



## Commonwealth of Kentucky Public Protection Cabinet

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### Annual Workers' Compensation Loss Costs Decreases for Seventeenth Consecutive Year

**Frankfort, Ky. (Oct. 12, 2022)** – An annual filing insurance carriers will use to develop rates for workers' compensation coverage shows the seventeenth consecutive overall decrease in loss costs, Kentucky Department of Insurance (DOI) Commissioner Sharon Clark announced today.

The 2022 filing, approved by the Kentucky Department of Insurance, and effective Jan. 1, 2023, 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 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 -6.8%," said DOI Commissioner Clark. "Under the leadership of Gov. Andy Beshear, Kentucky is increasing its investment and creating quality jobs. The decreased claim figures make Kentucky an appealing state to do business."

The filing reflects an overall decrease across the class codes used in Kentucky, including manufacturing, office, and clerical, contracting and goods and services. Wage and medical inflation have the potential to affect historical patterns and were considered but it is not anticipated to create increased premiums due to the declining claim trend. For coal classes, surface mining decreased 2.2% while underground coal mining increased 3.5% from the 2021 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. COVID-19 -related claims were not included in the data used for this analysis.

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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](http://Insurance.ky.gov).*