



## Commonwealth of Kentucky Public Protection Cabinet

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### **Kentucky's Consistent Decrease in Workers' Compensation Loss Costs Continues for 18<sup>th</sup> Consecutive year *Decreased claims attractive for business recruitment***

**Frankfort, Ky. (Oct. 16, 2023)** – An annual filing insurance carriers use to develop rates for workers' compensation coverage shows the 18th consecutive overall decrease in loss costs, Kentucky Department of Insurance (DOI) Commissioner Sharon P. Clark announced today.

Loss cost is the amount of money an insurance company must pay to cover a claim and is an important factor in calculating premium costs.

"This is good news for our employers and for continued economic development in the commonwealth. The decreased claim figures make Kentucky an appealing state to do business," said Commissioner Clark. "It's also indicative of the ongoing safety initiatives by Kentucky's employers who work to keep their employees safe while on the job."

The 2023 filing, approved by the Kentucky Department of Insurance, and effective Jan. 1, 2024, was submitted by the National Council on Compensation Insurance, Inc. (NCCI), an advisory organization that is the oldest provider of workers' compensation and employee injury data and statistics in the nation.

The loss cost figures show an average reduction of 6.4 percent for the 586 industrial classes used in Kentucky. The industrial classes include manufacturing, office and clerical, contracting, and goods and services. Class codes are assigned to a business based on the type of work its employees perform.

COVID-19-related claims were not included in the data used for this analysis and includes the impact of tornadoes that hit Kentucky on Dec. 10-11, 2021.

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*The Kentucky Department of Insurance regulates the Commonwealth's insurance market, licenses agents and other insurance professionals, monitors the financial condition of companies, educates consumers to make wise choices, and ensures Kentuckians are treated fairly in the marketplace. To learn more about DOI, visit [Insurance.ky.gov](https://www.insurance.ky.gov).*