

FILING MEMORANDUM

ITEM U-1399A—REVISIONS TO STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—AMENDED PENSION TABLE VALUES

To become effective October 1, 2014, for claims valued as of October 2014, and subsequent.

PURPOSE

The purpose of this item is to amend six values each, in Pension Tables IV-A and IV-B—Present Value of Survivorship Benefits, as approved in Item U-1399—Revisions to Statistical Plan for Workers Compensation and Employers Liability Insurance.

BACKGROUND

In October 2013, NCCI filed Item U-1399, which included several reporting clarifications and updated Pension Table values. This filing has been approved in all NCCI states. The updated Pension Tables have not yet been published in the *Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)* and are not in effect until claims are valued as of October 2014, and subsequent.

Item U-1399 included 19 updated Pension Tables representing approximately 5,000 values. Recently, NCCI identified six values each, in Pension Tables IV-A and IV-B, that were understated by approximately 0.5% for Table IV-A and approximately 1% for Table IV-B. All other Pension Table values were confirmed to be accurate.

PROPOSAL

NCCI proposes to amend six values each, in Tables IV-A and IV-B, that were approved in Item U-1399. Exhibits 1 and 2 display excerpts of Pension Tables IV-A and IV-B respectively, with the corrected values underlined.

IMPACT

Since the updated Pension Tables have not yet been published in the *Statistical Plan*, and are not in effect until claims are valued as of October 2014, and subsequent, there is no impact of this amended item filing. The minimal extent of the corrected values, as compared to the originally approved values, is displayed in Exhibit 3.

Also, this item does not impact the reporting clarifications and all other Pension Table values approved in Item U-1399.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

In order to implement this item, the attached exhibits detail the changes required in NCCI's *Statistical Plan*.

In all states, except Hawaii, this item is to be effective for claims valued as of October 2014, and subsequent.

In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.

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Exhibit	Exhibit Comments
1	Displays an excerpt of Pension Table IV-A with the corrected values underlined
2	Displays an excerpt of Pension Table IV-B with the corrected values underlined
3	Displays a chart summarizing the originally approved values and corrected values for Pension Tables IV-A and IV-B

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ITEM U-1399A—REVISIONS TO STATISTICAL PLAN FOR WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE—AMENDED PENSION TABLE VALUES

**EXHIBIT 1
STATISTICAL PLAN—2008 EDITION
PART 7—PENSION TABLES
F. PENSION TABLES**

16. Present Value of Survivorship Benefits Table—Table IV-A

**Table IV-A
Present Value of Survivorship Benefits Table
Based on an Annual Rate of Interest of 3.5% and an Annual Rate of Escalation of 0.0%*
Age Difference (Spouse's Age Minus Claimant's Age)****

Claimant's Age	-5	-4	-3	-2	-1	0
16						1.210
17					1.286	1.246
18				1.366	1.324	1.282
19			1.449	1.405	1.362	1.318
20		1.536	1.491	1.445	1.400	1.355
21	1.628	1.580	1.533	1.485	1.438	1.391
22	1.673	1.624	1.575	1.526	1.477	1.428
23	1.720	1.669	1.618	1.567	1.516	1.465
24	1.769	1.716	1.662	1.609	1.555	1.502
25	1.819	1.763	1.708	1.652	1.596	<u>1.541</u>
26	1.871	1.813	1.755	1.697	<u>1.639</u>	1.581
27	1.924	1.864	1.804	<u>1.743</u>	1.683	1.623
28	1.980	1.917	<u>1.854</u>	1.791	1.728	1.666
29	2.037	<u>1.971</u>	1.906	1.840	1.775	1.710
30	<u>2.095</u>	2.027	1.959	1.891	1.823	1.755
31	2.155	2.085	2.014	1.943	1.872	1.801
32	2.217	2.143	2.070	1.996	1.922	1.849
33	2.280	2.203	2.127	2.050	1.974	1.897
34	2.344	2.265	2.185	2.105	2.026	1.947
35	2.410	2.327	2.244	2.162	2.079	1.997
36	2.477	2.391	2.305	2.219	2.133	2.048
37	2.545	2.456	2.366	2.277	2.188	2.100
38	2.614	2.521	2.428	2.336	2.244	2.152
39	2.684	2.587	2.491	2.395	2.299	2.204
40	2.754	2.654	2.554	2.454	2.355	2.256

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**EXHIBIT 2
STATISTICAL PLAN—2008 EDITION
PART 7—PENSION TABLES
F. PENSION TABLES**

17. Present Value of Survivorship Benefits Table—Table IV-B

**Table IV-B
Present Value of Survivorship Benefits Table
Based on an Annual Rate of Interest of 3.5% and an Annual Rate of Escalation of 4.0%*
Age Difference (Spouse's Age Minus Claimant's Age)****

Claimant's Age	-5	-4	-3	-2	-1	0
16						11.033
17					11.684	10.973
18				12.358	11.619	10.911
19			13.054	12.289	11.553	10.848
20		13.771	12.981	12.219	11.486	10.783
21	14.509	13.694	12.907	12.147	11.417	10.716
22	14.427	13.616	12.831	12.074	11.346	10.646
23	14.346	13.537	12.754	12.000	11.273	10.576
24	14.264	13.457	12.677	11.924	11.200	10.504
25	14.182	13.378	12.600	11.849	11.126	<u>10.432</u>
26	14.101	13.299	12.523	11.774	<u>11.053</u>	10.361
27	14.020	13.220	12.446	<u>11.699</u>	10.980	10.289
28	13.938	13.141	<u>12.369</u>	11.624	10.906	10.218
29	13.856	<u>13.061</u>	12.291	11.548	10.833	10.146
30	<u>13.774</u>	12.981	12.213	11.472	10.759	10.075
31	13.691	12.900	12.134	11.395	10.685	10.002
32	13.607	12.818	12.055	11.318	10.610	9.929
33	13.522	12.735	11.974	11.240	10.534	9.856
34	13.436	12.652	11.893	11.161	10.457	9.782
35	13.349	12.566	11.810	11.081	10.379	9.706
36	13.260	12.480	11.726	10.999	10.300	9.630
37	13.169	12.392	11.641	10.917	10.220	9.552
38	13.077	12.303	11.554	10.832	10.138	9.473
39	12.983	12.211	11.465	10.746	10.054	9.392

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EXHIBIT 3

Present Value of Survivorship Benefits Tables IV-A and IV-B Originally Approved and Corrected Values				
Table	Claimant's Age	Age Difference	Originally Approved Value	Corrected Value
IV-A	30	-5	2.086	2.095
IV-A	29	-4	1.962	1.971
IV-A	28	-3	1.845	1.854
IV-A	27	-2	1.734	1.743
IV-A	26	-1	1.630	1.639
IV-A	25	0	1.532	1.541
IV-B	30	-5	13.651	13.774
IV-B	29	-4	12.939	13.061
IV-B	28	-3	12.248	12.369
IV-B	27	-2	11.580	11.699
IV-B	26	-1	10.937	11.053
IV-B	25	0	10.320	10.432