

Katie Hobbs
Governor

Barbara D. Richardson
Cabinet Executive Officer
Executive Deputy Director

PRESS RELEASE

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Media Contact: James McGuffin
James.mcguffin@difi.az.gov

Date

Phoenix - The Arizona Department of Insurance and Financial Institutions (DIFI) has reviewed the annual National Council on Compensation Insurance (NCCI) rate filing for a 10.3% reduction in Workers' Compensation rates. The decrease, which takes effect January 1, 2024, continues a 10th consecutive year of rate decreases for Arizona employers.

There were approximately 110,000 Workers' Compensation policies written in Arizona by 325 different insurers. These policies generated \$865,450,416 in premiums. According to the NCCI, both Arizona's lost-time claims relative to premium and medical average cost per lost-time claim declined in the latest year while the indemnity average cost per lost-time claim increased slightly.

The NCCI has considered the COVID-19 pandemic and its resulting data¹ as a catastrophic event, because the claims that occurred during this period are not expected to be a reliable predictor of future years. Therefore, all reported COVID-19 claims were excluded from ratemaking in this filing. However, beginning July 1, 2023, new COVID-19 claims with accident dates after July 1 will be included in experience rating and will be reflected in ratemaking in subsequent years (although, COVID-19 claims before that date will continue to be excluded from experience rating and ratemaking).

"This reduction in the Workers' Compensation rates for 2024 are positive and welcome news as the decrease represents a savings for Arizona employers, an indicator of a healthy economy, and stable claims experience," said Cabinet Executive Officer Barbara Richardson.

NCCI annually collects information about workers' compensation and submits proposed rates to the Department of Insurance and Financial Institutions for review. NCCI's recommended rates are based on claims volume, claims utilization, workforce, and wages, as well as any changes in rules or legislation.

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¹ Accident dates of December 1, 2019, and June 30, 2023.