



NYCIRB

New York Compensation
Insurance Rating Board
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August 25, 2020

R.C. 2522

Re: Rating Board Releases Multi-Bureau Study on the
Historical Patterns of Mega Claims

Members of the Rating Board:

I write to inform you that the Rating Board, in collaboration with a number of other workers' compensation rating bureaus, has released its Countrywide Mega Claims Study. The full study is available on the Rating Board's [website](#).

The study analyzes trends in mega claims, defined as workers' compensation claims with incurred losses at 2018 cost levels of \$3 million, across the country. It assesses whether these claims have become more common over time and are being recognized as mega claims more quickly than in the past. The study also analyzes the characteristics of these claims in terms of size, claim type and industry segment and whether those characteristics have changed over time.

The study's key findings include:

- The rate of reported mega claims dropped sharply during the Great Recession as construction employment plummeted in most of the country. Since 2013, the share of mega claims has increased steadily.
- Reported mega claims for accident years 2016 and 2017 were up significantly from prior years, although some of the increase may be attributable to insurers being able to identify such claims earlier.
- Claims often take some time to breach the \$3 million threshold. Less than one-half of mega claims reach the \$3 million threshold by 18 months from policy inception, and less than 90 percent reach that threshold by 126 months from policy inception. However, mega claims are generally reaching the \$3 million threshold more quickly than in the past.

I invite you to join us for a free webinar to learn more about the study and hear insights from the rating bureaus that led the collaborative research effort. Presenters will include representatives of the WCIRB California, NCCI, New Jersey Compensation Rating and Inspection Bureau and New York Compensation Insurance Rating Board. The webinar will be held on Friday, September 11, 2020 from 1:00pm ET to 2:00pm ET. Please click on the "register now" link below to sign up.

[REGISTER NOW](#)



I hope that you find the Countrywide Mega Claims study insightful.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JA", written in a cursive style.

Jeremy Attie
President and CEO