	0.45	9554	2.263	0.36
6237	0.505	0.36	7382	2.234	0.42	8107	0.970	0.36	8831	0.599	0.49	9586	0.198	0.45

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

Effective January 1, 2027

APPLICABLE TO ALL SERVICES								
CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
9600	0.978	0.44						
9620	0.545	0.40						

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Effective January 1, 2027

**TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES**

Expected Losses		Weighting Values	Expected Losses		Weighting Values
0 --	2,553	0.14	1,439,110 --	1,511,496	0.49
2,554 --	7,191	0.15	1,511,497 --	1,587,778	0.50
7,192 --	11,941	0.16	1,587,779 --	1,668,276	0.51
11,942 --	16,806	0.17	1,668,277 --	1,753,350	0.52
16,807 --	18,504	0.18	1,753,351 --	1,843,407	0.53
18,505 --	20,927	0.17	1,843,408 --	1,938,894	0.54
20,928 --	24,239	0.16	1,938,895 --	2,040,318	0.55
24,240 --	29,222	0.15	2,040,319 --	2,148,255	0.56
29,223 --	38,703	0.14	2,148,256 --	2,263,351	0.57
38,704 --	88,939	0.13	2,263,352 --	2,386,344	0.58
88,940 --	119,515	0.14	2,386,345 --	2,518,075	0.59
119,516 --	146,218	0.15	2,518,076 --	2,659,514	0.60
146,219 --	171,903	0.16	2,659,515 --	2,811,771	0.61
171,904 --	197,382	0.17	2,811,772 --	2,976,141	0.62
197,383 --	223,028	0.18	2,976,142 --	3,154,127	0.63
223,029 --	249,052	0.19	3,154,128 --	3,347,497	0.64
249,053 --	275,596	0.20	3,347,498 --	3,558,336	0.65
275,597 --	302,766	0.21	3,558,337 --	3,789,123	0.66
302,767 --	330,647	0.22	3,789,124 --	4,042,830	0.67
330,648 --	359,316	0.23	4,042,831 --	4,323,052	0.68
359,317 --	387,587	0.24	4,323,053 --	4,634,173	0.69
387,588 --	415,370	0.25	4,634,174 --	4,981,606	0.70
415,371 --	444,027	0.26	4,981,607 --	5,372,102	0.71
444,028 --	473,607	0.27	5,372,103 --	5,814,196	0.72
473,608 --	504,161	0.28	5,814,197 --	6,318,840	0.73
504,162 --	535,744	0.29	6,318,841 --	6,900,320	0.74
535,745 --	568,410	0.30	6,900,321 --	7,577,633	0.75
568,411 --	602,221	0.31	7,577,634 --	8,376,598	0.76
602,222 --	637,243	0.32	8,376,599 --	9,333,226	0.77
637,244 --	673,542	0.33	9,333,227 --	10,499,293	0.78
673,543 --	711,193	0.34	10,499,294 --	11,952,040	0.79
711,194 --	750,277	0.35	11,952,041 --	13,812,008	0.80
750,278 --	790,877	0.36	13,812,009 --	16,278,329	0.81
790,878 --	833,086	0.37	16,278,330 --	19,705,263	0.82
833,087 --	877,002	0.38	19,705,264 --	24,789,772	0.83
877,003 --	922,734	0.39	24,789,773 --	33,118,126	0.84
922,735 --	970,399	0.40	33,118,127 --	49,248,733	0.85
970,400 --	1,020,121	0.41	49,248,734 --	93,806,926	0.86
1,020,122 --	1,072,038	0.42	93,806,927 --	799,197,184	0.87
1,072,039 --	1,126,301	0.43	799,197,185 --	AND OVER	0.88
1,126,302 --	1,183,073	0.44			
1,183,074 --	1,242,533	0.45			
1,242,534 --	1,304,878	0.46			
1,304,879 --	1,370,325	0.47			
1,370,326 --	1,439,109	0.48			

(a) G	11.80
(b) State Per Claim Accident Limitation	\$195,000
(c) State Multiple Claim Accident Limitation	\$390,000
(d) USL&HW Per Claim Accident Limitation	\$257,000
(e) USL&HW Multiple Claim Accident Limitation	\$514,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$27,500
(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, 2027
TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses				Ballast Values		Expected Losses				Ballast Values		Expected Losses				Ballast Values	
0 -- 425,779				54,280		3,999,080 -- 4,104,409				260,780		7,686,067 -- 7,791,415				467,280	
425,780 -- 529,224				60,180		4,104,410 -- 4,209,740				266,680		7,791,416 -- 7,896,765				473,180	
529,225 -- 633,281				66,080		4,209,741 -- 4,315,072				272,580		7,896,766 -- 8,002,115				479,080	
633,282 -- 737,698				71,980		4,315,073 -- 4,420,406				278,480		8,002,116 -- 8,107,465				484,980	
737,699 -- 842,346				77,880		4,420,407 -- 4,525,740				284,380		8,107,466 -- 8,212,816				490,880	
842,347 -- 947,148				83,780		4,525,741 -- 4,631,076				290,280		8,212,817 -- 8,318,166				496,780	
947,149 -- 1,052,060				89,680		4,631,077 -- 4,736,413				296,180		8,318,167 -- 8,423,517				502,680	
1,052,061 -- 1,157,051				95,580		4,736,414 -- 4,841,750				302,080		8,423,518 -- 8,528,868				508,580	
1,157,052 -- 1,262,103				101,480		4,841,751 -- 4,947,089				307,980		8,528,869 -- 8,634,219				514,480	
1,262,104 -- 1,367,202				107,380		4,947,090 -- 5,052,428				313,880		8,634,220 -- 8,739,570				520,380	
1,367,203 -- 1,472,337				113,280		5,052,429 -- 5,157,767				319,780		8,739,571 -- 8,844,921				526,280	
1,472,338 -- 1,577,502				119,180		5,157,768 -- 5,263,108				325,680		8,844,922 -- 8,950,273				532,180	
1,577,503 -- 1,682,690				125,080		5,263,109 -- 5,368,449				331,580		8,950,274 -- 9,055,624				538,080	
1,682,691 -- 1,787,899				130,980		5,368,450 -- 5,473,791				337,480		9,055,625 -- 9,160,976				543,980	
1,787,900 -- 1,893,123				136,880		5,473,792 -- 5,579,133				343,380		9,160,977 -- 9,266,328				549,880	
1,893,124 -- 1,998,362				142,780		5,579,134 -- 5,684,476				349,280		9,266,329 -- 9,371,680				555,780	
1,998,363 -- 2,103,613				148,680		5,684,477 -- 5,789,820				355,180		9,371,681 -- 9,477,032				561,680	
2,103,614 -- 2,208,873				154,580		5,789,821 -- 5,895,164				361,080		9,477,033 -- 9,582,384				567,580	
2,208,874 -- 2,314,142				160,480		5,895,165 -- 6,000,508				366,980		9,582,385 -- 9,687,736				573,480	
2,314,143 -- 2,419,419				166,380		6,000,509 -- 6,105,853				372,880		9,687,737 -- 9,793,089				579,380	
2,419,420 -- 2,524,703				172,280		6,105,854 -- 6,211,198				378,780		9,793,090 -- 9,898,441				585,280	
2,524,704 -- 2,629,992				178,180		6,211,199 -- 6,316,544				384,680		9,898,442 -- 10,003,794				591,180	
2,629,993 -- 2,735,287				184,080		6,316,545 -- 6,421,890				390,580		10,003,795 -- 10,109,147				597,080	
2,735,288 -- 2,840,586				189,980		6,421,891 -- 6,527,236				396,480		10,109,148 -- 10,214,499				602,980	
2,840,587 -- 2,945,890				195,880		6,527,237 -- 6,632,583				402,380		10,214,500 -- 10,319,852				608,880	
2,945,891 -- 3,051,197				201,780		6,632,584 -- 6,737,930				408,280		10,319,853 -- 10,424,120				614,780	
3,051,198 -- 3,156,507				207,680		6,737,931 -- 6,843,277				414,180							
3,156,508 -- 3,261,821				213,580		6,843,278 -- 6,948,625				420,080							
3,261,822 -- 3,367,137				219,480		6,948,626 -- 7,053,973				425,980							
3,367,138 -- 3,472,456				225,380		7,053,974 -- 7,159,321				431,880							
3,472,457 -- 3,577,777				231,280		7,159,322 -- 7,264,670				437,780							
3,577,778 -- 3,683,100				237,180		7,264,671 -- 7,370,018				443,680							
3,683,101 -- 3,788,424				243,080		7,370,019 -- 7,475,367				449,580							
3,788,425 -- 3,893,751				248,980		7,475,368 -- 7,580,716				455,480							
3,893,752 -- 3,999,079				254,880		7,580,717 -- 7,686,066				461,380							

For Expected Losses greater than \$10,424,120, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.056)(\text{Expected Losses}) + 2876.4(\text{Expected Losses})(11.80) / (\text{Expected Losses} + (600)(11.80))$$

$$G = 11.80$$

IOWA—UPDATE TO EXPERIENCE RATING SUBJECT PREMIUM ELIGIBILITY AMOUNTS

Experience Rating Plan Manual

Subject premium eligibility amounts

Rule ID: ER-ELIT-SEE7E

Effective Date: July 1, 2027

A risk's rating effective date determines the applicable minimum subject premium eligibility amount to qualify for experience rating based on (a) subject premium from the most recent 24 months of the experience period, or (b) average annual subject premium if using more than 24 months of experience in the experience period.

Subject premium eligibility amounts table for Iowa

Rating effective date	Minimum subject premium eligibility amount based on subject premium from the most recent 24 months of the experience period (\$)	Minimum subject premium eligibility amount based on average annual subject premium if using more than 24 months of experience in the experience period (\$)
<u>07/01/2027 and after</u>	<u>11,500</u>	<u>5,750</u>
<u>07/01/2026 to 06/30/2027</u>	11,000	5,500
07/01/2025 to 06/30/2026	10,500	5,250

Note: This exhibit revises the Iowa experience rating subject premium eligibility amounts shown in the Subject premium eligibility amounts table for Iowa in NCCI's **Experience Rating Plan Manual** for Iowa. The subject premium eligibility amounts are applicable to all policies.



Iowa

Workers Compensation Rate Filing – January 1, 2027

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
Original**

Effective January 1, 2027

1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
9,032	10,815	16,809	19,479	28,450	43,910	50,796

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
9,987	11,944	18,539	21,466	31,277	48,219	55,767

2. Tax Multipliers

- a. State (non-F Classes) 1.027
- b. Federal Classes, or non-F classes
where rate is increased by the
USL&HW Act Percentage 1.052

**3. Countrywide
Expected Loss Ratio**
0.592

**Countrywide Expected Loss and
Allocated Expense Ratio**
0.657

4. Table of Expense Ratios

Type A: 2026-01
Type B: 2026-01

5. Excess Loss Factors

(Applicable to New and Renewal Policies)

**Per Accident
Limitation**

Hazard Groups

	A	B	C	D	E	F	G
\$10,000	0.437	0.461	0.488	0.503	0.525	0.542	0.551
\$15,000	0.404	0.431	0.460	0.477	0.503	0.523	0.535
\$20,000	0.379	0.407	0.438	0.456	0.485	0.506	0.520
\$25,000	0.357	0.386	0.418	0.437	0.468	0.491	0.507
\$30,000	0.338	0.368	0.401	0.421	0.454	0.478	0.495
\$35,000	0.322	0.352	0.385	0.406	0.440	0.465	0.485
\$40,000	0.307	0.337	0.372	0.392	0.428	0.454	0.474
\$50,000	0.283	0.313	0.347	0.368	0.406	0.434	0.456
\$75,000	0.238	0.267	0.302	0.322	0.364	0.392	0.418
\$100,000	0.208	0.235	0.269	0.289	0.332	0.361	0.388
\$125,000	0.185	0.211	0.245	0.264	0.307	0.336	0.364
\$150,000	0.167	0.192	0.225	0.244	0.287	0.316	0.344
\$175,000	0.152	0.177	0.209	0.227	0.270	0.299	0.326
\$200,000	0.140	0.164	0.195	0.213	0.256	0.284	0.311
\$225,000	0.130	0.153	0.183	0.200	0.243	0.271	0.298
\$250,000	0.121	0.143	0.173	0.190	0.232	0.260	0.286
\$275,000	0.113	0.135	0.164	0.180	0.223	0.250	0.276
\$300,000	0.107	0.128	0.156	0.172	0.214	0.241	0.266
\$325,000	0.101	0.121	0.149	0.164	0.206	0.232	0.257
\$350,000	0.096	0.115	0.143	0.157	0.199	0.225	0.249
\$375,000	0.091	0.110	0.137	0.151	0.192	0.218	0.242
\$400,000	0.087	0.105	0.132	0.145	0.186	0.211	0.235
\$425,000	0.083	0.101	0.127	0.140	0.181	0.205	0.229
\$450,000	0.079	0.097	0.123	0.136	0.175	0.200	0.223
\$475,000	0.076	0.093	0.119	0.131	0.171	0.194	0.217
\$500,000	0.073	0.090	0.115	0.127	0.166	0.190	0.212
\$600,000	0.063	0.079	0.102	0.113	0.151	0.173	0.194
\$700,000	0.056	0.070	0.092	0.102	0.138	0.160	0.179
\$800,000	0.050	0.064	0.084	0.094	0.128	0.148	0.167
\$900,000	0.045	0.058	0.078	0.087	0.120	0.139	0.156
\$1,000,000	0.042	0.054	0.072	0.081	0.113	0.131	0.147
\$2,000,000	0.023	0.031	0.044	0.049	0.074	0.087	0.097
\$3,000,000	0.016	0.022	0.033	0.037	0.057	0.067	0.075
\$4,000,000	0.012	0.017	0.026	0.029	0.046	0.055	0.061
\$5,000,000	0.010	0.014	0.022	0.024	0.039	0.047	0.052
\$6,000,000	0.008	0.012	0.018	0.021	0.033	0.041	0.045
\$7,000,000	0.007	0.010	0.016	0.018	0.029	0.036	0.040
\$8,000,000	0.006	0.009	0.014	0.016	0.026	0.032	0.035
\$9,000,000	0.005	0.008	0.012	0.014	0.023	0.028	0.032
\$10,000,000	0.004	0.007	0.011	0.012	0.021	0.026	0.029

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

**IOWA
RR 2
Original**

Effective January 1, 2027

**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	0.489	0.514	0.543	0.559	0.582	0.600	0.609
\$15,000	0.454	0.482	0.514	0.532	0.559	0.579	0.592
\$20,000	0.427	0.456	0.490	0.509	0.539	0.562	0.577
\$25,000	0.403	0.434	0.469	0.489	0.522	0.546	0.563
\$30,000	0.383	0.415	0.450	0.472	0.506	0.532	0.551
\$35,000	0.366	0.398	0.434	0.456	0.492	0.519	0.539
\$40,000	0.350	0.382	0.419	0.441	0.479	0.507	0.528
\$50,000	0.324	0.356	0.393	0.416	0.456	0.485	0.509
\$75,000	0.275	0.306	0.344	0.366	0.410	0.441	0.468
\$100,000	0.241	0.271	0.309	0.330	0.376	0.407	0.436
\$125,000	0.216	0.245	0.282	0.303	0.349	0.381	0.410
\$150,000	0.196	0.224	0.260	0.280	0.327	0.358	0.388
\$175,000	0.180	0.207	0.242	0.262	0.308	0.340	0.369
\$200,000	0.167	0.193	0.227	0.246	0.292	0.323	0.353
\$225,000	0.155	0.180	0.214	0.232	0.279	0.309	0.339
\$250,000	0.145	0.170	0.203	0.221	0.267	0.297	0.326
\$275,000	0.137	0.160	0.193	0.210	0.256	0.286	0.314
\$300,000	0.129	0.152	0.184	0.201	0.246	0.275	0.304
\$325,000	0.122	0.145	0.176	0.192	0.237	0.266	0.294
\$350,000	0.116	0.138	0.169	0.185	0.229	0.258	0.285
\$375,000	0.111	0.132	0.162	0.178	0.222	0.250	0.277
\$400,000	0.106	0.127	0.156	0.171	0.215	0.243	0.269
\$425,000	0.101	0.122	0.151	0.165	0.209	0.236	0.262
\$450,000	0.097	0.117	0.146	0.160	0.203	0.230	0.256
\$475,000	0.094	0.113	0.141	0.155	0.198	0.224	0.250
\$500,000	0.090	0.109	0.137	0.150	0.193	0.219	0.244
\$600,000	0.078	0.096	0.122	0.135	0.175	0.200	0.223
\$700,000	0.070	0.086	0.111	0.122	0.162	0.185	0.207
\$800,000	0.063	0.078	0.101	0.112	0.150	0.173	0.193
\$900,000	0.057	0.071	0.094	0.104	0.141	0.162	0.182
\$1,000,000	0.052	0.066	0.087	0.097	0.132	0.153	0.171
\$2,000,000	0.029	0.038	0.053	0.059	0.087	0.102	0.114
\$3,000,000	0.020	0.027	0.039	0.044	0.066	0.079	0.088
\$4,000,000	0.015	0.021	0.031	0.035	0.054	0.064	0.072
\$5,000,000	0.012	0.017	0.026	0.029	0.045	0.055	0.061
\$6,000,000	0.010	0.014	0.022	0.024	0.039	0.047	0.053
\$7,000,000	0.008	0.012	0.019	0.021	0.034	0.042	0.046
\$8,000,000	0.007	0.010	0.016	0.018	0.030	0.037	0.041
\$9,000,000	0.006	0.009	0.014	0.016	0.027	0.033	0.037
\$10,000,000	0.005	0.008	0.013	0.015	0.024	0.030	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.	
0.03	0.02	0.01	0.11	0.06	0.04	0.00



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

Type A: 2026-01

WC Premium Range			Expense Ratio	WC Premium Range			Expense Ratio	WC Premium Range			Expense Ratio
From	To			From	To			From	To		
0	-	10,055	0.373	21,928	-	22,469	0.325	393,334	-	424,799	0.277
10,056	-	10,167	0.373	22,470	-	23,037	0.324	424,800	-	461,739	0.276
10,168	-	10,282	0.372	23,038	-	23,636	0.323	461,740	-	505,714	0.275
10,283	-	10,399	0.371	23,637	-	24,266	0.322	505,715	-	558,947	0.274
10,400	-	10,520	0.370	24,267	-	24,931	0.321	558,948	-	624,705	0.273
10,521	-	10,643	0.369	24,932	-	25,633	0.320	624,706	-	707,999	0.272
10,644	-	10,769	0.368	25,634	-	26,376	0.319	708,000	-	816,923	0.271
10,770	-	10,898	0.367	26,377	-	27,164	0.318	816,924	-	965,454	0.270
10,899	-	11,030	0.366	27,165	-	27,999	0.317	965,455	-	1,179,999	0.269
11,031	-	11,165	0.365	28,000	-	28,888	0.317	1,180,000	-	1,517,142	0.268
11,166	-	11,304	0.364	28,889	-	29,836	0.316	1,517,143	-	1,824,799	0.267
11,305	-	11,446	0.363	29,837	-	30,847	0.315	1,824,800	-	1,983,478	0.266
11,447	-	11,592	0.362	30,848	-	31,929	0.314	1,983,479	-	2,172,380	0.265
11,593	-	11,741	0.361	31,930	-	33,090	0.313	2,172,381	-	2,401,052	0.264
11,742	-	11,895	0.360	33,091	-	34,339	0.312	2,401,053	-	2,683,529	0.263
11,896	-	12,052	0.359	34,340	-	35,686	0.311	2,683,530	-	3,041,333	0.262
12,053	-	12,214	0.358	35,687	-	37,142	0.310	3,041,334	-	3,509,230	0.262
12,215	-	12,380	0.357	37,143	-	38,723	0.309	3,509,231	-	4,147,272	0.261
12,381	-	12,551	0.356	38,724	-	40,444	0.308	4,147,273	-	5,068,888	0.260
12,552	-	12,727	0.355	40,445	-	42,325	0.307	5,068,889	-	6,517,142	0.259
12,728	-	12,907	0.354	42,326	-	44,390	0.306	6,517,143	-	9,123,999	0.258
12,908	-	13,093	0.353	44,391	-	46,666	0.305	9,124,000	-	15,206,666	0.257
13,094	-	13,284	0.352	46,667	-	49,189	0.304	15,206,667	-	45,619,999	0.256
13,285	-	13,481	0.351	49,190	-	51,999	0.303	45,620,000	-	And Above	0.255
13,482	-	13,684	0.350	52,000	-	55,151	0.302				
13,685	-	13,893	0.349	55,152	-	58,709	0.301				
13,894	-	14,108	0.348	58,710	-	62,758	0.300				
14,109	-	14,330	0.347	62,759	-	67,407	0.299				
14,331	-	14,559	0.346	67,408	-	72,799	0.298				
14,560	-	14,796	0.345	72,800	-	79,130	0.297				
14,797	-	15,041	0.345	79,131	-	86,666	0.296				
15,042	-	15,294	0.344	86,667	-	95,789	0.295				
15,295	-	15,555	0.343	95,790	-	107,058	0.294				
15,556	-	15,826	0.342	107,059	-	121,333	0.293				
15,827	-	16,106	0.341	121,334	-	139,999	0.292				
16,107	-	16,396	0.340	140,000	-	165,454	0.291				
16,397	-	16,697	0.339	165,455	-	200,377	0.290				
16,698	-	17,009	0.338	200,378	-	208,235	0.290				
17,010	-	17,333	0.337	208,236	-	216,734	0.289				
17,334	-	17,669	0.336	216,735	-	225,957	0.288				
17,670	-	18,019	0.335	225,958	-	235,999	0.287				
18,020	-	18,383	0.334	236,000	-	246,976	0.286				
18,384	-	18,762	0.333	246,977	-	259,024	0.285				
18,763	-	19,157	0.332	259,025	-	272,307	0.284				
19,158	-	19,569	0.331	272,308	-	287,027	0.283				
19,570	-	19,999	0.330	287,028	-	303,428	0.282				
20,000	-	20,449	0.329	303,429	-	321,818	0.281	First	-	10,000	0.0%
20,450	-	20,919	0.328	321,819	-	342,580	0.280	Next	-	190,000	9.1%
20,920	-	21,411	0.327	342,581	-	366,206	0.279	Next	-	1,550,000	11.3%
21,412	-	21,927	0.326	366,207	-	393,333	0.278	Over	-	1,750,000	12.3%
								Expected Loss Ratio:			0.592
								Tax Multiplier:			1.036



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

Type B: 2026-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.373
10,100	- 10,303	0.373
10,304	- 10,515	0.372
10,516	- 10,736	0.371
10,737	- 10,967	0.370
10,968	- 11,208	0.369
11,209	- 11,460	0.368
11,461	- 11,724	0.367
11,725	- 11,999	0.366
12,000	- 12,289	0.365
12,290	- 12,592	0.364
12,593	- 12,911	0.363
12,912	- 13,246	0.362
13,247	- 13,599	0.361
13,600	- 13,972	0.360
13,973	- 14,366	0.359
14,367	- 14,782	0.358
14,783	- 15,223	0.357
15,224	- 15,692	0.356
15,693	- 16,190	0.355
16,191	- 16,721	0.354
16,722	- 17,288	0.353
17,289	- 17,894	0.352
17,895	- 18,545	0.351
18,546	- 19,245	0.350

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.349
20,000	- 20,816	0.348
20,817	- 21,702	0.347
21,703	- 22,666	0.346
22,667	- 23,720	0.345
23,721	- 24,878	0.345
24,879	- 26,153	0.344
26,154	- 27,567	0.343
27,568	- 29,142	0.342
29,143	- 30,909	0.341
30,910	- 32,903	0.340
32,904	- 35,172	0.339
35,173	- 37,777	0.338
37,778	- 40,799	0.337
40,800	- 44,347	0.336
44,348	- 48,571	0.335
48,572	- 53,684	0.334
53,685	- 59,999	0.333
60,000	- 67,999	0.332
68,000	- 78,461	0.331
78,462	- 92,727	0.330
92,728	- 113,333	0.329
113,334	- 145,714	0.328
145,715	- 200,606	0.327
200,607	- 213,548	0.326

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.325
228,276	- 245,185	0.324
245,186	- 264,799	0.323
264,800	- 287,826	0.322
287,827	- 315,238	0.321
315,239	- 348,421	0.320
348,422	- 389,411	0.319
389,412	- 441,333	0.318
441,334	- 509,230	0.317
509,231	- 601,818	0.317
601,819	- 735,555	0.316
735,556	- 945,714	0.315
945,715	- 1,323,999	0.314
1,324,000	- 1,809,565	0.313
1,809,566	- 1,981,904	0.312
1,981,905	- 2,190,526	0.311
2,190,527	- 2,448,235	0.310
2,448,236	- 2,774,666	0.309
2,774,667	- 3,201,538	0.308
3,201,539	- 3,783,636	0.307
3,783,637	- 4,624,444	0.306
4,624,445	- 5,945,714	0.305
5,945,715	- 8,323,999	0.304
8,324,000	- 13,873,333	0.303
13,873,334	- 41,619,999	0.302
41,620,000	- And Above	0.301
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:		0.592
Tax Multiplier:		1.036



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

Type A: 2026-01

WC Premium Range	Expense	WC Premium Range	Expense	WC Premium Range	Expense
From To Ratio		From To Ratio		From To Ratio	
0 - 10,055 0.308		21,928 - 22,469 0.260		393,334 - 424,799 0.211	
10,056 - 10,167 0.307		22,470 - 23,037 0.259		424,800 - 461,739 0.210	
10,168 - 10,282 0.306		23,038 - 23,636 0.258		461,740 - 505,714 0.209	
10,283 - 10,399 0.305		23,637 - 24,266 0.257		505,715 - 558,947 0.208	
10,400 - 10,520 0.304		24,267 - 24,931 0.256		558,948 - 624,705 0.207	
10,521 - 10,643 0.303		24,932 - 25,633 0.255		624,706 - 707,999 0.206	
10,644 - 10,769 0.302		25,634 - 26,376 0.254		708,000 - 816,923 0.205	
10,770 - 10,898 0.301		26,377 - 27,164 0.253		816,924 - 965,454 0.205	
10,899 - 11,030 0.300		27,165 - 27,999 0.252		965,455 - 1,179,999 0.204	
11,031 - 11,165 0.299		28,000 - 28,888 0.251		1,180,000 - 1,517,142 0.203	
11,166 - 11,304 0.298		28,889 - 29,836 0.250		1,517,143 - 1,824,799 0.202	
11,305 - 11,446 0.297		29,837 - 30,847 0.249		1,824,800 - 1,983,478 0.201	
11,447 - 11,592 0.296		30,848 - 31,929 0.248		1,983,479 - 2,172,380 0.200	
11,593 - 11,741 0.295		31,930 - 33,090 0.247		2,172,381 - 2,401,052 0.199	
11,742 - 11,895 0.294		33,091 - 34,339 0.246		2,401,053 - 2,683,529 0.198	
11,896 - 12,052 0.293		34,340 - 35,686 0.245		2,683,530 - 3,041,333 0.197	
12,053 - 12,214 0.292		35,687 - 37,142 0.244		3,041,334 - 3,509,230 0.196	
12,215 - 12,380 0.291		37,143 - 38,723 0.243		3,509,231 - 4,147,272 0.195	
12,381 - 12,551 0.290		38,724 - 40,444 0.242		4,147,273 - 5,068,888 0.194	
12,552 - 12,727 0.289		40,445 - 42,325 0.241		5,068,889 - 6,517,142 0.193	
12,728 - 12,907 0.288		42,326 - 44,390 0.240		6,517,143 - 9,123,999 0.192	
12,908 - 13,093 0.288		44,391 - 46,666 0.239		9,124,000 - 15,206,666 0.191	
13,094 - 13,284 0.287		46,667 - 49,189 0.238		15,206,667 - 45,619,999 0.190	
13,285 - 13,481 0.286		49,190 - 51,999 0.237		45,620,000 - And Above 0.189	
13,482 - 13,684 0.285		52,000 - 55,151 0.236			
13,685 - 13,893 0.284		55,152 - 58,709 0.235			
13,894 - 14,108 0.283		58,710 - 62,758 0.234			
14,109 - 14,330 0.282		62,759 - 67,407 0.233			
14,331 - 14,559 0.281		67,408 - 72,799 0.233			
14,560 - 14,796 0.280		72,800 - 79,130 0.232			
14,797 - 15,041 0.279		79,131 - 86,666 0.231			
15,042 - 15,294 0.278		86,667 - 95,789 0.230			
15,295 - 15,555 0.277		95,790 - 107,058 0.229			
15,556 - 15,826 0.276		107,059 - 121,333 0.228			
15,827 - 16,106 0.275		121,334 - 139,999 0.227			
16,107 - 16,396 0.274		140,000 - 165,454 0.226			
16,397 - 16,697 0.273		165,455 - 200,377 0.225			
16,698 - 17,009 0.272		200,378 - 208,235 0.224			
17,010 - 17,333 0.271		208,236 - 216,734 0.223			
17,334 - 17,669 0.270		216,735 - 225,957 0.222			
17,670 - 18,019 0.269		225,958 - 235,999 0.221			
18,020 - 18,383 0.268		236,000 - 246,976 0.220			
18,384 - 18,762 0.267		246,977 - 259,024 0.219			
18,763 - 19,157 0.266		259,025 - 272,307 0.218			
19,158 - 19,569 0.265		272,308 - 287,027 0.217			
19,570 - 19,999 0.264		287,028 - 303,428 0.216			
20,000 - 20,449 0.263		303,429 - 321,818 0.215			
20,450 - 20,919 0.262		321,819 - 342,580 0.214			
20,920 - 21,411 0.261		342,581 - 366,206 0.213			
21,412 - 21,927 0.260		366,207 - 393,333 0.212			
				First - 10,000 0.0%	
				Next - 190,000 9.1%	
				Next - 1,550,000 11.3%	
				Over - 1,750,000 12.3%	
				Expected Loss and ALAE Ratio: 0.657	
				Tax Multiplier: 1.036	



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

Type B: 2026-01

WC Premium Range		Expense
From	To	Ratio
0	- 10,099	0.308
10,100	- 10,303	0.307
10,304	- 10,515	0.306
10,516	- 10,736	0.305
10,737	- 10,967	0.304
10,968	- 11,208	0.303
11,209	- 11,460	0.302
11,461	- 11,724	0.301
11,725	- 11,999	0.300
12,000	- 12,289	0.299
12,290	- 12,592	0.298
12,593	- 12,911	0.297
12,912	- 13,246	0.296
13,247	- 13,599	0.295
13,600	- 13,972	0.294
13,973	- 14,366	0.293
14,367	- 14,782	0.292
14,783	- 15,223	0.291
15,224	- 15,692	0.290
15,693	- 16,190	0.289
16,191	- 16,721	0.288
16,722	- 17,288	0.288
17,289	- 17,894	0.287
17,895	- 18,545	0.286
18,546	- 19,245	0.285

WC Premium Range		Expense
From	To	Ratio
19,246	- 19,999	0.284
20,000	- 20,816	0.283
20,817	- 21,702	0.282
21,703	- 22,666	0.281
22,667	- 23,720	0.280
23,721	- 24,878	0.279
24,879	- 26,153	0.278
26,154	- 27,567	0.277
27,568	- 29,142	0.276
29,143	- 30,909	0.275
30,910	- 32,903	0.274
32,904	- 35,172	0.273
35,173	- 37,777	0.272
37,778	- 40,799	0.271
40,800	- 44,347	0.270
44,348	- 48,571	0.269
48,572	- 53,684	0.268
53,685	- 59,999	0.267
60,000	- 67,999	0.266
68,000	- 78,461	0.265
78,462	- 92,727	0.264
92,728	- 113,333	0.263
113,334	- 145,714	0.262
145,715	- 200,606	0.261
200,607	- 213,548	0.260

WC Premium Range		Expense
From	To	Ratio
213,549	- 228,275	0.260
228,276	- 245,185	0.259
245,186	- 264,799	0.258
264,800	- 287,826	0.257
287,827	- 315,238	0.256
315,239	- 348,421	0.255
348,422	- 389,411	0.254
389,412	- 441,333	0.253
441,334	- 509,230	0.252
509,231	- 601,818	0.251
601,819	- 735,555	0.250
735,556	- 945,714	0.249
945,715	- 1,323,999	0.248
1,324,000	- 1,809,565	0.247
1,809,566	- 1,981,904	0.246
1,981,905	- 2,190,526	0.245
2,190,527	- 2,448,235	0.244
2,448,236	- 2,774,666	0.243
2,774,667	- 3,201,538	0.242
3,201,539	- 3,783,636	0.241
3,783,637	- 4,624,444	0.240
4,624,445	- 5,945,714	0.239
5,945,715	- 8,323,999	0.238
8,324,000	- 13,873,333	0.237
13,873,334	- 41,619,999	0.236
41,620,000	- And Above	0.235
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:		0.657
Tax Multiplier:		1.036



Iowa

Workers Compensation Rate Filing – January 1, 2027

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, 2027

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 the predictiveness of the experience period years, 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>
2020	1.001	2021	1.024
2021	0.944	2022	0.913
2022	0.963	2023	0.969
2023	0.965	2024	0.955
2024	0.967	2025	0.922

Note the following regarding the projected loss ratios:

- *Based on NCCI’s Financial Call data reported through 12/31/2025, on-leveled, developed to an ultimate report, and trended to the prospective period. Projected loss ratios 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 2021–2023 loss ratios include a premium audit adjustment due to changes in audit activity.*

The policy year loss ratios, projected to the prospective level, are generally consistent and favorable in this time period, supporting the use of the two most recent policy years in the experience period. These projected loss ratio values are at the pure premium level and reflect the indicated change to



Iowa

Workers Compensation Rate Filing – January 1, 2027

Exhibit I – Determination of Indicated Advisory Rate Level Change

indemnity and medical benefit costs, absent changes to expenses. For example, the projected Policy Year 2023 loss ratio of 0.965, indicates a change of –3.5% for indemnity and medical costs in the system during the prospective period. Policy Years 2023 and 2024 produce similar indicated changes to the voluntary rate level and are comparable to the Policy Year 2022 experience that has fallen outside of the two-year experience period.

Both the recent policy year and calendar-accident year projected loss ratios indicate continued improvement in workers compensation experience, and a decrease to the current rate level. This is mainly influenced by the long-term decline in lost-time claim frequency driven by improvements in workplace safety, advancements in robotics and automation, and other modernizations to workforce duties.

Frequency continues to be the primary source of the downward pressure on the rate level. Additionally, indemnity and medical claim average cost per case figures have generally moved consistently with wage growth over the long-term in Iowa. While Iowa's economy is facing challenges related to tariffs and ongoing global conflicts, particularly in the agriculture and manufacturing sectors, the near-term economic outlook remains stable. Moody's projects employment growth to remain relatively stable, and unemployment to hold near 3.5%. Wage growth is expected to remain elevated, slightly higher than pre-COVID-19 pandemic changes. Overall, frequency, severity, and payroll projections suggest declining indemnity and medical costs over time.

A limitation in analyzing projected loss ratios is that the selected trends are primarily relevant to the experience period rather than to historical loss ratios. These trend factors adjust the experience in historical years, to the prospective 2027 level. The prospective trends account for the past divergence between wage growth and changes in medical benefits, a relationship not expected to persist. Specifically, Policy Year 2020 and Calendar Accident Year 2021 are trended using the same factors as the experience period, which may not fully reflect all the impact of short-term improvements on experience. In particular, the medical loss ratios declined significantly in 2021, and the selected trend factors reflect a forward-looking estimate rather than the historical improvement observed to date.

In this filing, the data for the two most recently available full policy years was selected as the most appropriate experience period on which to base this year's filing. Overall, the experience period of Policy Years 2023 and 2024 indicate a decrease from the current rate level, driven by continued declines in claim frequency and continued payroll growth. The experience period change, reflecting the change in experience, development and trend, is –3.4% prior to the consideration of the other filing components. 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.



Iowa

Workers Compensation Rate Filing – January 1, 2027

Exhibit I – Determination of Indicated Advisory Rate Level Change

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 2024 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$591,914,787
(2) Premium On-level Factor (Appendix A-I)	0.554
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$327,920,792

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$150,395,201
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$150,395,201
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.459
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.885
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.406
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.036
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.421
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.421

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$195,532,970
(15) Medical Loss On-level Factor (Appendix A-I)	1.000
(16) Adjusted Limited Medical Losses = (14) x (15)	\$195,532,970
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.596
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.885
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.527
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.036
(21) Projected Medical Cost Ratio = (19) x (20)	0.546
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.546

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.967
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EXHIBIT I

Determination of Indicated Rate Level Change

Section B - Policy Year 2023 Experience

Premium:

(1) Standard Earned Premium Developed to Ultimate (Appendix A-II)	\$655,849,988
(2) Premium On-level Factor (Appendix A-I)	0.490
(3) Pure Premium Available for Benefit Costs = (1) x (2)	\$321,366,494

Indemnity Benefit Cost:

(4) Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	\$160,127,275
(5) Indemnity Loss On-level Factor (Appendix A-I)	1.000
(6) Adjusted Limited Indemnity Losses = (4) x (5)	\$160,127,275
(7) Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.498
(8) Factor to Reflect Indemnity Trend (Appendix A-III)	0.849
(9) Projected Limited Indemnity Cost Ratio = (7) x (8)	0.423
(10) Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.036
(11) Projected Indemnity Cost Ratio = (9) x (10)	0.438
(12) Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13) Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.438

Medical Benefit Cost:

(14) Limited Medical Losses Developed to Ultimate (Appendix A-II)	\$192,945,043
(15) Medical Loss On-level Factor (Appendix A-I)	1.000
(16) Adjusted Limited Medical Losses = (14) x (15)	\$192,945,043
(17) Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.600
(18) Factor to Reflect Medical Trend (Appendix A-III)	0.849
(19) Projected Limited Medical Cost Ratio = (17) x (18)	0.509
(20) Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.036
(21) Projected Medical Cost Ratio = (19) x (20)	0.527
(22) Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.000
(23) Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.527

Total Benefit Cost:

(24) Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.965
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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 2024 Indicated Change Based on Experience, Trend, and Benefits	0.967
(2) Policy Year 2023 Indicated Change Based on Experience, Trend, and Benefits	0.965
(3) Indicated Change Based on Experience, Trend, and Benefits* = [(1) + (2)] / 2	0.966

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

Section D - Application of the Offset Due to the Change in Assigned Risk Pricing Programs

(1) Indicated Rate Level Change	0.966
(2) Effect of the Offset Due to the Change in Assigned Risk Pricing Programs	1.000
(3) Indicated Change Modified to Reflect the Offset Due to the Change in A/R Pricing Programs = (1) x (2)	0.966

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

(1) Indicated Rate Level Change	0.966
(2) Effect of the Change in Production and General Expenses (Exhibit II)	1.010
(3) Indicated Change Modified to Reflect the Change in Production and General Expenses = (1) x (2)	0.976

Section F - Application of the Change in Taxes

(1) Indicated Rate Level Change	0.976
(2) Effect of the Change in Taxes (Exhibit II)	0.999
(3) Indicated Change Modified to Reflect the Change in Taxes = (1) x (2)	0.975



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EXHIBIT I

Determination of Indicated Rate Level Change

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

(1) Indicated Rate Level Change	0.975
(2) Effect of the Change in the Profit and Contingency Provision (Exhibit II)	1.000
(3) Indicated Change Modified to Reflect the Change in the Profit and Contingency Provision = (1) x (2)	0.975

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

(1) Indicated Rate Level Change	0.975
(2) Effect of the Change in Loss-based Expenses (Exhibit II)	1.004
(3) Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.979

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

Industry Group Differentials (Appendix A-IV):

Manufacturing	0.998
Contracting	0.965
Office & Clerical	1.000
Goods & Services	1.007
Miscellaneous	1.028

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	0.979	0.998	0.977	(-2.3%)
Contracting	0.979	0.965	0.945	(-5.5%)
Office & Clerical	0.979	1.000	0.979	(-2.1%)
Goods & Services	0.979	1.007	0.986	(-1.4%)
Miscellaneous	0.979	1.028	1.006	(-0.6%)
Overall	0.979	1.000	0.979	(-2.1%)



Iowa

Workers Compensation Rate Filing – January 1, 2027

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. After a review of the underlying data and changes in expense to premium ratios over time, a selection is made for the Production and General expenses considering the balance of stability and responsiveness.

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, a provision for the Second Injury Fund, and a provision for the Insurance Guaranty Association. 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 three P&C estimates as indicated by the IRR model —Static-Avg, Static-Spot, and Dynamic. The dynamic estimate incorporates projections of future interest rate levels, while both static estimates hold interest rates fixed over time with varying degrees of responsiveness. The static-spot estimate utilizes the latest observed US Treasury Rate, while the static-avg estimate utilizes a rolling 5-year average of the US Treasury Rates to emphasize the stability of the results from year-to-year.

Please refer to the Derivation of the Indicated Profit and Contingency Provision section of Exhibit II for additional information.



Iowa

Workers Compensation Rate Filing – January 1, 2027

Exhibit II – Workers Compensation Expense Program

The P&C selection is based on a review of all three of these estimates, while also considering stability in this filing component. This filing proposes no change to the current P&C provision of –0.5%, which reflects the investment returns expected in the prospective interest rate environment.

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.

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	18.5%	18.7%
(3) General Expense	6.3%	6.8%
(4) Taxes, Licenses and Fees (other than Federal Income Tax)		
Premium Tax	0.9%	0.9%
Miscellaneous	0.3%	0.3%
Second Injury Fund	1.5%	1.4%
Insurance Guaranty Association	0.0%	0.0%
Total	2.7%	2.6%
(5) Profit and Contingency Provision	-0.5%	-0.5%
(6) Total Overhead Provisions (2)+(3)+(4)+(5)	27.0%	27.6%
(7) Target Cost Ratio [100% - (6)]	73.0%	72.4%
(8) Loss Adjustment Expense	19.0%	19.5%
(9) Loss-based Assessment	0.0%	0.0%
(10) Permissible Loss Ratio (7) / [1+(8)+(9)]	61.3%	60.6%



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EXHIBIT II

Section B - Calculation of Change in Expense Provisions

	A	B	C	D
	<u>Current</u> <u>Expenses</u>	<u>Col. A with</u> <u>Proposed Prod</u> <u>& Gen Exp</u>	<u>Col. B with</u> <u>Proposed Taxes</u>	<u>Col. C with</u> <u>Proposed Profit</u> <u>and Contingency</u>
(1) Production Expense	18.5%	18.7%	18.7%	18.7%
(2) General Expense	6.3%	6.8%	6.8%	6.8%
(3) Taxes	2.7%	2.7%	2.6%	2.6%
(4) Profit and Contingency Provision	<u>-0.5%</u>	<u>-0.5%</u>	<u>-0.5%</u>	<u>-0.5%</u>
(5) Total Provisions (1)+(2)+(3)+(4)	27.0%	27.7%	27.6%	27.6%
(6) TCR (100%-(5))	73.0%	72.3%	72.4%	72.4%
(7) Loss Based Expenses	19.0%	19.5%	19.5%	19.5%
(8) Change in Production and General Expense (6A) / (6B)			1.010	+1.0%
(9) Change in Taxes and Assessments (6B) / (6C)			0.999	-0.1%
(10) Change in Profit and Contingency Provision (6C) / (6D)			1.000	0.0%
(11) Change in Loss Based Expenses [1.0 + (7B)] / [1.0 + (7A)]			1.004	+0.4%



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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 6.8% 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>2023</u>	<u>2024</u>	<u>2025</u>
(1) Direct Earned Premium (NAIC Insurance Expense Exhibit Data)	50,927,960	50,758,098	49,997,269
(1a) Effect of Premium Discounts	0.931	0.932	0.932
(1b) Effect of Schedule Rating	0.964	0.970	0.972
(1c) Effect of Carrier Deviations	1.089	1.111	1.131
(1d) Effect of Deductibles	0.746	0.760	0.769
(1e) Expense Constant Offset	0.989	0.988	0.988
(2) Gross Adjusted Premium (STD Premium @ NCCI Level Excl. Expense Constant) $\{(1) / [(1a) \times (1b) \times (1c) \times (1d)]\} \times (1e)$	69,081,085	65,697,219	62,694,884
(3) Direct General Expenses Incurred (NAIC Insurance Expense Exhibit Data)	3,715,417	3,967,606	4,007,351
(3a) Proportion of Expense Constant Attributable to General Expenses	0.406	0.406	0.406
(4) General Expenses Incurred (Excluding Expense Constant Revenue) $(3) - (2) \times [1 - (1e)] / (1e) \times (3a)$	3,403,469	3,643,642	3,698,192
(5) Ratio of General Expense to Premium (Excluding Expense Constant Revenue) $(4) / (2)$	4.9%	5.5%	5.9%
(6) General Expense Gradations (General Expenses in Average Premium Discount)	1.2%	1.2%	1.2%
(7) General Expense Provision $(5) + (6)$	6.1%	6.7%	7.1%
(8) Selected General Expense Provision			6.8%



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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 18.7% 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>2023</u>	<u>2024</u>	<u>2025</u>
(1) Direct Written Premium (NAIC Insurance Expense Exhibit Data)	51,240,473	50,777,672	50,138,169
(1a) Effect of Premium Discounts	0.931	0.932	0.932
(1b) Effect of Schedule Rating	0.967	0.973	0.971
(1c) Effect of Carrier Deviations	1.092	1.125	1.135
(1d) Effect of Deductibles	0.749	0.769	0.769
(1e) Expense Constant Offset	0.989	0.987	0.987
(2) Pool Written Premium (Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)	831,752	800,895	778,168
(3) Adjusted Direct Written Premium (STD Premium Excl. Pool Written Premium) [(1)-(2)] / (1a) x (1e)	53,549,114	52,926,050	52,272,877
(4) Gross Direct Written Premium (STD Premium @ NCCI Level Incl. Pool Written Premium) {(1) / [(1a) x (1b) x (1c) x (1d)]} x (1e)	68,822,241	63,882,562	62,651,039
(5) Direct Commission & Brokerage Incurred (NAIC Insurance Expense Exhibit Data)	4,851,822	4,781,094	4,808,262
(6) Pool Producer Fees (Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)	27,270	25,248	24,996
(7) Direct Other Acquisition Expenses Incurred (NAIC Insurance Expense Exhibit Data)	2,459,816	2,567,003	2,584,915
(7a) Proportion of Expense Constant Attributable to Production Expenses	0.531	0.531	0.531
(8) Other Acquisition Expenses Incurred (Excluding Expense Constant Revenue) (7) - (4) x [1-(1e)]/(1e) x (7a)	2,053,354	2,120,213	2,146,739
(9) Ratio of Other Acq. Expenses to Premium (Excluding Expense Constant Revenue) (8)/(4)	3.0%	3.3%	3.4%
(10) Direct Commission & Brokerage Provision [(5)-(6)]/(3)	9.0%	9.0%	9.2%
(11) Production Expense Gradations (Production Expenses in Average Premium Discount)	6.5%	6.4%	6.4%
(12) Production Expense Provision (9)+(10)+(11)	18.5%	18.7%	19.0%
(13) Selected Production Expense Provision			18.7%



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EXHIBIT II

Workers Compensation Loss Adjustment Expense Provision

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

In this filing, NCCI proposes a 19.5% 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>	
2020	8.0%	2021	10.0%	
2021	9.2%	2022	9.7%	
2022	9.4%	2023	9.7%	
2023	9.6%	2024	9.8%	
2024	<u>10.1%</u>	2025	<u>10.1%</u>	
Countrywide selected:			9.8%	
Iowa selected:	9.7%	+	9.8%	= 19.5%

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>
2020	8.1%	0.986	8.0%
2021	9.2%	0.998	9.2%
2022	9.1%	1.036	9.4%
2023	8.6%	1.113	9.6%
2024	7.9%	1.282	<u>10.1%</u>
Iowa selected:			9.7%

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

	(5) <u>Current</u>	(6) <u>Proposed</u>
Iowa LAE Provision	19.0%	19.5%
Proposed Change in LAE Provision = [1.000 + (6)] / [1.000 + (5)] - 1		1.004 (+0.4%)



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EXHIBIT II**

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 three different assumptions regarding the return on investment and cost of capital:

- The "Static" estimate(s) of the P&C provision assume that the RoI and the WACC do not change over time. The 'Static-Avg' estimate assumes a longer-term average compared to the 'Static-Spot' estimate for certain financial inputs impacting the WACC and RoI. The Static-Spot estimate assumes the current US treasury rate, while the Static-Average assumes a rolling 5-year average. The RoI and the WACC for both static estimates are derived using data through the first quarter of 2026.
- The "Dynamic" estimate uses similar assumptions as the Static-Spot, but assumes that the RoI and WACC vary over time. Dynamic estimates are derived using data through the first quarter of 2026, with forecasts from May of that year. The starting point for the Dynamic estimate is January 1, 2027.

The following table summarizes the inputs and results of the model under each scenario.

TABLE 1: IRR MODEL INPUTS AND RESULTS

<u>Inputs:</u>				
(1)	Expenses and Taxes as a Percentage of Net Premium at NCCI Level			23.00%
(2)	Reserve-to-Surplus Ratio			1.95
(3)	Cash Flow Patterns			See Table 2
		<u>Static - Avg</u>	<u>Static - Spot</u>	<u>Dynamic*</u>
(4)	Return on Investments	3.90%	4.23%	4.17% - 4.31%
(5)	Weighted Average Cost of Capital	9.52%	9.96%	10.06% - 10.20%
<u>Results</u>				
		<u>Static - Avg</u>	<u>Static - Spot</u>	<u>Dynamic</u>
(6)	Indicated Profit and Contingency Provision	-0.40%	-0.91%	-0.73%
(7)	Loss and Loss Adjustment Expense Provision	77.40%	77.91%	77.73%
	= [100% - (6) - (1)]			

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 2025 Aggregates & Averages, for Commercial Casualty Composite, as the weighted average of Loss, LAE, and Unearned Premium Reserves to Policyholder Surplus, for years 2020 - 2024.

* 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	13.49%	3.68%	29.40%	13.29%	0.87%
0.50	30.76%	14.16%	54.50%	29.82%	3.34%
0.75	54.02%	30.99%	80.10%	51.75%	7.30%
1.00	77.15%	53.50%	100.00%	73.35%	12.60%
1.25	89.93%	74.83%		84.85%	21.98%
1.50	97.29%	89.34%		91.47%	31.35%
1.75	100.00%	97.51%		100.00%	40.73%
2.00		100.00%			50.10%
2.25					54.78%
2.50					59.45%
2.75					64.13%
3.00					68.80%
3.25					71.55%
3.50					74.30%
3.75					77.05%
4.00					79.80%
4.25					81.33%
4.50					82.85%
4.75					84.38%
5.00					85.90%
6.00					88.60%
7.00					90.40%
8.00					91.30%
9.00					92.10%
10.00					92.80%
11.00					93.30%
12.00					93.70%
13.00					94.00%
14.00					94.30%
15.00					95.00%
16.00					95.20%
17.00					95.60%
18.00					95.70%
19.00					96.00%
20.00					96.30%
21.00					96.50%
22.00					96.70%
23.00					96.90%
24.00					97.10%
25.00					97.20%
26.00					97.50%
27.00					97.50%
28.00					97.70%
29.00					97.90%
30.00					98.10%
31.00					98.30%
32.00					98.79%
33.00					99.24%
34.00					99.64%
35.00					100.00%

TABLE 3: DYNAMIC ESTIMATE
INPUTS

Time	(1) Return on Investments	(2) Weighted Average Cost of Capital
0.00	-	-
0.25	4.31%	10.20%
0.50	4.30%	10.18%
0.75	4.29%	10.18%
1.00	4.29%	10.18%
1.25	4.28%	10.19%
1.50	4.28%	10.18%
1.75	4.28%	10.19%
2.00	4.28%	10.19%
2.25	4.28%	10.18%
2.50	4.28%	10.17%
2.75	4.25%	10.16%
3.00	4.25%	10.14%
3.25	4.24%	10.13%
3.50	4.24%	10.13%
3.75	4.24%	10.13%
4.00	4.24%	10.12%
4.25	4.24%	10.11%
4.50	4.24%	10.10%
4.75	4.23%	10.09%
5.00	4.23%	10.08%
6.00	4.21%	10.07%
7.00	4.20%	10.06%
8.00	4.19%	10.07%
9.00	4.18%	10.07%
10.00	4.18%	10.09%
11.00	4.19%	10.09%
12.00	4.19%	10.09%
13.00	4.19%	10.08%
14.00	4.19%	10.07%
15.00	4.19%	10.07%
16.00	4.18%	10.08%
17.00	4.18%	10.08%
18.00	4.18%	10.08%
19.00	4.18%	10.08%
20.00	4.18%	10.08%
21.00	4.18%	10.08%
22.00	4.18%	10.07%
23.00	4.17%	10.07%
24.00	4.17%	10.07%
25.00	4.17%	10.07%
26.00	4.17%	10.07%
27.00	4.17%	10.07%
28.00	4.17%	10.07%
29.00	4.17%	10.07%
30.00	4.17%	10.07%
31.00	4.17%	10.07%
32.00	4.17%	10.07%
33.00	4.17%	10.07%
34.00	4.17%	10.07%
35.00	4.17%	10.07%

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.

List of Tables

Static-Average (Static-Avg) Estimate

Table 4: Derivation of Insurance Cash Flows

Table 5: Derivation of Cash Flows to the Capital Providers

Static-Spot Estimate

Table 6: Derivation of Insurance Cash Flows

Table 7: Derivation of Cash Flows to the Capital Providers

Dynamic Estimate

Table 8: Derivation of Insurance Cash Flows

Table 9: Derivation of Cash Flows to the Capital Providers

Appendices

Appendix A: Calculation of Weighted Average Cost of Capital and Return on Investments

Table A.1: Calculation of Weighted Average Cost of Capital

Table A.2: Calculation of Return on Investments

Appendix B: Federal Income Tax Incurred from Insurance Operations

Table B.1: Federal Income Tax Calculation (Static-Avg Estimate)

Table B.2: Federal Income Tax Calculation (Static-Spot Estimate)

Table B.3: Federal Income Tax Calculation (Dynamic Estimate)

Appendix C: Reserve-to-Surplus Ratio

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-Avg Estimate

TABLE 4: DERIVATION OF INSURANCE CASH FLOW (STATIC-AVG 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	0.1349	0.0306	0.0067	0.0058	0.0918
0.50	0.3076	0.0686	0.0258	0.0116	0.2016
0.75	0.5402	0.1190	0.0565	0.0174	0.3473
1.00	0.7715	0.1687	0.0975	0.0232	0.4821
1.25	0.8993	0.1952	0.1701	0.0200	0.5140
1.50	0.9729	0.2104	0.2426	0.0168	0.5030
1.75	1.0000	0.2300	0.3152	0.0136	0.4412
2.00	1.0000	0.2300	0.3878	0.0104	0.3718
2.25	1.0000	0.2300	0.4240	0.0095	0.3365
2.50	1.0000	0.2300	0.4601	0.0087	0.3012
2.75	1.0000	0.2300	0.4963	0.0078	0.2659
3.00	1.0000	0.2300	0.5325	0.0069	0.2306
3.25	1.0000	0.2300	0.5538	0.0063	0.2099
3.50	1.0000	0.2300	0.5751	0.0057	0.1893
3.75	1.0000	0.2300	0.5964	0.0050	0.1686
4.00	1.0000	0.2300	0.6177	0.0044	0.1480
4.25	1.0000	0.2300	0.6295	0.0040	0.1365
4.50	1.0000	0.2300	0.6413	0.0036	0.1251
4.75	1.0000	0.2300	0.6531	0.0032	0.1137
5.00	1.0000	0.2300	0.6649	0.0029	0.1023
6.00	1.0000	0.2300	0.6858	0.0022	0.0821
7.00	1.0000	0.2300	0.6997	0.0017	0.0686
8.00	1.0000	0.2300	0.7067	0.0013	0.0620
9.00	1.0000	0.2300	0.7129	0.0009	0.0563
10.00	1.0000	0.2300	0.7183	0.0006	0.0512
11.00	1.0000	0.2300	0.7221	0.0003	0.0475
12.00	1.0000	0.2300	0.7252	0.0001	0.0447
13.00	1.0000	0.2300	0.7276	(0.0001)	0.0425
14.00	1.0000	0.2300	0.7299	(0.0003)	0.0404
15.00	1.0000	0.2300	0.7353	(0.0005)	0.0352
16.00	1.0000	0.2300	0.7368	(0.0006)	0.0338
17.00	1.0000	0.2300	0.7399	(0.0007)	0.0308
18.00	1.0000	0.2300	0.7407	(0.0007)	0.0300
19.00	1.0000	0.2300	0.7430	(0.0007)	0.0277
20.00	1.0000	0.2300	0.7454	(0.0007)	0.0254
21.00	1.0000	0.2300	0.7469	(0.0007)	0.0238
22.00	1.0000	0.2300	0.7485	(0.0007)	0.0223
23.00	1.0000	0.2300	0.7500	(0.0008)	0.0207
24.00	1.0000	0.2300	0.7516	(0.0008)	0.0192
25.00	1.0000	0.2300	0.7523	(0.0008)	0.0184
26.00	1.0000	0.2300	0.7546	(0.0008)	0.0161
27.00	1.0000	0.2300	0.7546	(0.0008)	0.0161
28.00	1.0000	0.2300	0.7562	(0.0008)	0.0146
29.00	1.0000	0.2300	0.7577	(0.0008)	0.0130
30.00	1.0000	0.2300	0.7593	(0.0008)	0.0115
31.00	1.0000	0.2300	0.7608	(0.0008)	0.0100
32.00	1.0000	0.2300	0.7646	(0.0008)	0.0062
33.00	1.0000	0.2300	0.7681	(0.0008)	0.0027
34.00	1.0000	0.2300	0.7712	(0.0008)	(0.0004)
35.00	1.0000	0.2300	0.7740	(0.0008)	(0.0032)

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-Avg) 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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Calculation Details - Static-Avg Estimate (continued)

TABLE 5: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (STATIC-AVG 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	0.2790	0.1431	0.2630	0.0013	(0.1699)	(0.1699)	(0.1680)
0.50	0.4872	0.2498	0.4996	0.0049	(0.2931)	(0.1232)	(0.1191)
0.75	0.6745	0.3459	0.7596	0.0110	(0.4013)	(0.1082)	(0.1023)
1.00	0.7816	0.4008	0.9539	0.0192	(0.4526)	(0.0513)	(0.0474)
1.25	0.6608	0.3389	0.8990	0.0281	(0.3568)	0.0958	0.0865
1.50	0.5554	0.2848	0.8132	0.0364	(0.2738)	0.0830	0.0733
1.75	0.4644	0.2382	0.7026	0.0437	(0.2177)	0.0560	0.0483
2.00	0.3862	0.1981	0.5843	0.0498	(0.1626)	0.0551	0.0465
2.25	0.3500	0.1795	0.5295	0.0552	(0.1379)	0.0248	0.0204
2.50	0.3139	0.1610	0.4748	0.0600	(0.1136)	0.0243	0.0195
2.75	0.2777	0.1424	0.4201	0.0643	(0.0899)	0.0237	0.0187
3.00	0.2415	0.1238	0.3653	0.0681	(0.0667)	0.0232	0.0179
3.25	0.2202	0.1129	0.3331	0.0715	(0.0517)	0.0149	0.0112
3.50	0.1989	0.1020	0.3009	0.0745	(0.0371)	0.0146	0.0107
3.75	0.1776	0.0911	0.2687	0.0773	(0.0229)	0.0143	0.0103
4.00	0.1563	0.0802	0.2365	0.0797	(0.0089)	0.0140	0.0098
4.25	0.1445	0.0741	0.2187	0.0819	(0.0003)	0.0086	0.0059
4.50	0.1327	0.0681	0.2008	0.0839	0.0082	0.0085	0.0057
4.75	0.1209	0.0620	0.1830	0.0857	0.0165	0.0083	0.0054
5.00	0.1091	0.0560	0.1651	0.0874	0.0246	0.0081	0.0052
6.00	0.0882	0.0452	0.1335	0.0932	0.0418	0.0172	0.0104
7.00	0.0743	0.0381	0.1124	0.0980	0.0542	0.0124	0.0069
8.00	0.0673	0.0345	0.1019	0.1022	0.0624	0.0082	0.0041
9.00	0.0611	0.0314	0.0925	0.1060	0.0698	0.0074	0.0034
10.00	0.0557	0.0286	0.0843	0.1095	0.0763	0.0065	0.0028
11.00	0.0519	0.0266	0.0785	0.1126	0.0817	0.0054	0.0021
12.00	0.0488	0.0250	0.0738	0.1156	0.0865	0.0048	0.0017
13.00	0.0464	0.0238	0.0703	0.1184	0.0907	0.0042	0.0013
14.00	0.0441	0.0226	0.0667	0.1211	0.0947	0.0040	0.0012
15.00	0.0387	0.0198	0.0585	0.1235	0.1002	0.0054	0.0015
16.00	0.0372	0.0191	0.0562	0.1258	0.1033	0.0032	0.0008
17.00	0.0341	0.0175	0.0515	0.1279	0.1071	0.0038	0.0008
18.00	0.0333	0.0171	0.0503	0.1299	0.1095	0.0024	0.0005
19.00	0.0310	0.0159	0.0468	0.1318	0.1126	0.0031	0.0006
20.00	0.0286	0.0147	0.0433	0.1335	0.1156	0.0030	0.0005
21.00	0.0271	0.0139	0.0410	0.1352	0.1180	0.0024	0.0004
22.00	0.0255	0.0131	0.0386	0.1367	0.1204	0.0024	0.0003
23.00	0.0240	0.0123	0.0363	0.1382	0.1226	0.0023	0.0003
24.00	0.0224	0.0115	0.0340	0.1395	0.1248	0.0022	0.0003
25.00	0.0217	0.0111	0.0328	0.1408	0.1265	0.0017	0.0002
26.00	0.0193	0.0099	0.0293	0.1421	0.1289	0.0024	0.0002
27.00	0.0193	0.0099	0.0293	0.1432	0.1300	0.0011	0.0001
28.00	0.0178	0.0091	0.0269	0.1443	0.1319	0.0019	0.0002
29.00	0.0163	0.0083	0.0246	0.1453	0.1337	0.0018	0.0001
30.00	0.0147	0.0075	0.0222	0.1462	0.1355	0.0017	0.0001
31.00	0.0132	0.0067	0.0199	0.1470	0.1371	0.0016	0.0001
32.00	0.0094	0.0048	0.0142	0.1477	0.1397	0.0026	0.0001
33.00	0.0059	0.0030	0.0090	0.1482	0.1419	0.0022	0.0001
34.00	0.0028	0.0014	0.0043	0.1484	0.1438	0.0019	0.0001
35.00	-	-	-	0.1485	0.1453	0.0015	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-Avg) 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-Avg)] 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-Avg)], expressed as a factor



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Calculation Details - Static-Spot Estimate

TABLE 6: DERIVATION OF INSURANCE CASH FLOW (STATIC-SPOT 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	0.1349	0.0306	0.0067	0.0057	0.0919
0.50	0.3076	0.0686	0.0260	0.0114	0.2017
0.75	0.5402	0.1190	0.0569	0.0171	0.3473
1.00	0.7715	0.1687	0.0982	0.0227	0.4819
1.25	0.8993	0.1952	0.1712	0.0194	0.5135
1.50	0.9729	0.2104	0.2442	0.0161	0.5022
1.75	1.0000	0.2300	0.3173	0.0128	0.4400
2.00	1.0000	0.2300	0.3903	0.0094	0.3703
2.25	1.0000	0.2300	0.4267	0.0085	0.3347
2.50	1.0000	0.2300	0.4632	0.0077	0.2992
2.75	1.0000	0.2300	0.4996	0.0068	0.2636
3.00	1.0000	0.2300	0.5360	0.0059	0.2281
3.25	1.0000	0.2300	0.5574	0.0053	0.2073
3.50	1.0000	0.2300	0.5788	0.0046	0.1865
3.75	1.0000	0.2300	0.6003	0.0040	0.1657
4.00	1.0000	0.2300	0.6217	0.0034	0.1449
4.25	1.0000	0.2300	0.6336	0.0030	0.1335
4.50	1.0000	0.2300	0.6455	0.0026	0.1220
4.75	1.0000	0.2300	0.6573	0.0022	0.1105
5.00	1.0000	0.2300	0.6692	0.0018	0.0990
6.00	1.0000	0.2300	0.6903	0.0011	0.0786
7.00	1.0000	0.2300	0.7043	0.0007	0.0651
8.00	1.0000	0.2300	0.7113	0.0003	0.0585
9.00	1.0000	0.2300	0.7175	(0.0002)	0.0526
10.00	1.0000	0.2300	0.7230	(0.0005)	0.0475
11.00	1.0000	0.2300	0.7269	(0.0007)	0.0439
12.00	1.0000	0.2300	0.7300	(0.0010)	0.0410
13.00	1.0000	0.2300	0.7323	(0.0012)	0.0388
14.00	1.0000	0.2300	0.7347	(0.0013)	0.0367
15.00	1.0000	0.2300	0.7401	(0.0015)	0.0314
16.00	1.0000	0.2300	0.7417	(0.0017)	0.0300
17.00	1.0000	0.2300	0.7448	(0.0018)	0.0270
18.00	1.0000	0.2300	0.7456	(0.0018)	0.0262
19.00	1.0000	0.2300	0.7479	(0.0018)	0.0239
20.00	1.0000	0.2300	0.7502	(0.0018)	0.0216
21.00	1.0000	0.2300	0.7518	(0.0018)	0.0200
22.00	1.0000	0.2300	0.7534	(0.0018)	0.0185
23.00	1.0000	0.2300	0.7549	(0.0018)	0.0169
24.00	1.0000	0.2300	0.7565	(0.0018)	0.0153
25.00	1.0000	0.2300	0.7573	(0.0018)	0.0146
26.00	1.0000	0.2300	0.7596	(0.0018)	0.0122
27.00	1.0000	0.2300	0.7596	(0.0018)	0.0122
28.00	1.0000	0.2300	0.7611	(0.0018)	0.0107
29.00	1.0000	0.2300	0.7627	(0.0018)	0.0091
30.00	1.0000	0.2300	0.7643	(0.0018)	0.0076
31.00	1.0000	0.2300	0.7658	(0.0019)	0.0060
32.00	1.0000	0.2300	0.7697	(0.0019)	0.0022
33.00	1.0000	0.2300	0.7731	(0.0019)	(0.0012)
34.00	1.0000	0.2300	0.7762	(0.0019)	(0.0043)
35.00	1.0000	0.2300	0.7791	(0.0019)	(0.0072)

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-Spot) 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-Spot Estimate (continued)

TABLE 7: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (STATIC-SPOT 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	0.2791	0.1431	0.2632	0.0014	(0.1699)	(0.1699)	(0.1679)
0.50	0.4877	0.2501	0.5004	0.0053	(0.2934)	(0.1235)	(0.1192)
0.75	0.6757	0.3465	0.7614	0.0119	(0.4022)	(0.1088)	(0.1025)
1.00	0.7836	0.4019	0.9570	0.0209	(0.4542)	(0.0520)	(0.0479)
1.25	0.6635	0.3402	0.9030	0.0306	(0.3589)	0.0953	0.0856
1.50	0.5584	0.2864	0.8176	0.0395	(0.2759)	0.0830	0.0729
1.75	0.4673	0.2396	0.7069	0.0475	(0.2195)	0.0564	0.0484
2.00	0.3888	0.1994	0.5881	0.0542	(0.1636)	0.0558	0.0467
2.25	0.3523	0.1807	0.5330	0.0601	(0.1382)	0.0254	0.0208
2.50	0.3159	0.1620	0.4779	0.0653	(0.1134)	0.0248	0.0198
2.75	0.2795	0.1433	0.4228	0.0700	(0.0892)	0.0243	0.0189
3.00	0.2431	0.1247	0.3677	0.0741	(0.0655)	0.0237	0.0180
3.25	0.2216	0.1137	0.3353	0.0778	(0.0502)	0.0153	0.0114
3.50	0.2002	0.1027	0.3029	0.0811	(0.0352)	0.0149	0.0108
3.75	0.1788	0.0917	0.2705	0.0841	(0.0206)	0.0146	0.0104
4.00	0.1574	0.0807	0.2381	0.0868	(0.0064)	0.0143	0.0099
4.25	0.1455	0.0746	0.2201	0.0892	0.0025	0.0089	0.0060
4.50	0.1336	0.0685	0.2021	0.0914	0.0112	0.0087	0.0057
4.75	0.1217	0.0624	0.1842	0.0934	0.0197	0.0085	0.0055
5.00	0.1098	0.0563	0.1662	0.0952	0.0280	0.0083	0.0052
6.00	0.0888	0.0455	0.1344	0.1016	0.0458	0.0178	0.0106
7.00	0.0748	0.0384	0.1131	0.1068	0.0587	0.0129	0.0070
8.00	0.0678	0.0348	0.1025	0.1114	0.0673	0.0086	0.0042
9.00	0.0615	0.0316	0.0931	0.1155	0.0750	0.0078	0.0035
10.00	0.0561	0.0288	0.0849	0.1193	0.0819	0.0069	0.0028
11.00	0.0522	0.0268	0.0790	0.1227	0.0876	0.0057	0.0021
12.00	0.0491	0.0252	0.0743	0.1260	0.0927	0.0051	0.0017
13.00	0.0467	0.0240	0.0707	0.1291	0.0972	0.0045	0.0014
14.00	0.0444	0.0228	0.0672	0.1320	0.1015	0.0043	0.0012
15.00	0.0390	0.0200	0.0589	0.1346	0.1071	0.0057	0.0014
16.00	0.0374	0.0192	0.0566	0.1371	0.1105	0.0034	0.0008
17.00	0.0343	0.0176	0.0519	0.1394	0.1145	0.0040	0.0008
18.00	0.0335	0.0172	0.0507	0.1416	0.1171	0.0026	0.0005
19.00	0.0312	0.0160	0.0471	0.1436	0.1204	0.0033	0.0006
20.00	0.0288	0.0148	0.0436	0.1455	0.1235	0.0031	0.0005
21.00	0.0273	0.0140	0.0413	0.1473	0.1261	0.0026	0.0004
22.00	0.0257	0.0132	0.0389	0.1490	0.1286	0.0025	0.0003
23.00	0.0242	0.0124	0.0365	0.1506	0.1310	0.0024	0.0003
24.00	0.0226	0.0116	0.0342	0.1521	0.1333	0.0023	0.0002
25.00	0.0218	0.0112	0.0330	0.1536	0.1351	0.0018	0.0002
26.00	0.0195	0.0100	0.0295	0.1549	0.1377	0.0025	0.0002
27.00	0.0195	0.0100	0.0295	0.1561	0.1389	0.0012	0.0001
28.00	0.0179	0.0092	0.0271	0.1573	0.1409	0.0020	0.0001
29.00	0.0164	0.0084	0.0248	0.1584	0.1428	0.0019	0.0001
30.00	0.0148	0.0076	0.0224	0.1594	0.1446	0.0018	0.0001
31.00	0.0132	0.0068	0.0200	0.1603	0.1463	0.0017	0.0001
32.00	0.0094	0.0048	0.0142	0.1610	0.1490	0.0027	0.0001
33.00	0.0060	0.0031	0.0090	0.1615	0.1513	0.0023	0.0001
34.00	0.0028	0.0015	0.0043	0.1618	0.1532	0.0019	0.0001
35.00	-	-	-	0.1619	0.1547	0.0016	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-Spot) 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-Spot)] 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 the Capital Provider Cash Flow (6) discounted by the Weighted Average Cost of Capital [Table 1 row (5, Static-Spot)], expressed as a factor



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Section G - Derivation of the Indicated Profit and Contingency Provision

Calculation Details - Dynamic Estimate

TABLE 8: 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	0.1349	0.0306	0.0067	0.0057	0.0919
0.50	0.3076	0.0686	0.0259	0.0115	0.2016
0.75	0.5402	0.1190	0.0567	0.0172	0.3473
1.00	0.7715	0.1687	0.0979	0.0229	0.4820
1.25	0.8993	0.1952	0.1708	0.0196	0.5137
1.50	0.9729	0.2104	0.2437	0.0163	0.5025
1.75	1.0000	0.2300	0.3166	0.0131	0.4404
2.00	1.0000	0.2300	0.3894	0.0098	0.3708
2.25	1.0000	0.2300	0.4258	0.0089	0.3353
2.50	1.0000	0.2300	0.4621	0.0080	0.2999
2.75	1.0000	0.2300	0.4984	0.0071	0.2644
3.00	1.0000	0.2300	0.5348	0.0063	0.2290
3.25	1.0000	0.2300	0.5562	0.0056	0.2082
3.50	1.0000	0.2300	0.5775	0.0050	0.1875
3.75	1.0000	0.2300	0.5989	0.0044	0.1667
4.00	1.0000	0.2300	0.6203	0.0037	0.1460
4.25	1.0000	0.2300	0.6321	0.0033	0.1345
4.50	1.0000	0.2300	0.6440	0.0029	0.1231
4.75	1.0000	0.2300	0.6558	0.0026	0.1116
5.00	1.0000	0.2300	0.6677	0.0022	0.1001
6.00	1.0000	0.2300	0.6887	0.0015	0.0798
7.00	1.0000	0.2300	0.7027	0.0010	0.0663
8.00	1.0000	0.2300	0.7097	0.0006	0.0597
9.00	1.0000	0.2300	0.7159	0.0002	0.0539
10.00	1.0000	0.2300	0.7213	(0.0001)	0.0488
11.00	1.0000	0.2300	0.7252	(0.0004)	0.0451
12.00	1.0000	0.2300	0.7283	(0.0006)	0.0423
13.00	1.0000	0.2300	0.7307	(0.0008)	0.0401
14.00	1.0000	0.2300	0.7330	(0.0010)	0.0380
15.00	1.0000	0.2300	0.7384	(0.0012)	0.0327
16.00	1.0000	0.2300	0.7400	(0.0013)	0.0313
17.00	1.0000	0.2300	0.7431	(0.0014)	0.0283
18.00	1.0000	0.2300	0.7439	(0.0014)	0.0275
19.00	1.0000	0.2300	0.7462	(0.0014)	0.0252
20.00	1.0000	0.2300	0.7485	(0.0014)	0.0229
21.00	1.0000	0.2300	0.7501	(0.0014)	0.0213
22.00	1.0000	0.2300	0.7517	(0.0014)	0.0198
23.00	1.0000	0.2300	0.7532	(0.0014)	0.0182
24.00	1.0000	0.2300	0.7548	(0.0015)	0.0167
25.00	1.0000	0.2300	0.7555	(0.0015)	0.0159
26.00	1.0000	0.2300	0.7579	(0.0015)	0.0136
27.00	1.0000	0.2300	0.7579	(0.0015)	0.0136
28.00	1.0000	0.2300	0.7594	(0.0015)	0.0120
29.00	1.0000	0.2300	0.7610	(0.0015)	0.0105
30.00	1.0000	0.2300	0.7625	(0.0015)	0.0089
31.00	1.0000	0.2300	0.7641	(0.0015)	0.0074
32.00	1.0000	0.2300	0.7679	(0.0015)	0.0036
33.00	1.0000	0.2300	0.7714	(0.0015)	0.0002
34.00	1.0000	0.2300	0.7745	(0.0015)	(0.0030)
35.00	1.0000	0.2300	0.7773	(0.0015)	(0.0058)

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 9: 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	0.2791	0.1431	0.2631	0.0014	(0.1698)	(0.1698)	0.9879	(0.1678)
0.50	0.4875	0.2500	0.5002	0.0054	(0.2931)	(0.1232)	0.9643	(0.1188)
0.75	0.6753	0.3463	0.7608	0.0121	(0.4014)	(0.1083)	0.9412	(0.1020)
1.00	0.7829	0.4015	0.9559	0.0211	(0.4528)	(0.0514)	0.9186	(0.0472)
1.25	0.6626	0.3398	0.9016	0.0309	(0.3570)	0.0958	0.8966	0.0859
1.50	0.5574	0.2858	0.8161	0.0400	(0.2736)	0.0834	0.8752	0.0730
1.75	0.4663	0.2391	0.7054	0.0480	(0.2170)	0.0566	0.8542	0.0484
2.00	0.3879	0.1989	0.5868	0.0548	(0.1612)	0.0558	0.8337	0.0466
2.25	0.3515	0.1803	0.5318	0.0607	(0.1358)	0.0254	0.8137	0.0207
2.50	0.3152	0.1616	0.4768	0.0660	(0.1109)	0.0248	0.7943	0.0197
2.75	0.2789	0.1430	0.4219	0.0707	(0.0867)	0.0242	0.7753	0.0188
3.00	0.2425	0.1244	0.3669	0.0748	(0.0631)	0.0236	0.7568	0.0179
3.25	0.2211	0.1134	0.3345	0.0785	(0.0478)	0.0153	0.7387	0.0113
3.50	0.1998	0.1024	0.3022	0.0818	(0.0329)	0.0149	0.7211	0.0108
3.75	0.1784	0.0915	0.2699	0.0848	(0.0183)	0.0146	0.7040	0.0103
4.00	0.1570	0.0805	0.2375	0.0875	(0.0041)	0.0142	0.6872	0.0098
4.25	0.1452	0.0744	0.2196	0.0898	0.0048	0.0088	0.6708	0.0059
4.50	0.1333	0.0684	0.2017	0.0920	0.0134	0.0087	0.6549	0.0057
4.75	0.1215	0.0623	0.1837	0.0940	0.0219	0.0085	0.6394	0.0054
5.00	0.1096	0.0562	0.1658	0.0959	0.0302	0.0083	0.6242	0.0052
6.00	0.0886	0.0454	0.1341	0.1022	0.0479	0.0177	0.5879	0.0104
7.00	0.0746	0.0383	0.1129	0.1074	0.0608	0.0128	0.5341	0.0069
8.00	0.0676	0.0347	0.1023	0.1119	0.0693	0.0085	0.4853	0.0041
9.00	0.0614	0.0315	0.0929	0.1160	0.0770	0.0077	0.4409	0.0034
10.00	0.0560	0.0287	0.0847	0.1197	0.0838	0.0068	0.4005	0.0027
11.00	0.0521	0.0267	0.0788	0.1231	0.0894	0.0057	0.3638	0.0021
12.00	0.0490	0.0251	0.0741	0.1263	0.0945	0.0050	0.3304	0.0017
13.00	0.0466	0.0239	0.0706	0.1293	0.0989	0.0044	0.3002	0.0013
14.00	0.0443	0.0227	0.0670	0.1322	0.1032	0.0043	0.2727	0.0012
15.00	0.0389	0.0199	0.0588	0.1348	0.1088	0.0056	0.2477	0.0014
16.00	0.0373	0.0191	0.0564	0.1373	0.1121	0.0034	0.2251	0.0008
17.00	0.0342	0.0175	0.0517	0.1395	0.1161	0.0039	0.2044	0.0008
18.00	0.0334	0.0171	0.0506	0.1417	0.1186	0.0025	0.1857	0.0005
19.00	0.0311	0.0159	0.0470	0.1437	0.1219	0.0032	0.1687	0.0005
20.00	0.0288	0.0147	0.0435	0.1456	0.1250	0.0031	0.1533	0.0005
21.00	0.0272	0.0140	0.0412	0.1474	0.1275	0.0026	0.1392	0.0004
22.00	0.0257	0.0132	0.0388	0.1490	0.1300	0.0025	0.1265	0.0003
23.00	0.0241	0.0124	0.0365	0.1506	0.1324	0.0024	0.1149	0.0003
24.00	0.0225	0.0116	0.0341	0.1521	0.1347	0.0023	0.1044	0.0002
25.00	0.0218	0.0112	0.0329	0.1535	0.1365	0.0018	0.0949	0.0002
26.00	0.0194	0.0100	0.0294	0.1548	0.1390	0.0025	0.0862	0.0002
27.00	0.0194	0.0100	0.0294	0.1560	0.1402	0.0012	0.0783	0.0001
28.00	0.0179	0.0092	0.0270	0.1572	0.1422	0.0020	0.0711	0.0001
29.00	0.0163	0.0084	0.0247	0.1583	0.1441	0.0019	0.0646	0.0001
30.00	0.0148	0.0076	0.0223	0.1592	0.1458	0.0018	0.0587	0.0001
31.00	0.0132	0.0068	0.0200	0.1601	0.1475	0.0017	0.0533	0.0001
32.00	0.0094	0.0048	0.0142	0.1608	0.1502	0.0027	0.0485	0.0001
33.00	0.0059	0.0030	0.0090	0.1613	0.1525	0.0023	0.0440	0.0001
34.00	0.0028	0.0014	0.0043	0.1616	0.1544	0.0019	0.0400	0.0001
35.00	-	-	-	0.1617	0.1559	0.0015	0.0363	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 8 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 estimates are shown for 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		Dynamic - IRR Model Time (yrs)		
	Avg	Spot	1.00	2.00	5.00
(1) 5 year US T-note Yield	3.35%	3.77%	4.01%	4.01%	3.90%
(2) US Equity Market Risk Premium	8.08%	8.08%	8.08%	8.08%	8.08%
(3) Beta for Property/Casualty (P/C) Insurers	0.86	0.86	0.86	0.86	0.86
(4) Equity Cost of Capital for P/C Insurers	10.29%	10.72%	10.96%	10.96%	10.85%
(5) Share of Equity Capital for P/C Insurers	88%	88%	88%	88%	88%
(6) Debt Cost of Capital for P/C Insurers	3.85%	4.38%	4.49%	4.50%	4.41%
(7) Weighted Average Cost of Capital (WACC)	9.52%	9.96%	10.18%	10.19%	10.08%

Row Notes:

- (1) The Static-Avg estimate utilizes a rolling 5-year average, while the Static-Spot estimate utilizes the current US treasury yield. 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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EXHIBIT II

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)	(10)
Security Description	Investment Portfolio	Yield Curve, Maturity and Spread	Roll-over Period	Income Tax Rate	Post-tax Return				
					Static		Dynamic - IRR Model Time (yrs)		
					Avg	Spot	1.00	2.00	5.00
Bonds, of which	73.8%								
Government Direct Obligations	8.5%								
< 1yr	2.6%	6 mo US T-bill	0.50 yrs	21.00%	2.92%	2.90%	2.54%	2.51%	2.42%
1 – 5 yrs	3.7%	2.5 yr US T-note	2.50 yrs	21.00%	2.65%	2.85%	2.97%	2.97%	2.90%
5 – 10 yrs	1.6%	7.5 yr US T-note	7.50 yrs	21.00%	2.73%	3.17%	3.34%	3.34%	3.34%
10 – 20 yrs	0.3%	15 yr US T-note	15.00 yrs	21.00%	2.93%	3.54%	3.61%	3.61%	3.61%
> 20 yrs	0.4%	20 yr US T-note	20.00 yrs	21.00%	3.08%	3.77%	3.82%	3.82%	3.82%
Collateralized Securities	9.3%								
< 1yr	0.9%	6 mo US T-bill + 50 basis points	0.50 yrs	21.00%	3.31%	3.29%	2.93%	2.91%	2.81%
1 – 5 yrs	2.9%	2.5 yr US T-note + 50 basis points	2.50 yrs	21.00%	3.04%	3.24%	3.36%	3.36%	3.29%
5 – 10 yrs	2.4%	7.5 yr US T-note + 50 basis points	7.50 yrs	21.00%	3.12%	3.57%	3.73%	3.73%	3.73%
10 – 20 yrs	2.2%	15 yr US T-note + 50 basis points	15.00 yrs	21.00%	3.32%	3.94%	4.01%	4.01%	4.01%
> 20 yrs	0.9%	20 yr US T-note + 50 basis points	20.00 yrs	21.00%	3.48%	4.17%	4.21%	4.21%	4.21%
Tax-exempt Bonds	13.3%								
< 1yr	0.9%	6 mo US T-bill + Tax-exempt spread	0.50 yrs	5.25%	3.44%	3.41%	2.98%	2.95%	2.84%
1 – 5 yrs	2.9%	2.5 yr US T-note + Tax-exempt spread	2.50 yrs	5.25%	3.19%	3.43%	3.58%	3.58%	3.49%
5 – 10 yrs	3.1%	7.5 yr US T-note + Tax-exempt spread	7.50 yrs	5.25%	3.31%	3.84%	4.04%	4.04%	4.04%
10 – 20 yrs	5.1%	15 yr US T-note + Tax-exempt spread	15.00 yrs	5.25%	3.69%	4.43%	4.51%	4.51%	4.51%
> 20 yrs	1.3%	20 yr US T-note + Tax-exempt spread	20.00 yrs	5.25%	4.00%	4.81%	4.86%	4.86%	4.86%
Industrial and Hybrid Securities (unaffiliated)	42.7%								
< 1yr	3.8%	6 mo US T-bill + Corp spread	0.50 yrs	21.00%	3.40%	3.38%	3.02%	3.00%	2.90%
1 – 5 yrs	19.7%	2.5 yr US T-note + Corp spread	2.50 yrs	21.00%	3.35%	3.55%	3.67%	3.67%	3.60%
5 – 10 yrs	14.1%	7.5 yr US T-note + Corp spread	7.50 yrs	21.00%	3.74%	4.18%	4.34%	4.34%	4.34%
10 – 20 yrs	2.9%	15 yr US T-note + Corp spread	15.00 yrs	21.00%	4.05%	4.65%	4.72%	4.72%	4.72%
> 20 yrs	2.2%	20 yr US T-note + Corp spread	20.00 yrs	21.00%	4.21%	4.87%	4.92%	4.92%	4.92%
Industrial and Hybrid Securities (affiliated)	0.1%								
< 1yr	0.0%	6 mo US T-bill + Corp spread	0.50 yrs	5.25%	4.08%	4.05%	3.62%	3.59%	3.48%
1 – 5 yrs	0.0%	2.5 yr US T-note + Corp spread	2.50 yrs	5.25%	4.02%	4.26%	4.41%	4.41%	4.32%
5 – 10 yrs	0.0%	7.5 yr US T-note + Corp spread	7.50 yrs	5.25%	4.48%	5.01%	5.21%	5.21%	5.21%
10 – 20 yrs	0.0%	15 yr US T-note + Corp spread	15.00 yrs	5.25%	4.85%	5.57%	5.66%	5.66%	5.66%
> 20 yrs	0.0%	20 yr US T-note + Corp spread	20.00 yrs	5.25%	5.05%	5.84%	5.90%	5.90%	5.90%
Stocks, of which	10.8%								
Preferred Stock	0.4%	5 year US T-note + 404 basis points	0.25 yrs	13.13%	6.42%	6.79%	6.99%	7.00%	6.90%
Common Stock	10.4%	5 year US T-note + 808 basis points	0.25 yrs	18.53%	9.31%	9.66%	9.85%	9.85%	9.76%
Mortgage Loans	2.5%								
Real Estate	0.4%								
Cash & Short-Term Investment	5.3%	3 month US T-bill	0.25 yrs	21.00%	2.90%	2.94%	2.42%	2.41%	2.31%
All Other Assets*	7.1%								
Post-Tax Return on Invested Funds, pre-Expense:					4.09%	4.42%	4.47%	4.47%	4.42%
Investment Expense**:					-0.19%	-0.19%	-0.19%	-0.19%	-0.19%
Post-Tax Return on Invested Funds:					3.90%	4.23%	4.29%	4.28%	4.23%

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 2022-2024, 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 2022-2024, 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-ration" 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 68.6% while the income portion is 31.4%. The percentages are obtained from the SBI Summary Statistics of Annual Returns: large cap stocks, arithmetic mean.
- (6)-(7) Static estimates of US Treasury yields are constant maturity yields from the first quarter of 2026.
- (8)-(10) 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 2024 is from the Annual Statement, Exhibit of Net Investment Income.

Average cash and invested assets for 2023 and 2024 are from Best's Aggregates and Averages (Property-Casualty), Assets for Commercial Casualty Composite.



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EXHIBIT II**

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 Static and the 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-AVG ESTIMATE)

	(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
Time										
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4650	0.1687	0.8678	0.0975	0.0975	-	0.2512	-	0.0232
2.00	1.0000	-	0.2300	0.8502	0.3878	0.2421	0.1457	0.1232	0.2094	0.0104
3.00	1.0000	-	0.2300	0.8431	0.5325	0.2783	0.2542	0.0916	0.1129	0.0069
4.00	1.0000	-	0.2300	0.8373	0.6177	0.3241	0.2936	0.0527	0.0788	0.0044
5.00	1.0000	-	0.2300	0.8406	0.6649	0.3366	0.3282	0.0424	0.0492	0.0029
6.00	1.0000	-	0.2300	0.8332	0.6858	0.3460	0.3397	0.0341	0.0397	0.0022
7.00	1.0000	-	0.2300	0.8399	0.6997	0.3518	0.3479	0.0296	0.0326	0.0017
8.00	1.0000	-	0.2300	0.8575	0.7067	0.3541	0.3525	0.0282	0.0289	0.0013
9.00	1.0000	-	0.2300	0.8742	0.7129	0.3576	0.3553	0.0257	0.0272	0.0009
10.00	1.0000	-	0.2300	0.8851	0.7183	0.3599	0.3584	0.0240	0.0250	0.0006
11.00	1.0000	-	0.2300	0.9003	0.7221	0.3616	0.3605	0.0228	0.0235	0.0003
12.00	1.0000	-	0.2300	0.9158	0.7252	0.3631	0.3621	0.0219	0.0224	0.0001
13.00	1.0000	-	0.2300	0.9317	0.7276	0.3641	0.3634	0.0213	0.0216	(0.0001)
14.00	1.0000	-	0.2300	0.9479	0.7299	0.3654	0.3645	0.0205	0.0209	(0.0003)
15.00	1.0000	-	0.2300	0.9645	0.7353	0.3688	0.3665	0.0176	0.0194	(0.0005)
16.00	1.0000	-	0.2300	0.9812	0.7368	0.3682	0.3686	0.0184	0.0177	(0.0006)
17.00	1.0000	-	0.2300	0.9825	0.7399	0.3708	0.3691	0.0159	0.0176	(0.0007)
18.00	1.0000	-	0.2300	0.9825	0.7407	0.3701	0.3706	0.0166	0.0161	(0.0007)
19.00	1.0000	-	0.2300	0.9825	0.7430	0.3722	0.3708	0.0145	0.0159	(0.0007)
20.00	1.0000	-	0.2300	0.9825	0.7454	0.3729	0.3724	0.0138	0.0143	(0.0007)
21.00	1.0000	-	0.2300	0.9825	0.7469	0.3737	0.3732	0.0130	0.0136	(0.0007)
22.00	1.0000	-	0.2300	0.9825	0.7485	0.3745	0.3740	0.0123	0.0128	(0.0007)
23.00	1.0000	-	0.2300	0.9825	0.7500	0.3753	0.3747	0.0115	0.0120	(0.0008)
24.00	1.0000	-	0.2300	0.9825	0.7516	0.3760	0.3755	0.0108	0.0113	(0.0008)
25.00	1.0000	-	0.2300	0.9825	0.7523	0.3762	0.3761	0.0106	0.0107	(0.0008)
26.00	1.0000	-	0.2300	0.9825	0.7546	0.3779	0.3768	0.0090	0.0100	(0.0008)
27.00	1.0000	-	0.2300	0.9825	0.7546	0.3771	0.3776	0.0098	0.0092	(0.0008)
28.00	1.0000	-	0.2300	0.9825	0.7562	0.3786	0.3776	0.0082	0.0093	(0.0008)
29.00	1.0000	-	0.2300	0.9825	0.7577	0.3790	0.3787	0.0079	0.0081	(0.0008)
30.00	1.0000	-	0.2300	0.9825	0.7593	0.3800	0.3793	0.0069	0.0075	(0.0008)
31.00	1.0000	-	0.2300	0.9825	0.7608	0.3806	0.3802	0.0062	0.0067	(0.0008)
32.00	1.0000	-	0.2300	0.9825	0.7646	0.3832	0.3815	0.0038	0.0054	(0.0008)
33.00	1.0000	-	0.2300	0.9825	0.7681	0.3845	0.3836	0.0025	0.0033	(0.0008)
34.00	1.0000	-	0.2300	0.9825	0.7712	0.3862	0.3850	0.0008	0.0019	(0.0008)
35.00	1.0000	-	0.2300	0.9825	0.7740	0.3870	0.3870	-	-	(0.0008)

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, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026
- (5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Avg) 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,

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

$$= [\text{col (7, Time 35)} - (7)] \times \text{col (4, previous row)}$$
- (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 B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS (CONTINUED)

TABLE B.2: FEDERAL INCOME TAX CALCULATION (STATIC-SPOT ESTIMATE)

	(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
Time										
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4650	0.1687	0.8678	0.0982	0.0982	-	0.2529	-	0.0227
2.00	1.0000	-	0.2300	0.8502	0.3903	0.2437	0.1467	0.1240	0.2108	0.0094
3.00	1.0000	-	0.2300	0.8431	0.5360	0.2802	0.2558	0.0922	0.1137	0.0059
4.00	1.0000	-	0.2300	0.8373	0.6217	0.3262	0.2955	0.0530	0.0793	0.0034
5.00	1.0000	-	0.2300	0.8406	0.6692	0.3388	0.3304	0.0426	0.0495	0.0018
6.00	1.0000	-	0.2300	0.8332	0.6903	0.3483	0.3420	0.0344	0.0400	0.0011
7.00	1.0000	-	0.2300	0.8399	0.7043	0.3541	0.3502	0.0298	0.0328	0.0007
8.00	1.0000	-	0.2300	0.8575	0.7113	0.3564	0.3549	0.0284	0.0291	0.0003
9.00	1.0000	-	0.2300	0.8742	0.7175	0.3599	0.3576	0.0259	0.0274	(0.0002)
10.00	1.0000	-	0.2300	0.8851	0.7230	0.3623	0.3607	0.0241	0.0252	(0.0005)
11.00	1.0000	-	0.2300	0.9003	0.7269	0.3640	0.3629	0.0230	0.0236	(0.0007)
12.00	1.0000	-	0.2300	0.9158	0.7300	0.3655	0.3645	0.0220	0.0225	(0.0010)
13.00	1.0000	-	0.2300	0.9317	0.7323	0.3665	0.3658	0.0215	0.0217	(0.0012)
14.00	1.0000	-	0.2300	0.9479	0.7347	0.3677	0.3669	0.0207	0.0211	(0.0013)
15.00	1.0000	-	0.2300	0.9645	0.7401	0.3712	0.3689	0.0177	0.0196	(0.0015)
16.00	1.0000	-	0.2300	0.9812	0.7417	0.3706	0.3710	0.0185	0.0179	(0.0017)
17.00	1.0000	-	0.2300	0.9825	0.7448	0.3733	0.3715	0.0160	0.0177	(0.0018)
18.00	1.0000	-	0.2300	0.9825	0.7456	0.3725	0.3730	0.0167	0.0162	(0.0018)
19.00	1.0000	-	0.2300	0.9825	0.7479	0.3747	0.3732	0.0146	0.0160	(0.0018)
20.00	1.0000	-	0.2300	0.9825	0.7502	0.3754	0.3749	0.0139	0.0144	(0.0018)
21.00	1.0000	-	0.2300	0.9825	0.7518	0.3762	0.3756	0.0131	0.0137	(0.0018)
22.00	1.0000	-	0.2300	0.9825	0.7534	0.3769	0.3764	0.0124	0.0129	(0.0018)
23.00	1.0000	-	0.2300	0.9825	0.7549	0.3777	0.3772	0.0116	0.0121	(0.0018)
24.00	1.0000	-	0.2300	0.9825	0.7565	0.3785	0.3780	0.0108	0.0114	(0.0018)
25.00	1.0000	-	0.2300	0.9825	0.7573	0.3787	0.3786	0.0107	0.0108	(0.0018)
26.00	1.0000	-	0.2300	0.9825	0.7596	0.3803	0.3792	0.0090	0.0101	(0.0018)
27.00	1.0000	-	0.2300	0.9825	0.7596	0.3795	0.3801	0.0098	0.0093	(0.0018)
28.00	1.0000	-	0.2300	0.9825	0.7611	0.3811	0.3800	0.0083	0.0093	(0.0018)
29.00	1.0000	-	0.2300	0.9825	0.7627	0.3815	0.3812	0.0079	0.0082	(0.0018)
30.00	1.0000	-	0.2300	0.9825	0.7643	0.3825	0.3818	0.0070	0.0076	(0.0018)
31.00	1.0000	-	0.2300	0.9825	0.7658	0.3831	0.3827	0.0063	0.0067	(0.0019)
32.00	1.0000	-	0.2300	0.9825	0.7697	0.3857	0.3840	0.0038	0.0055	(0.0019)
33.00	1.0000	-	0.2300	0.9825	0.7731	0.3870	0.3861	0.0025	0.0034	(0.0019)
34.00	1.0000	-	0.2300	0.9825	0.7762	0.3887	0.3876	0.0008	0.0019	(0.0019)
35.00	1.0000	-	0.2300	0.9825	0.7791	0.3895	0.3895	-	-	(0.0019)

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, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026
 (5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Spot) 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:
 Col (6) + Col (7) = Col (5)
 Col (7) = (2/3) * Col (6, previous row) + (1/3) * 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,
 = [col (6, Time 35) - (6)] x (4)
 (9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid,
 = [col (7, Time 35) - (7)] x 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 B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS (CONTINUED)

TABLE B.3: 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	0.4650	0.1687	0.8678	0.0979	0.0979	-	0.2523	-	0.0229
2.00	1.0000	-	0.2300	0.8502	0.3894	0.2431	0.1463	0.1237	0.2103	0.0098
3.00	1.0000	-	0.2300	0.8431	0.5348	0.2795	0.2552	0.0920	0.1134	0.0063
4.00	1.0000	-	0.2300	0.8373	0.6203	0.3254	0.2948	0.0529	0.0791	0.0037
5.00	1.0000	-	0.2300	0.8406	0.6677	0.3381	0.3296	0.0425	0.0494	0.0022
6.00	1.0000	-	0.2300	0.8332	0.6887	0.3475	0.3412	0.0343	0.0399	0.0015
7.00	1.0000	-	0.2300	0.8399	0.7027	0.3533	0.3494	0.0297	0.0327	0.0010
8.00	1.0000	-	0.2300	0.8575	0.7097	0.3556	0.3541	0.0283	0.0291	0.0006
9.00	1.0000	-	0.2300	0.8742	0.7159	0.3591	0.3568	0.0258	0.0273	0.0002
10.00	1.0000	-	0.2300	0.8851	0.7213	0.3614	0.3599	0.0241	0.0251	(0.0001)
11.00	1.0000	-	0.2300	0.9003	0.7252	0.3632	0.3620	0.0229	0.0236	(0.0004)
12.00	1.0000	-	0.2300	0.9158	0.7283	0.3647	0.3637	0.0220	0.0225	(0.0006)
13.00	1.0000	-	0.2300	0.9317	0.7307	0.3657	0.3650	0.0214	0.0217	(0.0008)
14.00	1.0000	-	0.2300	0.9479	0.7330	0.3669	0.3661	0.0206	0.0210	(0.0010)
15.00	1.0000	-	0.2300	0.9645	0.7384	0.3704	0.3681	0.0176	0.0195	(0.0012)
16.00	1.0000	-	0.2300	0.9812	0.7400	0.3698	0.3702	0.0185	0.0178	(0.0013)
17.00	1.0000	-	0.2300	0.9825	0.7431	0.3724	0.3707	0.0159	0.0176	(0.0014)
18.00	1.0000	-	0.2300	0.9825	0.7439	0.3717	0.3722	0.0167	0.0162	(0.0014)
19.00	1.0000	-	0.2300	0.9825	0.7462	0.3738	0.3724	0.0146	0.0160	(0.0014)
20.00	1.0000	-	0.2300	0.9825	0.7485	0.3745	0.3740	0.0139	0.0144	(0.0014)
21.00	1.0000	-	0.2300	0.9825	0.7501	0.3753	0.3748	0.0131	0.0136	(0.0014)
22.00	1.0000	-	0.2300	0.9825	0.7517	0.3761	0.3756	0.0124	0.0128	(0.0014)
23.00	1.0000	-	0.2300	0.9825	0.7532	0.3769	0.3763	0.0116	0.0121	(0.0014)
24.00	1.0000	-	0.2300	0.9825	0.7548	0.3776	0.3771	0.0108	0.0113	(0.0015)
25.00	1.0000	-	0.2300	0.9825	0.7555	0.3778	0.3777	0.0106	0.0108	(0.0015)
26.00	1.0000	-	0.2300	0.9825	0.7579	0.3795	0.3784	0.0090	0.0101	(0.0015)
27.00	1.0000	-	0.2300	0.9825	0.7579	0.3787	0.3792	0.0098	0.0093	(0.0015)
28.00	1.0000	-	0.2300	0.9825	0.7594	0.3802	0.3792	0.0083	0.0093	(0.0015)
29.00	1.0000	-	0.2300	0.9825	0.7610	0.3806	0.3804	0.0079	0.0081	(0.0015)
30.00	1.0000	-	0.2300	0.9825	0.7625	0.3816	0.3809	0.0069	0.0076	(0.0015)
31.00	1.0000	-	0.2300	0.9825	0.7641	0.3823	0.3818	0.0063	0.0067	(0.0015)
32.00	1.0000	-	0.2300	0.9825	0.7679	0.3848	0.3831	0.0038	0.0054	(0.0015)
33.00	1.0000	-	0.2300	0.9825	0.7714	0.3861	0.3852	0.0025	0.0034	(0.0015)
34.00	1.0000	-	0.2300	0.9825	0.7745	0.3878	0.3867	0.0008	0.0019	(0.0015)
35.00	1.0000	-	0.2300	0.9825	0.7773	0.3887	0.3887	-	-	(0.0015)

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, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026
 (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

	(1)	(2)	(3)	(4)	(5)	(6)
Year End	Unpaid Losses	Unpaid Loss Adjustment Expense	Unearned Premium	Policyholder Surplus	Ratio excl. Unearned Premium $\{(1)+(2)\} / (4)$	Ratio incl. Unearned Premium $\{(1)+(2) + (3)\} / (4)$
2024	281,685,316	59,628,687	115,755,706	229,009,169	1.49	2.00
2023	256,372,016	54,377,852	105,513,788	210,558,344	1.48	1.98
2022	244,078,630	51,321,882	96,322,738	200,124,833	1.48	1.96
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
2020 - 2024	1,224,249,794	261,251,925	507,832,794	1,023,794,981	1.45	1.95

Selected Ratio including Unearned Premium: 1.95

Source: Columns (1) - (4) for the latest year are taken from Liabilities, Surplus and Other Funds in Best's 2025 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 graduated expense provisions by policy size.

Gradation of Standard Premium

Division of Premium		Expense Gradations		
		Production*	General	Discounts
First	\$10,000	18.7%	6.8%	---
Next	\$190,000	11.2%	5.8%	9.1%
Next	\$1,550,000	9.7%	5.2%	11.3%
Over	\$1,750,000	9.7%	4.3%	12.3%
Proposed Average:		12.3%	5.6%	
Proposed Average Expense Gradation: (Expense for 1st \$10,000 - Avg Expense)		6.4%	1.2%	

Average Premium Discount:
 $[Avg\ Exp\ Grad] / [1 - Taxes - P\&C] = [6.4\% + 1.2\%] / [1 - 2.6\% - -0.5\%] = 7.8\%$

Composition of Standard Premium:

Benefit & Loss Adj. Cost	Production (18.7%)	General (6.8%)	Profit (-0.5%)	Taxes (2.6%)		
72.4%	12.3%	5.6%	-0.5%	2.4%	Premium -- After Discounts (92.2%)	Standard Premium -- Excluding Expense Constant (100.0%)
	6.4%	1.2%	0.0%	0.2%	-- Discount (7.8%)	
	0.7%	0.5%	0.0%	0.0%	-- Premium from \$160 expense constant. (1.2% = 1/0.988 - 1)^	

Notes

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

^ The 0.988 offset is for the \$160 expense constant.



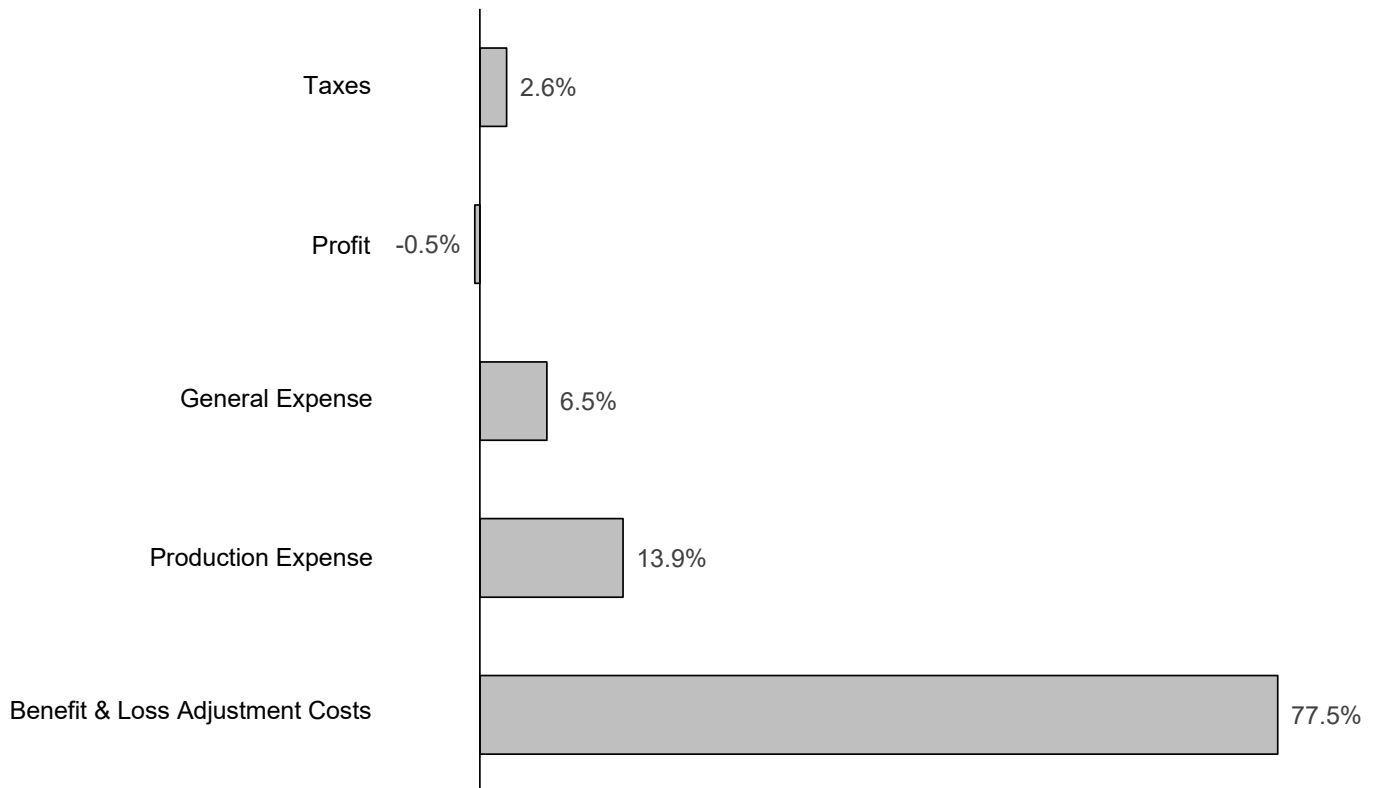
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EXHIBIT II

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	77.5%	=	(72.4%) / 93.4%
Production Expense	13.9%	=	(12.3% + 0.7%) / 93.4%
General Expense	6.5%	=	(5.6% + 0.5%) / 93.4%
Profit	-0.5%	=	(-0.5% + 0.0%) / 93.4%
Taxes	<u>2.6%</u>	=	(2.4% + 0.0%) / 93.4%
Total	100.0%		



Iowa

Workers Compensation Rate Filing – January 1, 2027

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 capture the difference between the average premium level for the year being on-leveled and the present premium level. The average premium level for the year being on-leveled is calculated using a weighted average based on a monthly premium distribution derived from Iowa's Unit Statistical Plan data. Differences in premium level changes specific to the market are addressed through distinct voluntary and assigned risk on-level factors. These factors are weighted together, using selected market shares as weights, to arrive at the final statewide on-level factor. The following adjustments are applied as part of the premium on-level factor calculation:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported assigned risk and voluntary DSR level premium totals—serving to make the separate market premiums more comparable.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.
- Current Premium Index (Assigned Risk-To-Voluntary): This factor reflects the cumulative impact of the current assigned risk standard premium programs.
- Factor to Reflect the Impact of Net Premium and Assigned Risk Pricing Programs: This factor, in conjunction with the Current Premium Index, adjusts premium to a selected assigned risk market share volume by incorporating the current assigned risk premium programs at the selected level. Based on a review of historical assigned risk market shares in Iowa, a market share of 3% was selected in this filing.

The selection of 3% in this filing recognizes that a baseline level of assigned risk market business is anticipated to exist. The selection considers the observed history across a 20-year period while considering several factors including Iowa's industry mix, economic factors, and the assigned risk mechanisms in effect.

Selecting a market share removes possible policy year-to-year distortions that may result due to changes in the volume of business written in the voluntary or assigned risk market. By maintaining a consistent A/R market share over an extended period, a stable



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix A – Factors Underlying the Proposed Rate Level Change

benchmark rate level independent of fluctuations in the assigned risk market's size is achieved.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all 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 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 average E-mod of 0.960 for intrastate rated employers is used to estimate the off-balance. A targeted average intrastate E-mod slightly below unity is desirable because employers who qualify for experience rating typically have better loss experience, on average, than non-rated employers. The impact of NCCI’s off-balance adjustment is premium-neutral on a statewide basis while promoting rate adequacy for non-rated employers.
- An average interstate E-mod is used to estimate the off-balance. The average interstate E-mod is estimated based on experience rating data for interstate rated employers compiled within the most recent twelve months. Unlike intrastate rated employers, interstate employers have exposure in multiple states, where each state’s data and underlying experience rating parameters are used to determine the employer’s interstate E-mod. Because E-mods for interstate employers are influenced by experience rating



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Appendix A – Factors Underlying the Proposed Rate Level Change

values for multiple states, NCCI's standard approach is to assume that the average interstate E-mod during the proposed filing period is best approximated by the average interstate E-mod observed over the most recent twelve months of E-mod data available at the time of the analysis.



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2024 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	UPP Adj.	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant Removal @	Expense Removal	to Gross Premium Factor	Adjustment Factor (5)x(6)x(7)x(8)
NR 01/01/24	Base	1.000	1.000	1.000	0.881	0.975	0.613	0.985	0.519
NR 01/01/25	0.904	0.904							
NR 01/01/26	0.975	0.881							
				1.000					

Section B - Factor Adjusting 2024 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	UPP Adj.	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant Removal @	Expense Removal	to Gross Premium Factor	Adjustment Factor (5)x(6)x(7)x(8)
NR 01/01/24	Base	1.000	1.000	1.000	0.905	0.987	0.613	1.000	0.547
NR 01/01/25	0.928	0.928							
NR 01/01/26	0.975	0.905							
				1.000					

Section C - Factor Adjusting 2024 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2024	0.034
(2) Voluntary Market Share PY 2024	0.966
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.519
(4) Voluntary Standard Premium Adjustment Factor (See Sec. B)	0.547
(5) Premium Adjustment Factor = [(1)x(3)]/1.282+(2)x(4) #	0.542
(6) Experience Rating Off-balance Adjustment Factor*	1.010
(7) Factor to Reflect the Impact of Net Premium and Assigned Risk Pricing Programs	0.987
(8) Final Premium Adjustment Factor = [(5)x(6)]/(7)	0.554

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.282

* = 1.010 = 0.951 / 0.942 = (Targeted Off-balance) / (Off-balance for Policy Year 2024)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2024 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
Date					
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000

Section E - Factor Adjusting 2024 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
Date					
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 2023 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR 01/01/23	Base	1.000	1.000	1.000	0.776	0.975	0.613	0.985	0.457
NR 01/01/24	0.880	0.880							
NR 01/01/25	0.904	0.796							
NR 01/01/26	0.975	0.776							
				1.000					

Section G - Factor Adjusting 2023 Policy Year Voluntary Premium to Present Voluntary Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)	Adj. For Expense Constant Removal @	Adj. For Expense Removal	UPP Adj. to Gross Premium Factor	Premium Adjustment Factor (5)x(6)x(7)x(8)
Date									
NR 01/01/23	Base	1.000	1.000	1.000	0.797	0.987	0.613	1.000	0.482
NR 01/01/24	0.880	0.880							
NR 01/01/25	0.928	0.817							
NR 01/01/26	0.975	0.797							
				1.000					

Section H - Factor Adjusting 2023 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1) Assigned Risk Market Share PY 2023	0.035
(2) Voluntary Market Share PY 2023	0.965
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.457
(4) Voluntary Standard Premium Adjustment Factor (See Sec. G)	0.482
(5) Premium Adjustment Factor = [(1)x(3)]/1.282+(2)x(4) #	0.477
(6) Experience Rating Off-balance Adjustment Factor*	1.013
(7) Factor to Reflect the Impact of Net Premium and Assigned Risk Pricing Programs	0.986
(8) Final Premium Adjustment Factor = [(5)x(6)]/(7)	0.490

NR New and renewal business.

@ Eliminates premium derived from expense constants.

Current premium index (assigned risk-to-voluntary) = 1.282

* = 1.013 = 0.951 / 0.939 = (Targeted Off-balance) / (Off-balance for Policy Year 2023)



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APPENDIX A-I

Determination of Policy Year On-level Factors

Section I - Factor Adjusting 2023 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
Date					
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000

Section J - Factor Adjusting 2023 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Present Index/ Sum Column (4)
Date					
01/01/19	Base	1.000	1.000	<u>1.000</u> 1.000	1.000



Iowa

Workers Compensation Rate Filing – January 1, 2027

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



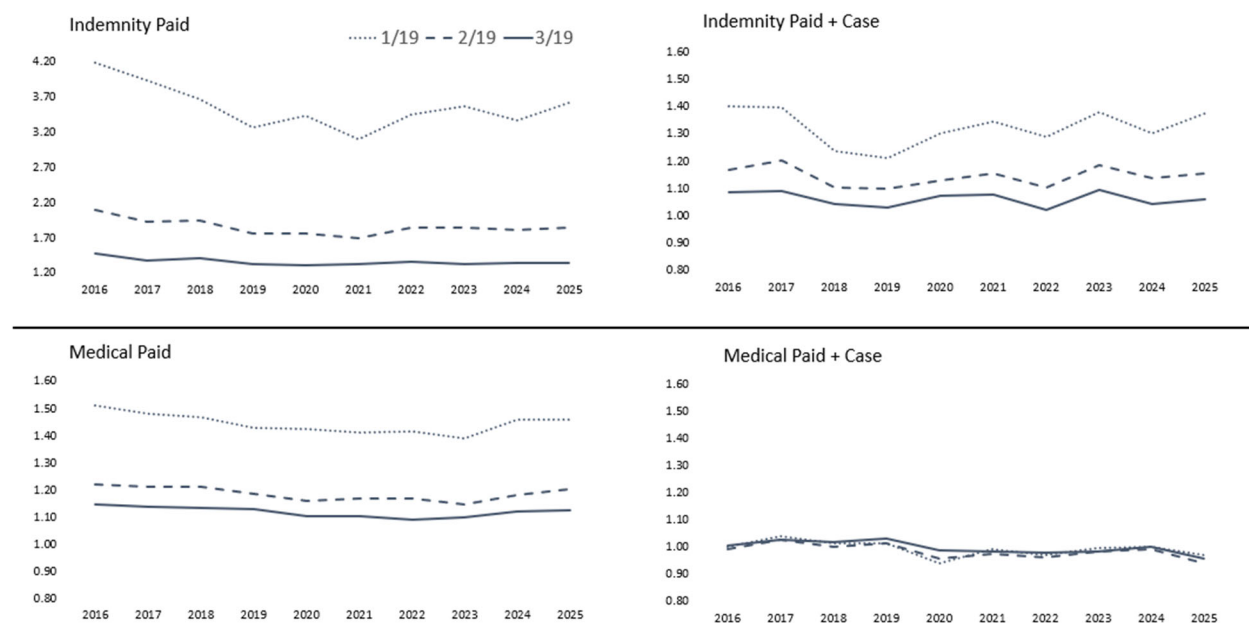
Iowa

Workers Compensation Rate Filing – January 1, 2027

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 both indemnity paid and indemnity paid plus case development.



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix A – Factors Underlying the Proposed Rate Level Change

Medical paid plus case development has converged around unity in recent valuations, with a slight decrease at the latest valuation. Medical paid development has exhibited a declining trend over the long term but has increased slightly in the most recent valuations.

Across all loss types, the selected development averages remain unchanged in comparison to last year's filing.

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 19th-to-ultimate tail factor in Iowa is calculated on a paid plus case basis. Both the indemnity and medical tail factors utilize all available experience for the years prior to the tail attachment point and are calculated for the most recent ten available policy years. Loss development paid plus case tail factors from a nineteenth report to ultimate were judgmentally selected in this filing based on a review of the ten most recently available factors. As a result of that review, the indemnity paid plus case tail selection was maintained at the currently approved factor of 1.010, and the medical paid plus case tail selection decreased from the currently approved factor of 1.030 to 1.025. These selections are in line with historical tail factors and representative of development conditions likely to prevail in the filing effective period.

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 paid-to-paid plus case 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 12/31/2025

Policy Year 2024

(1) Standard Earned Premium	\$584,896,035
(2) Factor to Develop Premium to Ultimate	1.012
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$591,914,787
(4) Limited Indemnity Paid Losses	\$44,295,718
(5) Limited Indemnity Paid Development Factor to Ultimate	3.571
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$158,180,009
(7) Limited Indemnity Paid+Case Losses	\$106,346,303
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	1.341
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$142,610,392
(10) Policy Year 2024 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$150,395,201
(11) Limited Medical Paid Losses	\$133,240,411
(12) Limited Medical Paid Development Factor to Ultimate	1.491
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$198,661,453
(14) Limited Medical Paid+Case Losses	\$192,983,437
(15) Limited Medical Paid+Case Development Factor to Ultimate	0.997
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$192,404,487
(17) Policy Year 2024 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$195,532,970

Policy Year 2023

(1) Standard Earned Premium	\$656,506,494
(2) Factor to Develop Premium to Ultimate	0.999
(3) Standard Earned Premium Developed to Ultimate = (1)x(2)	\$655,849,988
(4) Limited Indemnity Paid Losses	\$86,956,260
(5) Limited Indemnity Paid Development Factor to Ultimate	1.858
(6) Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	\$161,564,731
(7) Limited Indemnity Paid+Case Losses	\$138,111,244
(8) Limited Indemnity Paid+Case Development Factor to Ultimate	1.149
(9) Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	\$158,689,819
(10) Policy Year 2023 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	\$160,127,275
(11) Limited Medical Paid Losses	\$160,222,383
(12) Limited Medical Paid Development Factor to Ultimate	1.220
(13) Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	\$195,471,307
(14) Limited Medical Paid+Case Losses	\$194,106,807
(15) Limited Medical Paid+Case Development Factor to Ultimate	0.981
(16) Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	\$190,418,778
(17) Policy Year 2023 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	\$192,945,043



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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>
2021	1.016	2020	0.999	2019	1.000	2018	1.000
2022	1.013	2021	0.999	2020	1.000	2019	1.000
2023	1.010	2022	1.000	2021	1.000	2020	1.000
Average	1.013	Average	0.999	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>
1.012	0.999	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

<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>
2021	1.938	2020	1.396	2019	1.146	2018	1.052
2022	1.863	2021	1.359	2020	1.144	2019	1.051
2023	1.966	2022	1.375	2021	1.145	2020	1.056
Average	1.922	Average	1.377	Average	1.145	Average	1.053
<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>
2017	1.024	2016	1.012	2015	1.008	2014	1.008
2018	1.036	2017	1.018	2016	1.010	2015	1.007
2019	1.025	2018	1.013	2017	1.017	2016	1.002
Average	1.028	Average	1.014	Average	1.012	Average	1.006
<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>
2013	1.006	2012	1.010	2011	1.002	2010	1.002
2014	1.007	2013	1.002	2012	1.006	2011	1.002
2015	1.015	2014	1.007	2013	1.005	2012	1.005
Average	1.009	Average	1.006	Average	1.004	Average	1.003
<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>
2009	1.003	2008	1.002	2007	1.002	2006	1.004
2010	1.002	2009	1.001	2008	1.002	2007	1.002
2011	1.004	2010	1.002	2009	1.001	2008	1.001
Average	1.003	Average	1.002	Average	1.002	Average	1.002
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2005	1.002	2004	1.001				
2006	1.004	2005	1.002				
2007	1.000	2006	1.004				
Average	1.002	Average	1.002				



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Determination of Premium and Losses Developed to an Ultimate Report

Section D - Limited Medical Paid 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>
2021	1.214	2020	1.041	2019	1.027	2018	1.014
2022	1.239	2021	1.053	2020	1.038	2019	1.018
2023	1.212	2022	1.070	2021	1.030	2020	1.015
Average	1.222	Average	1.055	Average	1.032	Average	1.016
<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>
2017	1.009	2016	1.011	2015	1.003	2014	1.005
2018	1.011	2017	1.008	2016	1.006	2015	1.006
2019	1.013	2018	1.005	2017	1.013	2016	1.006
Average	1.011	Average	1.008	Average	1.007	Average	1.006
<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>
2013	1.004	2012	1.005	2011	1.002	2010	1.003
2014	1.005	2013	1.004	2012	1.002	2011	1.001
2015	1.003	2014	1.003	2013	1.008	2012	1.009
Average	1.004	Average	1.004	Average	1.004	Average	1.004
<u>Policy Year</u>	<u>13th/14th</u>	<u>Policy Year</u>	<u>14th/15th</u>	<u>Policy Year</u>	<u>15th/16th</u>	<u>Policy Year</u>	<u>16th/17th</u>
2009	1.003	2008	1.002	2007	1.001	2006	1.001
2010	1.002	2009	1.003	2008	1.003	2007	1.001
2011	1.001	2010	1.002	2009	1.002	2008	1.003
Average	1.002	Average	1.002	Average	1.002	Average	1.002
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2005	1.003	2004	1.001				
2006	1.004	2005	1.001				
2007	1.001	2006	1.002				
Average	1.003	Average	1.001				



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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>
2019	1.166	2018	1.073	2017	1.033	2016	1.017
2020	1.167	2019	1.079	2018	1.025	2017	0.998
2021	1.165	2020	1.083	2019	1.054	2018	1.010
2022	1.143	2021	1.093	2020	1.024	2019	1.007
2023	1.193	2022	1.088	2021	1.038	2020	0.999
Average	1.167	Average	1.083	Average	1.035	Average	1.006
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2015	1.005	2014	1.003	2013	1.011	2012	0.997
2016	1.000	2015	0.999	2014	1.004	2013	0.994
2017	1.007	2016	1.004	2015	1.003	2014	0.997
2018	1.005	2017	0.999	2016	1.003	2015	0.999
2019	1.015	2018	1.006	2017	1.001	2016	0.999
Average	1.006	Average	1.002	Average	1.004	Average	0.997
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2011	1.000	2010	1.004	2009	1.001	2008	1.002
2012	1.002	2011	1.000	2010	0.999	2009	1.000
2013	1.001	2012	1.005	2011	1.004	2010	1.000
2014	1.002	2013	1.001	2012	1.001	2011	1.001
2015	1.001	2014	0.999	2013	1.000	2012	0.998
Average	1.001	Average	1.002	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>
2007	1.000	2006	0.999	2005	1.001	2004	1.000
2008	0.998	2007	1.000	2006	1.000	2005	1.000
2009	0.999	2008	1.001	2007	1.002	2006	1.001
2010	1.002	2009	1.000	2008	1.001	2007	1.000
2011	1.000	2010	0.999	2009	1.000	2008	1.000
Average	1.000	Average	1.000	Average	1.001	Average	1.000
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2003	1.000	2002	1.001				
2004	1.001	2003	1.000				
2005	1.003	2004	1.000				
2006	1.000	2005	0.995				
2007	1.002	2006	1.000				
Average	1.001	Average	0.999				



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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>
2019	1.016	2018	0.994	2017	0.981	2016	0.997
2020	1.009	2019	0.983	2018	0.986	2017	0.996
2021	1.015	2020	1.000	2019	0.989	2018	0.994
2022	1.009	2021	0.992	2020	0.989	2019	1.013
2023	1.031	2022	0.981	2021	0.994	2020	0.984
Average	1.016	Average	0.990	Average	0.988	Average	0.997
<u>Policy Year</u>	<u>5th/6th</u>	<u>Policy Year</u>	<u>6th/7th</u>	<u>Policy Year</u>	<u>7th/8th</u>	<u>Policy Year</u>	<u>8th/9th</u>
2015	1.000	2014	1.007	2013	1.001	2012	1.004
2016	0.999	2015	0.995	2014	0.995	2013	0.994
2017	0.988	2016	1.002	2015	0.996	2014	1.003
2018	1.000	2017	1.001	2016	1.000	2015	1.001
2019	1.003	2018	1.001	2017	1.002	2016	1.000
Average	0.998	Average	1.001	Average	0.999	Average	1.000
<u>Policy Year</u>	<u>9th/10th</u>	<u>Policy Year</u>	<u>10th/11th</u>	<u>Policy Year</u>	<u>11th/12th</u>	<u>Policy Year</u>	<u>12th/13th</u>
2011	0.997	2010	0.997	2009	0.990	2008	1.006
2012	1.012	2011	0.999	2010	0.995	2009	0.999
2013	1.001	2012	1.000	2011	1.001	2010	0.999
2014	1.002	2013	0.999	2012	1.001	2011	0.998
2015	1.001	2014	0.990	2013	0.990	2012	0.999
Average	1.003	Average	0.997	Average	0.995	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>
2007	0.999	2006	0.998	2005	0.998	2004	0.999
2008	0.998	2007	1.005	2006	1.001	2005	1.002
2009	0.998	2008	0.998	2007	1.002	2006	1.002
2010	0.992	2009	1.001	2008	1.002	2007	0.999
2011	0.996	2010	1.000	2009	0.997	2008	1.002
Average	0.997	Average	1.000	Average	1.000	Average	1.001
<u>Policy Year</u>	<u>17th/18th</u>	<u>Policy Year</u>	<u>18th/19th</u>				
2003	1.001	2002	1.005				
2004	1.000	2003	1.000				
2005	1.001	2004	1.006				
2006	1.000	2005	0.999				
2007	0.999	2006	0.999				
Average	1.000	Average	1.002				



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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)	(2)	(3)	(4)	(5)	(6)	(7)
Policy	<u>Losses for Policy Year</u>		<u>Losses for All Prior Policy Years</u>		Factor to	Indicated
Year	19th Report	20th Report	Previous	Current	Adjust Losses for Prior Policy Years	19th-to-Ult Development for Policy Year
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	114,357,203	114,476,791	2,126,479,669	2,127,218,572	0.806	1.009
2002	114,006,843	114,186,961	2,241,695,363	2,242,199,994	0.828	1.007
2003	118,914,290	118,946,914	2,359,017,529	2,359,156,559	0.783	1.002
2004	137,707,553	137,806,051	2,478,103,473	2,476,803,900	0.705	0.987
2005	130,933,206	130,902,845	2,614,762,759	2,615,314,344	0.776	1.005
Selected Indemnity 19th-to-Ultimate Loss Development Factor						1.010

Medical Paid+Case Data for Matching Companies

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Policy	<u>Losses for Policy Year</u>		<u>Losses for All Prior Policy Years</u>		Factor to	Indicated
Year	19th Report	20th Report	Previous	Current	Adjust Losses for Prior Policy Years	19th-to-Ult Development for Policy Year
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	1,703,429,460	1,708,697,578	0.885	1.057
2002	119,154,291	119,144,433	1,812,646,366	1,822,443,031	0.784	1.105
2003	122,228,245	122,521,263	1,944,511,334	1,951,082,975	0.774	1.072
2004	157,592,224	156,637,025	2,073,604,238	2,068,857,324	0.621	0.945
2005	135,885,317	136,118,081	2,225,739,532	2,227,039,655	0.765	1.014
Selected Medical 19th-to-Ultimate Loss Development Factor						1.025

$$(7) = 1 + [(3) - (2) + ((5) - (4)) / (6)] / (2)$$

$$(14) = 1 + [(10) - (9) + ((12) - (11)) / (13)] / (9)$$

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

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



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section 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>
2002	0.990	0.971
2003	0.987	0.975
2004	0.986	0.954
2005	0.984	0.974
2006	0.956	0.970
Selected	0.985	0.975

Indemnity Tail

(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.010
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.523
(3) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = $[(1) - 1] \times (2) + 1$	1.005
(4) Limited Paid-to-Paid+Case Ratio	0.985
(5) Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.020

Medical Tail

(1) Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.025
(2) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.523
(3) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = $[(1) - 1] \times (2) + 1$	1.013
(4) Limited Paid-to-Paid+Case Ratio	0.975
(5) Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.039



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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section I - Summary of Limited Paid Loss Development Factors

Report	(1) Indemnity Paid Loss Development	(2) to Ultimate	Report	(3) Medical Paid Loss Development	(4) to Ultimate
	to Next Report			to Next Report	
1st	1.922	3.571	1st	1.222	1.491
2nd	1.377	1.858	2nd	1.055	1.220
3rd	1.145	1.349	3rd	1.032	1.156
4th	1.053	1.178	4th	1.016	1.120
5th	1.028	1.119	5th	1.011	1.102
6th	1.014	1.089	6th	1.008	1.090
7th	1.012	1.074	7th	1.007	1.081
8th	1.006	1.061	8th	1.006	1.073
9th	1.009	1.055	9th	1.004	1.067
10th	1.006	1.046	10th	1.004	1.063
11th	1.004	1.040	11th	1.004	1.059
12th	1.003	1.036	12th	1.004	1.055
13th	1.003	1.033	13th	1.002	1.051
14th	1.002	1.030	14th	1.002	1.049
15th	1.002	1.028	15th	1.002	1.047
16th	1.002	1.026	16th	1.002	1.045
17th	1.002	1.024	17th	1.003	1.043
18th	1.002	1.022	18th	1.001	1.040
19th		1.020	19th		1.039

(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) Indemnity Paid+Case Loss Development	(2) to Ultimate	Report	(3) Medical Paid+Case Loss Development	(4) to Ultimate
	to Next Report			to Next Report	
1st	1.167	1.341	1st	1.016	0.997
2nd	1.083	1.149	2nd	0.990	0.981
3rd	1.035	1.061	3rd	0.988	0.991
4th	1.006	1.025	4th	0.997	1.003
5th	1.006	1.019	5th	0.998	1.006
6th	1.002	1.013	6th	1.001	1.008
7th	1.004	1.011	7th	0.999	1.007
8th	0.997	1.007	8th	1.000	1.008
9th	1.001	1.010	9th	1.003	1.008
10th	1.002	1.009	10th	0.997	1.005
11th	1.001	1.007	11th	0.995	1.008
12th	1.000	1.006	12th	1.000	1.013
13th	1.000	1.006	13th	0.997	1.013
14th	1.000	1.006	14th	1.000	1.016
15th	1.001	1.006	15th	1.000	1.016
16th	1.000	1.005	16th	1.001	1.016
17th	1.001	1.005	17th	1.000	1.015
18th	0.999	1.004	18th	1.002	1.015
19th		1.005	19th		1.013

(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*	6,521,991
(2) Statewide Excess Ratio for (1)	0.035
(3) Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4) Factor to Adjust Limited Losses to an Unlimited Basis = $1.0 / \{1.0 - [(2) \times (1.0 - (3))]\}$	1.036

Section L - Policy Year Large Loss Limits

Experience Year	Policy Year Detrended Limit
2024	5,862,572
2023	5,671,694
2022	5,483,386
2021	5,194,381
2020	4,910,694
2019	4,653,016
2018	4,471,429
2017	4,339,015
2016	4,214,786
2015	4,122,910
2014	4,004,637
2013	3,863,934
2012	3,768,274
2011	3,672,032
2010	3,564,253
2009	3,457,892
2008	3,415,573
2007	3,355,932
2006	3,238,502
2005	3,117,451
2004	3,015,253
2003	2,896,761
2002	2,782,739

* November 27, 2027 is the midpoint of the effective period for which the revised rates are being proposed.



Iowa

Workers Compensation Rate Filing – January 1, 2027

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). Adjustments are made to the premium, losses, and claim counts underlying the trend analysis. Premium is adjusted to the current rate level excluding expense-related premium, 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. Similarly, losses are developed to ultimate and adjusted to the current benefit level and a common wage level. Indemnity lost-time claims are developed to ultimate and used in the frequency and severity calculations. Medical-only claim counts are excluded from the trend analysis, but the losses associated with medical-only claims are included. The claim severities and loss ratios in the trend analysis are based on an average of paid and paid plus case losses.

While claim frequency and severity are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors in Iowa. Loss ratios do not require an adjustment to a common wage level since the wage adjustments to frequency and severity figures cancel out. 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. In order to estimate the average annual percentage changes in the loss ratios, exponential curves are fit to the historical data points. Considerations 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, experience period, 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



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix A – Factors Underlying the Proposed Rate Level Change

based on an Iowa distribution of policy writings by month and assume a uniform probability of loss over the coverage period.

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.

The indemnity and medical loss ratios have demonstrated a long-term trend of improved loss experience, which is expected to continue, driven by reduced claim frequency and safer workplaces.

The trend selections primarily rely on mid- to long-term exponential fits. These selected fits effectively balance responsiveness with stability. The analysis suggests an increase to the current annual indemnity trend from -4.5% to -4.0% and a decrease to the current medical loss ratio trend from -3.5% to -4.0% .

Indemnity Loss Ratio Selection

The indemnity loss ratio trend displays a long-term pattern of decline, despite some notable volatility, including several instances of double-digit or near double-digit changes over time. To account for this volatility, mid-to-long term exponential fits were relied upon to smooth out year-over-year fluctuations.

In Iowa wage growth accelerated between 2019 and 2022, increasing by around 6% on average annually during 2020–2022. As wages increase, both premiums and the amounts payable for indemnity benefits increase. While wage inflation could have some indirect impact on loss ratios to the extent that either the maximum weekly indemnity benefit lags behind wage growth, or the wage growth among injured workers differs from the state's overall workforce, the recent inflationary impacts are not expected to significantly distort the relationship between lost-time benefits and premium. Consequently, the indemnity loss ratio declines of more than 5% per



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix A – Factors Underlying the Proposed Rate Level Change

year in 2020 and 2021 were not adjusted and were evaluated using the standard exponential trend fit smoothing.

Long-term patterns indicate improving loss ratios over the past 15 years. The exponential fits on 5 to 15 years of data range from -4.2 % to -2.6%. The trend fits increased from last year's filing because the most recent policy year's loss ratios exhibit less year-over-year improvement. Exponential fits leveraging 11 to 15 years of data suggest a trend of around -4.0%. **An annual loss ratio trend factor of -4.0% was selected for the indemnity loss ratio**, an increase from last year's selection of -4.5%, taking the longer-term trend fits into consideration.

Medical Loss Ratio Selection

Additional consideration was given to the accelerated wage growth in Iowa during and after the COVID-19 pandemic and its relationship to medical benefits. From 2020 to 2022, annual wage growth accelerated beyond historical averages, rising by about 6% per year before moderating to 3.5% in 2023. Forecasts from Moody's Analytics indicate wage growth will remain elevated at around 3.5% for 2025 – 2027, a rate higher than was observed pre-pandemic.

In contrast, annual medical inflation rates, as measured by the nationwide Chain-Weighted Personal Healthcare (PHC) Index¹, have gradually increased since 2015, reaching approximately 2.5% in 2025. Projections from the Centers for Medicare & Medicaid Services indicate that the PHC Index will experience annual increases of around 2.5% from 2025 through the prospective effective period.

Since payroll serves as the exposure base for determining workers compensation premiums, rising wages lead to higher premiums, which in turn exert downward pressure on medical loss ratios over time. Recent trends show that wage increases within the workers compensation system have significantly outpaced medical inflation, contributing to decreases in medical loss ratios in the recent policy years. While this margin is expected to narrow going-forward, the trend of wage inflation surpassing medical inflation is likely to persist, although with a reduced impact on future medical loss ratios.

The selected annual medical loss ratio trends take the above considerations into account and are primarily based on mid- to long-term exponential trend fits which are less influenced by the recent changes in wage and medical inflation, of which some portion may be less predictive in

¹ The PHC Chain-Weighted Price Index, produced by the Centers for Medicare & Medicaid Services, is a proxy for medical care price inflation that responds to changes in the blend of different medical services over time. Medical inflation in Iowa may be higher than measured by the index, as Iowa does not have medical fee schedules for medical services.



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix A – Factors Underlying the Proposed Rate Level Change

projecting future loss ratio changes since the recent historical patterns of wage growth and medical inflation differs from future expectations.

Overall, long-term patterns indicate improving medical loss ratios, and the exponential fits over a 15-year period range from -6.1% to -3.7%. Exponential fits leveraging 9 to 15 years of data suggest a trend of around -4.0%. **An annual loss ratio trend factor of -4.0% was selected for the medical loss ratio**, a decrease from last year's selection of -3.5%, taking into account the mid to long-term trends as well as projected medical inflation relative to wage growth.

Frequency and Severity Values

The following pages also display the underlying frequency and severity components. Note that while frequency and severity trends were reviewed, they were not selected. These figures are presented at a common wage level and before the wage adjustment, derived from an average of paid and paid plus case losses.

After adjusting to a common wage level, lost-time claim frequency exhibits a long-term downward trend. After adjusting to a common wage level, long-term indemnity and medical average cost per case figures remain relatively flat.

To assess the impact of the atypical wage changes on this analysis, pre-wage adjustment frequency and severity figures are provided for reference. Prior to the wage adjustment, lost-time claim frequency shows a more consistent long-term decline. Both indemnity and medical cost per case demonstrate a persistent, modest increase over time. The rate of severity growth slowed during the 2020 and 2021 period, followed by accelerated increases in more recent years. Given the potential impact of pandemic-related effects on severity during this period, a longer-term severity trend was used to smooth the observed short-term volatility.

Overall, the trends in claim frequency and severity suggest an improving workers compensation experience in Iowa.



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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
-4.0% -4.0%

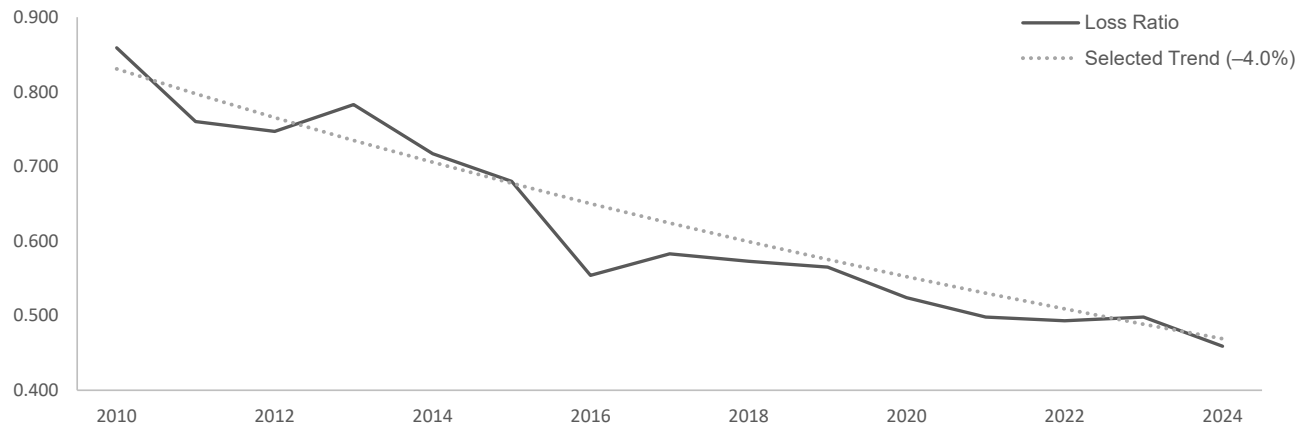
(2) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:

Trend Length: PY 2024 PY 2023
3.001 4.001

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

Indemnity: PY 2024 PY 2023
0.885 0.849
Medical: 0.885 0.849

Section B - Indemnity Loss Ratio Trend Data



Policy Year	Indemnity Loss Ratio^	Annual Percent Change	# of Years in Fit	Exponential Fits
2010	0.859	-		
2011	0.760	-11.5%		
2012	0.747	-1.7%		
2013	0.783	4.8%		
2014	0.717	-8.4%	15	-4.2%
2015	0.680	-5.2%	14	-4.1%
2016	0.554	-18.5%	13	-4.2%
2017	0.583	5.2%	12	-4.2%
2018	0.573	-1.7%	11	-3.8%
2019	0.565	-1.4%	10	-3.3%
2020	0.524	-7.3%	9	-2.7%
2021	0.498	-5.0%	8	-3.3%
2022	0.493	-1.0%	7	-3.4%
2023	0.498	1.0%	6	-3.4%
2024	0.459	-7.8%	5	-2.6%

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

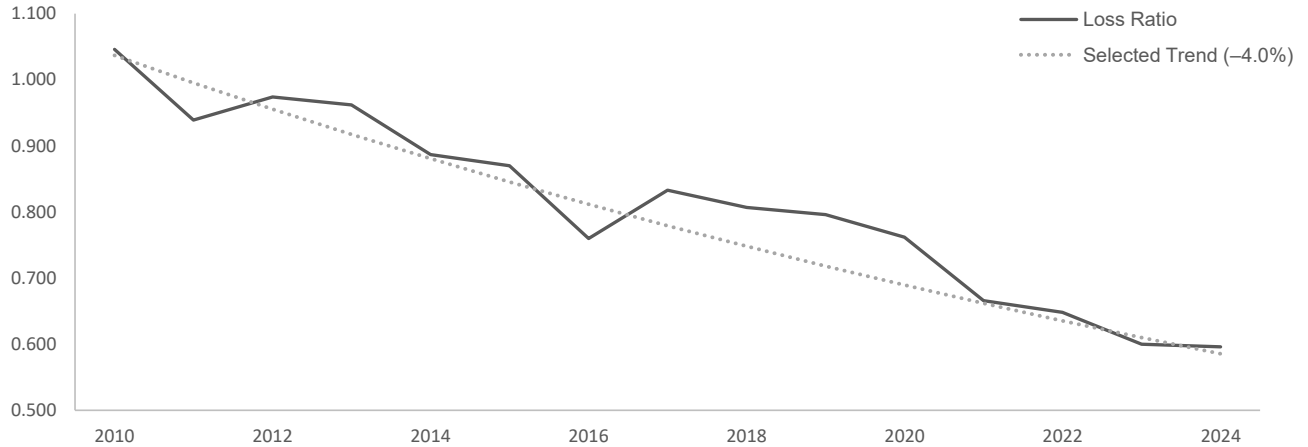


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APPENDIX A-III

Policy Year Trend Factors

Section C - Medical Loss Ratio Trend Data



Policy Year	Medical Loss Ratio^	Annual Percent Change		
2010	1.046	-		
2011	0.939	-10.2%		
2012	0.974	3.7%		
2013	0.962	-1.2%		
2014	0.887	-7.8%		
2015	0.870	-1.9%		
2016	0.760	-12.6%		
2017	0.833	9.6%		
2018	0.807	-3.1%		
2019	0.796	-1.4%		
2020	0.762	-4.3%		
2021	0.666	-12.6%		
2022	0.648	-2.7%		
2023	0.600	-7.4%		
2024	0.596	-0.7%		

# of Years in Fit	Exponential Fits
15	-3.8%
14	-3.7%
13	-4.0%
12	-4.0%
11	-4.0%
10	-4.1%
9	-4.2%
8	-5.3%
7	-5.7%
6	-6.1%
5	-5.8%

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

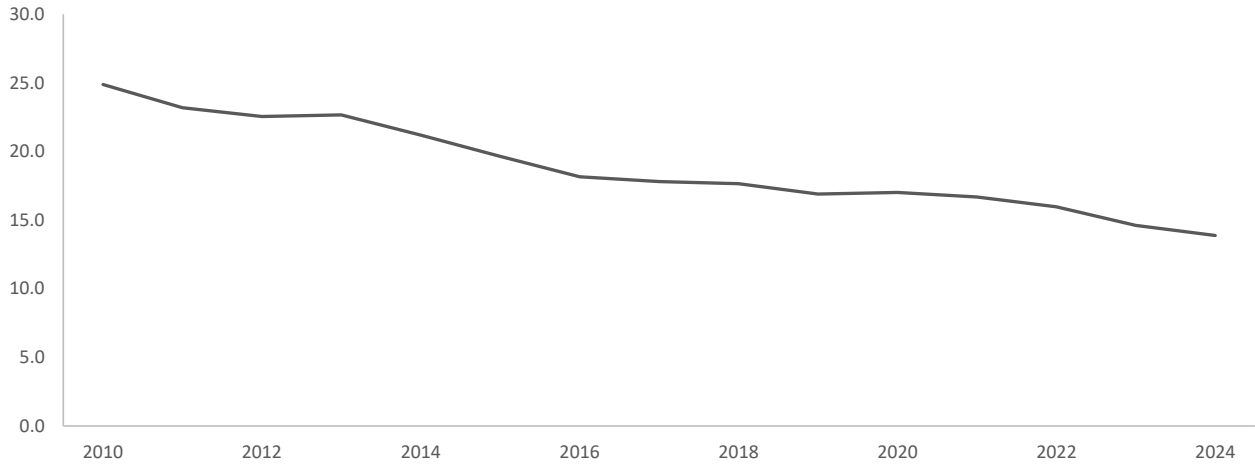


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APPENDIX A-III

Policy Year Trend Factors

Section D - Frequency Trend Data



Policy Year	Claim Frequency^	Annual Percent Change		
2010	24.880	-		
2011	23.195	-6.8%		
2012	22.545	-2.8%		
2013	22.664	0.5%		
2014	21.193	-6.5%		
2015	19.652	-7.3%		
2016	18.161	-7.6%		
2017	17.804	-2.0%		
2018	17.647	-0.9%		
2019	16.903	-4.2%		
2020	17.022	0.7%		
2021	16.686	-2.0%		
2022	15.962	-4.3%		
2023	14.622	-8.4%		
2024	13.878	-5.1%		
			# of Years in Fit	Exponential Fits
			15	-3.8%
			14	-3.7%
			13	-3.7%
			12	-3.7%
			11	-3.4%
			10	-3.2%
			9	-3.1%
			8	-3.4%
			7	-3.8%
			6	-4.2%
			5	-5.3%

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

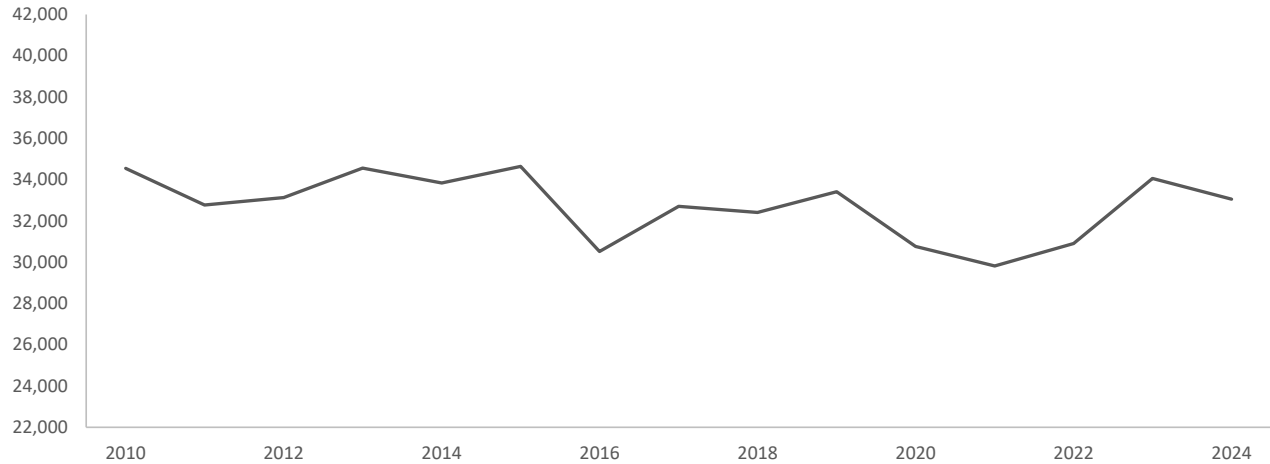


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APPENDIX A-III

Policy Year Trend Factors

Section E - Indemnity Severity Trend Data



Policy Year	Indemnity Severity^	Annual Percent Change		
2010	34,551	-		
2011	32,773	-5.1%		
2012	33,124	1.1%		
2013	34,558	4.3%		
2014	33,841	-2.1%		
2015	34,641	2.4%		
2016	30,515	-11.9%		
2017	32,710	7.2%		
2018	32,414	-0.9%		
2019	33,417	3.1%		
2020	30,766	-7.9%		
2021	29,816	-3.1%		
2022	30,905	3.7%		
2023	34,054	10.2%		
2024	33,047	-3.0%		
			# of Years in Fit	Exponential Fits
			15	-0.5%
			14	-0.4%
			13	-0.5%
			12	-0.5%
			11	-0.4%
			10	-0.2%
			9	0.4%
			8	0.1%
			7	0.4%
			6	0.8%
			5	2.8%

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

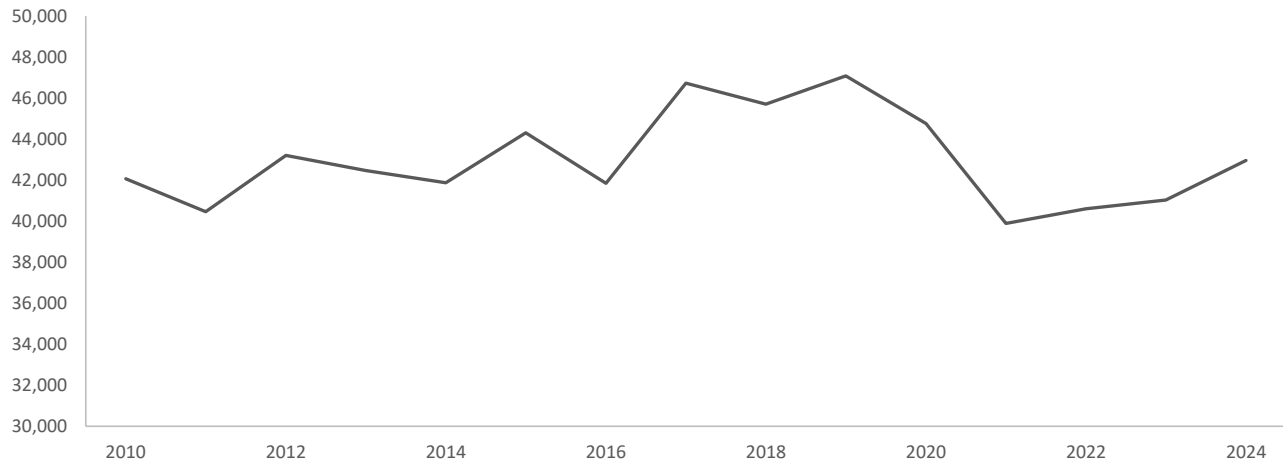


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APPENDIX A-III

Policy Year Trend Factors

Section F - Medical Severity Trend Data



Policy Year	Medical Severity^	Annual Percent Change		
2010	42,068	-		
2011	40,455	-3.8%		
2012	43,212	6.8%		
2013	42,462	-1.7%		
2014	41,876	-1.4%		
2015	44,313	5.8%		
2016	41,851	-5.6%		
2017	46,734	11.7%		
2018	45,707	-2.2%		
2019	47,083	3.0%		
2020	44,758	-4.9%		
2021	39,889	-10.9%		
2022	40,607	1.8%		
2023	41,034	1.1%		
2024	42,965	4.7%		
			# of Years in Fit	Exponential Fits
			15	0.0%
			14	0.0%
			13	-0.3%
			12	-0.4%
			11	-0.6%
			10	-1.0%
			9	-1.1%
			8	-2.0%
			7	-2.0%
			6	-2.0%
			5	-0.5%

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

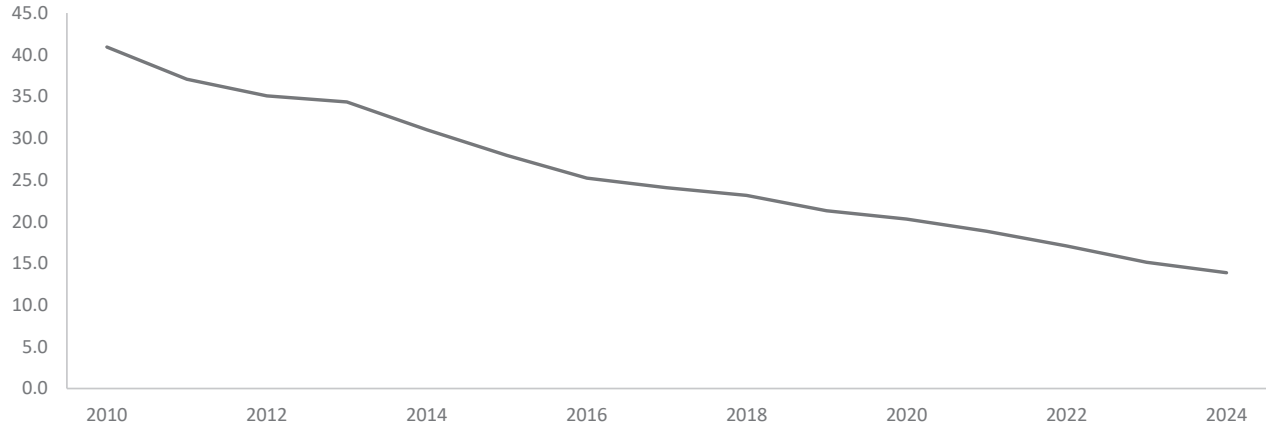


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APPENDIX A-III

Policy Year Trend Factors

Section G - Frequency Trend Data - Not Adjusted for Wage Inflation



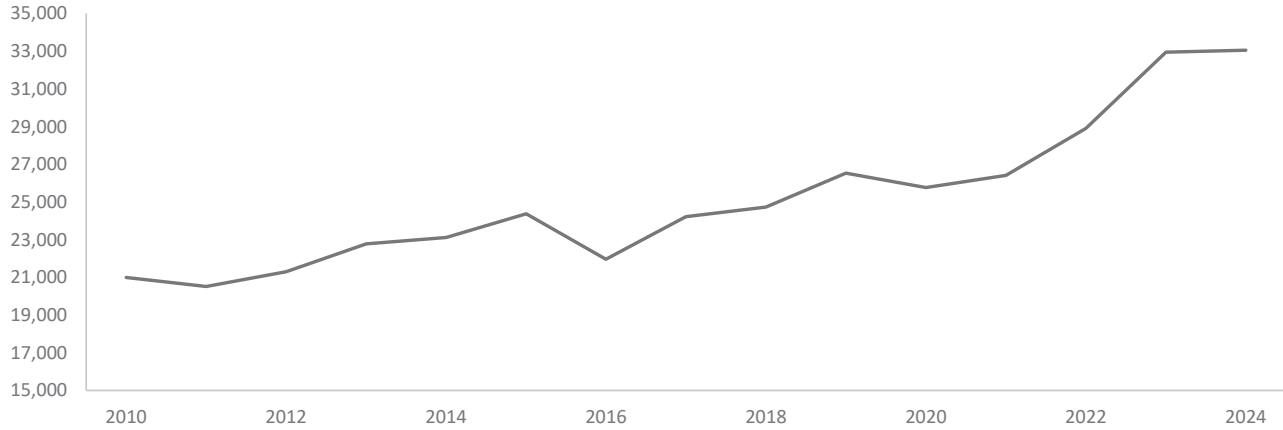
Policy Year	Claim Frequency^	Annual Percent Change		
2010	40.924	-		
2011	37.067	-9.4%		
2012	35.079	-5.4%		
2013	34.357	-2.1%		
2014	31.019	-9.7%		
2015	27.926	-10.0%		
2016	25.231	-9.7%		
2017	24.075	-4.6%		
2018	23.156	-3.8%		
2019	21.314	-8.0%		
2020	20.321	-4.7%		
2021	18.854	-7.2%		
2022	17.068	-9.5%		
2023	15.129	-11.4%		
2024	13.878	-8.3%		
			# of Years in Fit	Exponential Fits
			15	-7.2%
			14	-7.2%
			13	-7.3%
			12	-7.4%
			11	-7.2%
			10	-7.2%
			9	-7.3%
			8	-7.7%
			7	-8.2%
			6	-8.6%
			5	-9.4%

^Per million of on-leveled premium, not adjusted to a common wage level



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APPENDIX A-III
Policy Year Trend Factors

Section H - Indemnity Severity Trend Data - Not Adjusted for Wage Inflation



Policy Year	Indemnity Severity [^]	Annual Percent Change		
2010	20,996	-		
2011	20,516	-2.3%		
2012	21,293	3.8%		
2013	22,779	7.0%	# of Years	Exponential
2014	23,122	1.5%	in Fit	Fits
2015	24,363	5.4%	15	3.2%
2016	21,953	-9.9%	14	3.3%
2017	24,212	10.3%	13	3.4%
2018	24,724	2.1%	12	3.4%
2019	26,521	7.3%	11	3.7%
2020	25,768	-2.8%	10	4.1%
2021	26,409	2.5%	9	4.9%
2022	28,910	9.5%	8	4.7%
2023	32,934	13.9%	7	5.2%
2024	33,047	0.3%	6	5.7%
			5	7.4%

[^]Based on an average of paid and paid+case losses, not adjusted to a common wage level

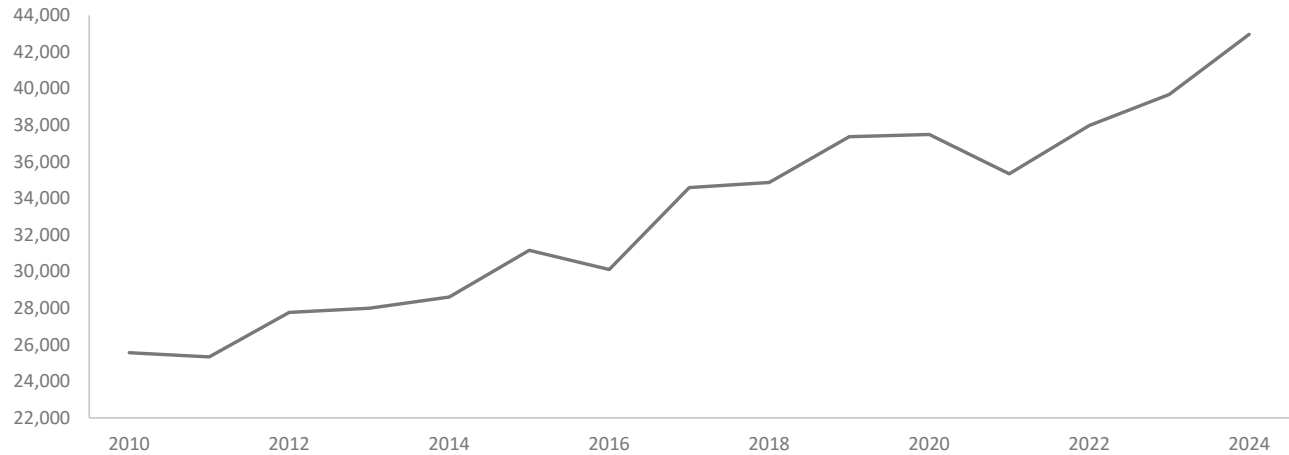


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APPENDIX A-III

Policy Year Trend Factors

Section I - Medical Severity Trend Data - Not Adjusted for Wage Inflation



Policy Year	Medical Severity^	Annual Percent Change		
2010	25,557	-		
2011	25,332	-0.9%		
2012	27,771	9.6%		
2013	27,991	0.8%		
2014	28,604	2.2%		
2015	31,163	8.9%		
2016	30,109	-3.4%		
2017	34,592	14.9%		
2018	34,864	0.8%		
2019	37,368	7.2%		
2020	37,486	0.3%		
2021	35,331	-5.7%		
2022	37,986	7.5%		
2023	39,684	4.5%		
2024	42,965	8.3%		
			# of Years in Fit	Exponential Fits
			15	3.7%
			14	3.7%
			13	3.6%
			12	3.6%
			11	3.5%
			10	3.3%
			9	3.3%
			8	2.6%
			7	2.8%
			6	2.7%
			5	4.0%

^Based on an average of paid and paid+case losses, not adjusted to a common wage level



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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	155,542,594	627,863,237	607,434,775	1.207	1.222
Contracting	106,580,893	468,829,897	453,868,270	1.122	1.117
Office & Clerical	55,024,078	257,260,855	248,821,527	1.142	1.148
Goods & Services	188,712,132	845,473,809	817,381,881	1.098	1.095
Miscellaneous	97,690,224	441,163,444	428,018,809	1.118	1.115
Statewide	603,549,921	2,640,591,242	2,555,525,262		

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	153,633,315	620,156,241	599,978,538	1.034	1.001
Contracting	107,057,978	470,928,509	455,899,910	1.033	1.000
Office & Clerical	54,736,496	255,916,286	247,521,066	1.034	1.001
Goods & Services	189,229,152	847,790,175	819,621,283	1.034	1.001
Miscellaneous	97,953,067	442,350,431	429,170,429	1.031	0.998
Statewide	602,610,008	2,637,141,642	2,552,191,226	1.033	1.000



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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	600,037,771	0.999	0.999	10,822
Contracting	432,130,343	0.948	0.948	5,260
Office & Clerical	248,159,621	1.002	1.002	4,083
Goods & Services	827,093,818	1.008	1.008	17,718
Miscellaneous	445,345,088	1.040	1.040	6,211
Statewide	2,552,766,641	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	0.95	0.999	0.998
Contracting	12,000	0.66	0.966	0.965
Office & Clerical	12,000	0.58	1.001	1.000
Goods & Services	12,000	1.00	1.008	1.007
Miscellaneous	12,000	0.72	1.029	1.028
Statewide			1.001	1.000

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



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, 2027

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
3/19-2/20	1.032	1.012	1.017	1.004
3/20-2/21	1.053	1.025	1.026	1.003
3/21-2/22	1.116	1.061	1.008	1.002
3/22-2/23	1.308	1.163	1.009	1.001
3/23-2/24	1.843	1.348	1.057	1.017

*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
3/19-2/20	0.727	0.727
3/20-2/21	0.757	0.757
3/21-2/22	0.789	0.789
3/22-2/23	0.822	0.822
3/23-2/24	0.856	0.856

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
3/19-2/20	1.000	1.000	1.000	1.000	1.000
3/20-2/21	1.000	1.000	1.000	1.000	1.000
3/21-2/22	1.000	1.000	1.000	1.000	1.000
3/22-2/23	1.000	1.000	1.000	1.000	1.000
3/23-2/24	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)
3/19-2/20	0.750	0.736	0.750	0.750	0.736	0.750	0.736	0.739	0.730
3/20-2/21	0.797	0.776	0.797	0.797	0.776	0.797	0.776	0.777	0.759
3/21-2/22	0.881	0.837	0.881	0.881	0.837	0.881	0.837	0.795	0.791
3/22-2/23	1.075	0.956	1.075	1.075	0.956	1.075	0.956	0.829	0.823
3/23-2/24	1.578	1.154	1.578	1.578	1.154	1.578	1.154	0.905	0.871

* 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	0.114	0.142	0.183	0.203	0.268	0.307	0.344
(2) Excess Factors 1/(1-(1))	1.129	1.166	1.224	1.255	1.366	1.443	1.524

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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Section A-3 – Calculation of Secondary Conversion Factors

1. Factors to Adjust for Proposed Industry Group Differentials

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

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	0.999	0.948	1.002	1.008	1.040
(2) Final Differentials**	0.998	0.965	1.000	1.007	1.028
(3) Adjustment (2)/(1)	0.999	1.018	0.998	0.999	0.988

*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)
3/19-2/20	0.826	1.134	1.133	1.001	0.827
3/20-2/21	0.813	1.135	1.128	1.006	0.818
3/21-2/22	0.861	1.135	1.149	0.988	0.851
3/22-2/23	0.823	1.137	1.128	1.008	0.830
3/23-2/24	0.862	1.138	1.147	0.992	0.855

3. Adjustment for Experience Change

A factor of 0.968 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 1.195 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
3/19-2/20	0.956	0.974	0.955	0.956	0.945
3/20-2/21	0.945	0.963	0.944	0.945	0.935
3/21-2/22	0.983	1.002	0.982	0.983	0.973
3/22-2/23	0.959	0.977	0.958	0.959	0.949
3/23-2/24	0.988	1.007	0.987	0.988	0.977



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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 0.968 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, 1.018 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	1.190	1.190	1.195	1.195
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.190	1.190	1.195	1.195
(4) Overall Change (3b)/(3a)			1.004	1.004

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	1.207	1.222	0.988
Contracting	1.122	1.117	1.004
Office & Clerical	1.142	1.148	0.995
Goods & Services	1.098	1.095	1.003
Miscellaneous	1.118	1.115	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	0.998	1.001	0.999
Contracting	0.965	1.000	0.965
Office & Clerical	1.000	1.001	1.001
Goods & Services	1.007	1.001	1.008
Miscellaneous	1.028	0.998	1.026

*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	0.976	0.942
Contracting	0.958	0.924
Office & Clerical	0.985	0.950
Goods & Services	1.000	0.965
Miscellaneous	1.018	0.982



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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: \$40,746,409 for indemnity and \$27,203,491 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 three 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	0.9908
Contracting	1.0123
Office & Clerical	1.0110
Goods & Services	0.9965
Miscellaneous	1.0027

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	1.222
Contracting	1.117
Office & Clerical	1.148
Goods & Services	1.095
Miscellaneous	1.115

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 0.724 (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 23% above to 27% below
Contracting	from 20% above to 30% below
Office & Clerical	from 23% above to 27% below
Goods & Services	from 24% above to 26% below
Miscellaneous	from 26% above to 24% 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.

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.

* A code listed below with an asterisk indicates the code's swing limit was adjusted by 0.001 before being applied; this is only performed when the upper and lower bounds calculated by the swing limit are equal.

List of Classifications Limited by the Upper Swing

4283 5040 7590

List of Classifications Limited by the Lower Swing

7710



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APPENDIX B-III

Derivation of Proposed Rate - Code 8742

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
03/01/19 - 02/29/20	0	950,146	221,888	737,882	1,575,818	22,548	129,690	944,948	2,362,491
03/01/20 - 02/28/21	0	0	0	654,075	423,163	179,538	347,249	1,031,420	1,501,234
03/01/21 - 02/28/22	0	0	0	908,236	705,850	70,000	501,747	616,301	1,549,157
03/01/22 - 02/28/23	0	0	0	486,046	452,273	44,237	480,969	564,816	1,976,347
03/01/23 - 02/29/24	0	753,500	0	230,981	539,931	298,551	249,737	690,583	1,498,720

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
03/01/19 - 02/29/20	0.750	0.736	0.750	0.750	0.736	0.750	0.736	0.739	0.730
03/01/20 - 02/28/21	0.797	0.776	0.797	0.797	0.776	0.797	0.776	0.777	0.759
03/01/21 - 02/28/22	0.881	0.837	0.881	0.881	0.837	0.881	0.837	0.795	0.791
03/01/22 - 02/28/23	1.075	0.956	1.075	1.075	0.956	1.075	0.956	0.829	0.823
03/01/23 - 02/29/24	1.578	1.154	1.578	1.578	1.154	1.578	1.154	0.905	0.871

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: E
Excess Factor	1.366

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 8742

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
03/01/19 - 02/29/20	0	852,925	202,973	674,981	1,414,578	20,626	116,420	1,061,879	2,642,278
03/01/20 - 02/28/21	0	0	0	635,813	400,508	174,525	328,659	1,192,126	1,644,160
03/01/21 - 02/28/22	0	0	0	975,928	720,577	75,217	512,216	795,556	1,822,044
03/01/22 - 02/28/23	0	0	0	637,277	527,353	58,002	560,812	723,144	2,352,699
03/01/23 - 02/29/24	0	1,060,553	0	444,556	759,953	574,603	351,504	976,167	2,044,110

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

Policy Period	INDUSTRY GROUP: Office and Clerical
03/01/19 - 02/29/20	0.955
03/01/20 - 02/28/21	0.944
03/01/21 - 02/28/22	0.982
03/01/22 - 02/28/23	0.958
03/01/23 - 02/29/24	0.987

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
03/01/19 - 02/29/20	2,711,186,899	858,144	2,276,646	1,014,094	2,523,375	3,134,790	3,537,469	6,672,259
03/01/20 - 02/28/21	2,843,351,862	764,959	688,334	1,125,367	1,552,087	1,453,293	2,677,454	4,130,747
03/01/21 - 02/28/22	3,128,808,611	1,032,224	1,210,603	781,236	1,789,247	2,242,827	2,570,483	4,813,310
03/01/22 - 02/28/23	3,312,166,588	666,077	1,042,462	692,772	2,253,886	1,708,539	2,946,658	4,655,197
03/01/23 - 02/29/24	3,504,467,883	1,005,910	2,143,774	963,477	2,017,537	3,149,684	2,981,014	6,130,698
Total	15,499,981,843	4,327,314	7,361,819	4,576,946	10,136,132	11,689,133	14,713,078	26,402,211
INDICATED PURE PREMIUM						0.0754	0.0949	0.170

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	0.0696	0.1054	0.175
Conversion Factors (App. B-I, Section B)	0.985	0.950	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.0686	0.1001	0.169



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APPENDIX B-III

Derivation of Proposed Rate - Code 8742 Industry Group - Office and Clerical, Hazard Group - E

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

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.0754	0.0949	0.170
2. Pure Premium Indicated by National Relativity	0.0567	0.0836	0.140
3. Pure Premium Present on Rate Level	0.0686	0.1001	0.169
4. State Credibilities	51%	76%	xxx
5. National Credibilities	24%	12%	xxx
6. Residual Credibilities = 100% - (4) - (5)	25%	12%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.0692	0.0942	0.163
8. Test Correction Factor	1.0110	1.0110	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.0698	0.0952	0.165
10. Ratio of Manual to Standard Premium			1.148
11. Target Cost Ratio			0.724
12. Rate = (9) x (10) / (11)			0.262
13. Rate Within Swing Limits			0.262
Current Rate x Swing Limits			
a) Lower bound = 0.274 x 0.730 = 0.201			
b) Upper bound = 0.274 x 1.230 = 0.337			
14. Pure Premiums Underlying Proposed Rate* = ((14TOT) / (9TOT)) x (9) ; (14TOT) = (13) x (11) / (10)	0.0698	0.0952	0.165
15. Miscellaneous Loadings			0.000
16. Final Loaded Rate			0.262

* 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 \$1,303,013 of payroll, the overall rate level change in Iowa is -7.3%.

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 countrywide pure premiums are calculated by class and then credibility-weighted with the overall countrywide F-class pure premium, using a full-credibility standard of three billion dollars in class payroll. Credibility-weighted class pure premiums are compared to the overall F-class pure premium to produce countrywide relativities, which are then normalized to obtain final relativities. The resulting values appear 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.



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APPENDIX B-IV

II. The F-class code countrywide relativities:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Class Code	Countrywide Payroll*	Countrywide Converted Losses*	Countrywide Pure Premium	Indicated Relativity	Class Code Credibility	Credibility Weighted Pure Premium	Unbalanced Relativity	Final Relativity
6006	533,370,198	16,045,288	3.008	1.448	0.42	2.468	1.188	1.175
6801	28,185,079	540,689	1.918	0.923	0.10	2.061	0.992	0.981
6824	458,063,048	10,368,436	2.264	1.090	0.39	2.150	1.035	1.024
6825	257,834,669	1,839,420	0.713	0.343	0.29	1.681	0.809	0.800
6826	173,710,178	1,833,734	1.056	0.508	0.24	1.832	0.882	0.872
6828	31,548,307	909,990	2.884	1.389	0.10	2.158	1.039	1.028
6829	0	0	0.000	0.000	0.00	2.077	1.000	0.989
6843	707,171,396	20,880,470	2.953	1.422	0.49	2.506	1.207	1.194
6845	270,211,558	8,255,014	3.055	1.471	0.30	2.370	1.141	1.129
6872	1,625,319,796	44,893,917	2.762	1.330	0.74	2.584	1.244	1.230
6873	27,582,623	73,699	0.267	0.129	0.10	1.896	0.913	0.903
6874	195,188,270	5,565,305	2.851	1.373	0.26	2.278	1.097	1.085
7309	1,042,323,296	30,433,106	2.920	1.406	0.59	2.574	1.239	1.226
7313	702,958,724	8,486,765	1.207	0.581	0.48	1.659	0.799	0.790
7317	1,574,339,142	26,475,118	1.682	0.810	0.72	1.793	0.863	0.854
7327	34,929,028	1,943,544	5.564	2.679	0.11	2.461	1.185	1.172
7350	746,960,584	16,336,673	2.187	1.053	0.50	2.132	1.026	1.015
8709	462,132,725	2,668,261	0.577	0.278	0.39	1.492	0.718	0.710
8726	787,796,471	3,112,158	0.395	0.190	0.51	1.219	0.587	0.581
9077	560,682	4,482	0.799	0.385	0.01	2.064	0.994	0.983
Overall	9,660,185,774	200,666,069	2.077				1.011	1.000

*10 years of data

Column (3) = (2) / ((1) / 100)

Column (4) = (3) / (3 Overall)

Column (5) = $\min(\sqrt[10]{(1)/3,000,000,000}, 1.00)$

Column (6) = (3) x (5) + (3 Overall) x (1.00 - (5))

Column (7) = (6)/(3 Overall)

Column (7) Overall = $\sum_{\text{Class}} [(1) \times (7)] / \sum_{\text{Class}} (1)$

Column (8) = (7)/(7 Overall)

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

6826 7313 8709 8726

Classifications Limited by the Lower Swing

6874 7327



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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			2.077
2. State Act Pure Premium Relativity Factor			1.534
3. Countrywide State Act Weight			28%
4. Primary Base Pure Premium = [(1) x (2) x (3)] + [(1) x (1 - (3))]			2.388
5. Countrywide Weights	53%	47%	100%
6. Trend Factors	0.963	0.963	xx
7. Weighted Benefits	1.000	1.000	xx
8. Weighted Loss-Based Expenses	1.250	1.195	xx
9. Secondary Base Pure Premium* = (4tot) x (5) x (6) x (7) x (8)	1.5234	1.2916	2.815
10. Additional Offsets			0.987
11. Expense Allowance			0.724
12. Final Base Rate = (9) x (10) / (11)			3.838

* 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

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	3.838
2. Countrywide Class Code 6872 Relativity (Section II)	1.230
3. Rate = (1) x (2)	4.721
4. Rate Within Swing Limits	4.721
Current Rate x Swing Limits	
a) Lower bound = $5.467 \times 0.75 = 4.101$	
b) Upper bound = $5.467 \times 1.25 = 6.833$	
5. Miscellaneous Loadings	0.000
6. Final Loaded Rate	4.721



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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 *	7.7%
2.) Assessment Rate on Total Losses #	5.1%

* 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

Table of Payroll-Weighted Class Codes

This exhibit is included to describe the methodology underlying the calculation of the payroll-weighted rates for the class code groupings shown below.

Rates for these groups are calculated by payroll-weighting the indicated rates of the class codes using the latest policy period of payroll included in this filing. Prior to payroll-weighting, standard class ratemaking procedures are performed for all class codes listed below, and traditional swing limits are applied if necessary. Class codes that are limited are listed in Appendix B-II.

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

Additional information regarding the newly identified low-credibility codes is found on the next page.

Payroll-Weighted Class Codes		
2413	2416	
2417	4299	4351
2600	2623	
3076	3224	
3119	3122	
3255	3257	
3383	3385	
4038	9600	
6005	6018	6045
6206	6214	
7402	8810	
9089	9093	



Iowa

APPENDIX B-V

Newly Identified Low-Credibility Class Codes

NCCI's use of the term "low-credibility class code" refers to class codes that generate an insufficient amount of premium to develop meaningful data for ratemaking purposes. Without the benefit of credible indicated or national data, the rate for a low-credibility class code is determined primarily by updating the current rate to the proposed level and not related to any actual experience for the class code. By mapping these class codes to larger, more credible class codes with similar operations, we can address this issue and increase the degree to which rates are informed by appropriate historical data.

The experience of these class codes is combined with the displayed class codes through the payroll-weighting process in order to improve their predictive accuracy. These class codes are combined in such a manner that the final rates for both classes do not exceed swing limits.

The following objective criteria were employed in order to determine which low-credibility class codes should be payroll-weighted:

- Average indicated medical credibility of 5% or less
- Average national medical credibility of 10% or less
- The class code is multistate and a mapped code with similar operations exists

The determination of how a low-credibility class code is mapped to a more credible class code is based on finding an alternative multistate class code that has a description of business operations that is most similar to the low-credibility class code identified. These codes are first evaluated to identify the industry type, operational characteristics, work exposures, and other identifying attributes of the operations they describe. These characteristics are then compared to those of other classifications with similar defining attributes to determine, by analogy, the most appropriate classification that would apply if the low-credibility code were eliminated.

The mappings displayed are consistent with the purpose and application of NCCI's classification system, as outlined in NCCI's **Basic Manual** rule, Classification system purpose and application.

Low-Credibility Multistate Class Code	Mapped Multistate Class Code
2416—Yarn Dyeing or Finishing	2413—Textile—Bleaching, Dyeing, Mercerizing, Finishing
2417—Cloth Printing	4299—Printing
4351—Photoengraving	
2600—Fur Processing—Preparing Skins	2623—Leather Mfg.—Including Tanning, Leather Embossing, and Wool Pulling
3119—Needle Mfg.	3122—Cutlery Mfg. NOC
3224—Enamel Ware Mfg.	3076—Sheet Metal Products Mfg.
3255—Wire Cloth Mfg.	3257—Wire Goods Mfg. NOC
3385—Watch Mfg.	3383—Jewelry Mfg.
6005—Jetty or Breakwater Construction—All Operations to Completion & Drivers	6045—Levee Construction—All Operations to Completion & Drivers
6018—Dam or Lock Construction: Earth Moving or Placing—All Operations & Drivers	
6214—Oil Or Gas Well: Perforating of Casing—All Employees & Drivers	6206—Oil or Gas Well: Cementing & Drivers
7402—Aviation—Air Traffic Controllers Under Contract with the FAA	8810—Clerical Office Employees NOC
9089—Billiard Hall	9093—Bowling Lane
9600—Taxidermist	4038—Plaster Statuary or Ornament Mfg.



Iowa

APPENDIX B-V

Percent-Rated Class Codes

This exhibit is included to describe the methodology used in calculating percent-rated codes, which are class codes that take a percentage of the rate of another code.

Employers Liability Insurance for Admiralty Law (Maritime) and Federal Employers' Liability Act (FELA) class code calculations are displayed, along with any other percent-rated class codes if applicable. The USL&HW factor used below is adjusted to account for Maritime and FELA losses being split between state and federal benefits.

The Maritime and FELA rates are based on three types of coverage:

Program 1, which covers employers liability claims only

Program 2, Option 1, which covers voluntary compensation of state benefits as well as employers liability claims

Program 2, Option 2, which covers voluntary compensation of USL&HW benefits as well as employers liability claims

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

CODE	CALCULATION OF THE RATE
Maritime	
7016	90% of Code 7024
7038	90% of Code 7090
7046	90% of Code 7098
7047	100% of Code 7024 x USL&HW factor
7050	100% of Code 7090 x USL&HW factor
7099	100% of Code 7098 x USL&HW factor
7333	90% of Code 7335
7337	100% of Code 7335 x USL&HW factor
7394	90% of Code 7395
7398	100% of Code 7395 x USL&HW factor
FELA	
6702	100% of Code 7855 x 1.35 x 0.9
6703	100% of Code 7855 x 1.35 x USL&HW factor
6704	100% of Code 7855 x 1.35
7151	100% of Code 7133 x 1.35 x 0.9
7152	100% of Code 7133 x 1.35 x USL&HW factor
7153	100% of Code 7133 x 1.35
8734	100% of Code 8742 x 1.35
8737	100% of Code 8742 x 1.35 x 0.9
8738	100% of Code 8742 x 1.35 x USL&HW factor
8805	100% of Code 8810 x 1.35
8814	100% of Code 8810 x 1.35 x 0.9
8815	100% of Code 8810 x 1.35 x USL&HW factor



Iowa

APPENDIX B-VI

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, 2027

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.



Iowa

Workers Compensation Rate Filing – January 1, 2027

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. This factor accounts for differences in the components included in the assigned risk rates versus the advisory rates. The key components of the assigned risk multiplier are the assigned risk rate differential and the uncollectible premium provision (UPP). Thus, the assigned risk multiplier formula is as follows:

$$\text{Assigned Risk Multiplier} = \text{Assigned Risk Rate Differential} \times \text{UPP}$$

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

Assigned Risk 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. To derive the indicated differential, loss ratios are calculated for both the (i) assigned risk market and (ii) voluntary 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 voluntary 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 (e.g., removal of premium discounts, Assigned Risk Adjustment Program) is also reflected in the calculation. In addition, the expected difference between the voluntary and assigned risk expenses was accounted 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 differential, net of the uncollectible premium provision. 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 0.708 to 1.642.



Iowa

Workers Compensation Rate Filing – January 1, 2027

Appendix D – Determination of Assigned Risk Rates

- 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.
- 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 current differential is appropriate, consistent with long-term trends, and continues to support residual market depopulation.

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

Uncollectible Premium Provision

The purpose of the uncollectible premium provision is to make available sufficient funds in the rate structure to offset the policy premium ultimately determined to be uncollectible. A review of fifteen years of historical ultimate gross-to-collected premium ratios in Iowa's assigned risk market supports no change to the proposed uncollectible premium provision factor, based on various long-term averages.

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



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APPENDIX D

Determination of Assigned Risk Rates

Section A - Derivation of the Assigned Risk Multiplier

This filing proposes a -2.1% overall average change to the current assigned risk rate level. For all classifications, an assigned risk multiplier is applied to the voluntary rates proposed effective January 1, 2027 in order to convert to assigned risk rates.

(1) Current Assigned Risk Multiplier	1.218
(2) Proposed Assigned Risk Rate Differential (See Section B)	1.200
(3) Proposed Uncollectible Premium Provision Factor (See Section C)	1.015
(4) Indicated Assigned Risk Multiplier = (2) x (3)	1.218
(5) Indicated Change in the Assigned Risk Multiplier = [(4) / (1)] - 1.0	0.0%
(6) Proposed Voluntary Rate Level Change (Exhibit I)	-2.1%
(7) Indicated Assigned Risk Rate Level Change = {[1.0 + (5)] x [1.0 + (6)]} - 1.0	-2.1%



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APPENDIX D

Determination of Assigned Risk Rates

Section B - Derivation of Assigned Risk Differential Experience Valued as of 12/31/2025

Policy Year	(1) Standard Pure Premium Assigned Risk	(2) Voluntary	(3) Unlimited Undeveloped Paid+Case Losses Assigned Risk	(4) Voluntary
2010	5,021,616	191,268,208	18,146,630	347,784,972
2011	5,627,124	202,336,788	14,577,580	324,728,760
2012	7,327,256	202,343,831	23,661,708	328,969,693
2013	9,688,038	206,517,794	19,873,708	347,634,056
2014	9,506,000	210,965,804	21,280,324	333,533,818
2015	9,386,252	217,285,025	20,563,759	335,786,106
2016	7,877,489	225,378,460	10,393,172	304,664,239
2017	6,918,512	234,548,264	12,113,033	334,877,847
2018	6,811,361	239,153,876	8,855,622	340,307,378
2019	7,135,728	245,463,389	9,715,144	349,624,191
2020	7,373,127	249,270,070	13,411,666	319,828,126
2021	7,788,415	264,928,007	11,406,150	322,964,979
2022	7,549,563	293,553,931	10,465,335	323,957,051
2023	8,121,571	305,171,688	17,493,252	314,724,799
2024	7,932,328	312,968,066	6,735,045	295,000,244

Policy Year	(5) = (3) / (1) Pure Premium Ratio Assigned Risk	(6) = (4) / (2) Voluntary	(7) = (5) / (6) Assigned Risk to Voluntary Relativity	(8) = (7) / Impact of AR Programs^ Indicated Assigned Risk Differential
2010	3.614	1.818	1.988	1.563
2011	2.591	1.605	1.614	1.269
2012	3.229	1.626	1.986	1.561
2013	2.051	1.683	1.219	0.958
2014	2.239	1.581	1.416	1.113
2015	2.191	1.545	1.418	1.115
2016	1.319	1.352	0.976	0.767
2017	1.751	1.428	1.226	0.964
2018	1.300	1.423	0.914	0.719
2019	1.361	1.424	0.956	0.752
2020	1.819	1.283	1.418	1.115
2021	1.465	1.219	1.202	0.945
2022	1.386	1.104	1.255	0.987
2023	2.154	1.031	2.089	1.642
2024	0.849	0.943	0.900	0.708

Current Assigned Risk Differential 1.200

Proposed Assigned Risk Differential 1.200

Proposed Change in Assigned Risk Differential 1.000 0.0%

^Assigned Risk Programs in Addition to the Differential

(a) Removal of Premium Discounts and Expense Differential 1.191
(b) ARAP 1.068

Total impact of programs 1.272
= (a) x (b)



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APPENDIX D

Determination of Assigned Risk Rates

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

Policy Year	(1) Estimated Ultimate Gross Premium (\$000)	(2) Estimated Ultimate Collected Premium (\$000)	(3) = (1) / (2) Gross Premium / Collected Premium
2010	20,175	19,989	1.009
2011	24,932	24,586	1.014
2012	33,704	33,394	1.009
2013	46,857	46,565	1.006
2014	40,536	40,351	1.005
2015	37,701	37,239	1.012
2016	32,877	31,776	1.035
2017	26,221	25,669	1.022
2018	22,822	22,650	1.008
2019	21,375	21,207	1.008
2020	20,952	20,770	1.009
2021	22,495	21,896	1.027
2022	19,585	19,053	1.028
2023	17,699	17,456	1.014
2024	16,155	15,865	1.018
5-Yr Avg			1.019
10-Yr Avg			1.018
10-Yr x H/L			1.017
15-Yr Avg			1.015
15-Yr x H/L			1.014
Current UPP			1.015
Selected UPP			1.015
Impact of Change in UPP Factor			1.000



Iowa

Workers Compensation Rate Filing – January 1, 2027

Part 4 Additional Information

- Definitions
- NCCI Affiliate List
- Key Contacts



Iowa

Workers Compensation Rate Filing – January 1, 2027

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.



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Definitions

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

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

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

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



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NCCI Affiliate List

21ST CENTURY NORTH AMERICA INSURANCE COMPANY	ATLANTIC STATES INSURANCE COMPANY
ACADIA INSURANCE COMPANY	AUSTIN MUTUAL INSURANCE COMPANY
ACCIDENT FUND GENERAL INSURANCE COMPANY	AUTO-OWNERS INSURANCE COMPANY
ACCIDENT FUND INS CO OF AMERICA	AXA XL INSURANCE COMPANY AMERICAS
ACCIDENT FUND NATIONAL INSURANCE COMPANY	BADGER MUTUAL INSURANCE COMPANY
ACCREDITED SURETY AND CASUALTY CO, INC.	BANKERS STANDARD INSURANCE COMPANY
ACE AMERICAN INSURANCE COMPANY	BEARING MIDWEST CASUALTY COMPANY
ACE FIRE UNDERWRITERS INSURANCE COMPANY	BENCHMARK INSURANCE COMPANY
ACE PROPERTY AND CASUALTY INSURANCE COMPANY	BERKLEY CASUALTY COMPANY
ACIG INSURANCE COMPANY	BERKLEY INSURANCE COMPANY
ACUITY, A MUTUAL INSURANCE COMPANY	BERKLEY NATIONAL INSURANCE COMPANY
ADDISON INSURANCE COMPANY	BERKLEY REGIONAL INSURANCE COMPANY
AIG ASSURANCE COMPANY	BERKSHIRE HATHAWAY DIRECT INSURANCE COMPANY
AIG PROPERTY CASUALTY COMPANY	BERKSHIRE HATHAWAY HOMESTATE INS CO
AIU INSURANCE COMPANY	BITCO GENERAL INSURANCE CORPORATION
ALASKA NATIONAL INSURANCE COMPANY	BITCO NATIONAL INSURANCE COMPANY
ALLIED EASTERN INDEMNITY COMPANY	BRICKSTREET MUTUAL INSURANCE COMPANY
ALLIED INSURANCE COMPANY OF AMERICA	BROTHERHOOD MUTUAL INSURANCE COMPANY
ALLIED PROPERTY AND CASUALTY INS CO	CALIFORNIA INSURANCE COMPANY
ALLMERICA FINANCIAL ALLIANCE INS CO	CAROLINA CASUALTY INSURANCE COMPANY
ALLMERICA FINANCIAL BENEFIT INSURANCE COMPANY	CELINA MUTUAL INSURANCE COMPANY
AMCO INSURANCE COMPANY	CHARTER OAK FIRE INSURANCE COMPANY
AMERICAN ALTERNATIVE INSURANCE CORPORATION	CHEROKEE INSURANCE COMPANY
AMERICAN AUTOMOBILE INSURANCE COMPANY	CHIRON INSURANCE COMPANY
AMERICAN BUSINESS & MERCANTILE INS MUTUAL, INC.	CHUBB INDEMNITY INSURANCE COMPANY
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA	CHUBB NATIONAL INSURANCE COMPANY
AMERICAN COMPENSATION INSURANCE COMPANY	CHURCH MUTUAL INSURANCE COMPANY, S.I.
AMERICAN ECONOMY INSURANCE COMPANY	CIMARRON INSURANCE COMPANY, INC.
AMERICAN FAMILY HOME INSURANCE COMPANY	CINCINNATI CASUALTY COMPANY
AMERICAN FAMILY INSURANCE COMPANY	CINCINNATI INDEMNITY COMPANY
AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.	CINCINNATI INSURANCE COMPANY
AMERICAN FIRE AND CASUALTY COMPANY	CITIZENS INSURANCE COMPANY OF AMERICA
AMERICAN GUARANTEE AND LIABILITY INS CO	CLEAR SPRING AMERICAN INSURANCE COMPANY
AMERICAN HOME ASSURANCE COMPANY	CLEAR SPRING CASUALTY INSURANCE COMPANY
AMERICAN INTERSTATE INSURANCE COMPANY	CLEAR SPRING NATIONAL INSURANCE COMPANY
AMERICAN INTERSTATE INSURANCE COMPANY OF TEXAS	CLEAR SPRING PROPERTY & CASUALTY COMPANY
AMERICAN LIBERTY INSURANCE COMPANY	CLERMONT INSURANCE COMPANY
AMERICAN MODERN HOME INS CO	CM INDEMNITY INSURANCE COMPANY
AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY	COLONIAL AMERICAN CASUALTY & SURETY CO
AMERICAN SELECT INSURANCE COMPANY	COLONIAL SURETY COMPANY
AMERICAN SENTINEL INSURANCE COMPANY	COLUMBIA MUTUAL INSURANCE COMPANY
AMERICAN STATES INSURANCE COMPANY	COLUMBIA NATIONAL INSURANCE COMPANY
AMERICAN ZURICH INSURANCE COMPANY	COMMERCE AND INDUSTRY INSURANCE COMPANY
AMERISURE INSURANCE COMPANY	CONSOLIDATED INSURANCE COMPANY
AMERISURE MUTUAL INSURANCE COMPANY	CONTINENTAL CASUALTY COMPANY
AMERISURE PARTNERS INSURANCE COMPANY	CONTINENTAL INDEMNITY COMPANY
AMFED ADVANTAGE INSURANCE COMPANY	CONTINENTAL INSURANCE COMPANY
AMFED CASUALTY INSURANCE COMPANY	CONTINENTAL WESTERN INSURANCE COMPANY
AMFED NATIONAL INSURANCE COMPANY	COREPOINTE INSURANCE COMPANY
AMGUARD INSURANCE COMPANY	COUNTRY MUTUAL INSURANCE COMPANY
AMTRUST INSURANCE COMPANY	CRESTBROOK INSURANCE COMPANY
ARCH INDEMNITY INSURANCE COMPANY	CRUM & FORSTER INDEMNITY COMPANY
ARCH INSURANCE COMPANY	DAKOTA TRUCK UNDERWRITERS
ARCH PROPERTY CASUALTY INSURANCE COMPANY	DEPOSITORS INSURANCE COMPANY
ARGONAUT INSURANCE COMPANY	DEVELOPERS SURETY AND INDEMNITY COMPANY
ARGONAUT-MIDWEST INSURANCE COMPANY	DIAMOND INSURANCE COMPANY
ARTISAN AND TRUCKERS CASUALTY COMPANY	DONEGAL MUTUAL INSURANCE COMPANY
ASCOT INSURANCE COMPANY	EASTERN ADVANTAGE ASSURANCE COMPANY
ASSOCIATION CASUALTY INSURANCE COMPANY	EASTERN ALLIANCE INSURANCE COMPANY
ATLANTIC SPECIALTY INSURANCE COMPANY	EASTGUARD INSURANCE COMPANY



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EMC PROPERTY & CASUALTY COMPANY	GREATER NEW YORK MUTUAL INSURANCE COMPANY
EMCASCO INSURANCE COMPANY	GREENWICH INSURANCE COMPANY
EMPLOYERS ASSURANCE COMPANY	GRINNELL MUTUAL REINSURANCE COMPANY, SI
EMPLOYERS COMPENSATION INSURANCE COMPANY	GRINNELL SELECT INSURANCE COMPANY
EMPLOYERS INSURANCE COMPANY OF NEVADA	GUIDEONE ELITE INSURANCE COMPANY
EMPLOYERS INSURANCE COMPANY OF WAUSAU	GUIDEONE INSURANCE COMPANY
EMPLOYERS MUTUAL CASUALTY COMPANY	GUIDEONE SPECIALTY INSURANCE COMPANY
EMPLOYERS PREFERRED INSURANCE COMPANY	HARLEYSVILLE INSURANCE COMPANY
ENDURANCE AMERICAN INSURANCE COMPANY	HARLEYSVILLE PREFERRED INSURANCE COMPANY
ENDURANCE ASSURANCE CORPORATION	HARLEYSVILLE WORCESTER INSURANCE COMPANY
EVEREST DENALI INSURANCE COMPANY	HARTFORD ACCIDENT AND INDEMNITY COMPANY
EVEREST NATIONAL INSURANCE COMPANY	HARTFORD CASUALTY INSURANCE COMPANY
EVEREST PREMIER INSURANCE COMPANY	HARTFORD FIRE INSURANCE COMPANY
EVEREST REINSURANCE COMPANY (DIRECT)	HARTFORD INSURANCE COMPANY OF ILLINOIS
EXECUTIVE RISK INDEMNITY INC.	HARTFORD INSURANCE COMPANY OF THE MIDWEST
EXPLORER INSURANCE COMPANY	HARTFORD INSURANCE COMPANY OF THE SOUTHEAST
FALLS LAKE NATIONAL INSURANCE COMPANY	HARTFORD UNDERWRITERS INSURANCE COMPANY
FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY	HASTINGS INSURANCE COMPANY
FARMERS DIRECT PROPERTY AND CASUALTY INS CO	HAWKEYE-SECURITY INSURANCE COMPANY
FARMERS INSURANCE EXCHANGE	HDI GLOBAL INSURANCE COMPANY
FARMERS PROPERTY AND CASUALTY INSURANCE COMPANY	HORIZON MIDWEST CASUALTY COMPANY
FARMINGTON CASUALTY COMPANY	ILLINOIS CASUALTY COMPANY
FEDERAL INSURANCE COMPANY	ILLINOIS EMCASCO INSURANCE COMPANY
FEDERATED MUTUAL INSURANCE COMPANY	ILLINOIS INSURANCE COMPANY
FEDERATED RESERVE INSURANCE COMPANY	ILLINOIS NATIONAL INSURANCE CO.
FEDERATED RURAL ELECTRIC INS EXCHANGE	IMPERIUM INSURANCE COMPANY
FEDERATED SERVICE INSURANCE COMPANY	IMT INSURANCE COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND	INCLINE CASUALTY COMPANY
FIDELITY AND GUARANTY INSURANCE COMPANY	INDEMNITY INSURANCE COMPANY OF NORTH AMERICA
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.	INDIANA INSURANCE COMPANY
FIRE INSURANCE EXCHANGE	INSURANCE COMPANY OF NORTH AMERICA
FIREMAN'S FUND INSURANCE COMPANY	INSURANCE COMPANY OF STATE OF PA
FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C.	INSURANCE COMPANY OF THE WEST
FIRST DAKOTA INDEMNITY COMPANY	INTEGRITY INSURANCE COMPANY
FIRST NATIONAL INSURANCE COMPANY OF AMERICA	INTEGRITY PROPERTY & CASUALTY INS CO
FIRSTCOMP INSURANCE COMPANY	INTEGRITY SELECT INSURANCE COMPANY
FLORISTS' MUTUAL INSURANCE COMPANY	INTREPID CASUALTY COMPANY
FOREMOST INSURANCE COMPANY GRAND RAPIDS, MICHIGAN	INTREPID INSURANCE COMPANY
FOREMOST PROPERTY AND CASUALTY INSURANCE COMPANY	IOWA AMERICAN INSURANCE COMPANY
FOREMOST SIGNATURE INSURANCE COMPANY	IOWA LONG TERM CARE RISK MANAGEMENT ASSOCIATION
FRANK WINSTON CRUM INSURANCE COMPANY	IOWA MUTUAL INSURANCE COMPANY
FREEDOM SPECIALTY INSURANCE COMPANY	KEY RISK INSURANCE COMPANY
GENERAL CASUALTY COMPANY OF WISCONSIN	LAFAYETTE INSURANCE COMPANY
GENERAL CASUALTY INSURANCE COMPANY	LIBERTY INSURANCE CORPORATION
GENERAL INSURANCE COMPANY OF AMERICA	LIBERTY INSURANCE UNDERWRITERS, INC.
GENESIS INSURANCE COMPANY	LIBERTY MUTUAL FIRE INSURANCE COMPANY
GLATFELTER INSURANCE COMPANY	LIBERTY MUTUAL INSURANCE COMPANY
GRANGE INDEMNITY INSURANCE COMPANY	LM INSURANCE CORPORATION
GRANGE INSURANCE COMPANY	MAG MUTUAL INSURANCE COMPANY
GRANITE STATE INSURANCE COMPANY	MANUFACTURERS ALLIANCE INSURANCE COMPANY
GRAPHIC ARTS MUTUAL INSURANCE COMPANY	MARKEL AMERICAN INSURANCE COMPANY
GREAT AMERICAN ALLIANCE INSURANCE COMPANY	MARKEL INSURANCE COMPANY
GREAT AMERICAN ASSURANCE COMPANY	MASSACHUSETTS BAY INSURANCE COMPANY
GREAT AMERICAN INSURANCE COMPANY	MEM MUTUAL INSURANCE COMPANY
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK	MEM PROTECT INSURANCE COMPANY
GREAT AMERICAN SPIRIT INSURANCE COMPANY	MEM SECURE INSURANCE COMPANY
GREAT DIVIDE INSURANCE COMPANY	MEM SHIELD INSURANCE COMPANY
GREAT MIDWEST INSURANCE COMPANY	MEMIC CASUALTY COMPANY
GREAT NORTHERN INSURANCE COMPANY	MEMIC INDEMNITY COMPANY
GREAT WEST CASUALTY COMPANY	MERIDIAN SECURITY INSURANCE COMPANY



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MID-CENTURY INSURANCE COMPANY	PENN MILLERS INSURANCE COMPANY
MIDDLESEX INSURANCE COMPANY	PENNSYLVANIA INSURANCE COMPANY
MIDVALE INDEMNITY COMPANY	PENNSYLVANIA MANUFACTURERS INDEMNITY COMPANY
MIDWEST EMPLOYERS CASUALTY COMPANY	PETROLEUM CASUALTY COMPANY
MIDWEST FAMILY ADVANTAGE INSURANCE CO	PHARMACISTS INSURANCE COMPANY
MIDWEST FAMILY MUTUAL INSURANCE COMPANY	PIE CASUALTY INSURANCE COMPANY
MIDWEST INSURANCE COMPANY	PINNACLE NATIONAL INSURANCE COMPANY
MIDWESTERN INDEMNITY COMPANY	PINNACLEPOINT INSURANCE COMPANY
MILBANK INSURANCE COMPANY	PIONEER SPECIALTY INSURANCE COMPANY
MILFORD CASUALTY INSURANCE COMPANY	PLAZA INSURANCE COMPANY
MITSUMI SUMITOMO INSURANCE COMPANY OF AMERICA	PRAETORIAN INSURANCE COMPANY
MITSUMI SUMITOMO INSURANCE USA INC.	PREFERRED EMPLOYERS INSURANCE COMPANY
MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY	PREFERRED PROFESSIONAL INSURANCE COMPANY
NATIONAL AMERICAN INSURANCE COMPANY	PRESCIENT NATIONAL INSURANCE COMPANY
NATIONAL CASUALTY COMPANY	PREVISOR INSURANCE COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD	PROPERTY AND CASUALTY INS CO OF HARTFORD
NATIONAL INTERSTATE INSURANCE COMPANY	PROSELECT INSURANCE COMPANY
NATIONAL LIABILITY & FIRE INSURANCE CO	PROTECTIVE INSURANCE COMPANY
NATIONAL SPECIALTY INSURANCE COMPANY	QBE INSURANCE CORPORATION
NATIONAL SURETY CORPORATION	REDWOOD FIRE AND CASUALTY INSURANCE COMPANY
NATIONAL UNION FIRE INSURANCE CO OF PITTSBURGH, PA	REGENT INSURANCE COMPANY
NATIONWIDE AGRIBUSINESS INSURANCE CO	REPUBLIC FIRE AND CASUALTY INSURANCE COMPANY
NATIONWIDE ASSURANCE COMPANY	REPUBLIC INDEMNITY COMPANY OF AMERICA
NATIONWIDE GENERAL INSURANCE COMPANY	RIVERPORT INSURANCE COMPANY
NATIONWIDE INSURANCE COMPANY OF AMERICA	RIVERSTONE INTERNATIONAL INSURANCE, INC.
NATIONWIDE MUTUAL INSURANCE COMPANY	RLI INSURANCE COMPANY
NATIONWIDE PROPERTY AND CASUALTY INSURANCE COMPANY	ROCHDALE INSURANCE COMPANY
NETHERLANDS INSURANCE COMPANY	ROCKWOOD CASUALTY INSURANCE COMPANY
NEW HAMPSHIRE INSURANCE COMPANY	RURAL TRUST INSURANCE COMPANY
NEW YORK MARINE AND GENERAL INSURANCE CO	SAFECO INSURANCE COMPANY OF AMERICA
NEXT INSURANCE US COMPANY	SAFETY FIRST INSURANCE COMPANY
NORGUARD INSURANCE COMPANY	SAFETY NATIONAL CASUALTY CORPORATION
NORTH POINTE INSURANCE COMPANY	SAGAMORE INSURANCE COMPANY
NORTH RIVER INSURANCE COMPANY	SAMSUNG FIRE & MARINE INSURANCE CO., LTD. (USB)
NORTHSTONE INSURANCE COMPANY	SCOTTSDALE INDEMNITY COMPANY
NOVA CASUALTY COMPANY	SECURA INSURANCE COMPANY
OAK RIVER INSURANCE COMPANY	SECURA SELECT INSURANCE COMPANY
OBI AMERICA INSURANCE COMPANY	SECURA SUPREME INSURANCE COMPANY
OBI NATIONAL INSURANCE COMPANY	SECURITY NATIONAL INSURANCE COMPANY
OHIO CASUALTY INSURANCE COMPANY	SELECTIVE INSURANCE COMPANY OF AMERICA
OHIO FARMERS INSURANCE COMPANY	SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA
OHIO SECURITY INSURANCE COMPANY	SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST
OLD GUARD INSURANCE COMPANY	SELECTIVE WAY INSURANCE COMPANY
OLD REPUBLIC GENERAL INSURANCE CORPORATION	SENTINEL INSURANCE COMPANY, LTD.
OLD REPUBLIC INSURANCE COMPANY	SENTRY CASUALTY COMPANY
OMAHA NATIONAL INSURANCE COMPANY	SENTRY INSURANCE COMPANY
OWNERS INSURANCE COMPANY	SENTRY SELECT INSURANCE COMPANY
PA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY	SEQUOIA INSURANCE COMPANY
PACIFIC EMPLOYERS INSURANCE COMPANY	SERVICE AMERICAN INDEMNITY COMPANY
PACIFIC INDEMNITY COMPANY	SERVICE LLOYDS INSURANCE COMPANY, A STOCK COMPANY
PACIFIC INSURANCE COMPANY, LIMITED	SFM MUTUAL INSURANCE COMPANY
PARK NATIONAL INSURANCE COMPANY	SFM SAFE INSURANCE COMPANY
PARTNERS MUTUAL INSURANCE COMPANY	SFM SELECT INSURANCE COMPANY
PATRONS MUTUAL INSURANCE COMPANY OF CONNECTICUT	SILVER OAK CASUALTY, INC.
PEERLESS INDEMNITY INSURANCE COMPANY	SIRIUSPOINT AMERICA INSURANCE COMPANY
PEERLESS INSURANCE COMPANY	SOCIETY INSURANCE, A MUTUAL COMPANY
PEKIN INSURANCE COMPANY	SOMPO AMERICA FIRE & MARINE INSURANCE COMPANY
PEKIN SELECT INSURANCE COMPANY	SOMPO AMERICA INSURANCE COMPANY
PENINSULA INDEMNITY COMPANY	SOUTHERN INSURANCE COMPANY
PENINSULA INSURANCE COMPANY	ST. PAUL FIRE AND MARINE INSURANCE COMPANY



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ST. PAUL GUARDIAN INSURANCE COMPANY	VANLINER INSURANCE COMPANY
ST. PAUL PROTECTIVE INSURANCE COMPANY	VANTAPRO SPECIALTY INSURANCE COMPANY
STANDARD FIRE INSURANCE COMPANY	VICTORIA FIRE & CASUALTY COMPANY
STAR INSURANCE COMPANY	VIGILANT INSURANCE COMPANY
STARNET INSURANCE COMPANY	WADENA INSURANCE COMPANY
STARR INDEMNITY & LIABILITY COMPANY	WAUSAU BUSINESS INSURANCE COMPANY
STARR SPECIALTY INSURANCE COMPANY	WAUSAU UNDERWRITERS INSURANCE COMPANY
STARSTONE NATIONAL INSURANCE COMPANY	WAYPOINT MUTUAL
STATE AUTO PROPERTY & CASUALTY INSURANCE CO	WCF INSURANCE COMPANY
STATE AUTOMOBILE MUTUAL INSURANCE COMPANY	WCF NATIONAL INSURANCE COMPANY
STATE FARM FIRE AND CASUALTY COMPANY	WCF SELECT INSURANCE COMPANY
STATE NATIONAL INSURANCE COMPANY INC	WELLFLEET INSURANCE COMPANY
STONETRUST COMMERCIAL INSURANCE COMPANY	WELLFLEET NEW YORK INSURANCE COMPANY
STONETRUST PREMIER CASUALTY INSURANCE CO	WESCO INSURANCE COMPANY
STONINGTON INSURANCE COMPANY	WEST AMERICAN INSURANCE COMPANY
SUMMITPOINT INSURANCE COMPANY	WEST BEND INSURANCE COMPANY
SUNZ INSURANCE COMPANY	WEST BEND PREMIER INSURANCE COMPANY
SUTTON NATIONAL INSURANCE COMPANY	WEST BEND SELECT INSURANCE COMPANY
SWISS RE CORPORATE SOLUTIONS AMERICA INS CORP	WEST RIVER INSURANCE COMPANY
SWISS RE CORPORATE SOLUTIONS ELITE INSURANCE CORP	WESTCHESTER FIRE INSURANCE COMPANY
SWISS RE CORPORATE SOLUTIONS PREMIER INS CORP	WESTERN AGRICULTURAL INSURANCE COMPANY
T.H.E. INSURANCE COMPANY	WESTERN NATIONAL ASSURANCE COMPANY
TECHNOLOGY INSURANCE COMPANY, INC.	WESTERN NATIONAL MUTUAL INSURANCE COMPANY
THE FARMERS AUTOMOBILE INSURANCE ASSOCIATION	WESTFIELD CHAMPION INSURANCE COMPANY
THE FIRST LIBERTY INSURANCE CORPORATION	WESTFIELD INSURANCE COMPANY
THE GRAY INSURANCE COMPANY	WESTFIELD NATIONAL INSURANCE COMPANY
THE HANOVER AMERICAN INSURANCE COMPANY	WESTFIELD PREMIER INSURANCE COMPANY
THE HANOVER INSURANCE COMPANY	WESTFIELD SUPERIOR INSURANCE COMPANY
THE PHOENIX INSURANCE COMPANY	WESTFIELD TOUCHSTONE INSURANCE COMPANY
THE PIE INSURANCE COMPANY	WESTPORT INSURANCE CORPORATION
THE TRAVELERS CASUALTY COMPANY	WILLIAMSBURG NATIONAL INSURANCE COMPANY
THE TRAVELERS INDEMNITY COMPANY	WORK FIRST CASUALTY COMPANY
THE TRAVELERS INDEMNITY COMPANY OF CONNECTICUT	XL INSURANCE AMERICA, INC.
TNUS INSURANCE COMPANY	XL SPECIALTY INSURANCE COMPANY
TOKIO MARINE AMERICA INSURANCE COMPANY	ZENITH INSURANCE COMPANY
TRANS PACIFIC INSURANCE COMPANY	ZNAT INSURANCE COMPANY
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	ZURICH AMERICAN INSURANCE COMPANY
TRANSPORTATION INSURANCE COMPANY	ZURICH AMERICAN INSURANCE COMPANY OF ILLINOIS
TRAVCO PERSONAL INSURANCE COMPANY	
TRAVELERS CASUALTY AND SURETY COMPANY	
TRAVELERS CASUALTY CO OF CONNECTICUT	
TRAVELERS CASUALTY INS CO OF AMERICA	
TRAVELERS COMMERCIAL CASUALTY COMPANY	
TRAVELERS INDEMNITY CO OF AMERICA	
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	
TRI-STATE INSURANCE COMPANY OF MINNESOTA	
TRIANGLE INSURANCE COMPANY, INC.	
TRIUMPHE CASUALTY COMPANY	
TRUCK INSURANCE EXCHANGE	
TRUMBULL INSURANCE COMPANY	
TRUSTGARD INSURANCE COMPANY	
TWIN CITY FIRE INSURANCE COMPANY	
UNION INSURANCE COMPANY	
UNION INSURANCE COMPANY OF PROVIDENCE	
UNITED FIRE & CASUALTY COMPANY	
UNITED STATES FIDELITY AND GUARANTY CO	
UNITED STATES FIRE INSURANCE COMPANY	
UNITED WISCONSIN INSURANCE COMPANY	
UTICA MUTUAL INSURANCE COMPANY	
VALLEY FORGE INSURANCE COMPANY	



Iowa

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