



Commonwealth of Kentucky
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DOI approves annual workers' comp filing
Overall loss costs decrease for 16th consecutive year

FRANKFORT, Ky. (Nov. 2, 2021) -- The Kentucky Department of Insurance (DOI) announces the approval of the 2021 rate filing used to develop rates for workers' compensation coverage.

For the 16th consecutive year, the filing shows an overall decrease in Kentucky's loss costs. A loss cost is an average compensation for lost wages based on the level of disability, plus medical benefit payments. The loss cost is a direct component in the computation of an individual employer's workers' compensation insurance rate. There was no significant impact from the COVID pandemic.

"The decrease shows the continuing decline in the lost-time claim frequency and flat trend of the indemnity severity rate as well as an annual loss ratio trend for indemnity of -3.5%, said DOI Commissioner Sharon P. Clark. "Under the leadership of Gov. Beshear, Kentucky is increasing investment and creating jobs. The decreased claim figures make Kentucky an appealing state to do business."

According to the loss costs figures submitted in the 2021 annual rate filing, there is an average reduction of 10.4% across the class codes used in Kentucky. The class codes define all forms of employment, including manufacturing, office and clerical, contracting, and goods and services. The loss cost decrease represents an average, and each employer's ultimate rate, and the premium will vary. On average, the department has approved a 19% decrease in loss costs over the past two years.

As in previous years, not all employers will see a decrease in their loss costs. For example, loss costs for surface and underground coal mining increased by 5.5% and 1% respectively.

The approved rate filing became effective Oct. 1, 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 https://insurance.ky.gov/ppc/new_default.aspx.