



Minnesota Workers' Compensation
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ALL ASSOCIATION MEMBERS

Circular No. 20-1771

RE: MULTI-BUREAU STUDY OF HISTORICAL PATTERNS OF MEGA CLAIMS

MWCIA, in collaboration with a number of other workers' compensation rating bureaus, has released its *Countrywide Mega Claims study*, found under the Carriers menu on <https://www.mwcia.org>.

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.

Key findings in the study 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.

Research Forum Webinar

Learn more about the study and hear insights from the rating bureaus that led the collaborative research effort in a free webinar. Presenters will include representatives of the WCIRB California, NCCI, New Jersey Compensation Rating and Inspection Bureau and New York Compensation Insurance Rating Board. Click on the registration link below to sign up.

Countrywide Mega Claims

Friday September 11, 2020, 12:00 – 1:00 PM CST

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For questions or clarification, please contact MWCIA Actuarial at actuarial@mwcia.org.