

# ICRB'S 85<sup>th</sup> ANNUAL REPORT

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THE STATE OF WORKERS COMPENSATION IN INDIANA



November 2022



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**KAREN H. BYRD**  
PRESIDENT & CEO

Words, phrases, and quotes can be inspirational, impactful and energizing. Often, we find ourselves inventing new words and phrases to describe a certain situation or event. This is very true in the post- COVID-19 world we live in. Social media has also made a huge impact on our vocabulary. Words like “influencer”, “Insta-me,” “masking”, “unmute yourself,” “telecommuting,” and “metaverse” are all now part of our everyday lives.

As we have adapted to changes in our world, words have shaped and changed how we do business. Never have we used terminology such as “hybrid or agile work environments,” “virtual meetings,” “remote working,” “gender identity” and “next generation workers.” The ICRB has been working hard this year to do our part in keeping the Indiana workers compensation ecosystem healthy. We do this by evaluating and researching statistical data, patterns, and trends to establish how these modifications will impact the industry.

In 2022, ICRB participated in a large COVID-19 study with the majority of the other Independent Bureaus and the National Council on Compensation Insurance. Along with research studies conducted by the Workers Compensation Research Institute, this compilation of data will help us predict and forecast future rates, class relativities and impacts on the experience rating plan. Note: COVID-19 claims do not go into experience rating in Indiana claims as this time.

COVID-19 still affects individuals and businesses today as we continue to hear concerns regarding vaccine mandates, the residual effect of long-term COVID, return to office delays and the ongoing labor shortage. Generational diversity also plays a huge role in the workforce for everyone. For the first time in history, we are seeing 4 generations in the labor market. This has directly impacted the ICRB as we have had over 5 associates retire in the last 2 years. As new hires have taken place, we have had to adjust our management and training styles according to each person’s generational expectations. Understanding how our newer associates communicate and what their needs are, has been key for successful staffing transitions.

I am honored to represent the ICRB and proud of our associates, service providers and business partners as we have effectively navigated these changes to the work environment. We are all committed to ensuring first-class service, accurate data and quality resources as we rise to the challenges of any changes that come our way. Former President Jimmy Carter once said, “We must adjust to changing times and still hold to unchanging principles.” I couldn’t have said it better myself.

As always, we are happy to share the existing information that is going on in Indiana and hope you will find this report comprehensive and helpful to your business needs. If you have any questions regarding these findings, please do not hesitate to contact me at [kbyrd@icrb.net](mailto:kbyrd@icrb.net), or the ICRB Vice President, Paul Keathley, at [pkeathly@icrb.net](mailto:pkeathly@icrb.net).

# ICRB'S PURPOSE

The Indiana Compensation Rating Bureau (ICRB) is a private non-profit, unincorporated association of all insurance companies licensed to write workers compensation insurance in Indiana. The ICRB is a statutory rating organization as set forth in Chapter 27-7-2 of the Indiana Insurance Laws.

The law empowers the ICRB to gather information from its member companies that may be necessary to establish fair and adequate advisory rates. This information is submitted to the Indiana Department of Insurance for review and then distributed to all member companies who use the rates or file their own rates.

In addition to the data collection and ratemaking functions, the ICRB is responsible for various workers compensation programs to include rules promulgation, experience rating, inspection and classification, assigned risk administration, industry education and dispute resolution.

LET US HELP YOU

**NAVIGATE THE  
COMPLEXITY  
OF WORKERS  
COMPENSATION**

**INDIANA  
COMPENSATION  
RATING BUREAU**

[www.icrb.net](http://www.icrb.net)



# ICRB GOVERNING BOARD MEMBERS

Accident Fund Insurance Company of America

*Scott Lerew*

American Home Assurance Company (AIG)

*Ira Feuerlicht (Chair)*

Eastern Alliance Insurance Company

*Frank Baker (Vice Chair)*

FCCI Insurance Group

*Rob Smith*

ICW Group

*Keith Guccione*

Indiana Farmers Mutual Insurance Company

*Scott MacWilliam*

Indiana Insurance Company (Liberty Mutual)

*Eddie Herrera*

Old Republic (Pennsylvania Manufacturers Assoc.)

*Scott Dahlager*

Travelers Indemnity Company

*Lindsay Ladin*

Westfield Insurance Company

*Rick Consenza*

**PROVIDING  
RESOURCES TO  
ASSIST INDIANA  
STAKEHOLDERS  
NAVIGATE THE  
COMPLEXITY  
OF WORKERS  
COMPENSATION.**



► Our Core Values

1

*Provide exceptional customer service & educational resources*

2

*Make neutral and value-based decisions*

3

*Build solid relationships with regulators, insurers, agents and employers*

4

*Foster a healthy work-life balance through collaboration & innovation*

**President/CEO**

Karen Byrd

**Vice President**

Paul Keathley

**Director of Finance and  
Operations**

Jennifer Cox

**Classification &  
Inspection**

Daniel Geary

**Finance Assistant**

(open)

**Analysts**

Rebekah Bennett  
Taylor Gore  
Mari Kidwell  
Marshall White

# ICRB Staff

*The greatest asset of a company is its people.*



# INDIANA INSURANCE MARKET

LABOR MARKET OVERVIEW

PREMIUM

COMBINED RATIOS

VOLUNTARY & ASSIGNED RISK

COVID-19



# INDIANA'S LABOR MARKET

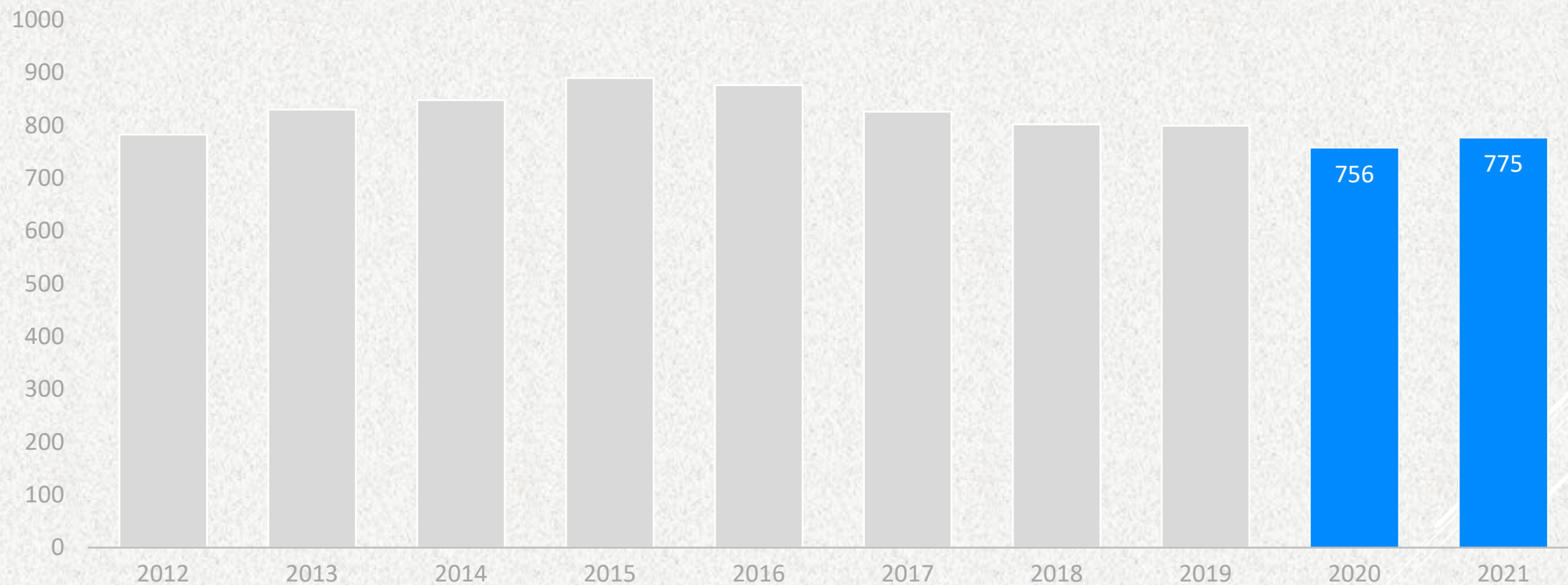
- Written premium volume increased slightly in the latest year
- Accident year combined ratios continue to show underwriting gains
- Lost-time claim frequency has declined over the long term
- Lost-time claim severity for both indemnity and medical decreased in Policy Year 2020

Source: NCCI's Indiana Workers Compensation Outlook and Observations-  
October 2021

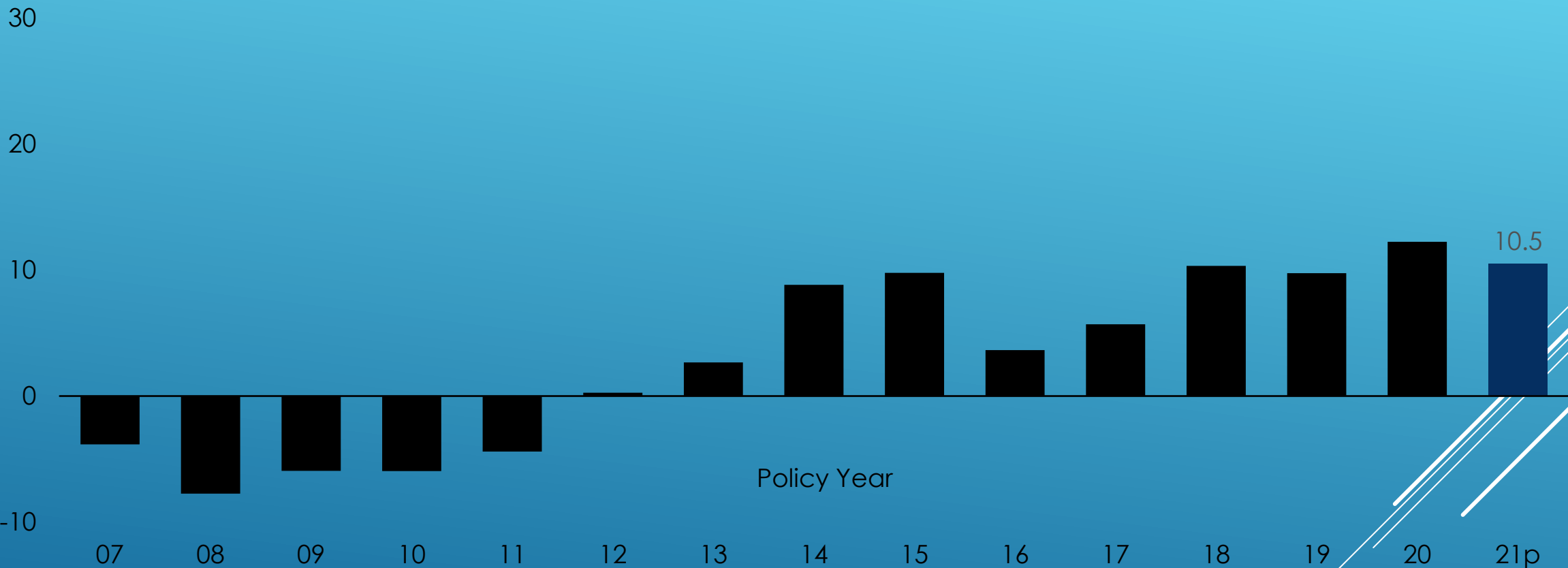
IN

## ▶ Indiana Premium Volume

Direct Written Premium in \$ Millions



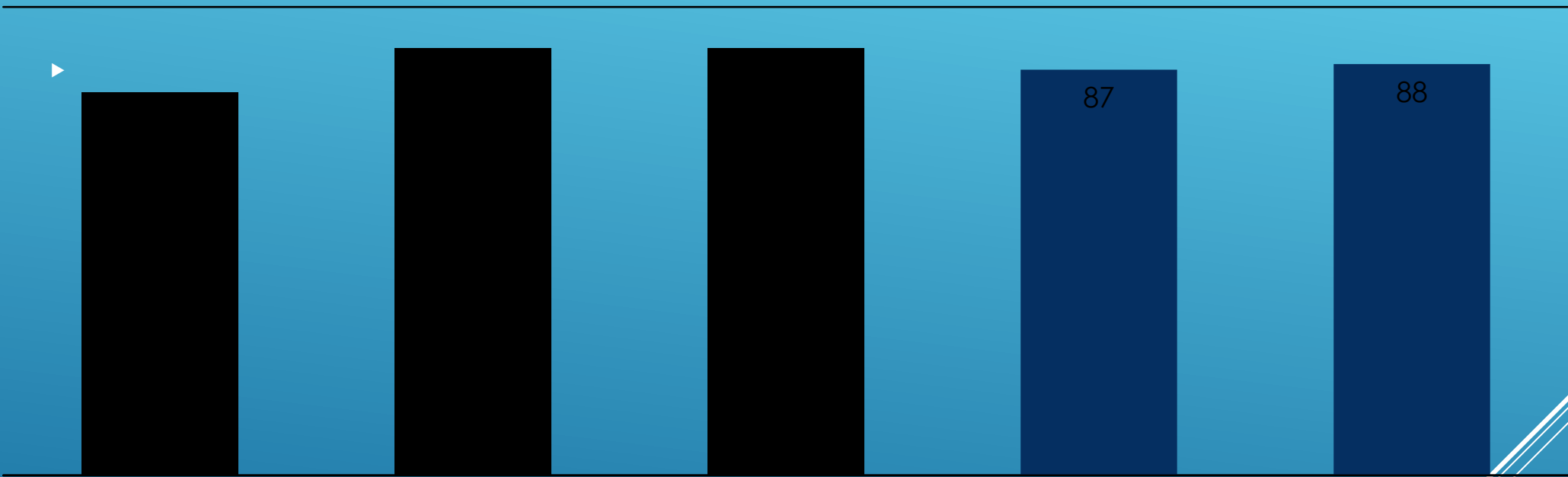
# Impact of Discounting on Workers Compensation Premium in Indiana



# Indiana Combined Ratios

Percent

100



2017

2018

2019

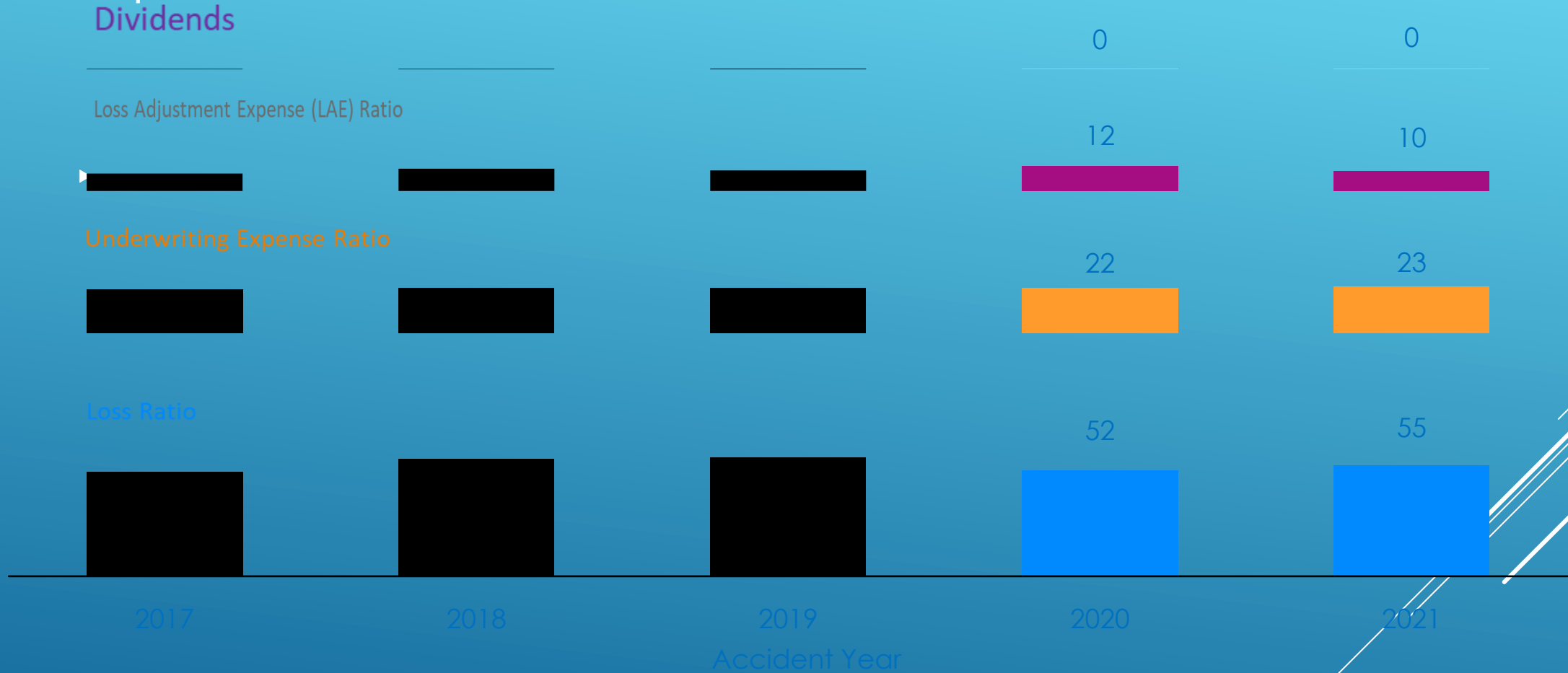
2020

2021

Accident Year



# Indiana Combined Ratios by Component



# INDIANA INTRASTATE EXPERIENCE RATING

2021 Rating  
Effective Dates

INDIANA INTRASTATE EXPERIENCE RATING				
2021 RATING EFFECTIVE DATES				
Mod Range	Counts	% of Total	Range	Percent
0.01-0.49	2	0.01%		
0.50-0.59	19	0.07%		
0.60-0.69	475	1.69%	0.01 - 0.69	1.76%
0.70-0.79	2,488	8.84%		
0.80-0.89	8,089	28.73%		
0.90-0.99	12,022	42.70%	0.70 - 0.99	80.27%
1.00-1.09	972	3.45%		
1.10-1.19	640	2.27%		
1.20-1.29	814	2.89%		
1.30-1.39	899	3.19%		
1.40-1.49	758	2.69%	1.00 - 1.49	14.50%
1.50-1.59	448	1.59%		
1.60-1.69	176	0.63%		
1.70-1.79	149	0.53%		
1.80-1.89	79	0.28%		
1.90-1.99	48	0.17%		
2.00-2.49	66	0.23%		
2.50-2.99	6	0.02%		
3.00-3.99	5	0.02%		
4.00 and Up	0	0.00%	1.50 & Up	3.47%
TOTAL	28,155	100.00%		100.00%
LOWEST MOD	0.29			
HIGHEST MOD	3.58			
STATISTICAL MODE	0.93			
AVERAGE	0.96			
TOTAL CREDIT MODS	23,095			
TOTAL UNITY MODS	133			
TOTAL DEBIT MODS	4,927			

# TOP 10 WORKERS COMPENSATION INSURERS



1.Travelers Group	\$64,015,000
2.AF Group	\$63,568,000
3.Liberty Mutual	\$57,723,000
4.Zurich Insurance	\$38,488,000
5.Hartford Insurance	\$31,791,000
6.Chubb INA Group	\$27,058,000
7.Old Republic	\$25,646,000
8. Great American	\$23,632,000
9.Cincinnati	\$19,296,000
10.Amerisure	\$18,450,000

# TOP TEN CLASS CODES BY PREMIUM VOLUNTARY MARKET- POLICY YEAR 2021

Rank	Premium	%	Code	Class	Count
1	\$44,236,743	3.9%	7229	Trucking: Long Haul	803
2	\$38,102,977	3.4%	8810	Clerical Office	43,190
3	\$29,256,069	2.6%	7228	Trucking: Local	1,411
4	\$27,768,998	2.5%	8017	Store: Retail	4,016
5	\$27,766,967	2.5%	1016	Coal Mining NOC	12
6	\$27,191,404	2.4%	8380	Auto Repair Shop	4,037
7	\$20,515,035	1.8%	7380	Drivers	3,524
8	\$19,590,384	1.7%	9082	Restaurant/Caterer	4,172
9	\$18,480,618	1.6%	8829	Nursing Home	170
10	\$18,091,893	1.6%	3632	Machine Shop	1,241
Top 10 Total	\$271,001,088	24%			62,576
State Total	\$1,129,171,200	100%			

\* The sum of the policy counts over all class codes is not equal to the total policy count for the state since a policy may contain more than one class code. The total policy count represents voluntary only policies that have both exposure and premium in a non-statistical code.

Class Code	Class Code Description	Policy Count*	% of Total Policy Counts	Manual Premium
8810	CLERICAL OFFICE EMPLOYEES NOC	42,886	39.0%	36,853,255
8742	SALESPERSONS OR COLLECTORS - OUTSIDE	18,260	16.6%	12,614,175
8868	COLLEGE - PROFESSIONAL EMPLOYEES & CLERICAL	6,399	5.8%	15,054,283
8832	PHYSICIAN & CLERICAL	5,129	4.7%	11,441,030
9082	RESTAURANT NOC	4,159	3.8%	15,171,946
8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	3,727	3.4%	27,786,221
8017	STORE: RETAIL NOC	3,417	3.1%	14,454,731
9101	COLLEGE - ALL OTHER EMPLOYEES	3,148	2.9%	10,725,764
7380	DRIVERS, CHAUFFEURS, MESSENGERS & THEIR HELPERS NOC-COMMERCIAL	3,138	2.9%	22,784,408
5645	CARPENTRY CONSTRUCTION OF RESIDENTIAL DWELLINGS NOT EXCEEDING THREE STORIES IN HEIGHT	3,086	2.8%	19,684,995
Total Voluntary		109,857		1,193,255,648

## TOP TEN CLASS CODES BY POLICY COUNT VOLUNTARY MARKET- POLICY YEAR 2021

►\* The sum of the policy counts over all class codes is not equal to the total policy count for the state since a policy may contain more than one class code. The total policy count represents voluntary only policies that have both exposure and premium in a non-statistical code.





# TOP TEN CLASS CODES BY PREMIUM- ASSIGNED RISK MARKET 2021

Rank	Prem	%	Code	Class	Count
1	\$3,156,441	7.1%	5551	Roofing-All Kinds & Drivers	493
2	\$2,984,180	6.7%	5645	Carpentry-Res. 1-3 Stories	732
3	\$2,678,724	6.1%	7219	Trucking NOC-All Empl. & Drivers	469
4	\$1,426,342	3.2%	0106	Tree Pruning,Spraying,Repairing	248
5	\$1,074,038	2.4%	8864	Social Services Organization	117
6	\$1,044,559	2.4%	7720	Police Officers and Drivers	118
7	\$831,589	1.9%	8833	Hospital-Professional Employees	36
8	\$757,422	1.7%	5474	Painting NOC & Shop Operations	310
9	\$741,059	1.7%	9014	Janitorial Svcs. by Contractors	246
10	\$656,381	1.5%	8380	Auto-Service or Repair Center	153
Top 10 Total	\$15,350,733	35%			2,922
State Total	\$44,255,227	100%			



# Assigned Risk Premium Market Distribution

Premium Interval	Policy Count	% of Policies	Total Estimated Premium	% of Premium	Average Premium
\$1-\$2499	6,173	66%	\$6,949,747	16%	\$1,126
No surcharge subtotal	6,173	66%	\$6,949,747	16%	
\$2,500-\$9,999	2,256	24%	\$10,909,103	25%	\$4,836
\$10,000-\$49,999	798	9%	\$15,972,988	36%	\$20,016
\$50,000-\$99,999	78	1%	\$5,225,707	12%	\$66,996
\$100,000-\$249,999	35	0%	\$4,923,524	11%	\$140,672
\$250,000+	1	0.0%	\$274,158	1%	\$274,158
With surcharge subtotal	3,168	34%	\$37,305,480	84%	
Totals	9,341	100%	\$44,255,227	100%	\$4,738



# ASSIGNED RISK MARKET SHARE

Cal Year	AR Share	AR Premium	AR Premium % Change	State Direct Prem Written	Net Underwriting Gain (Loss)	Voluntary Market Premium
2010	4.2%	\$ 26,488,048	-6%	\$ 626,460,483	\$ (7,149,993)	\$ 599,972,435
2011	4.6%	\$ 32,286,876	22%	\$ 703,203,981	\$ (2,490,178)	\$ 670,917,105
2012	6.2%	\$ 48,974,619	52%	\$ 793,271,837	\$ (909,027)	\$ 744,297,218
2013	7.9%	\$ 66,623,485	36%	\$ 846,081,495	\$ 767,204	\$ 779,458,010
2014	8.4%	\$ 71,240,879	7%	\$ 852,040,609	\$ 6,034,575	\$ 780,799,730
2015	7.3%	\$ 65,273,550	-8%	\$ 890,051,036	\$ 8,937,148	\$ 824,777,486
2016	6.9%	\$ 60,560,892	-7%	\$ 876,183,269	\$ 21,009,821	\$ 815,622,378
2017	6.4%	\$ 52,514,621	-13%	\$ 825,801,646	\$ 8,752,476	\$ 773,287,025
2018	6.0%	\$ 48,419,224	-8%	\$ 801,818,746	\$ 8,465,746	\$ 753,399,522
2019	5.9%	\$ 47,046,065	-3%	\$ 799,364,256	\$ 4,114,297	\$ 752,318,191
2020	5.8%	\$ 43,696,226	-7%	\$ 756,063,622	\$ 11,297,843	\$ 712,367,396
2021	5.6%	\$ 43,386,591	-1%	\$ 775,316,221	\$ 7,036,456	\$ 731,929,630



# ASSIGNED RISK TAKE-OUT CREDIT PROGRAM

Year	Risks	Premium	% Change
2010	1,638	\$6,835,200	-22%
2011	1,304	\$6,808,960	0%
2012	1,064	\$5,959,712	-12%
2013	941	\$7,199,922	21%
2014	1,020	\$13,380,777	86%
2015	1,338	\$19,036,914	42%
2016	1,591	\$20,730,287	9%
2017	1,978	\$17,151,059	-17%
2018	2,041	\$13,621,653	-21%
2019	1,886	\$11,101,803	-18%
2020	1,593	\$8,872,256	-20%
2021	1,413	\$8,741,781	-1%

# INDIANA ASSIGNED RISK SERVICING CARRIERS

- ▶ These companies are under a 3-year contract term from January 1, 2021 – December 31, 2023

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Liberty Mutual Insurance  
Company

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Travelers Property Casualty  
Company of America

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Pennsylvania Manufacturers  
Association Insurance Company

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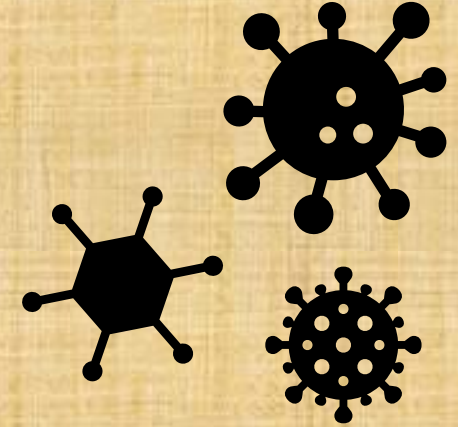
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Accident Fund Insurance  
Company of America

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# INDIANA COVID-19 DATA



► As of 10/24/2022, there have been:

- 22,101 COVID-19 Workers Compensation Claims Filed
- 14,138 have been denied
- 8,996 have been deemed compensable
- 78 death claims (unclear how many of these have been accepted vs. denied)

► Source: Indiana Workers Compensation Board

► Through Q3 2022:

- Total Medical Paid on Covid Claims: \$7,629,402
- Total Indemnity Paid on Covid Claims: \$4,050,320
- Total Medical Incurred on Covid Claims: \$15,067,108
- Total Indemnity Incurred on Covid Claims: \$7,272,394

► Source: NCCI Special Data Call for Multi-Bureau/WCIO COVID-19 Study

*Note: All data is since the beginning of the pandemic (March 2020)*

# COST DRIVERS

CLAIM FREQUENCY

INDEMNITY

MEDICAL

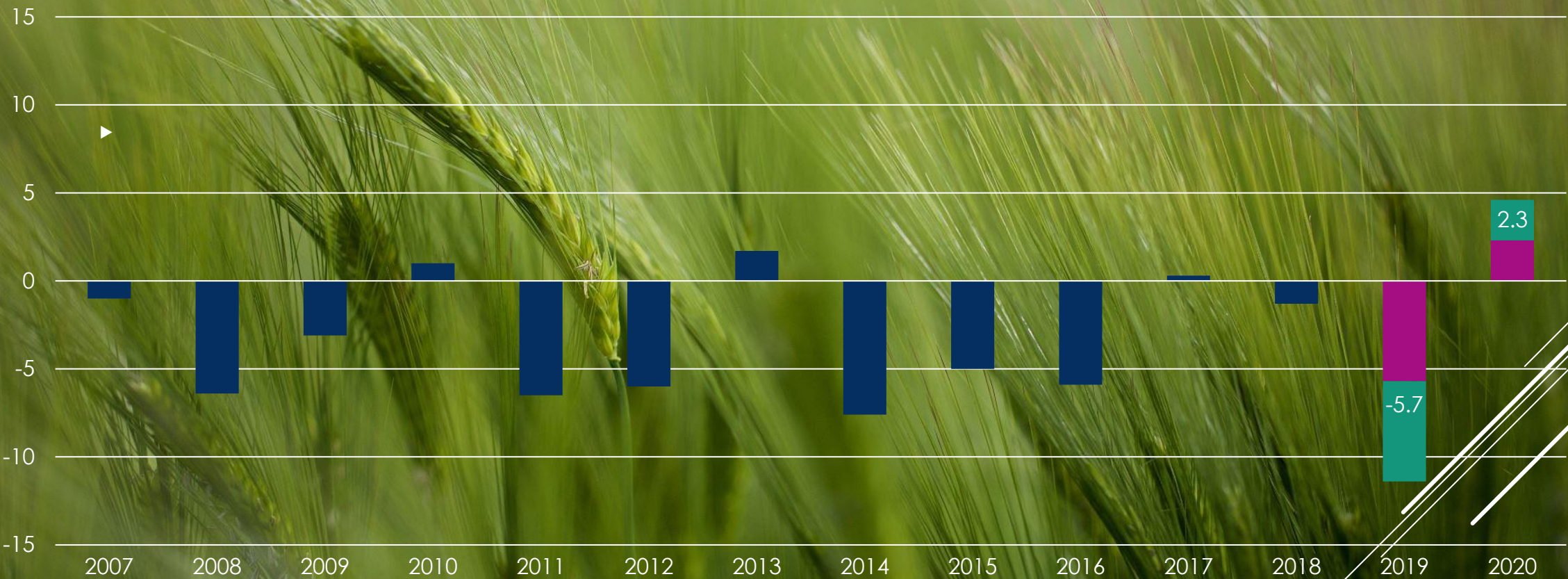
PHARMA





# Indiana Change in Claim Frequency

Percent Change in Lost-Time Claims, per \$ Million of On-Leveled Premium

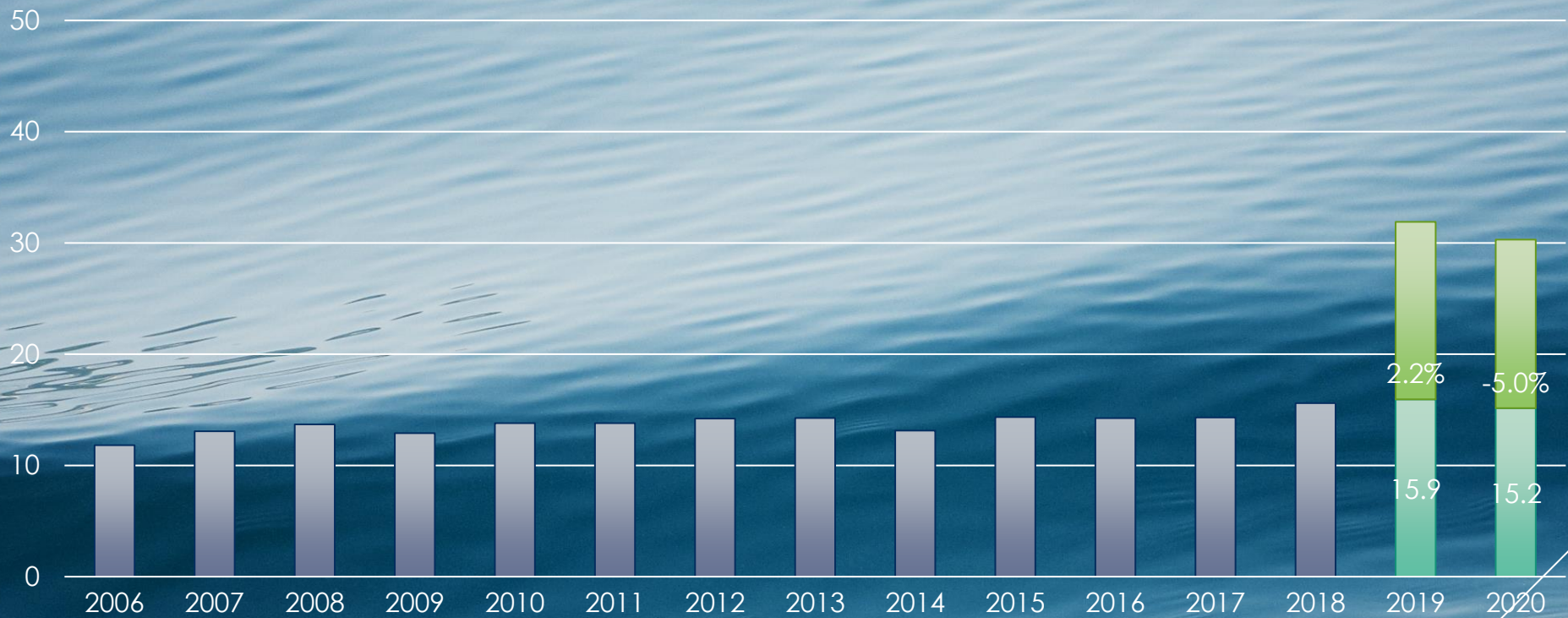




# Indiana Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands

Cumulative Change of +28.2%  
(2006–2020)





# Indiana Average Medical Claim Severity

Lost-Time Claim Severity in \$ Thousands





# Total Benefit Costs in Indiana

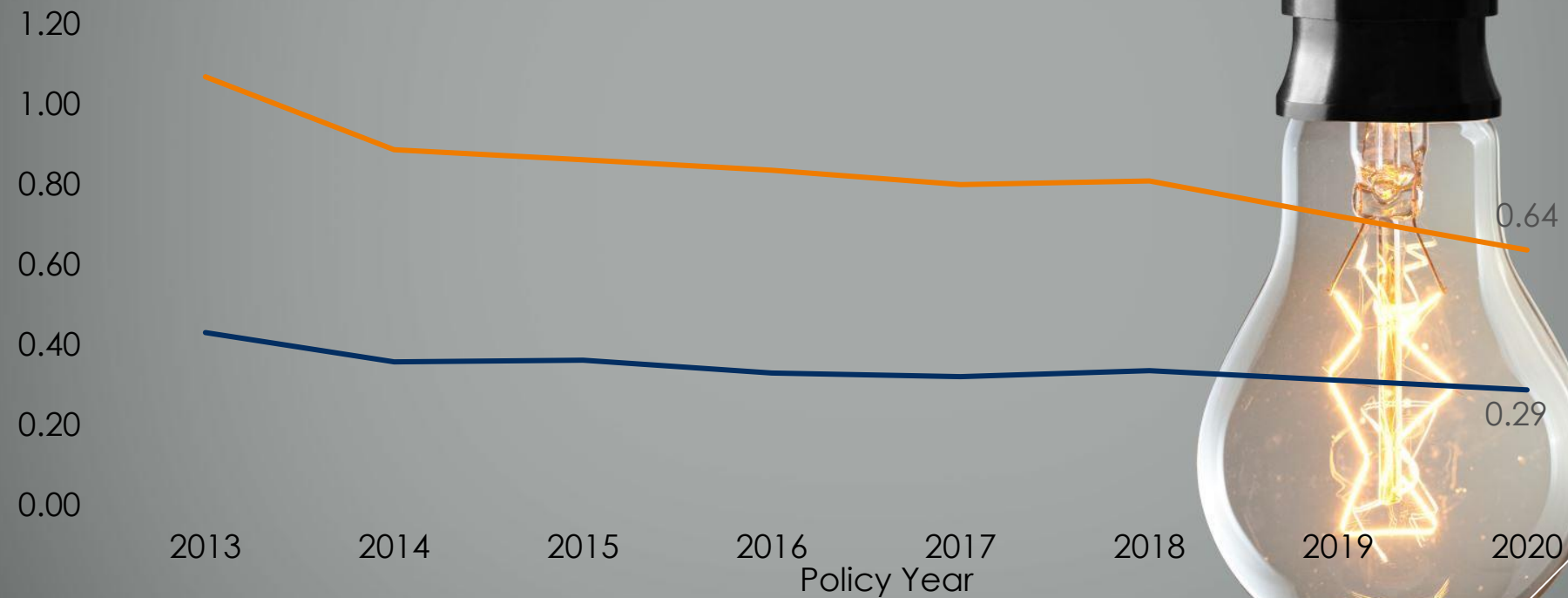
Indemnity vs. Medical



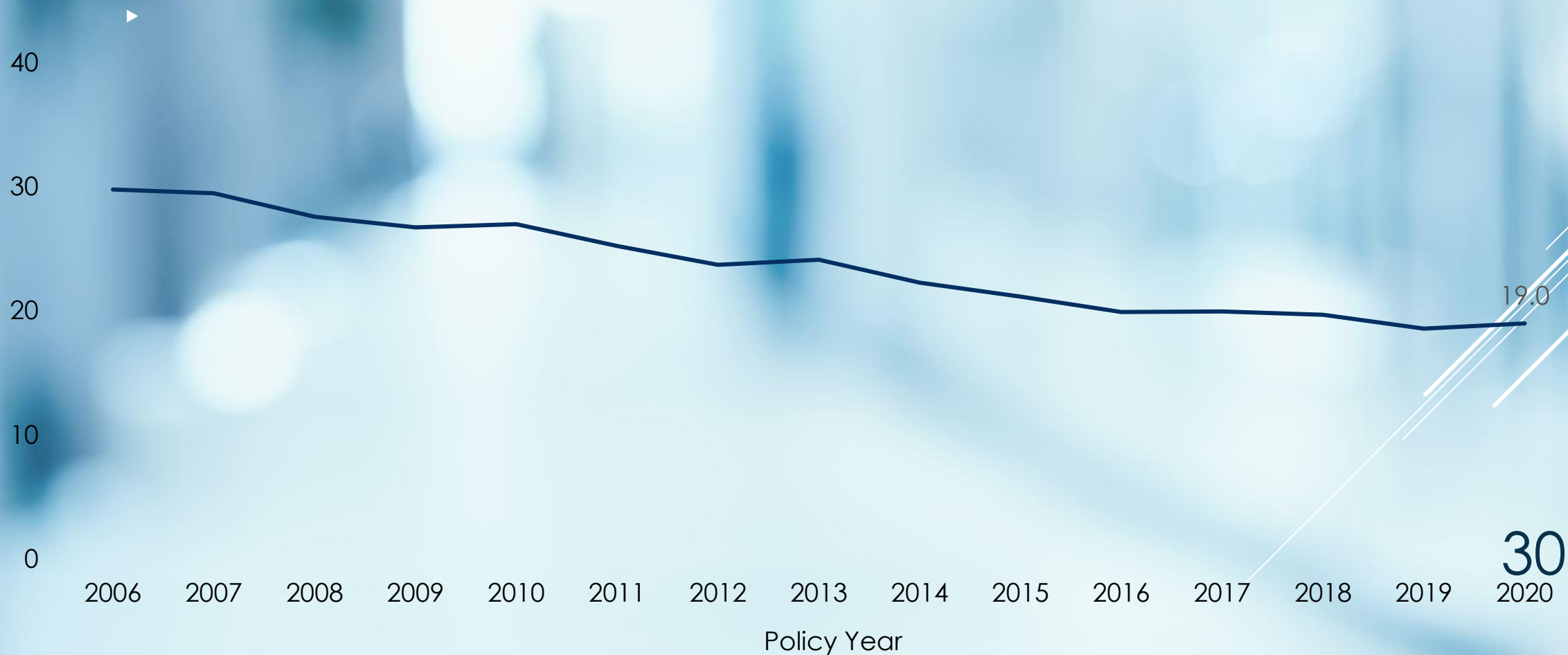


# INDIANA LOSS RATIOS

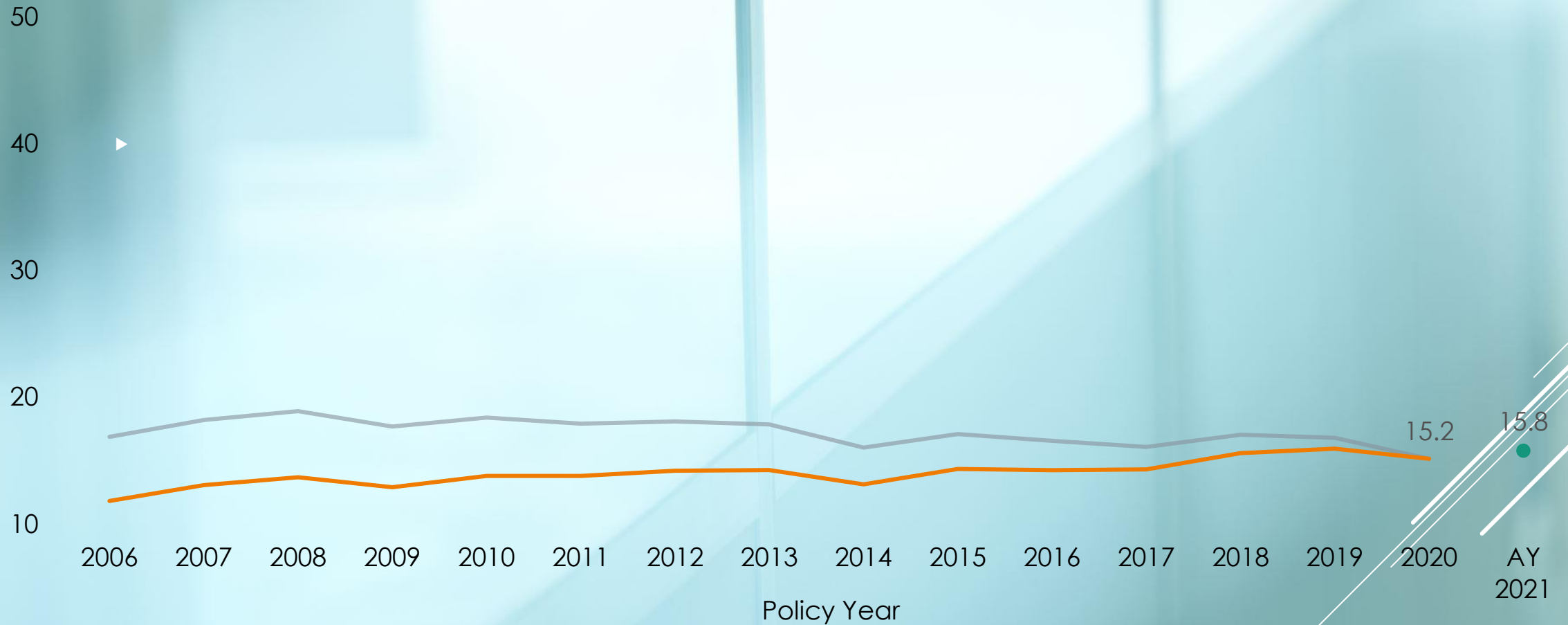
## INDEMNITY VS. MEDICAL



## Indiana Claim Frequency Lost-Time Claims, per \$ Million of On-Leveled Premium



# Indiana Average Indemnity Claim Severity Adjusted to Common Wage Level vs. **Actual**, in \$ Thousands



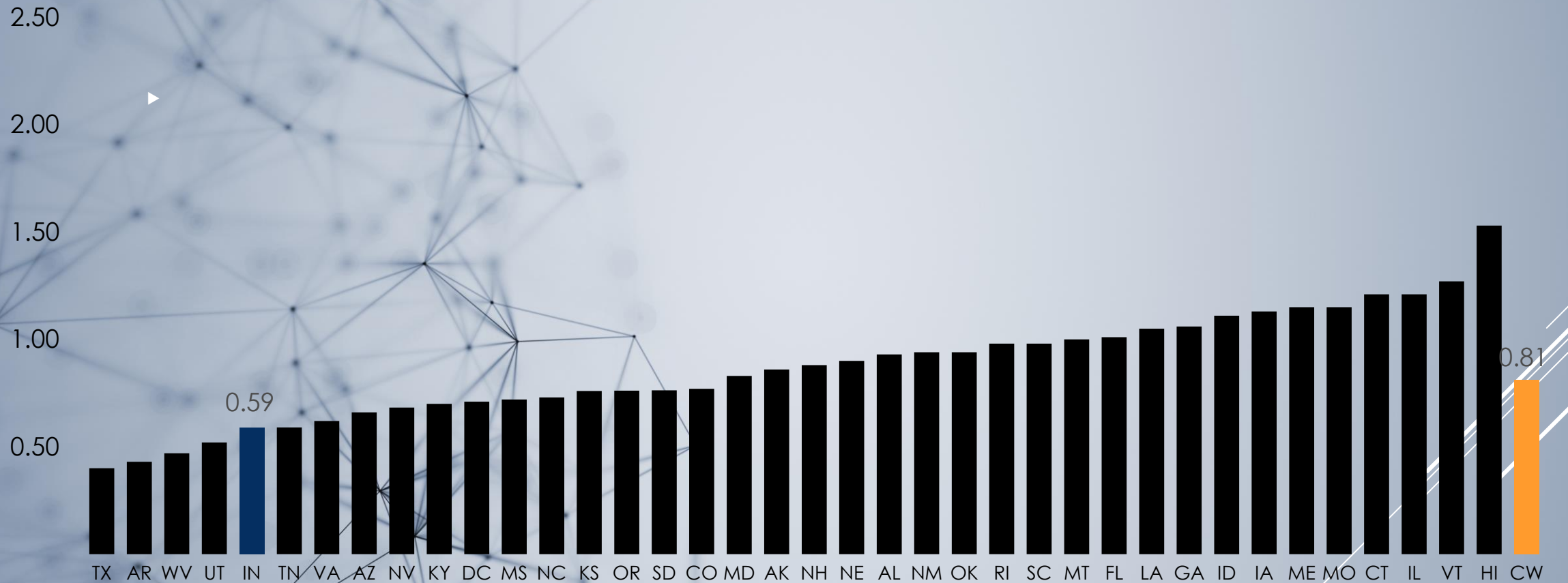
# Indiana Average Indemnity Claim Severity

Adjusted to Common Wage Level vs. **Actual**, in \$ Thousands



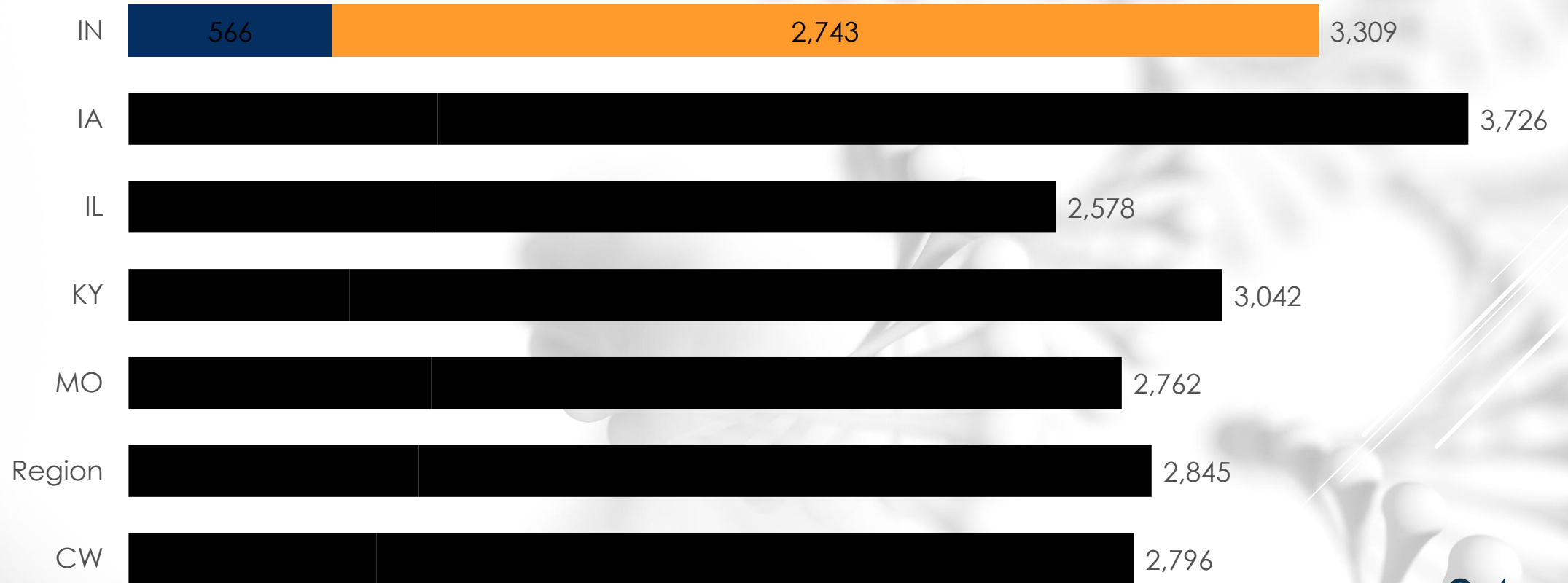
# Average Voluntary Pure Loss Costs

Using Indiana Payroll Distribution



# INDIANA AVERAGE CLAIM FREQUENCY

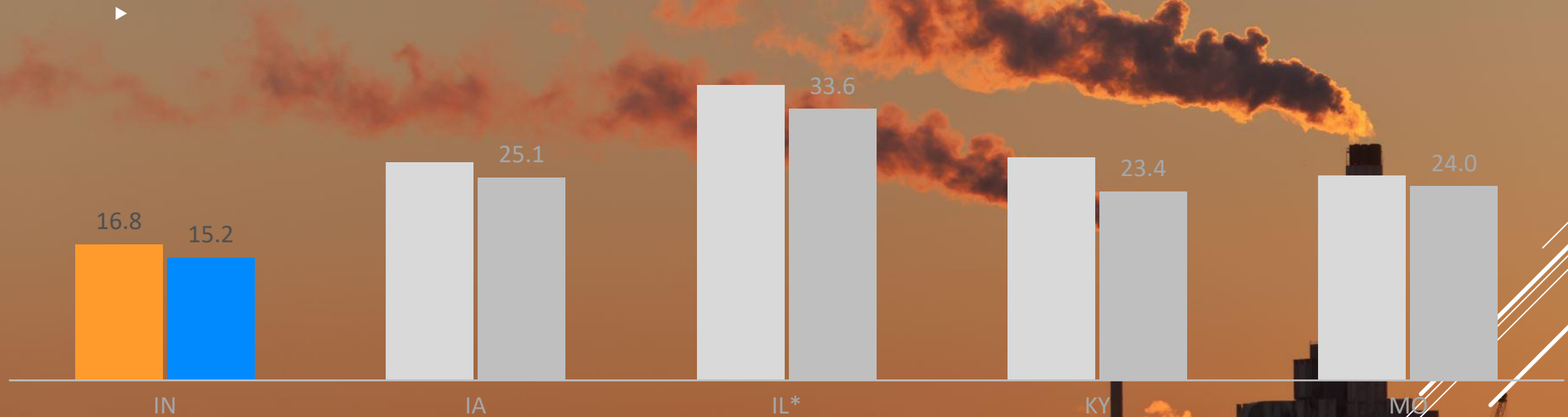
LOST-TIME VS MEDICAL-ONLY, PER 100,000 WORKERS





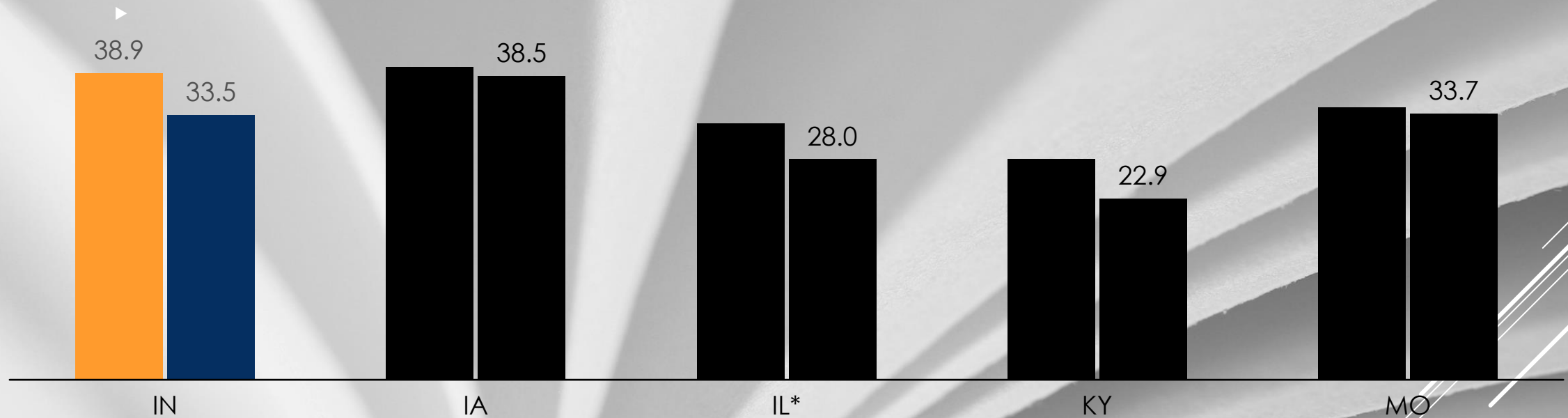
# Average Indemnity Claim Severity in the Region

PY 2019 vs. PY 2020, in \$ Thousands



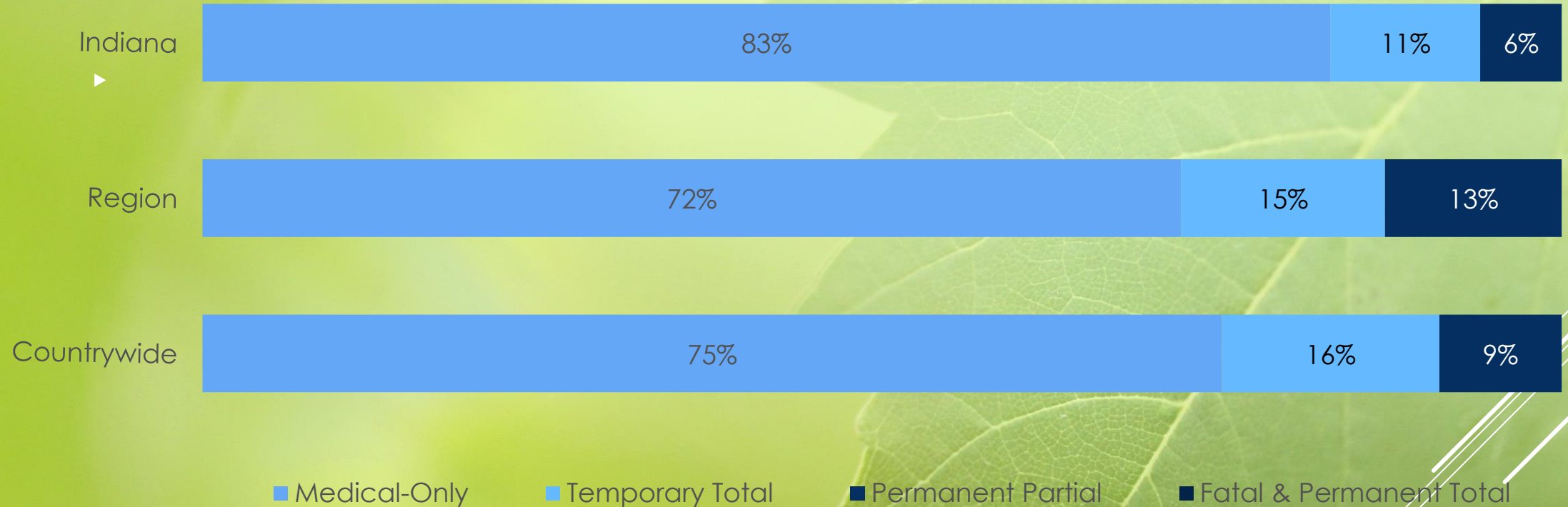
# Average Medical Claim Severity in the Region

PY 2019 vs. PY 2020, in \$ Thousands

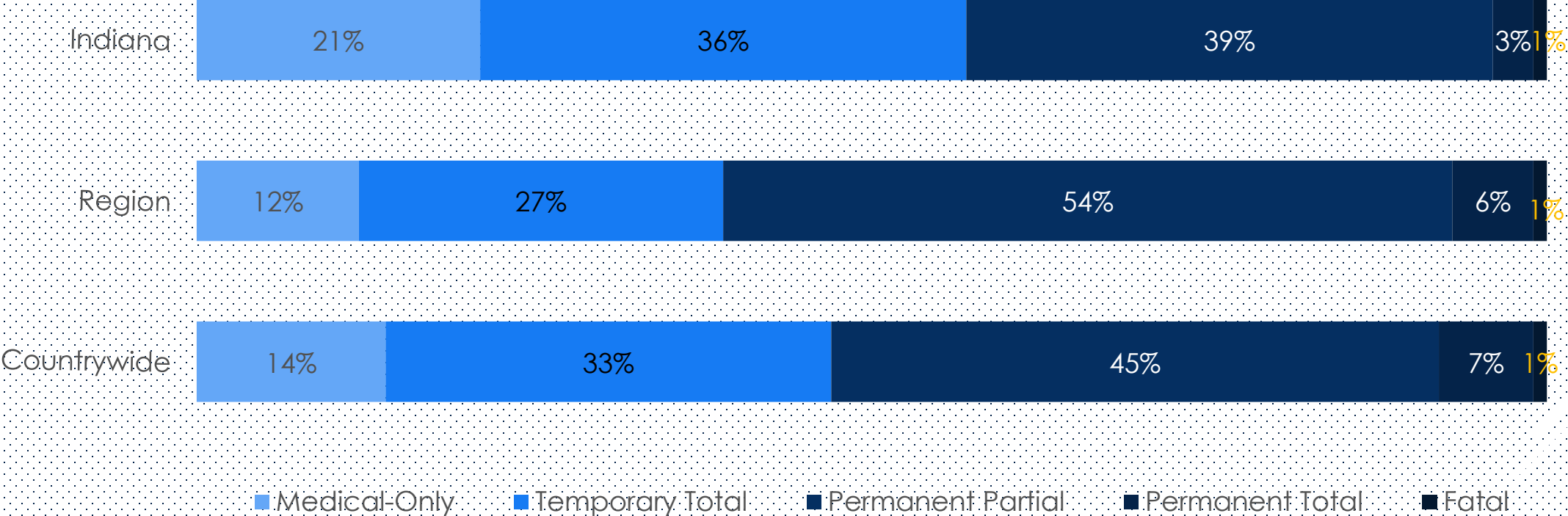




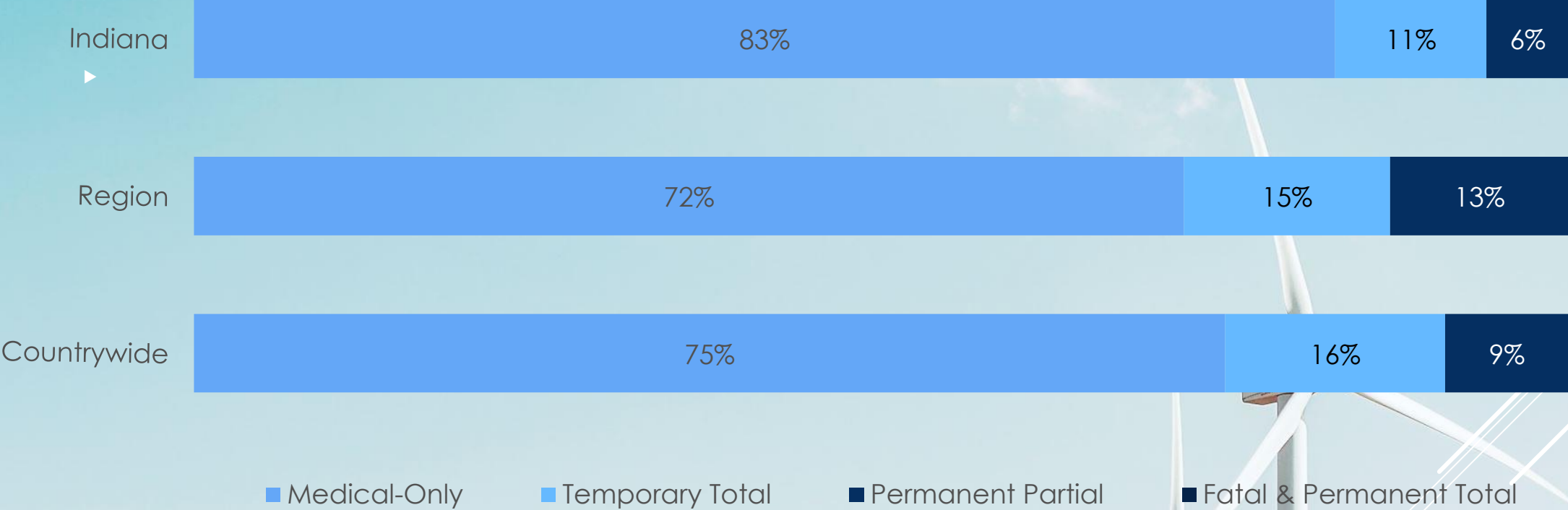
# Indiana Distribution of Claims by Injury Type



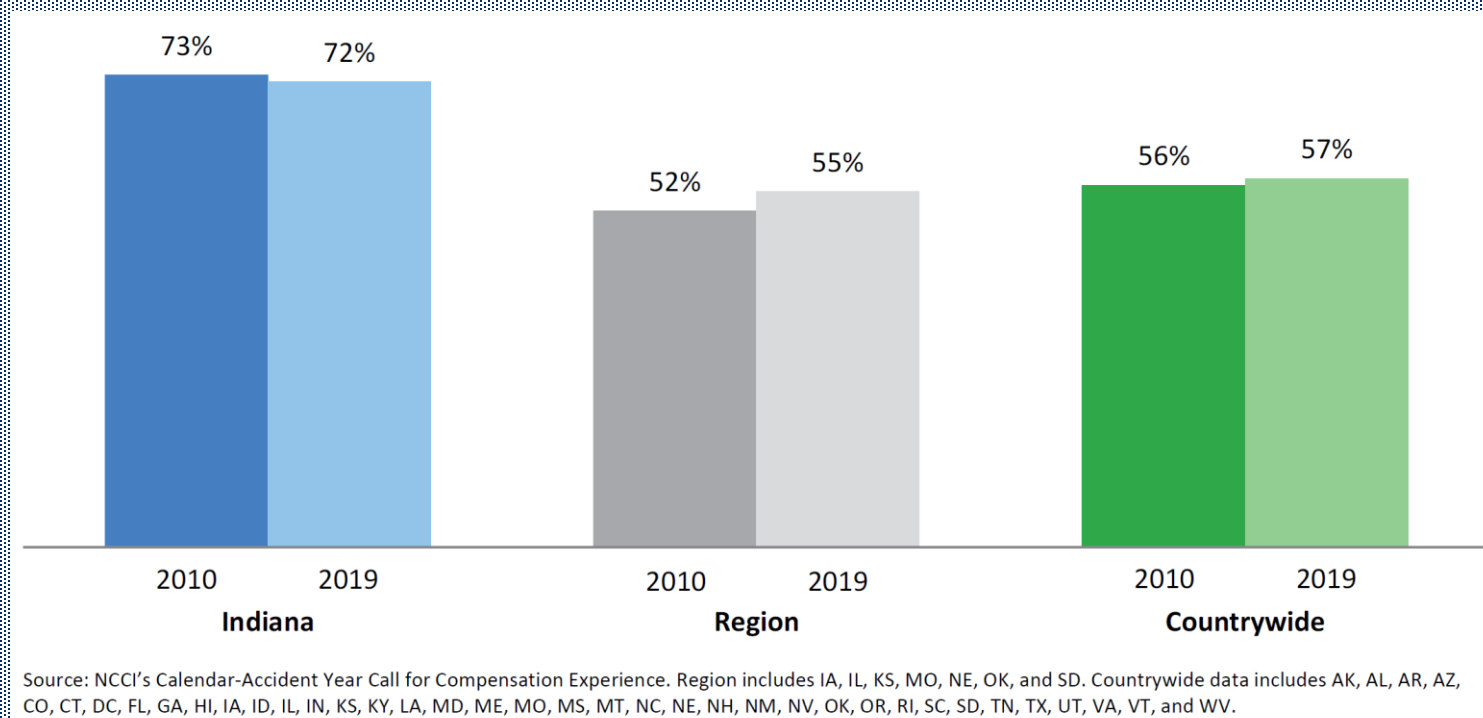
# Indiana Medical Loss Distribution by Injury Type



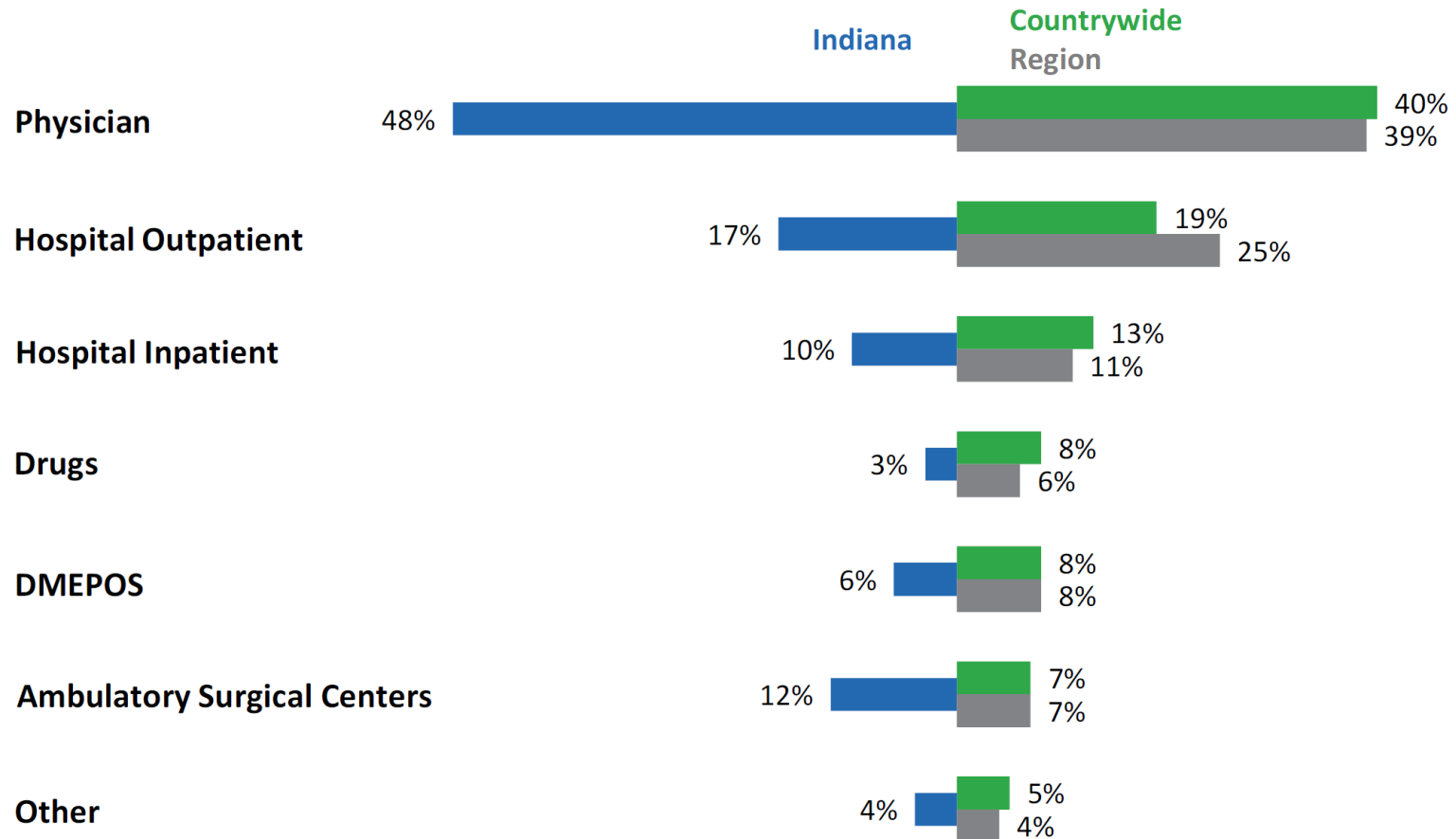
# Indiana Distribution of Claims by Injury Type



# MEDICAL SHARE OF TOTAL BENEFIT COSTS BY ACCIDENT YEAR

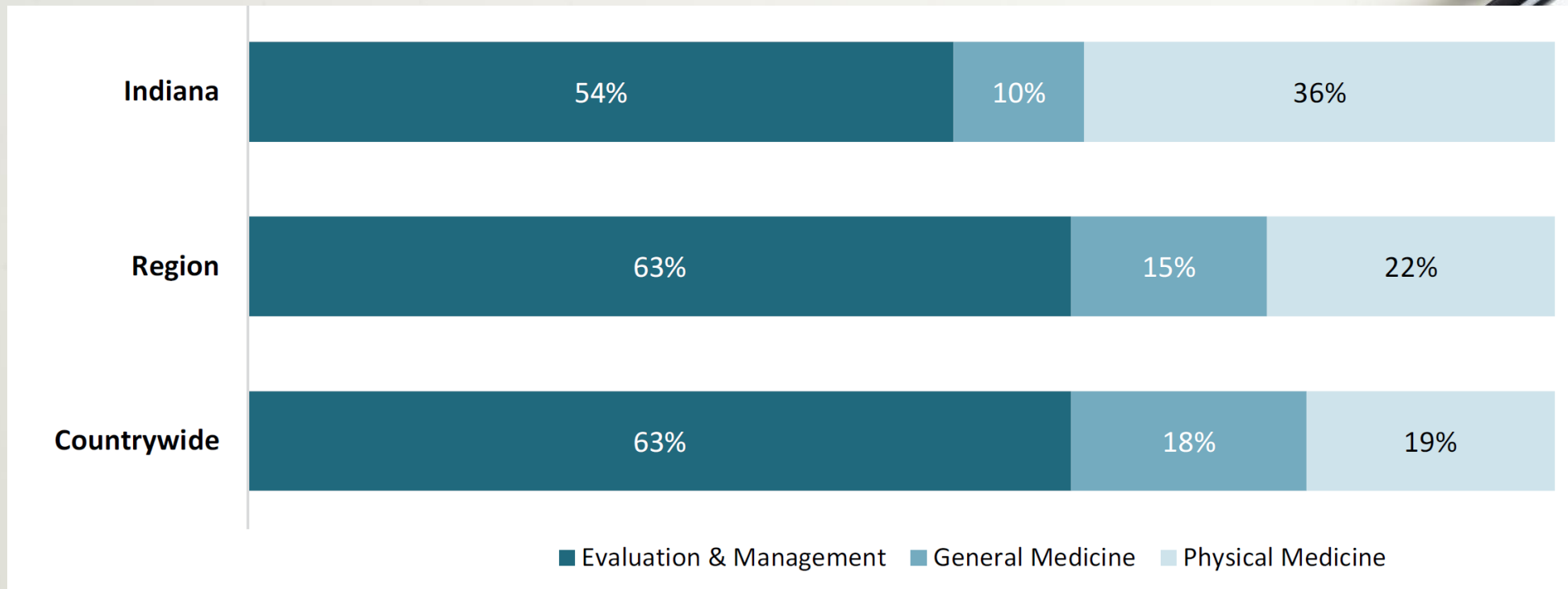


# DISTRIBUTION OF MEDICAL PAYMENTS

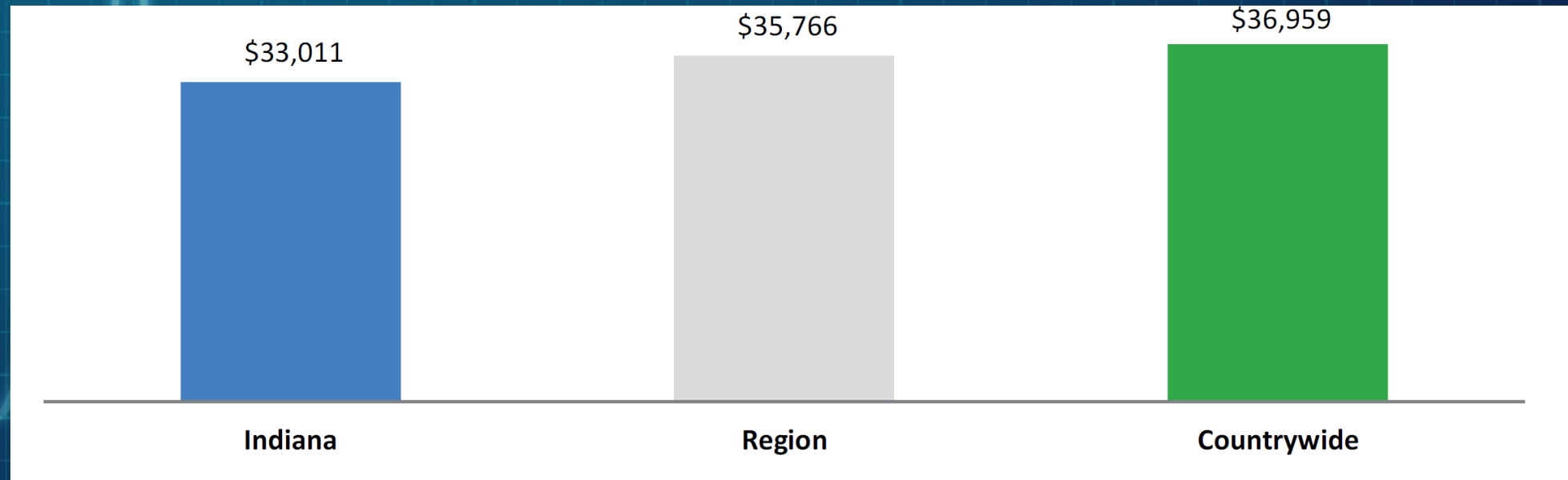




# DISTRIBUTION OF TELEMEDICINE PAYMENTS BY PHYSICIAN SERVICES



# AVERAGE AMOUNT PAID PER STAY FOR HOSPITAL INPATIENT SERVICES

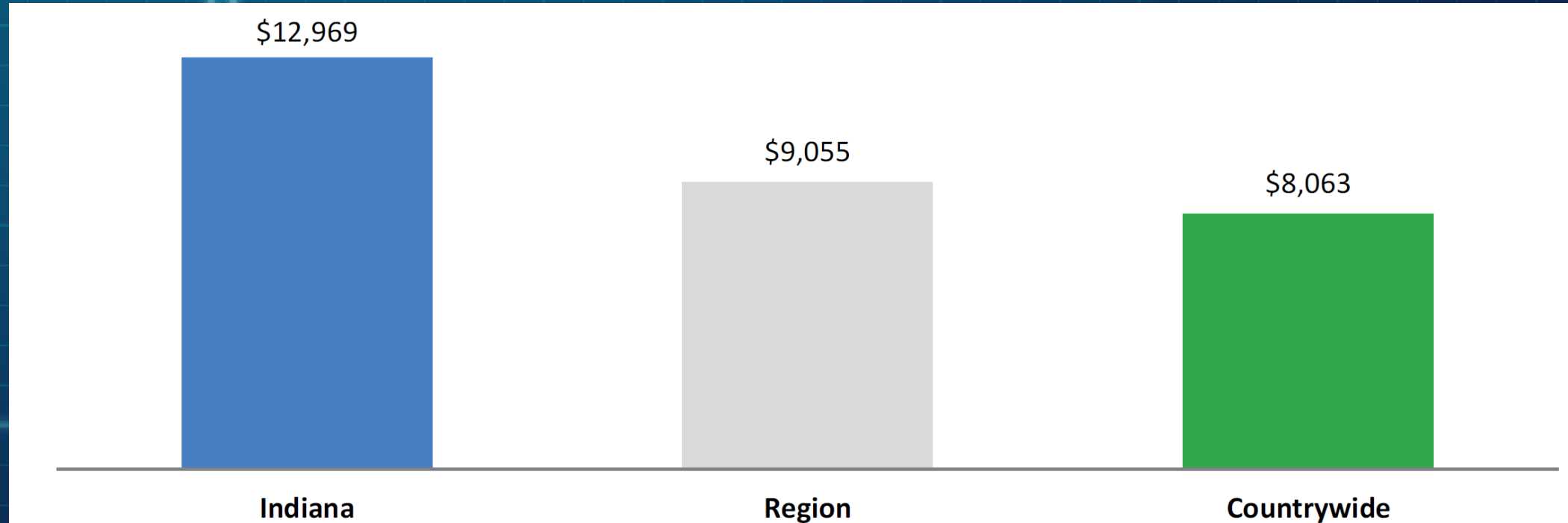


# TOP 10 DIAGNOSES BY AMOUNT PAID FOR HOSPITAL INPATIENT SERVICES

Diagnosis Group	Paid Share	Median Amount Paid per Stay		
		Indiana	Region	Countrywide
Traumatic brain injury	10.9%	\$21,650	\$22,827	\$24,706
Hip/pelvis fracture/major trauma	6.9%	\$20,852	\$22,784	\$21,518
Tibia/fibula fracture	5.6%	\$23,377	\$25,304	\$23,339
Lumbar spine degeneration	4.6%	\$42,184	\$38,936	\$37,580
Burn and corrosion, third degree, other than head, face, and neck	3.5%	\$40,187	\$37,623	\$44,946
Complication from surgical device	2.6%	\$27,372	\$22,278	\$24,149
Chest trauma major	2.4%	\$21,751	\$20,358	\$21,188
Sepsis	2.4%	\$23,227	\$20,170	\$21,322
Lumbosacral intervertebral disc disorders	2.1%	\$32,905	\$28,889	\$30,566
Spinal cord injury	2.1%	\$73,390	\$28,531	\$50,301

Source: NCCI's Medical Data Call for inpatient stays with a discharge date in Calendar Year 2019 or 2020.

# AVERAGE AMOUNT PAID PER MAJOR SURGERY FOR AMBULATORY SURGERY CENTERS



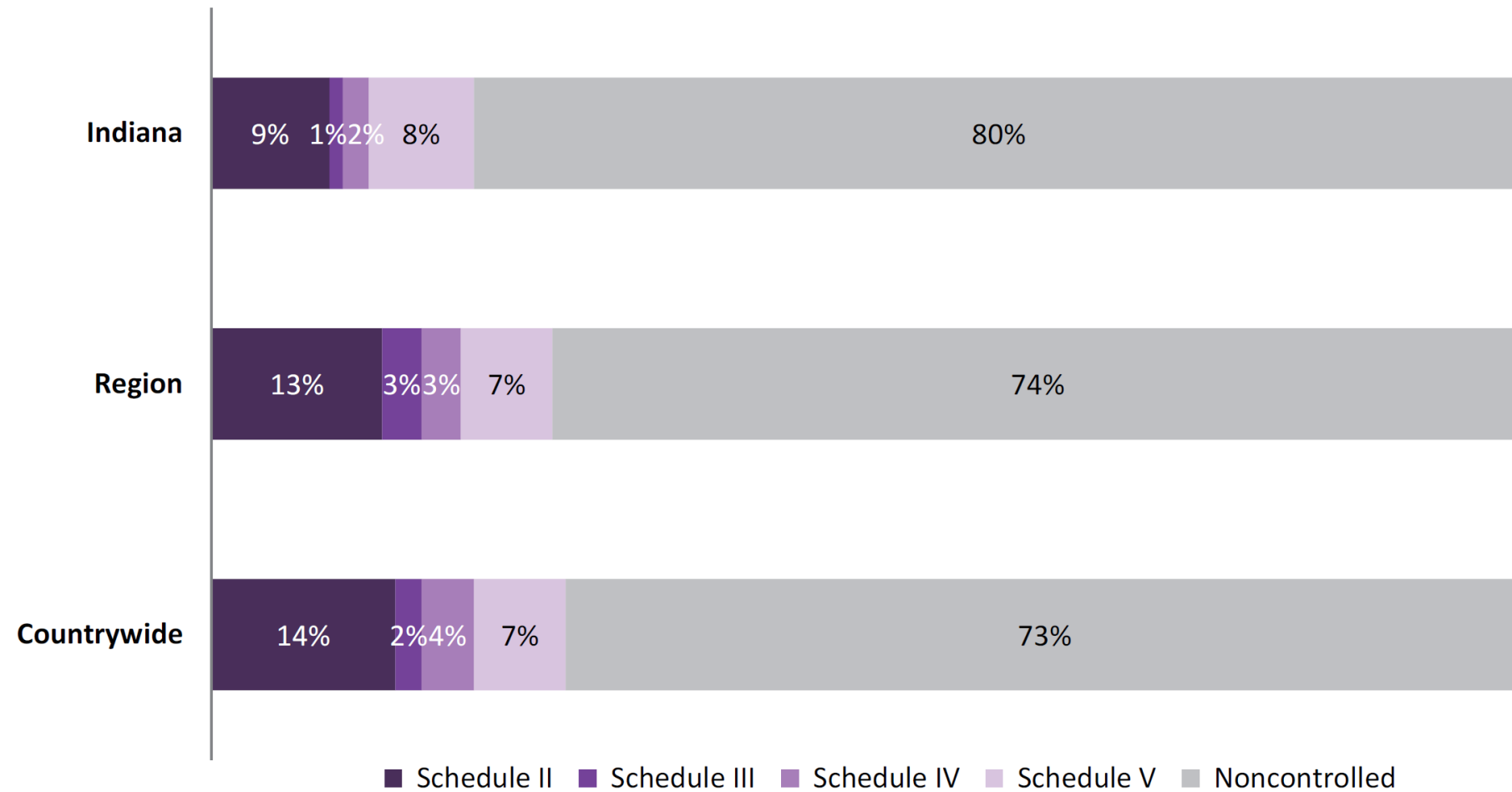


# TOP 10 DIAGNOSES BY AMOUNT PAID FOR MAJOR SURGERY AT AMBULATORY SURGERY CENTERS

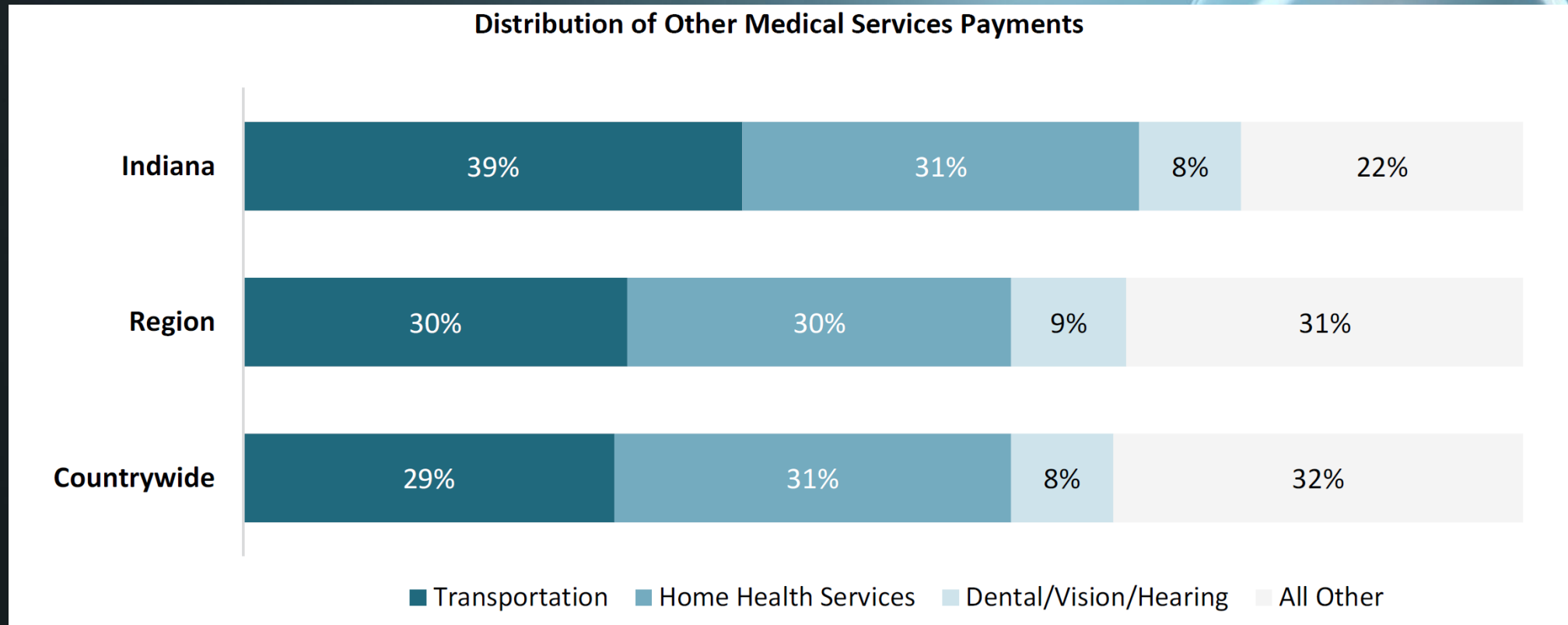
Diagnosis Group	Paid Share	Median Amount Paid per Visit		
		Indiana	Region	Countrywide
Rotator cuff tear	16.2%	\$18,152	\$13,703	\$10,347
Hand/wrist fracture	6.2%	\$9,057	\$6,197	\$5,351
Minor shoulder injury	6.1%	\$12,283	\$9,125	\$7,932
Knee internal derangement - meniscus injury	5.2%	\$9,013	\$5,026	\$4,196
Carpal tunnel syndrome	4.2%	\$5,301	\$3,328	\$3,053
Degenerative shoulder	3.7%	\$15,491	\$9,546	\$8,092
Bicipital tendinitis	3.3%	\$27,633	\$13,770	\$10,542
Superior labral tear from anterior to posterior (SLAP) lesion	3.2%	\$16,198	\$10,693	\$8,833
Minor hand/wrist injuries	3.0%	\$11,536	\$5,131	\$4,665
Knee internal derangement - cruciate ligament tear	2.6%	\$18,471	\$10,578	\$9,355



# DISTRIBUTION OF PRESCRIPTION DRUG PAYMENTS



# DISTRIBUTION OF OTHER MEDICAL SERVICES PAYMENTS



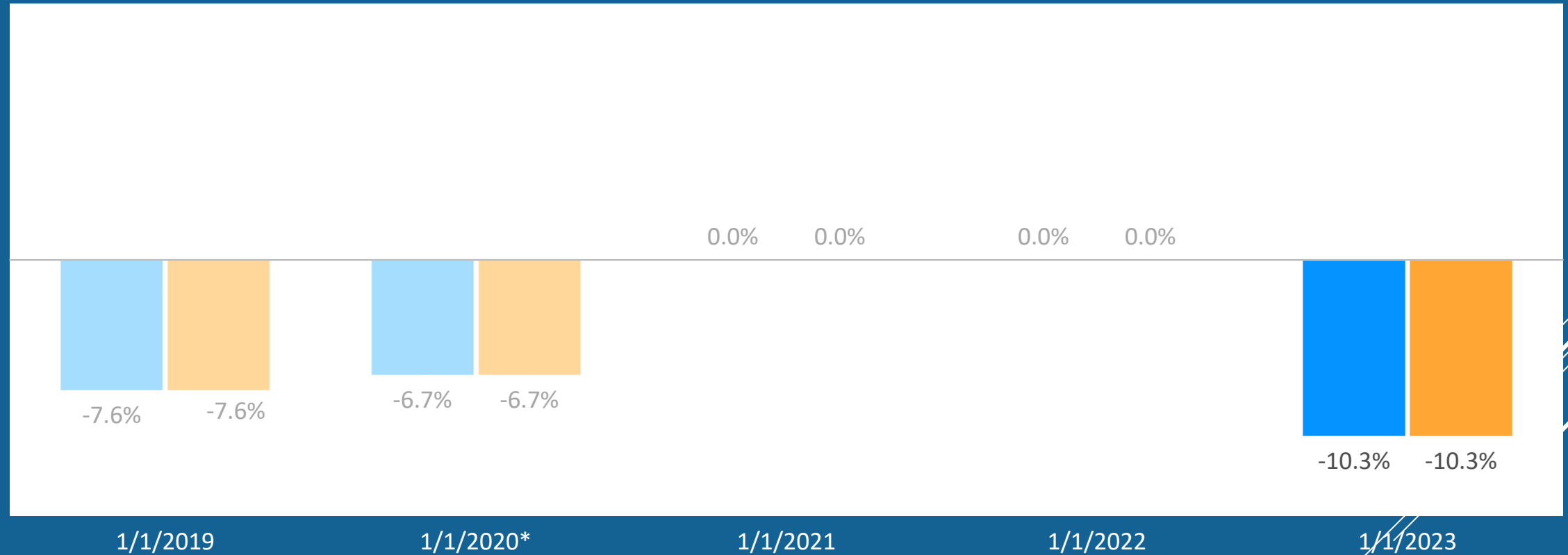
# RATE FILINGS

— FILING ACTIVITY



# INDIANA FILING ACTIVITY

## VOLUNTARY RATE AND ASSIGNED RISK RATE CHANGES





# Indiana January 1, 2023 Rate Filing

Change in Experience: -7.1%

Change in Trend: 0.0%

Change in Benefits: -3.6%

Change in Expenses: 0.1%

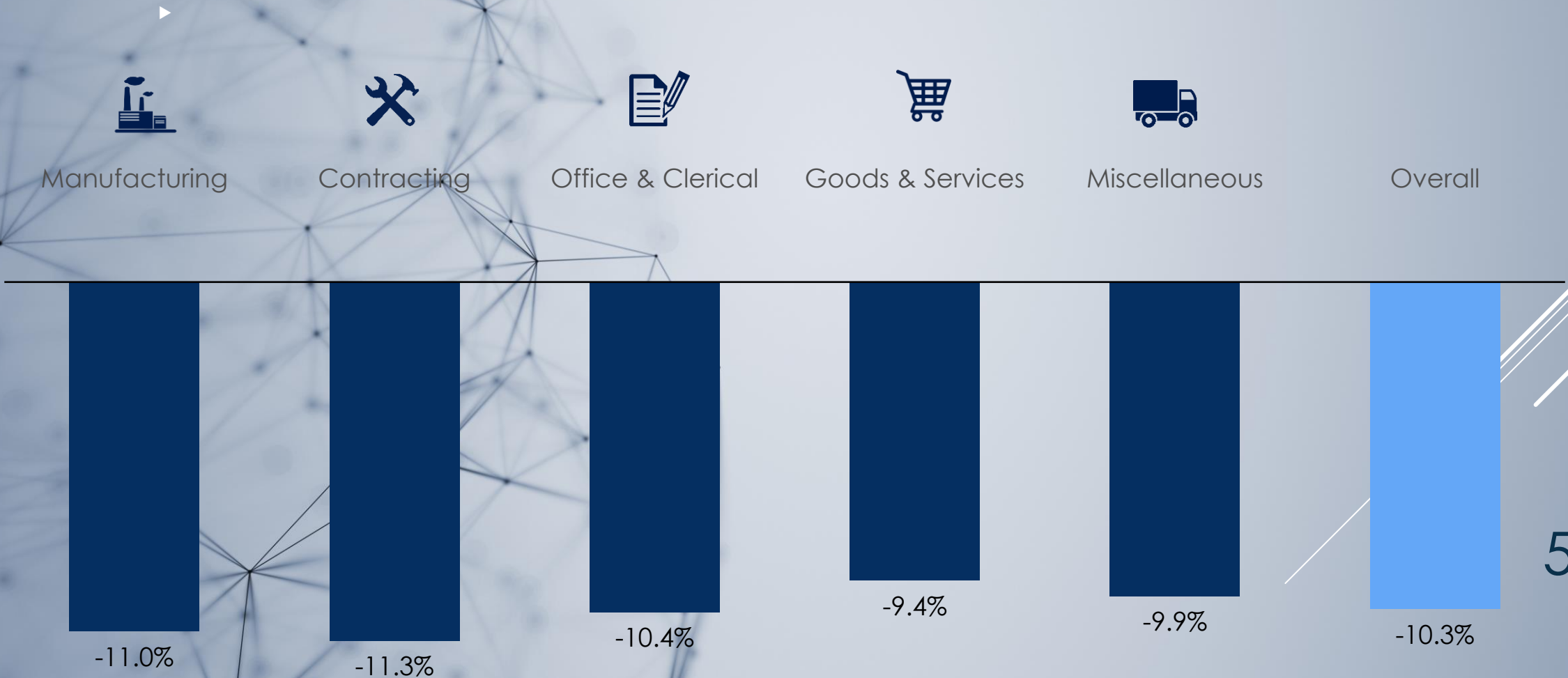
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Overall Rate Level Change: -10.3%



# INDIANA JANUARY 1, 2023 RATE FILING

## AVERAGE CHANGES BY INDUSTRY GROUP



2022  
Experience  
Rating  
Changes

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Split Point - \$18,500

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State Per Claim Limitation  
\$220,000

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State Per Accident Limitation  
\$440,000

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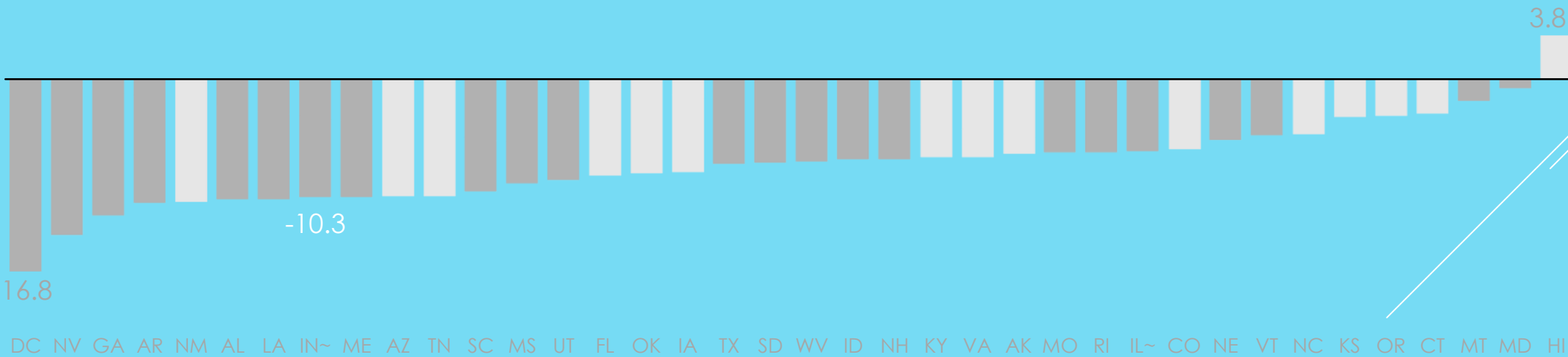
# Current NCCI Voluntary Market Loss Cost/Rate Level Changes

Excludes Law-Only Filings



■ Approved    ■ Pending

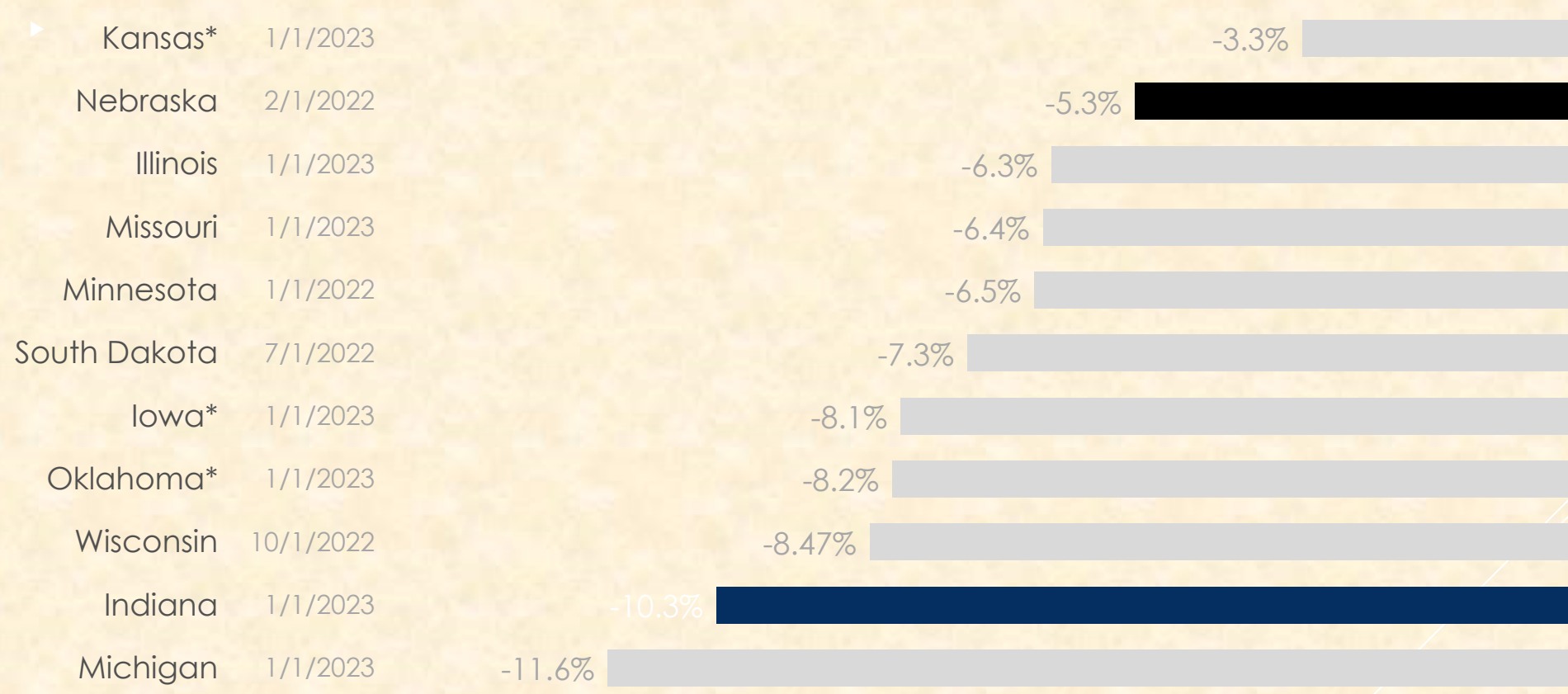
~Value shown is a rate level change; the IL and IN loss cost level changes are -6.2% and -10.3%, respectively.  
Reflects the most recent experience filing in each jurisdiction as of 9/16/2022.  
Due to the timing of the individual loss cost/rate filings, the figures shown may include changes from prior filing seasons





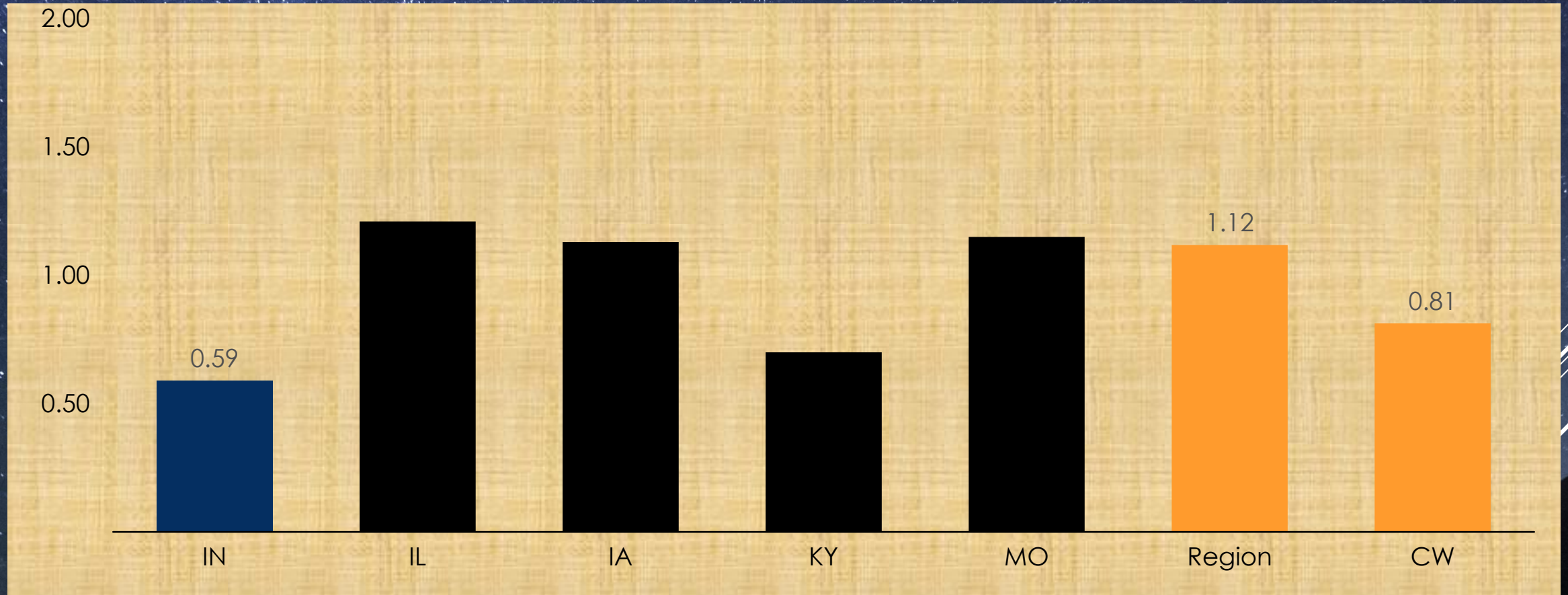
# Current Voluntary Market Loss Cost/Rate Changes

## Midwestern States



# AVERAGE VOLUNTARY PURE LOSS COSTS

USING INDIANA PAYROLL DISTRIBUTION







# INDIANA COMPENSATION RATING BUREAU

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